

Daily Market Brief

September 11th 2024



FOREIGN EXCHANGE MARKETS (Sources: Bloomberg / Reuters)

EUR/USD
EUR/USD breaks its three-day losing streak, trading around 1.1050 during Wednesday's Asian session. The upside of the EUR/USD pair is attributed to the subdued USD ahead of the US CPI data scheduled to be released later in the North American hours. This inflation report may offer fresh cues regarding the potential magnitude of the Fed interest rate cut in September. The US Dollar depreciates as Treasury bonds extend decline amid rising odds of a Fed rate cut in September. Traders anticipate that the ECB will implement a 25 basis points rate cut at Thursday's meeting.

GBP/USD
GBP/USD attracts some buyers on Wednesday amid a modest USD decline. The fundamental backdrop warrants before placing aggressive bullish bets. Traders might also prefer to wait for the release of the crucial US CPI report.

USD/JPY
USD/JPY meets fresh supply and plunges to its lowest in eight months, eyeing 141.00. The Japanese Yen receives a boost from the hawkish commentary from BoJ board member Nagakawa. Traders now look to key US CPI report for further trading impetus.

Fx rates	Last	High	Low	% Daily	% Weekly	% YTD
EUR-USD	1.1044	1.1051	1.1017	0.22	-0.34	0.05
GBP-USD	1.3105	1.3111	1.3069	0.19	-0.32	2.94
USD-JPY	141.19	142.47	140.71	-0.89	1.81	-0.11
USD-CHF	0.8434	0.8473	0.8422	-0.43	0.37	-0.24
Commodities	Last	High	Low	% Daily	% Weekly	% YTD
Gold	2521.37	2522.59	2515.07	0.18	1.03	22.22
Silver	28.59	28.59	28.31	0.66	1.12	20.15
Crude Oil	66.40	66.51	65.91	0.99	-4.05	-6.45
Bitcoin	56272.85	57865.72	56107.01	-2.26	6.46	32.38
Etherium	2327.04	2400.17	2319.29	-2.15	7.29	1.96
Period	1M	3M	6M		12M	Rate
EURIBOR (€)	2.71	3.38	3.19		2.71	
SOFR (\$)	5.11	4.95	4.58		3.99	
SONIA (£)	4.93	4.86	4.69		4.35	
SARON (F)	1.03	0.94	0.81		0.67	
US Fed Fund (\$)						5.50
ECB Main Refinancing (€)						4.25
Official Bank Rate BOE (£)						5.00
Notes/Bonds	2 Y		10 Y		30 Y	
US	3.56		3.61		3.94	

INTERNATIONAL EQUITY MARKETS (Sources: Bloomberg / Reuters)

UNITED STATES OF AMERICA
The S&P 500 posted a second winning session on Tuesday as Wall Street sought to find its footing in a turbulent September. Bank stocks also put pressure on the broader market. Traders have their eyes on two key economic reports that will likely be the next catalysts for stocks. The CPI report for August is due out Wednesday, followed by the PPI on Thursday.

EUROPE
European stocks closed lower on Tuesday, following a more positive session at the start of the week. Autos fell 3.8% as car parts supplier Continental said it saw provisions in the mid double-digit million euro range in a warranty case involving one of its brake systems, Reuters reported.

ASIA
Asia-Pacific markets were lower on Wednesday, with Japan's Nikkei leading losses in the region. The Reuters Tankan survey, a monthly poll that tracks business sentiment in Japan, showed that business confidence in big manufacturers dipped to plus 4 in September, a seven-month low, from plus 10 in August.

