

Daily Market Brief

January 12th 2024



FOREIGN EXCHANGE MARKETS

(Sources: Bloomberg / Reuters)

EURUSD

EUR/USD continues to gain ground for the third successive day, trading higher around 1.0980 during the Asian session on Friday. The EUR/USD pair receives upward support due to the subdued US Dollar (USD), a trend attributed to the market's expectations of five rate cuts by the Federal Reserve by the end of 2024, beginning with anticipated cuts in March and May.

GBPUSD

GBP/USD gains ground to nearly the weekly high during the early Asian trading hours on Friday. The November UK (GDP) is estimated to grow by 0.2% MoM from the 0.3% contraction in the previous reading. GBP/USD currently trades near 1.2780, gaining 0.16% on the day. The (BOE) Governor Andrew Bailey had forecast a tough battle lay ahead to bring inflation back to its 2% target while pushing back against speculation about cutting rates.

USDJPY

The (JPY) scales higher for the second consecutive day against its American counterpart on Friday and recovers further from a one-month low touched in the aftermath of the US consumer inflation figures. Against the backdrop of China's economic woes, the risk of a further escalation of geopolitical tensions in the Middle East is seen as a key factor benefitting the JPY's relative safe-haven status.

Fx rates	Last	High	Low	% Daily	% Weekly	% YTD
EUR-USD	1.0970	1.0985	1.0969	-0.02	0.25	-0.63
GBP-USD	1.2765	1.2785	1.2751	0.04	0.35	0.27
USD-JPY	145.21	145.41	144.85	-0.06	-0.40	-2.87
USD-CHF	0.8526	0.8528	0.8509	0.07	-0.30	-1.31
Commodities	Last	High	Low	% Daily	% Weekly	% YTD
Gold	2034.93	2037.16	2028.64	0.30	-0.51	-1.36
Silver	22.83	22.92	22.76	0.33	-1.57	-4.07
Crude Oil	73.69	73.97	72.90	2.32	-0.16	2.85
Bitcoin	46068.51	46509.54	45876.32	-0.21	4.09	8.38
Etherium	2619.50	2625.10	2580.78	0.59	16.87	14.77
Period	1 M	3 M	12 M			
EURIBOR	3.88	3.94	3.64			
SOFR	5.33	5.31	4.80			
Notes/Bonds	2 Y	10 Y	30 Y			
US	4.27	3.98	4.18			
BTP - BUND	0.54	1.57	2.00			
GILTS	4.26	3.84	4.44			

INTERNATIONAL EQUITY MARKETS

(Sources: Bloomberg / Reuters)

UNITED STATES OF AMERICA

U.S. stocks closed little changed on Thursday as news of hotter-than-expected inflation and signs of labor market strength dampened hopes for early interest rate cuts by the Federal Reserve this year, but a fall in Treasury yields kept declines in check. Microsoft briefly overtakes Apple as world's most valuable company.

EUROPE

European shares ended lower on Thursday after a hotter-than-anticipated U.S. inflation reading doused hopes of early interest rate cuts by major central banks across the world. Carlsberg up following BofA upgrade.

ASIA

South Korea delivers its latest interest rate decision on Thursday with the main focus being policymakers' signal as to when the rate-cutting cycle begins, while Japanese stocks continue to ride the crest of an increasingly bullish wave.

Index	Close	% Daily	% M	YTD	Futures	% Change
DJIA	37711.02	0.04	3.10	0.06	37890.00	-0.09
S&P	4780.24	-0.07	2.94	0.22	4807.25	-0.16
Nasdaq	14970.18	0.00	3.01	-0.27	16943.50	-0.11
DJ EuroStoxx50	4442.28	-0.60	-2.08	-1.75	4498.00	0.72
FTSE 100	7576.59	-0.98	0.45	-2.03	7614.50	0.42
CAC 40	7387.62	-0.52	-2.07	-2.06	7441.50	N/A
DAX	16547.03	-0.86	-1.46	-1.22	16776.00	0.62
IBEX 35	10004.90	-0.62	-1.12	-0.96	10012.40	N/A
FTSE MIB	30249.16	-0.66	-0.31	-0.34	30356.00	N/A
Nikkei	35577.11	1.50	8.32	6.31	35610.00	1.02
Hang Seng	16302.04	-0.36	-0.80	-4.72	16263.00	-0.51
DFM General	4117.98	-0.64	3.92	0.78	N/A	N/A
MSCI Tadawoul	12116.09	-0.17	6.33	1.24	N/A	N/A
Leb. Mkts	Closing Px	High	Low	% Daily	% Weekly	YTD
Solidere A	79.10	81.00	78.10	0.13	-4.53	-11.22
Solidere B	82.90	82.90	78.00	4.08	3.50	-7.84

MUST READ

(Source: Bloomberg/ Forexlive)

Argentina annual inflation tops 211% highest since early 90s

Argentina's annual inflation rate ended 2023 at 211.4%, the highest since the early 1990s, official data showed on Thursday, propelling the embattled South American country's year rise in prices above Venezuela for the first time in decades. Argentina's monthly inflation also hit 25.5% in December, below forecasts, after a sharp devaluation of the local peso by the new government of libertarian President Javier Milei, who came into office last month pledging to fix the economic crisis. The inflation data, the first involving a period since Milei took office on Dec. 10, underscores the huge challenge his government faces, despite sealing a key agreement with the International Monetary Fund (IMF) this week. Milei has warned of hyperinflation without major reforms to stall prices. Argentina's regional peer Venezuela, long the Latin American country with the highest inflation rate, has seen prices cool in recent months, with its annual 2023 inflation rate estimated around 193% after out-of-control hyperinflation in recent years.

MAIN WEEKLY EARNINGS

Company	Ticker	Market Cap	Date	Time	Estimate	Year Ago
UnitedHealth Gro	UNH US	\$497.2 B	12-Jan-23	Pre-mkt	5.98	5.34
J P Morgan Chase	JPM US	\$494.4 B	12-Jan-23	Pre-mkt	3.71	3.57
Bank of America	BAC US	\$265.9 B	12-Jan-23	Pre-mkt	0.69	0.85
Wells Frago & Cor	WFC US	\$178.2 B	12-Jan-23	Pre-mkt	1.18	0.67
BlackRock, Inc.	BLK US	\$117.8 B	12-Jan-23	Pre-mkt	8.79	8.93

ECONOMIC CALENDAR

(12-01-23) GB- Industrial Production NOV
(12-01-23) GB- Manufacturing Production NOV
(12-01-23) GB- Gross Domestic Product NOV
(12-01-23) EA- ECB's Lane speech
(12-01-23) FR- Consumer Price Index DEC
(12-01-23) US- Producer Price Index ex Food & Energy DEC
(12-01-23) US- Fed's Kashkari speech

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