

Daily Market Brief

July 11th 2024



FOREIGN EXCHANGE MARKETS

(Sources: Bloomberg / Reuters)

EUR/USD

EUR/USD found some room on the high side on Wednesday, getting pushed up the charts by broad-market Greenback selling. Market sentiment has firmly recovered and leaned into renewed rate cut expectations after Fed Chairman Jerome Powell two-day testimony to US Congressional committees. EU data remains thin, US inflation figures to be key print for the week.

GBP/USD

GBP/USD rallied on Wednesday, clipping into a four-week peak after broad-market expectations of future rate cuts reignited following Fed Chairman Jerome Powell's wrap-up of the two-day Semi-Annual Monetary Policy Report. UK data is limited to mid-tier Industrial Production figures on Thursday. Key US inflation data looms ahead.

USD/JPY

The USD/JPY pair trades on a softer note around 161.55, snapping the three-day winning streak on Thursday during the early Asian session. Investors will take more cues from the US CPI data for June, which is due on Thursday. The Fed Raphael Bostic is set to speak. The growing speculation that BoJ will hike in the July meeting boosts the JPY.

Fx rates	Last	High	Low	% Daily	% Weekly	% YTD
EUR-USD	1.0836	1.0840	1.0826	0.06	0.22	-1.84
GBP-USD	1.2859	1.2864	1.2848	0.08	0.78	1.01
USD-JPY	161.71	161.72	161.48	0.01	-0.27	-12.78
USD-CHF	0.8993	0.8997	0.8986	-0.03	0.09	-6.44
Commodities	Last	High	Low	% Daily	% Weekly	% YTD
Gold	2382.33	2382.99	2371.25	0.47	1.09	15.48
Silver	31.07	31.09	30.76	0.81	2.20	30.56
Crude Oil	82.76	82.87	82.34	0.80	-1.34	15.44
Bitcoin	57915.51	58370.31	57080.06	0.89	-0.13	36.25
Etherium	3093.25	3128.87	3055.15	-0.09	0.95	35.53
Period	1 M	3 M	12 M			
EURIBOR	3.62	3.71	3.59			
SOFR	5.33	5.30	4.96			
US Fed Fund Rate (Indicator)	5.31					
Notes/Bonds	2 Y	10 Y	30 Y			
US	4.62	4.29	4.48			
BTP - BUND	0.49	1.32	1.72			
GILTS	4.12	4.13	4.64			

INTERNATIONAL EQUITY MARKETS

(Sources: Bloomberg / Reuters)

UNITED STATES OF AMERICA

The S&P 500 climbed Wednesday to a fresh record, breaking above 5,600 for the first time, as a sharp rise in semiconductor stocks led the market higher. Chip stocks were among the largest winners of the session. Those moves come as investors await fresh inflation figures on Thursday with the release of the June consumer price index report.

EUROPE

European stocks closed higher Wednesday as investors turn their attention stateside after a week of political drama. Retail topped gains, up 1.6%, as chemicals stocks slipped 0.18%. Norwegian tech group Kongsberg topped gains, up 11%, after reporting a 21% rise in operating revenue.

ASIA

Asia-Pacific markets were mixed on Wednesday, with Japan markets hitting new records after inflation data from the country met expectations. Inflation in China narrowly missed expectations, with the CPI posting a 0.2% rise in June, softer than the 0.4% rise expected by Reuters and down from 0.3% in May.

Index	Close	% Daily	% M	YTD	Futures	3D % Change
DJIA	39721.36	1.09	2.51	5.39	40046.00	1.13
S&P	5633.91	1.02	4.81	18.12	5684.75	0.95
Nasdaq	18647.45	1.18	7.52	24.22	20875.50	0.94
DJ EuroStoxx50	4958.86	1.13	-0.13	9.67	5009.00	1.58
FTSE 100	8193.51	0.66	0.56	5.95	8237.00	0.95
CAC 40	7573.55	0.86	-2.77	0.40	7580.50	0.85
DAX	18407.22	0.94	0.20	9.88	18611.00	1.31
IBEX 35	11071.60	1.59	-0.93	9.60	11073.60	1.62
FTSE MIB	34306.40	1.30	1.28	13.03	34485.00	1.30
Nikkei	41831.99	1.24	8.22	26.56	42370.00	1.80
Hang Seng	17471.67	1.56	-2.37	4.09	17798.00	1.47
DFM General	4080.22	0.05	1.78	0.50	N/A	N/A
MSCI Tadawoul	11784.09	0.04	0.07	-1.53	N/A	N/A
Leb. Mrkts	Closing Px	High	Low	% Daily	% Weekly	YTD
Solidere A	69.55	69.90	69.00	-0.57	0.58	-21.94
Solidere B	70.55	74.95	69.00	3.45	2.25	-21.57

MUST READ

(Source: Bloomberg/ Forexlive)

Africa's Top Oil Producer Aims to Fight Soaring Inflation with Gold Reserves

Nigeria, the biggest oil producer in Africa, is considering ways to curb soaring inflation, including by giving the central bank powers to use gold to boost reserves. Nigerian lawmakers are discussing a bill to create a so-called Gold Reserve Authority and give the central bank the powers to be the automatic off-taker for all the gold produced in Nigeria, according to a draft document seen by Bloomberg. Lawmakers are also proposing boosting the share of gold of Nigeria's foreign reserves to a minimum of 30%, compared to 4% at present. Nigeria is heavily reliant on oil and gas for its budget revenues. So far, it has failed to boost significantly oil output to get more revenue, or to diversify its economy to make it less dependent on oil production, exports, and prices. Inflation in the country has been running high over the last year, since Nigeria's central bank dropped the peg of the local currency to the U.S. dollar. The Nigerian currency, the naira, has lost 70% of its value against the dollar over the past year. Nigeria's inflation hit a new 28-year high in May, and was at an annual rate of 33.95%, with food and non-alcoholic beverages – which make a large part of the inflation basket – the biggest contributors to inflation, as in previous months. The IMF said in May that near-term risks in Nigeria are tilted to the downside. "Adverse shocks to oil production or prices would hit growth, the fiscal and external position, and exacerbate inflationary and exchange rate pressures," the IMF said.

MAIN WEEKLY EARNINGS

Company	Ticker	Market Cap	Date	Time	Estimate	Year Ago
Delta Airlines	DAL US	\$ 30.24B	11-Jul-24	Pre-mkt	2.38	2.68
PepsiCo	PEP US	\$ 224.90B	12-Jul-24	Pre-mkt	2.15	2.09
JPMorgan Chase	JPM US	\$ 596.73B	12-Jul-24	Pre-mkt	4.24	4.37
Bank Of New York	BK US	\$ 45.39B	12-Jul-24	Pre-mkt	1.43	1.38
Citigroup Inc	C US	\$ 127.76B	12-Jul-24	Pre-mkt	1.39	1.37

ECONOMIC CALENDAR

(11-07-24) DE - CPI YoY / MoM
(11-07-24) UK - Industrial Production YoY / MoM
(11-07-24) US - CPI MoM / Core CPI MoM / CPI YoY
(11-07-24) US - Initial Jobless Claims
(12-07-24) US - PPI Final Demand YoY
(12-07-24) US - U. of Mich. Sentiment
(15-07-24) US - Empire Manufacturing

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