Index	Close	% Daily	% M	YTD	Futures	% Change
DJIA	40736.96	-0.23	3.14	8.09	40622.00	-0.44
S&P	5495.52	0.45	2.83	15.21	5477.75	-0.48
Nasdaq	17025.88	0.84	1.68	13.42	18751.50	-0.61
DJ EuroStoxx50	4747.20	-0.66	1.54	4.99	4752.00	-0.13
FTSE 100	8205.98	-0.78	0.46	6.11	8210.50	-0.21
CAC 40	7407.55	-0.24	1.90	-1.80	7412.00	0.00
DAX	18265.92	-0.96	3.06	9.04	18307.00	-0.01
IBEX 35	11203.50	-0.61	5.31	10.90	11225.80	0.00
FTSE MIB	33213.29	-1.12	4.50	9.43	33252.00	0.00
Nikkei	36159.16	-1.92	1.26	5.98	35460.00	-1.88
Hang Seng	17234.09	-1.44	-0.61	-0.36	16982.00	-1.22
DFM General	4387.48	0.65	4.58	8.07	N/A	N/A
MSCI Tadawoul	11986.60	0.20	1.83	0.16	N/A	N/A
Leb. Mrkts	Closing Px	High	Low	% Daily	% Weekly	YTD
Solidere A	84.65	86.00	83.35	-4.19	-4.51	-4.99
Solidere B	83.05	86.00	83.00	-2.47	-4.76	-7.67

MUST READ (Source: Bloomberg/ Forexlive)

JPMorgan Chase shares drop 5%
JPMorgan Chase shares fell 5% on Tuesday after the bank's president told analysts that expectations for net interest income and expenses in 2025 were too optimistic. While the bank expects to be in the "ballpark" of the 2024 target for NII of about \$91.5 billion, the current estimate for next year of about \$90 billion "is not very reasonable" because the Federal Reserve will cut interest rates, JPMorgan President Daniel Pinto said at a financial conference. "I think that that number will be lower," Pinto said. He declined to give a specific figure. Shares of the New York-based bank dropped more than 7% earlier in the session for the worst decline since June 2020, according to FactSet. JPMorgan, the biggest U.S. bank by assets, has been a winner among lenders in recent years, benefiting from better-than-expected growth in NII as the bank gathered more deposits and made more loans than expected. But skittish investors are now concerned about the outlook for a bellwether banking stock, along with broader concerns about slowing U.S. economic growth. Falling rates can help banks in the sense that customers will slow the rotation out of checking accounts and into higher-yielding instruments like CDs or money market funds. But they also make new assets lower yielding, which complicates the picture. "Clearly, as rates go lower, you have less pressure on repricing of deposits," Pinto said. "But as you know, we are quite asset sensitive." When it comes to expenses, the analyst estimate for next year of roughly \$94 billion "is also a bit too optimistic" because of lingering inflation and new investments the firm is making, Pinto said. "There are a bunch of components that tell us that probably the number on expenses will be a bit higher than what is expected at the moment," Pinto said. When it comes to trading, JPMorgan said it expects third-quarter revenue to be flat to up about 2% from a year ago, while investment banking fees are headed for a 15% jump.

MAIN WEEKLY EARNINGS

Company	Ticker	Market Cap	Date	Time	Estimate	Year Ago
OXM Industries	OXM US	\$ 1.31B	11-Sep-24	After-mkt	3.04	3.45
Manchester Unite	MANU US	\$ 2.743B	11-Sep-24	Pre-mkt	-0.50	-0.26
Adobe Inc	ADBE US	\$ 254.72B	12-Sep-24	After-mkt	4.53	4.09
Kroger Company	KR US	\$ 37.75B	12-Sep-24	Pre-mkt	0.91	0.96
Doyu Internationi	DOYU US	\$ 273.4M	12-Sep-24	Pre-mkt	-9.32	4.80

ECONOMIC CALENDAR

(11-09-24) UK - Industrial Production YoY / MoM
(11-09-24) US - CPI / Core CPI MoM / YoY
(12-09-24) JP - PPI YoY / MoM
(12-09-24) EU - ECB Deposit Facility Rate
(13-09-24) JP - Industrial Production MoM / YoY
(13-09-24) FR - CPI MoM / YoY
(13-09-24) US - University of Michigan Sentiment

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

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