

Daily Market Brief

January 10 2024



FOREIGN EXCHANGE MARKETS

(Sources: Bloomberg / Reuters)

EUR/USD

The EUR/USD pair struggles to gain any meaningful traction on Wednesday and remains confined in a familiar range held over the past week or so. Spot prices trade around the 1.0930-1.0925 region awaiting the release of the latest consumer inflation figures from the United States (US) on Thursday for some meaningful directional impetus. Traders now look to French Industrial Production data and Italian Retail Sales figures.

GBP/USD

GBP/USD is in focus as it hovers around 1.2710 during the Asian session on Wednesday. After a recent dip, the Pound Sterling (GBP) found support against the US Dollar (USD). The improved market risk appetite, driven by comments from Federal Reserve (Fed) members speculating about potential rate cuts by the end of 2024, contributed to a weaker US Dollar. A sudden shift in sentiment towards risk aversion added pressure, impacting the GBP/USD pair.

USD/JPY

The USD/JPY posted decent gains late in the North American session, courtesy of risk aversion as investors shrug off economic data from Japan. The Japanese economic docket will feature the Current Account on Thursday. On the US front, inflation data is widely expected to show a mixed print.

Fx rates	Last	High	Low	% Daily	% Weekly	% YTD
EUR-USD	1.0931	1.0936	1.0926	0.00	0.08	-0.98
GBP-USD	1.2697	1.2718	1.2694	-0.10	0.25	-0.27
USD-JPY	144.85	144.94	144.32	0.26	-1.08	-2.63
USD-CHF	0.8526	0.8529	0.8519	0.04	-0.41	-1.31
Commodities	Last	High	Low	% Daily	% Weekly	% YTD
Gold	2025.81	2032.91	2024.43	-0.22	-0.96	-1.80
Silver	22.86	23.04	22.82	-0.55	-1.45	-3.95
Crude Oil	72.61	72.68	72.12	0.51	-0.12	1.34
Bitcoin	45952.90	46277.51	45313.67	1.16	4.51	8.10
Etherium	2375.43	2400.50	2316.61	2.51	5.67	4.08
Period	1 M		3 M			12 M
EURIBOR	3.87		3.93			3.62
SOFR	5.34		5.32			4.82
Notes/Bonds	2 Y		10 Y			30 Y
US	4.36		4.02			4.19
BTP - BUND	0.58		1.66			2.05
GILTS	4.21		3.78			4.39

INTERNATIONAL EQUITY MARKETS

(Sources: Bloomberg / Reuters)

UNITED STATES OF AMERICA

The S&P 500 trimmed an earlier decline Tuesday, boosted by tech shares, as Wall Street looked to regain its footing after a tough start to 2024. Nvidia traded more than 3.5% higher, reaching a fresh all-time high. Tech, the big outperformer for 2023, struggled out of the gate in 2024, putting pressure on the broader market. Year to date thus far, the space is down more than 1%.

EUROPE

European markets retreated on Tuesday, reversing earlier gains and extending their gloomy start to the new trading year. Mining stocks led the losses, down 1.35%, while health-care stocks ticked 0.69% higher. Global investors are looking ahead this week to the release of the latest U.S. inflation data and big bank earnings.

ASIA

Asia-Pacific markets mostly rose Tuesday, rebounding from a sell-off in the previous session, with the Nikkei 225 hitting a 33-year high on the back of gains in tech stocks. Tokyo's inflation rate slowed to 2.4% in December from 2.6% in the previous month. Core inflation — which strips out prices of fresh food — remained unchanged at 2.1%, and came in line with expectations.

Index	Close	% Daily	% M	YTD	Futures	% Change
DJIA	37525.16	-0.42	3.52	-0.44	37715.00	-0.12
S&P	4756.50	-0.15	3.30	-0.28	4788.50	-0.07
Nasdaq	14857.71	0.09	3.15	-1.02	16821.25	-0.04
DJ EuroStoxx50	4467.17	-0.41	-1.24	-1.20	4483.00	-0.24
FTSE 100	7683.96	-0.13	1.71	-0.64	7674.50	-0.23
CAC 40	7426.62	-0.32	-1.33	-1.55	7435.00	N/A
DAX	16688.36	-0.17	-0.42	-0.38	16787.00	-0.21
IBEX 35	10060.30	-1.46	-1.60	-0.41	10074.90	N/A
FTSE MIB	30408.78	-0.53	0.02	0.19	30541.00	N/A
Nikkei	34441.72	2.01	6.60	2.92	34470.00	2.10
Hang Seng	16190.02	-0.76	-1.63	-5.75	16105.00	-0.70
DFM General	4117.72	-0.15	4.05	1.27	N/A	N/A
MSCI Tadawoul	12197.61	-0.44	7.97	1.92	N/A	N/A

Leb. Mrkts	Closing Px	High	Low	% Daily	% Weekly	YTD
Solidere A	79.85	80.00	79.00	-1.54	-10.28	-10.38
Solidere B	80.10	80.10	80.10	0.00	-7.83	-10.95

MUST READ

(Source: Bloomberg/ Forexlive)

On credit cards

Americans are increasingly leaning on their credit cards. Altogether, card balances now total \$1.08 trillion, according to the latest quarterly report from the Federal Reserve Bank of New York, a new record. "Over the past two years, Americans' credit card balances have skyrocketed 40%," said Ted Rossman, senior industry analyst at Bankrate. "While Americans are managing their credit card debt pretty well, all things considered, we are seeing pockets of trouble at the household level," Rossman said. More cardholders are carrying debt from month to month and fewer are able to pay off their balances in full, according to a separate report by Bankrate.com. Nearly half, or 49%, of credit card holders carry debt from month to month on at least one card, up from 46% last year, the report found, and 56 million cardholders have been in debt for at least a year. "The current environment is tough," Rossman said. "Although inflation has eased, there's a cumulative effect there." This may also be a consequence of "shifts in lending, overextension, or deeper economic distress associated with higher borrowing costs and price pressures," Fed researchers noted in a blog post. Not only can carrying a balance lower your credit score, but sky-high annual percentage rates also make revolving debt a particularly hard cycle to break. The average credit card rate is now more than 20%, on average — an all-time high — after rising at the steepest annual pace ever, in step with the Federal Reserve's interest rate hike cycle. Even though Fed officials indicated as many as three cuts coming this year, credit card APRs aren't likely to improve much.

MAIN WEEKLY EARNINGS

Company	Ticker	Market Cap	Date	Time	Estimate	Year Ago
Blackrock Inc	BLK US	\$ 118.96 B	12-Jan-24	Pre-mkt	8.77	8.93
Citigroup Inc	C US	\$ 102.35 B	12-Jan-24	Pre-mkt	0.79	1.10
JPMorgan Chase & Co	JPM US	\$ 493.38 B	12-Jan-24	Pre-mkt	3.59	3.57
Bank of America	BAC US	\$ 266.14 B	12-Jan-24	Pre-mkt	0.68	0.85
Bank of New York	BK US	\$ 40.72 B	12-Jan-24	Pre-mkt	1.10	1.30

ECONOMIC CALENDAR

(10-01-24) FR - Industrial Production MoM
(10-01-24) US - MBA Mortgage Applications
(11-01-24) US - Headline & Core CPI MoM
(11-01-24) US - Initial Jobless Claims
(12-01-24) JP - BoP Current Account Balance
(12-01-24) UK - Industrial Production MoM
(12-01-24) FR - CPI YoY

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