Daily Market Brief

December 11th 2024

BANQUE BEMO

FOREIGN EXCHANGE MARKETS

(Sources: Bloomberg / Reuters)

EUR/USD

EUR/USD remains steady around 1.0530, with the US Dollar gaining strength due to market caution ahead of the upcoming US CPI data. Meanwhile, the US Dollar Index rises amid increasing Treasury yields, while traders await the European Central Bank's policy decision, expecting a 25 basis point rate cut.

GBP/USD

GBP/USD extends its gains for the third consecutive session, supported by expectations that the Bank of England will keep interest rates unchanged at 4.75%. However, the pair's upside may be limited as the US Dollar gains strength ahead of the upcoming US CPI data, which could influence the Federal Reserve's rate cut expectations.

USD/JPY

The Japanese Yen sees modest gains, but the USD/JPY pair pulls back from a two-week high due to wavering expectations of a Bank of Japan interest rate hike. Additionally, rising US Treasury yields and expectations of a cautious Federal Reserve stance on rate cuts support the US Dollar, limiting downside for USD/JPY.

Fx rates	Last	High	Low	% Daily	% Weekly	% YTD
EUR-USD	1.0526	1.0539	1.0521	-0.01	0.14	-4.65
GBP-USD	1.2767	1.2782	1.2763	-0.03	0.52	0.28
USD-JPY	151.76	151.96	151.42	-0.13	-0.77	-7.06
USD-CHF	0.8836	0.8839	0.8822	0.09	0.08	-4.78
Commodities	**Last**	**High**	**Low**	**% Daily**	**% Weekly**	**% YTD**
Gold	2695.72	2704.32	2675.69	0.05	1.73	30.67
Silver	31.78	32.10	31.50	-0.42	1.51	33.54
Crude Oil	69.13	69.13	68.44	0.79	0.86	-1.16
Bitcoin	97716.37	97775.57	95744.59	0.83	-2.83	129.88
Etherium	3675.95	3682.05	3565.00	0.95	-8.77	61.06

Period	1M	3M	6M	12M
SOFR ($)	4.45	4.39	4.29	4.13
ESTR (€)	2.12	2.81	2.47	2.12
SONIA (£)	4.70	4.64	4.53	4.35
SARON (F)	0.59	0.58	0.44	0.25
TONAR (¥)	0.22	0.22	0.18	0.11

	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

Stocks fell on Tuesday as traders digested a year-end rally to record levels. They also awaited new U.S. inflation data set for release this week. Investors are now waiting on the U.S. consumer price index report, which is due Wednesday and could influence how the Federal Reserve proceeds on interest rates at its Dec. 17-18 meeting.

EUROPE

European markets closed lower on Tuesday, breaking a run of eight sessions in the green, as investors geared up for the latest U.S. inflation report this week. Industrials led losses, down 1.08%.

ASIA

Asia-Pacific markets were mixed Wednesday, after major Wall Street benchmarks declined ahead of key inflation data that could influence the Federal Reserve's interest rate decision. China is reportedly kicking off its annual economic work conference on Wednesday to outline its economic policies and growth targets for next year.

Index	Close	% Daily	% M	YTD	Futures	% Change
DJIA	44247.83	-0.35	-0.10	17.40	44338.00	-0.32
S&P	6034.91	-0.30	0.56	26.52	6052.25	-0.22
Nasdaq	19687.24	-0.25	2.01	31.15	21442.75	-0.19
DJ EuroStoxx50	4951.74	-0.68	2.01	9.52	4954.00	-0.82
FTSE 100	8280.36	-0.86	1.91	7.07	8273.00	-1.13
CAC 40	7394.78	-1.14	-0.43	-1.97	7404.00	-1.17
DAX	20329.16	-0.08	4.53	21.36	20344.00	-0.20
IBEX 35	11965.50	-0.38	3.17	18.45	11970.80	-0.33
FTSE MIB	34524.70	-0.10	0.53	13.75	34566.00	-0.12
Nikkei	39367.58	0.01	-0.41	17.65	39380.00	0.43
Hang Seng	20311.28	-0.66	-1.23	18.35	20236.00	-2.00
DFM General	4794.11	-0.20	2.84	17.85	N/A	N/A
MSCI Tadawoul	12193.64	0.80	0.72	2.19	N/A	N/A

Leb. Mrkts	Closing Px	High	Low	% Daily	% Weekly	YTD
Solidere A	89.05	90.00	87.80	-1.06	-2.62	-0.06
Solidere B	90.00	90.00	90.00	0.00	-3.23	0.06

MUST READ

(Source: Bloomberg/ Forexlive)

US Labor Costs Revised Down in Sign of Easing Inflation Pressure

US third-quarter labor costs grew less than initially estimated, signaling that the job market is no longer a significant driver of inflation. Unit labor costs, which measure what businesses pay employees to produce one unit of output, increased by 0.8% from July to September, following a revised 1.1% decline in the prior quarter. This adjustment reflected downward revisions to hourly compensation. Meanwhile, productivity, or the output per hour worked, rose by an unrevised 2.2% annualized rate. Hourly compensation, unadjusted for inflation, grew by 3.1%, a slower pace than previously estimated. The second-quarter compensation growth was also revised downward. These trends suggest that productivity improvements are helping offset rising operational costs, reducing the need for companies to increase prices, which is reassuring for Federal Reserve policymakers amid persistent inflation. The data precede the release of November's inflation figures, which are expected to show a consistent 0.3% increase in the consumer price index excluding food and fuel. On a year-over-year basis, unit labor costs rose 2.2%, marking the smallest annual increase since 2023, while productivity increased by 2%. This development provides further evidence of easing inflationary pressures in the labor market.

MAIN WEEKLY EARNINGS

Company	Ticker	Market Cap	Date	Time	Estimate	Year Ago
Oxford Industries	OXM US	$ 1.31B	11-Dec-24	Aft-mkt	0.09	1.01
Adobe Inc	ADBE US	$ 240.81B	11-Dec-24	Aft-mkt	4.67	4.27
Costco Wholesale	CO US	$ 440.15B	12-Dec-24	Aft-mkt	3.81	3.58
Broadcom Inc	AVGO US	$ 802.45B	12-Dec-24	Aft-mkt	1.39	1.11
Ciena Corporatior	CIEN US	$ 10.24B	12-Dec-24	Pre-mkt	0.66	0.75

ECONOMIC CALENDAR

(11-12-24) US - CPI MoM / YoY
(11-12-24) CA - Bank Of Canada Rate Decision
(12-12-24) EC - ECB Deposit Facility Rate / ECB Refinancing Rate / ECB Marginal Lending Facility
(12-12-24) US - Initital Jobless Claims
(13-12-24) JP - Industrial Production MoM / YoY
(13-12-24) UK - Industrial Production MoM
(13-12-24) FR - CPI MoM / YoY

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