

Daily Market Brief

March 12 2024



FOREIGN EXCHANGE MARKETS

(Sources: Bloomberg / Reuters)

EUR/USD

EUR/USD has bounced back following two consecutive days of losses, making gains and approaching the 1.0930 mark during Tuesday's Asian session. However, the pair encountered resistance amid a risk-averse atmosphere ahead of the release of the CPI data from the US. Tuesday's release of CPI data from Germany is likely to capture the attention of investors.

GBP/USD

The GBP/USD pair remains on the defensive above the 1.2800 support during the early Asian trading hours on Tuesday. The lower bets on rate cut expectations from the BoE weigh on the GBP. Investors await the UK labour market data and US CPI inflation data on Tuesday for fresh impetus. BoE's Mann said UK has a long way to go for inflation pressures to be consistent with the 2% target.

USD/JPY

USD/JPY kicked off the new week on the low side of the 147.00 handle, with the pair steeply off of March's early highs above 150.00. Markets are geared up for Tuesday's US CPI inflation print as investors continue to seek out signs the Fed Reserve could be pushed into early rate cuts if inflation eases off rapidly enough. Japan's Q4 GDP print early Monday missed the mark.

Fx rates	Last	High	Low	% Daily	% Weekly	% YTD
EUR-USD	1.0937	1.0939	1.0921	0.10	0.74	-0.92
GBP-USD	1.2817	1.2824	1.2805	0.02	0.88	0.68
USD-JPY	147.41	147.60	146.62	0.31	1.79	-4.32
USD-CHF	0.8769	0.8781	0.8767	-0.06	0.74	-4.05
Commodities	Last	High	Low	% Daily	% Weekly	% YTD
Gold	2174.42	2184.79	2173.77	-0.38	2.18	5.40
Silver	24.39	24.54	24.38	-0.34	3.02	2.48
Crude Oil	78.21	78.26	77.95	0.36	0.08	8.61
Bitcoin	72161.37	72767.01	71335.51	0.06	7.17	69.76
Etherium	4028.05	4092.34	4000.91	-0.12	3.95	76.49
Period	1 M		3 M		12 M	
EURIBOR	3.88		3.94		3.75	
SOFR	5.32		5.31		4.94	
Notes/Bonds	2 Y		10 Y		30 Y	
US	4.54		4.10		4.26	
BTP - BUND	0.56		1.33		1.79	
GILTS	4.24		3.97		4.41	

INTERNATIONAL EQUITY MARKETS

(Sources: Bloomberg / Reuters)

UNITED STATES OF AMERICA

The S&P 500 pulled back on Monday as the rally that brought the major averages to record highs cooled off. Information technology stock Super Micro Computer dropped more than 5%, while chipmaker Nvidia fell 2%. Both took a hit as investors question if stocks tied to artificial intelligence have more room to run after monster rallies. Those losses come as traders prepare for February's consumer price index due Tuesday.

EUROPE

European markets closed lower Monday, starting the new trading week on a negative note following declines in the Asia-Pacific region overnight. The Stoxx 600 index closed down 0.4%, with most sectors ending the session in negative territory.

ASIA

Japan stocks led losses in the Asia-Pacific region after the country averted a technical recession, paving the way for its central bank to raise rates. China recorded its first month of inflation after four months of deflation with the country's consumer price index climbing 0.7% year on year in February.

Index	Close	% Daily	% M	YTD	Futures	% Change
DJIA	38769.66	0.12	-0.07	2.87	38849.00	0.13
S&P	5117.94	-0.11	1.91	7.30	5140.50	0.35
Nasdaq	16019.27	-0.41	0.48	6.71	18070.25	0.55
DJ EuroStoxx50	4930.42	-0.62	3.88	9.05	4961.00	0.57
FTSE 100	7669.23	0.12	1.26	-0.83	7729.00	0.78
CAC 40	8019.73	-0.10	4.29	6.32	8025.00	N/A
DAX	17746.27	-0.38	4.16	5.94	17867.00	0.61
IBEX 35	10325.70	0.19	3.42	2.21	10331.90	N/A
FTSE MIB	33315.07	-0.27	5.91	9.76	33358.00	N/A
Nikkei	38797.51	-0.06	5.15	15.94	39600.00	#N/A N/A
Hang Seng	16587.57	2.78	8.27	0.01	17090.00	2.84
DFM General	4248.10	0.04	0.92	4.68	N/A	N/A
MSCI Tadawoul	12555.72	-0.50	2.11	4.92	N/A	N/A

