

Daily Market Brief

March 9th 2023



FOREIGN EXCHANGE MARKETS

(Sources: Bloomberg / Forexlive)

EURUSD

EUR/USD struggles to extend the previous day's recovery moves from a two-month low, making rounds to 1.0550 during early Thursday. In doing so, the major currency pair traces the sluggish markets amid a light calendar and an absence of major surprises from the central bankers. It's worth noting that the mixed data from the US and Eurozone join the cautious mood ahead of Friday's key jobs report to also restrict the Euro currency pair's latest moves.

GBPUSD

The GBP/USD pair is juggling near the immediate resistance of 1.1850 in the Asian session. The Cable is gathering strength to scale above the aforementioned resistance. However, the odds are favoring for resumption of the downside as the (DXY) is expected to remain in the driving seat ahead of the release of the U.S. Nonfarm Payrolls (NFP) data.

USDJPY

USD/JPY remains on the front side of the bull trend with the US Dollar still perched near a three-month high on Thursday. Traders have repriced a more aggressive pace of interest rate hikes in the wake of Federal Reserve chairman Jerome Powell's comments. Fed funds futures are now implying a 70% chance the Fed will raise rates by 50 basis points this month.

Fx rates	Last	High	Low	% Daily	% Weekly	% YTD
EUR-USD	1.0553	1.0556	1.0538	0.08	-0.42	-1.42
GBP-USD	1.1859	1.1866	1.1832	0.12	-0.73	-1.85
USD-JPY	136.61	137.38	136.61	-0.55	0.12	-4.02
USD-CHF	0.9399	0.9419	0.9398	-0.20	0.27	-1.64
Commodities	Last	High	Low	% Daily	% Weekly	% YTD
Gold	1813.80	1816.54	1812.01	0.00	-1.20	-0.56
Silver	20.02	20.08	19.98	-0.02	-4.19	-16.42
Crude Oil	76.66	76.79	76.41	0.00	-1.92	-4.81
Bitcoin	21724.34	22012.32	21596.53	-1.28	-2.22	31.35
Etherium	1538.64	1553.60	1524.82	-0.91	-1.18	28.29
Period	1 M	3 M	12 M			
USD LIBOR *	4.72	5.03	5.72			
EURIBOR	2.56	2.92	3.91			
* USD LIBOR rates will be discontinued after June 30, 2023 and will be replaced by SOFR						
Notes/Bonds	2 Y	10 Y	30 Y			
US	5.05	3.99	3.90			
BTP - BUND	0.38	1.78	1.95			
GILTS	3.79	3.77	4.08			

INTERNATIONAL EQUITY MARKETS

(Sources: Bloomberg / Reuters)

UNITED STATES OF AMERICA

The S&P 500 closed slightly higher while the Dow slipped on Wednesday as investors grappled with mixed messages from Federal Reserve Chair Jerome Powell and U.S. economic data ahead of upcoming labor and inflation reports that are expected to determine the central bank's future rate hiking path.

EUROPE

European shares were muted on Wednesday as better-than-expected employment data from the U.S. fanned worries over Federal Reserve Chair Jerome Powell's hawkish rhetoric on interest rates, while investors also assessed the euro zone's fourth-quarter growth numbers.

ASIA

China stocks fell on Thursday as a slowdown in consumer inflation pointed to a weak economic recovery, while lingering geopolitical tensions curbed risk appetite. Hong Kong shares were mixed.

