

Daily Market Brief

October 9th 2023



FOREIGN EXCHANGE MARKETS

(Sources: Bloomberg / Reuters)

EURUSD

EUR/USD kicks off the week by continuing the winning streak that began on Wednesday, trading higher around 1.0570 during the early Asian session on Monday. The concern is that this conflict has the potential to escalate and spread to other parts of the region, introducing geopolitical uncertainties that could impact global markets.

GBPUSD

GBP/USD reverses an Asian session dip to sub-1.2200 levels, albeit lacks any follow-through buying. Escalating geopolitical tension in the Middle East and hawkish Fed expectations underpin the USD. Expectations that the BoE is done hiking rates hold back the GBP bulls from placing aggressive bets.

USDJPY

The USD/JPY pair struggles to capitalize on Friday's positive move and opens with a modest bearish gap on the first day of a new week. Spot prices, however, manage to rebound a few pips from sub-149.00 levels, or the daily low, though lack follow-through in the wake of escalating geopolitical tensions in the Middle East, which tends to benefit the safe-haven Japanese Yen (JPY).

Fx rates	Last	High	Low	% Daily	% Weekly	% YTD
EUR-USD	1.0554	1.0574	1.0548	-0.30	0.73	-1.41
GBP-USD	1.2214	1.2225	1.2192	-0.19	1.05	1.08
USD-JPY	149.13	149.24	148.99	-0.13	0.49	-12.08
USD-CHF	0.9097	0.9107	0.9080	-0.01	0.95	1.63
Commodities	Last	High	Low	% Daily	% Weekly	% YTD
Gold	1854.14	1855.52	1845.64	1.15	1.43	1.65
Silver	21.89	22.02	21.70	1.35	4.03	-8.60
Crude Oil	85.90	87.24	84.67	3.76	-3.29	10.40
Bitcoin	27875.50	27996.68	27815.22	-0.17	0.78	68.54
Etherium	1628.34	1638.90	1624.35	-0.53	-0.84	35.77
Period	1 M	3 M	12 M			
USD LIBOR *	5.46	5.67	6.04			
EURIBOR	3.86	3.98	4.19			
SOFR	5.34	5.41	5.40			
Notes/Bonds	2 Y	10 Y	30 Y			
US	5.08	4.80	4.97			
BTP - BUND	0.88	2.03	2.32			
GILTS	4.89	4.57	5.04			

INTERNATIONAL EQUITY MARKETS

(Sources: Bloomberg / Reuters)

UNITED STATES OF AMERICA

Stocks rallied Friday even after the release of stronger-than-expected U.S. jobs data and a pop in Treasury yields. The U.S. economy added 336,000 jobs in September, the Labor Department said. Economists polled by Dow Jones expected 170,000 jobs. To be sure, wages rose less than expected last month. Markets will remain closed following the weekend for Columbus Day.

EUROPE

European shares advanced at the end of a turbulent week tracking Wall Street gains, but hit weekly losses, while a hotter-than-expected U.S. jobs report indicated interest rates might remain elevated for longer pushing bond yields higher. DAX, CAC40, FTSE100 all soared on Friday.

ASIA

Asian shares mostly rose in cautious trading Friday after Wall Street drifted to a quiet close on worries about a too-hot U.S. job market. Asian equity markets diverged on Friday. Hong Kong's Hang Seng Index was a standout gainer with investors looking at early data from China's Golden Week holiday for signs of the health of the country's economy.

Index	Close	% Daily	% M	YTD	Futures	% Change
DJIA	33407.58	0.87	-3.38	0.79	33435.00	-0.49
S&P	4308.50	1.18	-3.34	12.22	4315.75	-0.59
Nasdaq	13431.34	1.60	-2.40	28.33	15028.00	-0.56
DJ EuroStoxx50	4144.43	1.09	-2.19	9.25	4154.00	-0.31
FTSE 100	7494.58	0.58	0.22	0.57	7539.50	0.09
CAC 40	7060.15	0.88	-2.49	9.06	7065.00	N/A
DAX	15229.77	1.06	-3.27	9.38	15277.00	-0.46
IBEX 35	9235.80	0.85	-1.38	12.23	9214.00	N/A
FTSE MIB	27810.61	1.16	-1.50	17.31	27770.00	N/A
Nikkei	30994.67	-0.26	-4.94	18.78	31050.00	0.10
Hang Seng	17485.98	0.40	-3.55	-11.25	17600.00	0.39
DFM General	4164.61	-1.21	1.15	23.33	N/A	N/A
MSCI Tadawoul	10596.02	-1.57	-5.52	1.12	N/A	N/A

Leb. Mrkts	Closing Px	High	Low	% Daily	% Weekly	YTD
Solidere A	77.00	79.50	77.00	-0.52	1.25	26.44
Solidere B	77.05	77.05	77.05	-0.19	-0.45	27.67

MUST READ

(Source: Bloomberg/ Forexlive)

Stocks Sink Across Mideast as Israel Goes to War With Hamas

The repercussions of the Israel-Hamas conflict rippled through stock markets in the Middle East and North Africa on Sunday. Israel's Tel Aviv share index the TA-35 ended the session about 7% lower, pulled down largely by banking shares. This was the market's sharpest fall in more than three years. Other stock markets beyond Israel also felt the shock waves. Saudi Arabia's Tadawul, which is among the world's top 10, fell by 1.6%, while Egypt's EGX30 index fell about two per cent. Kuwait's main market was down by more than 1.5%, Jordan's ASE index declined 0.4%, Qatar equity markets slipped 0.6%, while the Bahrain All Share Index lost 0.06%. Analysts say the impact on Gulf and Middle East markets depends on whether the conflict spreads. "This will add more uncertainty to markets, with inflation and growth taking a step back and geopolitical risk taking centre stage. We could expect a spike in volatility, with short-term fixed income becoming again a safe haven, while cyclical sectors will be in the spotlight," Lardies, equities fund manager at Andbank, told Bloomberg. However Benito, chief investment officer at Dunas Capital, said: "I don't expect the situation to have a meaningful impact on markets. This is a long standing terrible situation but other than some short term volatility it shouldn't have a big impact" As regards the impact of the conflict on the crude oil price, Bloomberg reported that as oil traders prepare for the market to open after the sudden outbreak of war in Israel, one question is central: will the conflict spread?

MAIN WEEKLY EARNINGS

Company	Ticker	Market Cap	Date	Time	Estimate	Year Ago
Pepsico, Inc.	PEP US	232.52 M	10-Oct-23	Pre-mkt	2.16	1.97
Blackrock Inc	BLK US	95.65 B	13-Oct-23	Pre-mkt	8.50	9.55
JPMorgan Chase & Co.	JPM US	416.59 B	13-Oct-23	Pre-mkt	3.84	3.12
Wells Fargo & Co.	WFC US	142.93 B	13-Oct-23	Pre-mkt	1.24	1.30
Citigroup Inc	C US	78.13 B	13-Oct-23	Pre-mkt	1.23	1.50

ECONOMIC CALENDAR

(10-10-23) US - Wholesale Inventories MoM
(10-10-23) JP - BoP Current Account Balance
(10-10-23) US - NFIB Small Business Optimism
(11-10-23) US - CPI MoM
(11-10-23) CA - Building Permits MoM
(11-10-23) US - FOMC Meeting Minutes
(11-10-23) US - MBA Mortgage Applications

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