Daily Market Brief

December 10th 2024

FOREIGN EXCHANGE MARKETS

(Sources: Bloomberg / Reuters)

EUR/USD

The EUR/USD pair is trading positively around 1.0560, but its upside potential is limited due to expectations of a 25-basis point rate cut by the European Central Bank on Thursday. Technically, the pair remains bearish, with support at 1.0480 and potential downside toward 1.0332, while resistance levels are at 1.0623 and 1.0787.

GBP/USD

GBP/USD remains stable around 1.2750, facing potential challenges as the US Dollar strengthens ahead of the US Consumer Price Index data release. The British Pound is near four-week highs, with investors awaiting key UK economic data and the Bank of England's decision, while market participants are pricing in the likelihood of a Federal Reserve rate cut in December.

USD/JPY

The Japanese Yen struggles to extend its recovery against the US Dollar amid uncertain expectations of a Bank of Japan rate hike in December, but benefits from a softer risk sentiment and geopolitical concerns. Additionally, expectations of a Federal Reserve rate cut and subdued US Dollar price action provide support for the Yen, with traders cautious ahead of the US Consumer Price Index data release.

Fx rates	Last	High	Low	% Daily	% Weekly	% YTD
EUR-USD	1.0564	1.0568	1.0545	0.09	0.52	-4.30
GBP-USD	1.2758	1.2763	1.2736	0.06	0.67	0.21
USD-JPY	151.21	151.55	150.90	0.00	-1.06	-6.73
USD-CHF	0.8774	0.8792	0.8771	-0.17	1.01	-4.10

Commodities	Last	High	Low	% Daily	% Weekly	% YTD
Gold	2669.90	2673.85	2658.05	0.36	1.00	29.42
Silver	31.94	32.06	31.75	0.31	2.90	34.21
Crude Oil	68.03	68.37	67.90	-0.50	-2.73	-2.73
Bitcoin	97386.36	98180.03	94971.32	0.47	-1.66	129.10
Etherium	3740.21	3781.93	3537.03	1.07	-3.10	63.88

Period	1M	3M	6M	12M
SOFR ($)	4.45	4.40	4.29	4.13
ESTR (€)	2.13	2.81	2.47	2.13
SONIA (£)	4.70	4.65	4.55	4.38
SARON (F)	0.60	0.58	0.45	0.26
TONAR (¥)	0.22	0.22	0.18	0.10

	Rates
U.S. Federal Fund Target Rate	4.75
ECB Main Refinancing Operation Announcement Rate	3.4
ECB Deposit Facility Announcement Rate	3.25
ECB Marginal Lending Facility Announcement Rate	3.65
BOE Official Bank Rate	4.75

INTERNATIONAL EQUITY MARKETS

(Sources: Bloomberg / Reuters)

UNITED STATES OF AMERICA

The S&P 500 and Nasdaq Composite pulled back from record highs Monday, with tech shares struggling and investors looking ahead to key inflation data due out this week. Nvidia shares dropped about 2.6% on the heels of a Chinese regulator announcing that it is investigating the artificial intelligence chip darling for potentially violating the country’s antimonopoly law.

EUROPE

European stocks closed higher on Thursday, with French markets in focus after Prime Minister Michel Barnier’s government was toppled in a vote of no-confidence Wednesday.

ASIA

China stocks rose Tuesday amid broader gains in Asia-Pacific markets, following losses on Wall Street that saw the S&P 500 and Nasdaq Composite pull back from record highs ahead of key inflation data. Sentiment was boosted by Beijing’s announcement of “more proactive” fiscal measures and “moderately” looser monetary policy next year as part of efforts to boost domestic consumption.

