

Daily Market Brief

March 11 2024



FOREIGN EXCHANGE MARKETS

(Sources: Bloomberg / Reuters)

EUR/USD

The EUR/USD pair holds positive ground around the mid-1.0900s during the early Asian trading hours on Monday. The overall view of the US February Nonfarm Payrolls data on Friday suggested labor market activity in the US remains strong. With the prospect that the Fed will begin the first cut in June, this drags the Greenback lower against the Euro (EUR). The US & German February CPI inflation data will be due on Tuesday. On Thursday, US Retail Sales will take center stage.

GBP/USD

GBP/USD hovers around 1.2850 during the Asian session on Monday, maintaining a positive sentiment to potentially extend its winning streak that commenced on March 1. However, the US Dollar (USD) has received upward strength and recovered from intraday losses on Friday following the release of upbeat US Nonfarm Payrolls data. Traders await employment data to gain fresh impetus on the United Kingdom's labor market.

USD/JPY

USD/JPY trims some of its intraday losses on Friday on improved US Dollar (USD) amidst weaker US Treasury yields. Nonetheless, the pair remains in negative territory and continues the losing streak for the fourth successive day, trading around 147.90 during the European trading hours.

Fx rates	Last	High	Low	% Daily	% Weekly	% YTD
EUR-USD	1.0939	1.0953	1.0935	0.00	0.76	-0.91
GBP-USD	1.2852	1.2865	1.2846	-0.05	1.26	0.95
USD-JPY	146.97	147.16	146.54	-0.06	2.42	-4.03
USD-CHF	0.8776	0.8781	0.8759	0.06	0.83	-4.12
Commodities	Last	High	Low	% Daily	% Weekly	% YTD
Gold	2178.82	2189.07	2176.95	-0.01	3.04	5.62
Silver	24.32	24.47	24.24	0.02	1.80	2.19
Crude Oil	77.56	77.99	77.25	-0.58	-1.50	7.71
Bitcoin	68755.13	69506.18	67194.04	-0.97	3.42	61.75
Etherium	3850.23	3907.72	3739.78	-1.46	0.03	68.70
Period	1 M	3 M	12 M			
EURIBOR	3.88	3.94	3.75			
SOFR	5.32	5.32	4.99			
Notes/Bonds	2 Y	10 Y	30 Y			
US	4.48	4.07	4.25			
BTP - BUND	0.56	1.32	1.79			
GILTS	4.25	3.98	4.41			

INTERNATIONAL EQUITY MARKETS

(Sources: Bloomberg / Reuters)

UNITED STATES OF AMERICA

Stocks were hurt Friday as an earlier rally in Nvidia lost steam. The artificial intelligence darling finished down more than 5% in its worst session since late May. The February jobs data released Friday morning offered some conflicting signals as to when it will be safe for the Federal Reserve to start cutting interest rates. The unemployment rate unexpectedly ticked higher to 3.9% and wage growth was lighter than feared.

EUROPE

European markets closed mixed Friday, with investors digesting the ECB's updated inflation forecast and new U.S. jobs data. German industrial output rose 1% in January, more than the 0.5% expected, new data showed Friday. Investors were buoyed after the ECB revised its forecast for inflation in 2024 to 2.3% from 2.7%, even as it held interest rates steady.

ASIA

Asia-Pacific markets rose after comments from U.S. Federal Reserve Chair Jerome Powell hinted that interest rate cuts may not be too distant if inflation signals support policy easing. Japan's January household spending fell more than expected dropping 6.3% year on year.

Index	Close	% Daily	% M	YTD	Futures	% Change
DJIA	38722.69	-0.18	0.13	2.74	38715.00	-0.11
S&P	5123.69	-0.65	1.93	7.42	5124.75	-0.08
Nasdaq	16085.11	-1.16	0.59	7.15	18020.75	-0.14
DJ EuroStoxx50	4961.11	-0.26	5.20	9.72	4941.00	-0.52
FTSE 100	7659.74	-0.43	1.15	-0.95	7637.50	-0.33
CAC 40	8028.01	0.15	4.98	6.43	8033.00	N/A
DAX	17814.51	-0.16	5.25	6.34	17751.00	-0.44
IBEX 35	10305.70	-0.13	4.13	2.02	10319.50	N/A
FTSE MIB	33403.80	-0.04	7.21	10.06	33434.00	N/A
Nikkei	38820.49	-2.19	5.21	16.01	39600.00	#N/A N/A
Hang Seng	16353.39	1.39	5.30	-2.74	16602.00	1.57
DFM General	4253.08	0.11	1.77	4.88	N/A	N/A
MSCI Tadawoul	12618.62	0.32	3.35	5.44	N/A	N/A

Leb. Mrkts	Closing Px	High	Low	% Daily	% Weekly	YTD
Solidere A	75.40	79.90	73.50	-0.46	0.67	-15.38
Solidere B	75.00	75.05	75.00	3.31	1.35	-16.62

MUST READ

(Source: Bloomberg/ Forexlive)

'There Will Be More Failures'

"There will be more bank failures." This was the stark message from Federal Reserve chairman Jerome Powell on Thursday, addressing the exposure of regional banks to the crisis in the commercial real estate sector. Powell was speaking before the Senate Banking Committee and said the Fed had identified the banks most at risk. "It's not a first-order issue for any of the very large banks. It's more smaller and medium-sized banks that have these issues," he told the committee. Recent data from Apollo Academy estimated that smaller banks hold almost 70% of the outstanding loans from commercial real estate (CRE) borrowers. Among these, it added, banks with total assets between \$1 billion and \$10 billion were carrying CRE loans worth an average of nearly 35% of their total assets. Larger banks with more than \$250 billion worth of assets typically had CRE exposure of little more than 5% of their assets. Powell identified the problem as stemming from the change in working practices that were enforced during the COVID-19 pandemic, when many office staff were ordered to work from home. They were slow to return to the office, and many still haven't leaving 19% of U.S. offices empty. "We have identified the banks that have high commercial real estate concentration and we are in dialogue with them, Powell said. He adds that the Fed had been working with these banks for some time and added: "This is a problem we'll be working on for years more, I'm sure."

MAIN WEEKLY EARNINGS

Company	Ticker	Market Cap	Date	Time	Estimate	Year Ago
Oracle Corp	ORCL US	\$ 309.03B	11-Mar-24	Aft-mkt	1.38	1.22
Veritone Inc	VERI US	\$ 83.2M	12-Mar-24	Pre-mkt	-0.15	0.00
Kohl's Corp	KSS US	\$ 3.02B	12-Mar-24	Pre-mkt	1.29	-2.49
Tilly's Inc	TLYS US	\$ 219.4M	14-Mar-24	Aft-mkt	-0.21	0.01
Adobe Inc	ADBE US	\$ 249.36B	14-Mar-24	Aft-mkt	4.38	3.80

ECONOMIC CALENDAR

(11-03-24) JP - GDP SA QoQ
(12-03-24) DE - CPI YoY / CPI MoM
(12-03-24) UK - Claimant Count Rate
(12-03-24) UK - Jobless Claims Change
(12-03-24) US - CPI MoM/ CPI YoY
(13-03-24) UK - Industrial Production MoM
(13-03-24) US - MBA Mortgage Applications

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