

Daily Market Brief

October 11 2023



FOREIGN EXCHANGE MARKETS

(Sources: Bloomberg / Reuters)

EURUSD

EUR/USD attempts to extend its gains on the second day, trading in the positive zone near 1.0610 during the early Asian session on Wednesday. The pair is receiving upward support due to the continued correction in the US Dollar (USD) on the dovish remarks by Federal Reserve (Fed) officials. A wave of dovish-leaning comments from Fed's policymakers has resonated in the markets, with several expressing concerns that elevated long-term US bond yields could impede their inclination to raise rates in the forthcoming meetings.

GBPUSD

GBP/USD scales higher for the sixth successive day and climbs to a near three week high. Retreating US bond yields and a positive risk tone undermine the USD and lend support. Traders now look to the US PPI and FOMC meeting minutes for some meaningful impetus.

USDJPY

USD/JPY extends its gains on the second successive day, trading higher around 148.80 during the Asian session on Wednesday. The pair rebounded in the previous session on the positive risk sentiment in the midst of the Middle East conflict.

Fx rates	Last	High	Low	% Daily	% Weekly	% YTD
EUR-USD	1.0600	1.0614	1.0599	-0.05	0.91	-0.98
GBP-USD	1.2285	1.2304	1.2275	-0.02	1.24	1.67
USD-JPY	148.90	148.95	148.43	0.13	0.15	-11.94
USD-CHF	0.9049	0.9055	0.9037	0.04	1.36	2.17
Commodities	Last	High	Low	% Daily	% Weekly	% YTD
Gold	1859.12	1862.17	1858.68	-0.07	2.07	1.92
Silver	21.84	21.89	21.80	-0.02	3.94	-8.84
Crude Oil	86.09	86.33	85.83	0.14	2.22	10.64
Bitcoin	27119.36	27479.81	26978.73	-1.04	-3.13	63.97
Etherium	1557.31	1575.92	1547.06	-0.18	-5.45	29.84
Period	1 M	3 M	12 M			
USD LIBOR *	5.46	5.67	6.04			
EURIBOR	3.87	3.98	4.19			
SOFR	5.35	5.43	5.45			
Notes/Bonds	2 Y	10 Y	30 Y			
US	5.00	4.64	4.80			
BTP - BUND	0.81	1.95	2.24			
GILTS	4.80	4.43	4.92			

INTERNATIONAL EQUITY MARKETS

(Sources: Bloomberg / Reuters)

UNITED STATES OF AMERICA

Stocks on Wall Street edged higher Tuesday amid growing hopes the Federal Reserve is done with interest rate hikes for now but with investors still cautious as the Middle East conflict escalated. As stocks climbed higher, Treasury yields continued to fall with the yield on the 10-year falling 16 basis points to trade near 4.63% amid a wider sell-off in bonds

EUROPE

European stocks rose, on track for their biggest one day gain this year, benefiting from a drop in bond yields and after a Bloomberg News report that China is considering a fresh round of stimulus for its economy.

ASIA

Shares advanced Wednesday in Asia, tracking Wall Street gains following an easing of pressure from the bond market. In China, investor sentiment got a boost from a report by Bloomberg, citing unnamed sources, that the government is considering boosting spending on construction to support the economy.

Index	Close	% Daily	% M	YTD	Futures	% Change
DJIA	33739.30	0.40	-2.67	1.79	33916.00	-0.06
S&P	4358.24	0.52	-2.88	13.51	4391.00	-0.02
Nasdaq	13562.84	0.58	-2.55	29.58	15285.50	0.10
DJ EuroStoxx50	4205.23	2.25	-1.15	10.85	4206.00	-0.50
FTSE 100	7628.21	1.82	1.75	2.37	7652.50	-0.25
CAC 40	7162.43	2.01	-1.59	10.64	7108.00	N/A
DAX	15423.52	1.95	-2.39	10.77	15510.00	-0.18
IBEX 35	9352.10	2.19	-0.88	13.65	9373.20	N/A
FTSE MIB	28318.22	2.30	-0.73	19.45	28316.00	N/A
Nikkei	31746.53	0.71	-1.53	22.52	31950.00	0.76
Hang Seng	17664.73	1.87	-0.56	-9.03	18058.00	0.96
DFM General	4051.12	-0.12	-0.47	21.43	N/A	N/A
MSCI Tadawoul	10640.06	0.61	-5.30	1.54	N/A	N/A
Leb. Mkts	Closing Px	High	Low	% Daily	% Weekly	YTD
Solidere A	77.00	77.10	76.95	-3.02	0.06	26.44
Solidere B	77.20	77.85	75.50	-1.28	0.39	27.92

MUST READ

(Source: Bloomberg/ Forexlive)

The case for natural gas futures

Natural gas futures saw a significant uptick, hitting their highest levels since January 24. The market's volatility is stoked by multiple factors: a sudden jump in crude oil prices due to Middle East tensions, renewed strike plans in Australia's Chevron LNG facilities, and forecasts of cooler weather boosting demand in key areas. Last week's lighter-than-expected storage report and weak production estimates also fanned the flames, pushing futures higher. Prices in Europe, Dutch and British wholesale gas prices climbed. Analysts attribute this rise to renewed strike actions at Chevron's LNG facilities in Australia and geopolitical instability in the Middle East. Goldman Sachs also indicated no immediate major impact on oil inventories due to Middle East tensions but cautioned against the longer-term implications. Given the confluence of factors—strike actions, geopolitical tensions, and variable weather conditions—the market sentiment for natural gas remains cautiously bullish in the short term. However, it's essential to keep an eye on evolving situations that could quickly swing the market.

MAIN WEEKLY EARNINGS

Company	Ticker	Market Cap	Date	Time	Estimate	Year Ago
Delta Air Lines	DAL US	23.81 B	12-Oct-23	Pre-mkt	1.94	1.51
Blackrock Inc	BLK US	95.65 B	13-Oct-23	Pre-mkt	8.50	9.55
Citigroup Inc	C US	78.13 B	13-Oct-23	Pre-mkt	1.23	1.50
Wells Fargo & Co.	WFC US	142.93 B	13-Oct-23	Pre-mkt	1.24	1.30
JPMorgan Chase & Co.	JPM US	416.59 B	13-Oct-23	Pre-mkt	3.84	3.12

ECONOMIC CALENDAR

(11-10-23) US - CPI MoM
(11-10-23) CA - Building Permits MoM
(11-10-23) US - FOMC Meeting Minutes
(11-10-23) US - MBA Mortgage Applications
(12-10-23) US - PPI Ex Food and Energy YoY
(12-10-23) US - CPI YoY
(12-10-23) UK - Industrial Production MoM

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