Index	Close	% Daily	% M	YTD	Futures	% Change
DJIA	44401.93	-0.54	0.94	17.81	44477.00	-0.51
S&P	6052.85	-0.61	0.96	26.90	6060.75	-0.63
Nasdaq	19736.69	-0.62	2.33	31.48	21457.25	-0.92
DJ EuroStoxx50	4985.46	0.15	3.80	10.26	4976.00	-0.20
FTSE 100	8352.08	0.52	3.46	8.00	8327.50	0.08
CAC 40	7480.14	0.72	1.93	-0.84	7491.50	0.72
DAX	20345.96	-0.19	5.88	21.46	20321.00	-0.48
IBEX 35	12011.50	-0.50	3.98	18.90	12010.10	-0.52
FTSE MIB	34559.83	-0.55	2.20	13.86	34606.00	-0.55
Nikkei	39160.50	0.53	-0.34	17.64	39410.00	0.95
Hang Seng	20414.09	0.24	-1.28	20.04	20543.00	3.07
DFM General	4848.11	-0.29	4.19	19.07	N/A	N/A
MSCI Tadawoul	12097.40	1.19	-0.05	1.39	N/A	N/A

Leb. Mrkts	Closing Px	High	Low	% Daily	% Weekly	YTD
Solidere A	90.00	#N/A N/A	#N/A N/A	0.00	-2.23	1.01
Solidere B	90.00	#N/A N/A	#N/A N/A	0.00	-8.16	0.06

MUST READ

(Source: Bloomberg/ Forexlive)

Gold Adds to Advance Before US Data That May Shape Fed Rate Move

Gold prices increased for a third consecutive day, reaching around $2,670 an ounce, as traders focused on upcoming U.S. inflation reports that could influence the Federal Reserve's interest rate decision. The rise followed a 1% gain on Monday after China’s central bank added gold to its reserves for the first time in seven months. Geopolitical tensions, particularly in Syria after the removal of Bashar Al-Assad, further boosted gold's appeal as a safe-haven asset. Key inflation data, set for release on Wednesday and Thursday, will offer insights into price trends ahead of the Fed's policy meeting next week. Any sign of stalled progress in reducing inflation could lower the chances of a rate cut, though markets are pricing in a 90% probability of a 25-basis-point reduction. Typically, higher interest rates are negative for gold, as it doesn’t yield interest. Gold hit a record high of over $2,790 in October due to the Fed’s shift toward monetary easing and global uncertainties. However, prices have eased somewhat due to the dollar's strength following Donald Trump's election win. Despite this, gold remains 29% higher in 2024. In Singapore, spot gold rose to $2,668.79, with silver edging higher and platinum and palladium declining.

MAIN WEEKLY EARNINGS

Company	Ticker	Market Cap	Date	Time	Estimate	Year Ago
Autozone Inc	AZO US	$ 56.19B	10-Dec-24	Pre-mkt	33.32	32.55
Adobe Inc	ADBE US	$ 241.20B	11-Dec-24	Aft-mkt	4.67	4.27
Oxford Industries	OXM US	$ 1.28B	11-Dec-24	Aft-mkt	0.09	1.01
Broadcom Inc	AVGO US	$ 835.75B	12-Dec-24	Aft-mkt	1.39	1.11
Costco Wholesale	CO US	$ 437.69B	12-Dec-24	Aft-mkt	3.81	3.58

ECONOMIC CALENDAR

(10-12-24) DE - CPI YoY / MoM
(11-12-24) US - CPI MoM / YoY
(11-12-24) CA - Bank Of Canada Rate Decision
(12-12-24) EC - ECB Deposit Facility Rate / ECB Refinancing Rate / ECB Marginal Lending Facility
(12-12-24) US - Initilal Jobless Claims
(13-12-24) JP - Industrial Production MoM / YoY
(13-12-24) UK - Industrial Production MoM

CONTACT

Banque BEMO sal
Asset Management Unit

Ashrafieh, Elias Sarkis Ave., BEMO Bldg, 4th Floor
P.O.Box 16-6353 Beirut, Lebanon
Tel: +961 1 325405/6/7/9