Index	Close	% Daily	% M	YTD	Futures	% Change
DJIA	32798.40	-0.18	-2.68	-1.05	32804.00	-0.03
S&P	3992.01	0.14	-2.19	3.97	3992.75	-0.06
Nasdaq	11576.00	0.40	-1.81	10.60	12212.50	-0.12
DJ EuroStoxx50	4288.45	0.22	0.90	13.04	4290.00	-0.09
FTSE 100	7929.92	0.13	0.24	6.42	7912.00	-0.18
CAC 40	7324.76	-0.20	1.90	13.15	7330.00	N/A
DAX	15631.87	0.46	0.70	12.27	15640.00	-0.13
IBEX 35	9466.10	0.58	2.41	15.03	9480.50	N/A
FTSE MIB	27911.52	0.54	1.48	17.74	27929.00	N/A
Nikkei	28623.15	0.63	3.77	9.69	28640.00	0.77
Hang Seng	20051.25	0.13	-7.16	1.49	20096.00	0.28
DFM General	3427.05	-0.01	-0.55	2.72	N/A	N/A
MSCI Tadawoul	10410.21	-0.60	-0.02	-0.65	N/A	N/A
Leb. Mrkts	Closing Px	High	Low	% Daily	% Weekly	YTD
Solidere A	84.25	84.70	78.00	3.12	9.49	38.34
Solidere B	80.05	82.00	74.00	1.20	6.95	32.64

MUST READ

(Source: Bloomberg/ Forexlive)

Investors should be 'bearish on stocks and bullish on inflation

Greenlight Capital's David Einhorn said he's keeping his negative stance on the stock market as inflation and interest rates could shoot higher. "I think we should be bearish on stocks and bullish on inflation." "I think we're in a policy now, which is probably pretty good for Main Street, but it's going to be difficult and increasingly difficult for financial assets. The star hedge fund manager believes that the Federal Reserve could have more work to do to combat stubborn price pressures, lifting interest rates even higher than consensus expectations. The central bank has taken interest rates to a target range of 4.5%-4.75%, the highest since October 2007. "I think that both long and short term rates are headed higher and probably higher than what people are expecting," Einhorn said. Treasury yields have surged over the past year on the back of a series rate hikes. The benchmark 10-year Treasury yield topped 4% for the first time since November last week. Shorter-term rates surged even higher, with six-month and one-year yields topping 5% for the first time since 2007. "The Fed does want stock prices lower. They've made that clear," Einhorn said. "I think it would be better if they cared less about the stock market in either direction." Einhorn just scored "an exceptionally good year" with a 36.6% return in 2022, thanks in part to his short position in a slew of innovative technology stocks like those touted by growth investor Cathie Wood. The hedge fund manager said in a recent investor letter that 2022 in many ways was his best year ever and the period was most comparable to 2001, the year after the last tech bubble popped. He also revealed that he is still short some "bubble" names.

MAIN WEEKLY EARNINGS

(Source: Nasdaq)

Company	Ticker	Market Cap	Date	Time	Estimate	Year Ago
Oracle Corporatio	ORCL US	\$232.7 B	09-Mar-23	After-mkt	0.95	0.94
DocuSign	DOCU US	\$12.1 B	09-Mar-23	After-mkt	0.04	-0.11
Toro Company	TTC US	\$11.6 B	09-Mar-23	Pre-mkt	0.91	0.66
JD.com. Inc	JD US	\$72.8 b	09-Mar-23	Pre-mkt	0.37	0.09
Gap, Inc	GPS US	\$4.8 B	09-Mar-23	After-mkt	-0.59	-0.02

ECONOMIC CALENDER

(Source: Forexlive)

- (10-03-23) JP- BoJ Interest Rate Decision; BoJ Monetary Policy Statement report
- (10-03-23) DE- Harmonized Index of Consumer Prices YoY FEB
- (10-03-23) GB- Manufacturing Production JAN; Industrial Production JAN
- (10-03-23) GB- Gross Domestic Product MoM JAN; NIESR GDP Estimate (3M) FEB
- (10-03-23) EA- ECB's Panetta speech; ECB's President Lagarde speech
- (10-03-23) US- Nonfarm Payrolls FEB; Michigan Consumer Sentiment Index MAR
- (10-03-23) CA- Unemployment Rate FEB; Net Change in Employment FEB

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