

Daily Market Brief

June 12th 2024



FOREIGN EXCHANGE MARKETS

(Sources: Bloomberg / Reuters)

EUR/USD

The EUR/USD pair oscillates in a narrow range during the Asian session on Wednesday and consolidates its losses registered over the past three days, to the 1.0720 area, or the lowest level since early May touched the previous day. Spot prices currently trade just below mid-1.0700s, nearly unchanged for the day, as traders await the release of the US consumer inflation figures and the crucial FOMC decision before placing fresh directional bets. Political uncertainty in Europe weighs on the Euro ahead of the US CPI and Fed.

GBP/USD

The GBP/USD pair trades with mild losses around 1.2740 during the early Asian session on Wednesday. Extended gains in the USD amid the cautious mood weigh on the major pair. Investors will closely watch the US CPI inflation data, just few hours before the FOMC meeting. The US Fed is anticipated to keep rates on hold at its June monetary policy meeting. The weaker UK employment data put pressure on the BoE's potential interest rate path.

USD/JPY

The USD/JPY pair extends the rally near 157.15 during the early Asian trading hours on Wednesday. Traders prefer to wait on the sidelines ahead of the key events. The US CPI data will be released on Wednesday. The FOMC monetary policy meeting and the press conference will also be the highlights of the day.

Fx rates	Last	High	Low	% Daily	% Weekly	% YTD
EUR-USD	1.0744	1.0746	1.0735	0.03	-1.15	-2.67
GBP-USD	1.2747	1.2751	1.2733	0.05	-0.31	0.13
USD-JPY	157.27	157.29	157.05	0.09	-0.74	-10.32
USD-CHF	0.8974	0.8983	0.8972	-0.02	-0.43	-6.24
Commodities	Last	High	Low	% Daily	% Weekly	% YTD
Gold	2314.47	2317.68	2310.82	-0.11	-1.73	12.19
Silver	29.44	29.49	29.19	0.56	-1.90	23.73
Crude Oil	78.52	78.52	78.02	0.80	6.01	9.10
Bitcoin	67314.51	67581.07	66907.60	0.05	-2.82	58.36
Etherium	3510.12	3530.95	3461.93	0.66	-4.89	53.80
Period	1 M		3 M		12 M	
EURIBOR	3.65		3.74		3.73	
SOFR	5.33		5.35		5.16	
US Fed Fund Rate (Indicator)			5.31			
Notes/Bonds	2 Y		10 Y		30 Y	
US	4.84		4.40		4.53	
BTP - BUND	0.60		1.45		1.80	
GILTS	4.35		4.27		4.73	

INTERNATIONAL EQUITY MARKETS

(Sources: Bloomberg / Reuters)

UNITED STATES OF AMERICA

The S&P 500 and the Nasdaq Composite rose to fresh closing records on Tuesday, led upward by Apple as the iPhone maker surged to an all-time high. The Federal Reserve began its two-day policy meeting on Tuesday. It will conclude on Wednesday with an interest rate policy decision and a subsequent press conference featuring Fed Chair Jerome Powell. Before the Fed decision, investors will also closely follow the consumer price index reading for May.

EUROPE

European stocks fell on Tuesday as investors looked ahead to the Federal Reserve's next meeting and U.S. inflation data. U.K. employment data released Tuesday showed the number of payrolled employees was up 0.6% year on year in May, but the unemployment rate ticked higher to 4.4% from 4.3% on a quarterly basis.

ASIA

Asian stocks declined, shrugging off Wall Street's gains, as the double-whammy of an upcoming US inflation report and the Fed decision kept traders on edge.

