Daily Market Brief

November 11th 2024

BANQUE BEMO

FOREIGN EXCHANGE MARKETS

(Sources: Bloomberg / Reuters)

EUR/USD

The EUR/USD pair faces downward pressure due to a stronger US Dollar and political uncertainties in Germany, with investors expecting a more restrictive Fed policy in response to potential tariff increases and tax cuts under a possible Trump administration. Meanwhile, a rise in US consumer sentiment and the appointment of a new finance minister in Germany add to market volatility, with analysts concerned about the potential economic strain from higher US tariffs on the Eurozone.

GBP/USD

The GBP/USD pair starts the week subdued around 1.2900, with mixed factors limiting further downside, including the strong US Dollar driven by expectations of inflationary pressures from Donald Trump's policies and the Bank of England's hawkish stance. While the risk-on mood supports the GBP, investors are cautious ahead of key economic releases and speeches from Fed and BoE officials later in the week, with the strong USD likely capping any significant gains.

USD/JPY

The Japanese Yen is weakening against the US Dollar, influenced by divided opinions within the Bank of Japan on rate hikes and ongoing political uncertainty, which undermines confidence in the Yen. A positive risk sentiment and strong USD momentum push the USD/JPY pair higher, though recent verbal intervention by Japanese officials and upcoming US inflation data and Fed Chair Powell's speech may cause investors to remain cautious.

Fx rates	Last	High	Low	% Daily	% Weekly	% YTD
EUR-USD	1.0720	1.0728	1.0704	0.02	-1.45	-2.89
GBP-USD	1.2917	1.2926	1.2895	-0.03	-0.31	1.46
USD-JPY	153.47	153.67	152.64	0.54	-0.87	-8.10
USD-CHF	0.8769	0.8774	0.8753	0.15	-1.46	-4.05

Commodities	Last	High	Low	% Daily	% Weekly	% YTD
Gold	2673.27	2686.21	2666.57	-0.43	-2.32	29.58
Silver	31.37	31.43	31.10	0.20	-3.33	31.83
Crude Oil	70.36	70.42	69.92	-0.03	-1.55	0.09
Bitcoin	80973.37	81891.01	79839.29	1.31	6.60	90.49
Etherium	3140.15	3226.67	3107.87	-0.97	16.76	37.59

Period	1M	3M	6M	12M
SOFR ($)	4.62	4.52	4.40	4.22
ESTR (€)	2.27	2.97	2.65	2.27
SONIA (£)	4.71	4.69	4.59	4.42
SARON (F)	0.94	0.69	0.55	0.38
TONAR (¥)	0.22	0.22	0.16	0.09

	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 stock market climbed to another round of records on Friday, as the Dow and S&P 500 wrapped up their best week in a year after Donald Trump's election win. Investors generally view a Republican-controlled government as more favorable on expectations for deregulation, the potential for more mergers and acquisitions and proposed tax cuts. Stocks also got a boost from the Federal Reserve this week, as the central bank lowered interest rates by 25 bps.

EUROPE

European markets closed lower on Friday, as investors digested corporate results and quarter-point interest rate cuts from the U.S. Fed and BoE. The losses in Europe come as market participants continue to assess political upheaval in Germany and President-elect Donald Trump's historic victory.

ASIA

Asia-Pacific markets fell Monday after China's latest stimulus measures underwhelmed and its October inflation numbers came in lower than expected, prompting concerns over the recovery in the world's second-largest economy.

Index	Close	% Daily	% M	YTD	Futures	% Change
DJIA	43988.99	0.59	2.62	16.71	44190.00	0.64
S&P	5995.54	0.38	3.10	25.70	6037.25	0.57
Nasdaq	19286.78	0.09	5.15	28.48	21287.75	0.32
DJ EuroStoxx50	4802.76	-1.01	-4.02	6.22	4832.00	-0.62
FTSE 100	8072.39	-0.84	-2.20	4.39	8117.00	-0.66
CAC 40	7338.67	-1.17	-3.16	-2.71	7343.00	-1.18
DAX	19215.48	-0.76	-0.82	14.71	19368.00	-0.41
IBEX 35	11551.60	-0.16	-1.44	14.35	11550.00	-0.30
FTSE MIB	33816.58	-0.48	-1.43	11.42	33567.00	-0.52
Nikkei	39500.37	0.08	-0.18	18.14	39530.00	0.74
Hang Seng	20728.19	-1.37	-3.80	19.93	20462.00	-2.89
DFM General	4639.83	0.43	4.93	14.77	N/A	N/A
MSCI Tadawoul	12103.16	-0.23	0.91	1.13	N/A	N/A

Leb. Mrkts	Closing Px	High	Low	% Daily	% Weekly	YTD
Solidere A	95.75	97.00	95.00	0.79	-1.24	7.46
Solidere B	96.00	96.00	95.95	0.00	-0.47	6.73

MUST READ

(Source: Bloomberg/ Forexlive)

Oil Steadies After Drop With China Outlook and Demand in Focus

Oil prices stabilized after experiencing their biggest decline in nearly two weeks, with Brent crude trading below $74 a barrel and West Texas Intermediate near $70. The market was weighed down by a weak economic outlook in China, the world's top oil importer, as October data showed low consumer inflation and falling factory-gate prices, exacerbating concerns over global demand. Despite Beijing's announcement of a debt-swap plan to support the economy, it stopped short of new stimulus, disappointing investors. Crude traders are closely monitoring the outlook for 2025, especially amid geopolitical tensions between Israel and Iran and the potential impact of Donald Trump's return to the White House. A surplus is expected in the oil market next year, and traders are awaiting key reports this week, including OPEC's forecast on Tuesday and US Energy Information Administration's report on Wednesday. Market analysts believe oil prices have reached a fair value around $70 per barrel, with timespreads showing signs of weakening in the physical market. The backwardation in Brent's prompt spread has narrowed, suggesting a softening in market fundamentals. OPEC's recent demand forecast downgrade further highlights the uncertainty surrounding global oil demand.

MAIN WEEKLY EARNINGS

Company	Ticker	Market Cap	Date	Time	Estimate	Year Ago
Aramark	ARMK US	$ 10.30B	11-Nov-24	Pre-mkt	0.54	0.64
Home Depot	HD US	$ 112.54B	12-Nov-24	Pre-mkt	3.65	3.81
Tyson Foods Inc	TSN US	$ 20.79B	12-Nov-24	Pre-mkt	0.72	0.37
Occidental Petrol	OXY US	$ 45.76B	12-Nov-24	Aft-mkt	0.76	1.18
Spotify Technolog	SPOT US	$ 78.53B	12-Nov-24	Aft-mkt	1.69	0.33

ECONOMIC CALENDAR

(11-11-24) JP - BoP Current Account Balance
(12-11-24) GE - CPI YoY / MoM
(12-11-24) UK - ILO Unemployment Rate 3Mths
(12-11-24) UK - Jobless Claims Change
(12-11-24) DE - ZEW Survey Expectations
(12-11-24) US - NY Fed 1-Yr Inflation Expectations
(13-11-24) JP - PPI YoY / MoM

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