

Daily Market Brief

October 10th 2024



FOREIGN EXCHANGE MARKETS (Sources: Bloomberg / Reuters)

EURUSD
The EUR/USD pair is trading within a narrow range below the mid-1.0900s, consolidating recent losses as the US Dollar remains strong due to diminished expectations of a Federal Reserve interest rate cut in November. Market sentiment is further influenced by hawkish FOMC minutes, which have kept US government bond yields above 4%, benefiting the dollar and posing challenges for the euro, especially with anticipated ECB rate cuts. Traders are awaiting US inflation data to gauge the Fed's future rate decisions.

GBPUSD
The GBP/USD pair is showing a slight positive bias around 1.3075 during the Asian session, yet it remains near a one-month low as the US Dollar maintains strength from rising expectations of a 25 basis point rate cut by the Federal Reserve in November. This outlook is supported by recent FOMC meeting minutes and elevated US bond yields above 4%, which hinder the GBP's performance, particularly after dovish signals from the Bank of England regarding potential rate cuts. Traders are cautious ahead of US inflation data, which could impact Fed rate expectations and USD demand.

USDJPY
The Japanese Yen dropped to a two-month low against the USD amid the BoJ rate-hike uncertainty. Rising bets for a regular 25 bps Fed rate cut move in November offer support to the USD and USD/JPY. The JPY bulls seem unimpressed by Japan's PPI print as the focus remains glued to the US CPI report.

Fx rates	Last	High	Low	% Daily	% Weekly	% YTD
EUR-USD	1.0937	1.0946	1.0937	-0.02	-0.85	-0.92
GBP-USD	1.3071	1.3078	1.3063	0.00	-0.40	2.67
USD-JPY	149.11	149.55	149.01	-0.13	-1.46	-5.41
USD-CHF	0.8601	0.8610	0.8600	-0.08	-0.84	-2.17
Commodities	Last	High	Low	% Daily	% Weekly	% YTD
Gold	2613.99	2616.94	2605.99	0.24	-1.58	26.71
Silver	30.50	30.66	30.36	0.00	-4.73	28.19
Crude Oil	73.82	73.96	73.26	0.79	0.15	4.49
Bitcoin	60875.13	60981.25	60322.39	0.80	-1.38	43.21
Etherium	2400.28	2408.80	2352.47	1.95	0.34	5.17
Period	1M	3M	6M	12M		
SOFR (\$)	4.82	4.66	4.45	4.13		
ESTR (€)	2.59	3.14	2.93	2.59		
SONIA (£)	4.95	4.79	4.64	4.40		
SARON (F)	0.93	0.83	0.72	0.58		
TONAR (¥)	0.22	0.19	0.13	0.07		

		Rates
U.S. Federal Fund Target Rate		5.00
ECB Main Refinancing Operation Announcement Rate		3.65
ECB Deposit Facility Announcement Rate		3.50
ECB Marginal Lending Facility Announcement Rate		3.90
BOE Official Bank Rate		5.00

INTERNATIONAL EQUITY MARKETS (Sources: Bloomberg / Reuters)

UNITED STATES OF AMERICA
Stocks maintained their gains after minutes from the Federal Reserve's September meeting, where it cut by a half percentage point, revealed that a "substantial majority of participants" favored reducing rates by the larger amount. Investors await the September consumer and producer price index readings due out Thursday and Friday, respectively

EUROPE
European markets closed higher Wednesday as positive sentiment returned to the region with several key releases ahead. German exports rose 1.3% on the month while imports fell 3.4%, increasing its foreign trade balance to a 22.5 billion euro (\$24.6 billion) surplus.

ASIA
Asia-Pacific markets opened mostly higher on Thursday, following gains on Wall Street that saw the S&P 500 and Dow Jones Industrial Average reach new records as investors shrugged off geopolitical concerns. Chinese stocks rebounded after their rally stalled on Wednesday, with the CSI 300 breaking a 10-day rally to drop 7%.