Index	Close	% Daily	% M	YTD	Futures	% Change
DJIA	38747.42	-0.31	-1.94	2.81	38829.00	0.09
S&P	5375.32	0.27	2.92	12.69	5389.00	0.09
Nasdaq	17343.55	0.88	6.14	15.54	19264.75	0.12
DJ EuroStoxx50	4965.09	-1.02	-2.36	9.81	4986.00	0.34
FTSE 100	8147.81	-0.98	-3.39	5.36	8187.00	0.47
CAC 40	7789.21	-1.33	-5.23	3.26	7818.00	0.35
DAX	18369.94	-0.68	-2.15	9.66	18450.00	0.29
IBEX 35	11175.50	-1.60	0.63	10.63	11187.10	0.00
FTSE MIB	33874.48	-1.93	-2.26	11.61	33916.00	0.00
Nikkei	39134.79	-0.57	1.78	16.27	38910.00	-0.69
Hang Seng	18176.34	-1.06	-5.16	5.50	17957.00	-0.88
DFM General	4008.93	0.89	-3.93	-1.25	N/A	N/A
MSCI Tadawoul	11775.47	-0.66	-3.61	-1.60	N/A	N/A

Leb. Mrkts	Closing Px	High	Low	% Daily	% Weekly	YTD
Solidere A	69.90	70.00	69.50	0.29	0.22	-21.55
Solidere B	69.50	69.50	69.50	-0.07	0.29	-22.73

MUST READ

(Source: Bloomberg/ Forexlive)

Dollar stalls as market braces for CPI test, Fed outlook

The dollar steadied on Wednesday after hitting a four-week high against peer currencies overnight as market players awaited key U.S. inflation data and the Federal Reserve's updated economic projections due later in the day. The U.S. dollar has rebounded after Friday's stronger-than-expected jobs report raised the prospect of inflation remaining sticky while growth stays strong, making the U.S. central bank less likely to cut rates in the coming months. Markets are pricing in a roughly 56% chance of a cut in September, according to the CME FedWatch tool, down from 77.8% one week ago. Investors will have a chance to assess the inflation situation when U.S. Consumer Price Index numbers are released at 1830 GMT on Wednesday, just hours before the Fed concludes its two-day policy meeting. Economists polled by Reuters expect headline consumer price inflation to ease to 0.1% from 0.3% last month, and core price inflation to remain steady on the month at 0.3%. Meanwhile, the Fed is widely seen holding rates at 5.25% to 5.5%, putting the focus on policymakers' updated economic projections known as the "dot plot" and Chair Jerome Powell's news conference for clues regarding the timing and pace of cuts. "Consensus seems to be that the number of cuts in 2024 will be downgraded from three currently to two" in the latest dot plot, said Kieran Williams, head of Asia FX at InTouch Capital Markets. Powell is likely to strike a relatively dovish tone. Given disappointing growth indicators since the last Fed meeting, Williams said. The dollar index, which measures the greenback against a handful of other major peers, firmed at 105.29, after touching its strongest level since May 14 at 105.46 overnight.

MAIN WEEKLY EARNINGS

Company	Ticker	Market Cap	Date	Time	Estimate	Year Ago
Broadcom Inc	AVGO US	\$ 677.07B	12-Jun-24	Aft-mkt	10.80	10.32
Oxford Industries	OXM US	\$ 1.60B	12-Jun-24	Aft-mkt	2.67	3.78
Wiley	WLY US	\$ 1.95B	13-Jun-24	Pre-mkt	0.62	1.45
Korn Ferry	KFY US	\$ 3.28B	13-Jun-24	Pre-mkt	1.12	1.01
Signet Jewelers Lt	SIG US	\$ 4.72B	13-Jun-24	Pre-mkt	0.85	1.78

ECONOMIC CALENDAR

(12-06-24) DE - CPI YoY / MoM
(12-06-24) US - MBA Mortgage Applications
(12-06-24) US - CPI YoY / MoM
(12-06-24) US - FOMC Rate Decision
(13-06-24) US - May PPI Inflation Data
(14-06-24) FR - CPI MoM / YoY
(14-06-24) US - University of Michigan Sentiment

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