

Daily Market Brief

October 10 2023



FOREIGN EXCHANGE MARKETS

(Sources: Bloomberg / Reuters)

EURUSD

EUR/USD extends losses on the second day, trading lower around 1.0560 aligned with the immediate support at 1.0550 psychological level during the Asian session on Tuesday. However, the pair received upward support due to the continued correction in the US Dollar (USD).

GBPUSD

GBP/USD ticks higher during the Asian session on Tuesday, albeit lacks follow-through. The GBP/USD pair builds on the previous day's goodish rebound of over 80 pips from the 1.2165-1.2160 area and extends its steady ascent through the Asian session on Tuesday. Retreating US bond yields, a positive risk tone undermines the USD and lends support. Expectations that the BoE is done hiking rates keep a lid on further gains for the major.

USDJPY

The USD/JPY pair attracts some buyers near the 148.15 region, or a one-week low touched during the Asian session on Tuesday and climbs to a fresh daily peak in the last hour. Spot prices, however, remain confined in a familiar range held over the past week or so and currently trade around the 148.60-148.65 area, up less than 0.10% for the day. A generally positive risk tone is seen undermining the safe-haven Japanese Yen (JPY) and turning out to be a key factor lending some support to the USD/JPY pair.

Fx rates	Last	High	Low	% Daily	% Weekly	% YTD
EUR-USD	1.0563	1.0584	1.0559	-0.04	0.92	-1.33
GBP-USD	1.2229	1.2257	1.2223	-0.07	1.26	1.21
USD-JPY	148.86	148.86	148.17	0.24	0.11	-11.92
USD-CHF	0.9055	0.9069	0.9044	-0.12	1.71	2.10
Commodities	Last	High	Low	% Daily	% Weekly	% YTD
Gold	1860.05	1865.39	1859.92	-0.07	2.03	1.98
Silver	21.75	21.96	21.71	-0.60	2.72	-9.21
Crude Oil	85.84	86.53	85.76	-0.63	-3.80	10.32
Bitcoin	27643.80	27702.30	27514.00	0.24	0.60	67.14
Etherium	1587.66	1592.50	1574.30	0.69	-1.81	32.37
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	4.97		4.65		4.82	
BTP - BUND	0.91		2.06		2.34	
GILTS	4.83		4.48		4.97	

INTERNATIONAL EQUITY MARKETS

(Sources: Bloomberg / Reuters)

UNITED STATES OF AMERICA

Dow closes nearly 200 points higher, as investors shake off rising oil prices from Israel-Hamas war. Stocks were under pressure earlier on Monday after the Israeli-Palestinian conflict escalated Saturday. The rising geopolitical tensions caused by the conflict could have ramifications for the energy market, with some experts forecasting a brief surge in crude prices but overall limited impact. The bond market was closed Monday for Columbus Day.

EUROPE

European markets dipped Monday as investors assessed the impact of geopolitical turmoil in the Middle East, after Palestinian militant group Hamas launched a large-scale attack on Israel on Saturday. Oil prices jumped 4% overnight and U.S. stocks were lower Monday as the violence adds geopolitical risk to already fragile markets dealing with inflation and surging interest rates.

ASIA

Asian shares have climbed after Wall Street advanced on potentially encouraging news about interest rates, which have been dragging markets lower since the summer.

Index	Close	% Daily	% M	YTD	Futures	% Change
DJIA	33604.65	0.59	-2.81	1.38	#N/A N/A	-0.01
S&P	4335.66	0.63	-2.73	12.92	#N/A N/A	0.01
Nasdaq	13484.24	0.39	-2.01	28.83	#N/A N/A	0.08
DJ EuroStoxx50	4112.57	-0.77	-2.94	8.41	#N/A N/A	0.94
FTSE 100	7492.21	-0.03	0.19	0.54	#N/A N/A	0.74
CAC 40	7021.40	-0.55	-3.03	8.46	#N/A N/A	N/A
DAX	15128.11	-0.67	-3.92	8.65	#N/A N/A	0.84
IBEX 35	9151.30	-0.91	-2.28	11.21	#N/A N/A	N/A
FTSE MIB	27682.06	-0.46	-1.95	16.77	#N/A N/A	N/A
Nikkei	30994.67	2.58	-2.49	21.84	#N/A N/A	2.51
Hang Seng	17517.40	1.23	-2.57	-10.35	#N/A N/A	1.14
DFM General	4056.04	-2.61	-0.28	21.58	N/A	N/A
MSCI Tadawoul	10575.34	-0.20	-5.19	0.92	N/A	N/A

Leb. Mrkts	Closing Px	High	Low	% Daily	% Weekly	YTD
Solidere A	79.40	79.95	77.00	3.12	4.40	30.38
Solidere B	78.20	78.40	77.00	1.49	4.27	29.58

MUST READ

(Source: Bloomberg/ Forexlive)

Middle East tension - Market reaction

In market action, Israel-based stocks booked heavy losses early Monday. SolarEdge (SEDG), headquartered in Herzliya, just north of Tel Aviv, sank 3.8% in Monday market action. Energy stocks rallied broadly Monday along with defense stocks. However, travel and airline plays dropped. Delta Air Lines (DAL) lost 4.7% Monday as United Airlines (UAL) also shed 4.8%. A number of major U.S. and international airlines began canceling flights to Israel, according to Flightaware. American Airlines (AAL) and United stopped all flights to Tel Aviv Monday. U.S. crude oil futures rebounded 3.6% to more than \$86 a barrel, after surging more than 5% at one point Sunday night. Oil prices are still well below \$90 per barrel, which they topped in late September before plunging nearly 9% last week on signs of weakening demand outweighing tightening supply. Leading U.S.-based oil producers, including Chevron (CVX) and ExxonMobil (XOM), advanced Monday. Chevron was notified by Israel's Ministry of Energy to close natural gas production at Tamar natural gas field, off the country's northern coast, for safety reasons, Bloomberg reported Monday. The energy giant is still supplying customers in Israel from the Leviathan platform, according to Bloomberg. Defense stocks including Lockheed Martin (LMT), Northrop Grumman (NOC) and General Dynamics (GD) all rallied.

MAIN WEEKLY EARNINGS

Company	Ticker	Market Cap	Date	Time	Estimate	Year Ago
Delta Air Lines	DAL US	23.81 B	12-Oct-23	Pre-mkt	1.94	1.51
Blackrock Inc	BLK US	95.65 B	13-Oct-23	Pre-mkt	8.50	9.55
Citigroup Inc	C US	78.13 B	13-Oct-23	Pre-mkt	1.23	1.50
Wells Fargo & Co.	WFC US	142.93 B	13-Oct-23	Pre-mkt	1.24	1.30
JPMorgan Chase & Co.	JPM US	416.59 B	13-Oct-23	Pre-mkt	3.84	3.12

ECONOMIC CALENDAR

(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
(12-10-23) US - PPI Ex Food and Energy YoY

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