Leb. Mrkts	Closing Px	High	Low	% Daily	% Weekly	YTD
Solidere A	74.65	76.00	73.50	-0.99	2.26	-16.22
Solidere B	75.00	75.00	75.00	0.00	-1.12	-16.62

MUST READ

(Source: Bloomberg/ Forexlive)

Magnificent 7 Far From Peak Valuation

The ranks of Wall Street strategists playing down concerns around a bubble in US technology megacap stocks are growing. The team at JPMorgan Chase & Co. was the latest to flag that valuations of the seven tech giants that have powered the record-breaking rally on Wall Street are currently lower relative to the rest of the S&P 500 than the average of the past five years. "There is a concern over the very strong outperformance of the Magnificent 7, but we note that the group is currently trading less stretched than a few years ago, given earnings delivery," strategist Mislav Matejka wrote in a note. "This is not to say that the group is immune to profit disappointments ahead, but in the case of general earnings disappointment, these stocks could still hold out better than traditional cyclical" reliant on strength in the economy, he said. Strategists at Goldman Sachs Group Inc. also said last week that while the US equity market's concentration is the highest in decades, the top stocks trade at much lower valuations than the largest names did at the peak of the tech bubble. The Magnificent Seven stocks had driven the biggest gains in the S&P 500 last year. The benchmark index has scaled all-time highs in 2024, but the performance of those mega-caps has diverged more recently. While AI darling Nvidia has soared to a record high, Apple shares entered a technical correction this month amid concerns about the firm's slumping iPhone sales and regulatory pressures.

MAIN WEEKLY EARNINGS

Company	Ticker	Market Cap	Date	Time	Estimate	Year Ago
Kohl's Corp	KSS US	\$ 3.01B	12-Mar-24	Pre-mkt	1.29	-2.49
Veritone Inc	VERI US	\$ 68.5M	12-Mar-24	Pre-mkt	-0.15	0.00
Dollar Tree Inc	DLTR US	\$ 32.46B	13-Mar-24	Pre-mkt	2.65	2.04
Tilly's Inc	TLYS US	\$ 216.7M	14-Mar-24	Aft-mkt	-0.21	0.01
Adobe Inc	ADBE US	\$ 253.31B	14-Mar-24	Aft-mkt	4.38	3.80

ECONOMIC CALENDAR

(12-03-24) DE - CPI YoY / CPI MoM
(12-03-24) UK - Claimant Count Rate
(12-03-24) UK - Jobless Claims Change
(12-03-24) US - CPI MoM/ CPI YoY
(13-03-24) UK - Industrial Production MoM
(13-03-24) US - MBA Mortgage Applications
(14-03-24) US - PPI Final Demand MoM

CONTACT

Banque BEMO sal
Asset Management Unit

Ashrafieh, Elias Sarkis Ave., BEMO Bldg, 4th Floor
P.O.Box 16-6353 Beirut, Lebanon
Tel: +961 1 325405/6/7/9

Disclaimer: This report is published for information purposes only. The information herein has been compiled from, or based upon sources we believe to be reliable, but we do not guarantee or accept responsibility for its completeness and accuracy. This document should not be construed as a solicitation to take part in any investment, or as constituting any representation or warranty on our part. The investment risks described herein are not purported to be exhaustive, any person considering an investment should seek independent advice on the suitability or otherwise of the particular investment. Investment, Capital Market and Treasury products are subject to investment risk, including possible loss of principal amount invested. Past performance is not indicative of future results: prices can go up or down. Investors investing in investments and/or treasury products denominated in foreign (non-local) currency should be aware of the risk of exchange rate fluctuations that may cause loss of principal when foreign currency is converted to the investor's home currency. Client understands that it is his/her responsibility to seek legal and/or tax advice regarding the legal and tax consequences of his/her investment transactions. The consequences of any action taken on the basis of information contained herein are solely the responsibility of the recipient.