Index	Close	% Daily	% M	YTD	Futures	% Change
DJIA	42512.00	1.03	4.36	12.80	42778.00	0.96
S&P	5792.04	0.71	5.40	21.43	5834.25	0.59
Nasdaq	18291.62	0.60	7.43	21.85	20437.75	0.69
DJ EuroStoxx50	4982.57	0.68	4.96	10.20	4999.00	0.54
FTSE 100	8243.74	0.65	0.46	6.60	8300.00	0.83
CAC 40	7560.09	0.52	2.06	0.22	7603.50	0.51
DAX	19254.93	0.99	5.41	14.94	19381.00	0.91
IBEX 35	11741.50	0.06	4.80	16.23	11758.50	0.17
FTSE MIB	33933.03	0.59	2.17	11.80	33806.00	0.59
Nikkei	39277.96	0.30	8.95	17.73	39450.00	1.21
Hang Seng	20637.24	3.90	24.42	25.78	21461.00	3.37
DFM General	4422.33	-0.15	0.79	8.93	N/A	N/A
MSCI Tadawoul	11927.33	-0.83	-0.49	-0.33	N/A	N/A

Leb. Mrkts	Closing Px	High	Low	% Daily	% Weekly	YTD
Solidere A	92.25	93.00	92.00	-0.32	-2.33	3.54
Solidere B	92.00	92.00	92.00	0.00	-1.87	2.28

MUST READ (Source: Bloomberg/ Forexlive)

Nvidia stock steadies with record high in sight as AI boom continues
Nvidia's stock is poised for a record close as investors continue to embrace the AI boom. On Wednesday, shares closed at \$132.65, up 12% from the previous week, following a five-day winning streak. The stock's momentum has been driven by positive developments, including analysts reaffirming Buy ratings and KeyBanc estimating that revenue from Nvidia's new Blackwell chips could hit \$7 billion in Q4. Additionally, Nvidia's software capabilities were highlighted at an AI Summit, while plans for Taiwan's largest supercomputer were announced in collaboration with Foxconn. Shares sank in late August after Nvidia failed to beat analyst expectations as much as investors had hoped and a subpoena from the U.S. Department of Justice, Nvidia's stock has rebounded. Concerns about demand disruption from China, stemming from U.S.-China trade tensions, had also impacted shares. A recent 10-for-1 stock split added to the volatility. Positive news in the semiconductor sector, notably TSMC's stronger-than-expected sales, suggests sustained AI demand. Patrick Moorhead, CEO of Moor Insights and Strategy, emphasized that AI remains a hot market, with expected growth in AI data center trades. Foxconn's chair noted an increase in production capacity to meet soaring demand for Nvidia GPUs. Overall, the semiconductor industry saw a 28% sales rise in August, reflecting ongoing robust spending on AI hardware.

MAIN WEEKLY EARNINGS

Company	Ticker	Market Cap	Date	Time	Estimate	Year Ago
Delta Air Lines Inc	DAL US	\$ 32.90B	10-Oct-24	Pre-mkt	1.52	2.03
JPMorgan Chase & Co	JPM US	\$ 607.22B	11-Oct-24	Pre-mkt	4.01	4.33
Blackrock Inc	BLK US	\$ 141.60B	11-Oct-24	Pre-mkt	10.27	10.91
Bank of New York	BK US	\$ 54.62B	11-Oct-24	Pre-mkt	1.41	1.27
Wells Fargo & co	WFC US	\$ 195.85B	11-Oct-24	Pre-mkt	1.28	1.39

ECONOMIC CALENDAR

(10-10-24) JP - PPI YoY / MoM
(10-10-24) US - CPI MoM / Core CPI
(11-10-24) DE - CPI YoY / MoM
(11-10-24) UK - Industrial Production MoM / YoY
(11-10-24) CA - Net Change in Employment / Unemployment Rate
(11-10-24) US - U. of Mich. Sentiment
(15-10-24) JP - Industrial Production MoM / YoY

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