

Daily Market Brief

February 12th 2024



FOREIGN EXCHANGE MARKETS

(Sources: Bloomberg / Reuters)

EUR/USD

The EUR/USD found some room on the high side on Friday, continuing a near-term recovery. However, the pair remains firmly planted on the low side of technical barriers and remains pinned below the 1.0800 price handle. German inflation figures brought nothing new to the table, confirming initial flash prints. Markets jostled after the BLS adjustment, but US inflation figures saw little change, keeping markets on-balance for Friday.

GBP/USD

The Pound Sterling (GBP) extended its losing streak against the US Dollar (USD) into a fourth straight week, keeping GBP/USD undermined near two-month troughs. The Greenback also capitalized on firmer US Treasury bond yields, as they remained supported by a couple of strong US government bond auctions. The week opens with BoE Governor Andrew Bailey's speech on Monday, paving the way for the Pound Sterling, as traders gear up for UK & US CPI data.

USD/JPY

The USD/JPY pair advances toward the psychological resistance of 150.00 in the late European session on Friday. The asset continues its two-day winning spell as investors turn cautious amid volatility ahead of January's United States Consumer Price Index (CPI) data.

Fx rates	Last	High	Low	% Daily	% Weekly	% YTD
EUR-USD	1.0791	1.0800	1.0780	0.06	0.45	-2.25
GBP-USD	1.2629	1.2644	1.2624	0.01	0.74	-0.80
USD-JPY	149.20	149.32	149.08	-0.06	-0.35	-5.47
USD-CHF	0.8745	0.8751	0.8741	-0.02	-0.43	-3.79
Commodities	Last	High	Low	% Daily	% Weekly	% YTD
Gold	2024.11	2026.99	2021.91	-0.01	-0.05	-1.88
Silver	22.80	22.82	22.61	0.83	2.00	-4.18
Crude Oil	76.53	76.63	76.18	-0.40	5.15	6.53
Bitcoin	47977.45	48804.51	47818.81	-0.32	8.57	12.87
Etherium	2487.93	2525.32	2482.28	-0.67	2.38	9.01
Period	1 M		3 M			12 M
EURIBOR	3.84		3.89			3.66
SOFR	5.32		5.31			4.88
Notes/Bonds	2 Y		10 Y			30 Y
US	4.48		4.18			4.37
BTP - BUND	0.66		1.58			1.98
GILTS	4.60		4.09			4.61

INTERNATIONAL EQUITY MARKETS

(Sources: Bloomberg / Reuters)

UNITED STATES OF AMERICA

Stocks rose on Friday after December's revised inflation reading came in lower than first reported, and the S&P 500 closed above the key 5,000 level as strong earnings and economic news chugged on. A solid earnings season, easing inflation data and a resilient economy have charged 2024's market rally.

EUROPE

European markets closed slightly lower Friday as investors digested the latest slew of corporate earnings and economic data. Tech stocks were 1.2% higher, while food and beverage dropped 1.5%. German inflation fell in January to 3.1% in a buoying sign for Europe's largest economy, new data from the federal statistical office showed Friday.

ASIA

On Friday, Bank of Japan governor Kazuo Ueda reportedly told the country's lower house that easy monetary conditions will persist even if the BOJ scraps its negative interest rate policy. China, South Korea and Taiwan's markets are shut, while Singapore and Hong Kong saw a half day of trading.

Index	Close	% Daily	% M	YTD	Futures	% Change
DJIA	38671.69	-0.14	2.87	2.61	38738.00	-0.03
S&P	5026.61	0.57	5.08	5.38	5042.00	-0.04
Nasdaq	15990.66	1.25	6.80	6.52	18025.50	-0.07
DJ EuroStoxx50	4715.87	0.11	5.26	4.30	4743.00	0.25
FTSE 100	7572.58	-0.30	-0.69	-2.08	7556.50	0.19
CAC 40	7647.52	-0.24	2.44	1.38	7652.50	N/A
DAX	16926.50	-0.22	1.33	1.04	17025.00	0.21
IBEX 35	9896.60	-0.09	-1.96	-2.03	9909.30	N/A
FTSE MIB	31156.06	0.30	2.25	2.65	31279.00	N/A
Nikkei	36897.42	0.09	3.71	10.26	37240.00	0.95
Hang Seng	15746.58	-0.83	-3.07	-7.63	15713.00	0.00
DFM General	4183.86	0.10	2.04	3.16	N/A	N/A
MSCI Tadawoul	12209.06	0.05	0.77	2.02	N/A	N/A

Leb. Mrkts	Closing Px	High	Low	% Daily	% Weekly	YTD
Solidere A	86.40	87.70	83.00	4.28	1.89	-3.03
Solidere B	86.75	88.00	79.05	5.73	-0.97	-3.56

MUST READ

(Source: Bloomberg/ Forexlive)

The global 'decoupling' is moving markets

The biggest players in the global economy are on different trajectories, and markets around the world are reflecting the shifting landscape. In Bank of America's view, the US economy continues to show remarkable resilience, European growth has faltered, and China faces the most challenging outlook amid real estate woes, deflation, and demographic headwinds. "Signs of decoupling are present in global growth, trade, and equity markets," Bank of America strategists wrote in a Friday note. Bank of America holds a soft landing and easing monetary policy beginning in June as their base case for the US. Stronger-than-expected growth and robust labor market data to close out 2023 suggest continued positive momentum in the new year, according to BofA. Tighter financial conditions have put the US commercial real estate sector under more pressure, the firm noted, and that's manifested in greater pain the office-building market. Treasury Secretary Janet Yellen has voiced her concern on CRE, but remains assured that it won't devolve into a systemic risk to the banking sector. BofA expects Euro area growth at 0.4% in 2024 and 1.1% in 2025. But Germany, the bloc's biggest economy, will be weak at -0.4%, and Spain will show its strength with 1.3% growth. The wide spectrum of outlooks within Europe will eventually converge, assuming there are no additional growth shocks. "SPX has outperformed the MSCI World Index, while European equities underperformed in comparison," BofA strategists said. "Moreover, the decoupling of China equities is starker, and has yet to show any signs of recovery."

MAIN WEEKLY EARNINGS

Company	Ticker	Market Cap	Date	Time	Estimate	Year Ago
Coca Cola	KO US	\$257.50B	13-Feb-24	Pre-mkt	0.49	0.45
AirBnb Inc	ABNB US	\$95.71B	13-Feb-24	Aft-mkt	0.68	0.48
Kraft Heinz	KHC US	\$44.19B	14-Feb-24	Pre-mkt	0.77	0.85
Cisco Systems	CSCO US	\$203.7B	14-Feb-24	Aft-mkt	0.84	0.88
Occidental Petrol	OXY US	\$50.43B	14-Feb-24	Aft-mkt	0.66	1.61

ECONOMIC CALENDAR

(13-02-24) JP - PPI YoY
(13-02-24) UK - Claimant Count Rate
(13-02-24) UK - Jobless Claims Change
(13-02-24) DE - ZEW Survey Expectations
(13-02-24) US - CPI MoM / CPI YoY
(14-02-24) UK - CPI MoM / YoY / CPI Core YoY
(14-02-24) EA - GDP SA QoQ / GDP SA YoY

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