

Daily Market Brief

February 13th 2024



FOREIGN EXCHANGE MARKETS

(Sources: Bloomberg / Reuters)

EUR/USD

EUR/USD tested 1.0800 on Monday, but broad-market flows remain tepid in thin action to kick off the new trading week. A light data calendar on Monday will give way to a fresh print of US Consumer Price Index (CPI) inflation figures on Tuesday, and investors will be keeping a close eye on price growth figures from the US. The euro area sees GDP figures on Wednesday, to be followed by an appearance from ECB President Christine Lagarde on Thursday.

GBP/USD

The GBP/USD pair consolidates in a narrow trading band above the 1.2600 mark during the early Asian session on Tuesday. The UK labor market and US inflation report will be in the spotlight later in the day. These events could trigger volatility in the market.

USD/JPY

The USD/JPY pair trades on a flat note during the early Asian session on Tuesday. The uncertainty about the timeline of interest rate cuts leads to the consolidation of the US Dollar (USD). Traders prefer to wait on the sidelines ahead of the US Consumer Price Index (CPI) data for January, which could offer some hints about when the Fed is likely to start cutting interest rates.

Fx rates	Last	High	Low	% Daily	% Weekly	% YTD
EUR-USD	1.0770	1.0776	1.0761	-0.02	0.14	-2.44
GBP-USD	1.2621	1.2630	1.2609	-0.06	0.18	-0.86
USD-JPY	149.47	149.58	149.27	0.08	-1.02	-5.64
USD-CHF	0.8760	0.8767	0.8747	0.03	-0.71	-3.95
Commodities	Last	High	Low	% Daily	% Weekly	% YTD
Gold	2022.24	2022.47	2016.96	0.11	-0.68	-1.97
Silver	22.77	22.78	22.67	0.33	1.55	-4.29
Crude Oil	77.24	77.24	76.90	0.42	5.36	7.52
Bitcoin	50014.27	50378.98	49761.40	0.34	10.33	17.66
Etherium	2648.90	2685.80	2632.25	0.62	9.20	16.06
Period	1 M		3 M			12 M
EURIBOR	3.84		3.89			3.66
SOFR	5.32		5.31			4.90
Notes/Bonds	2 Y		10 Y			30 Y
US	4.47		4.17			4.38
BTP - BUND	0.63		1.55			1.94
GILTS	4.55		4.06			4.59

INTERNATIONAL EQUITY MARKETS

(Sources: Bloomberg / Reuters)

UNITED STATES OF AMERICA

The Dow Jones Industrial Average rose to a new high on Monday as investors awaited fresh inflation and earnings data. Traders will also watch out for the latest level on the consumer price index — or CPI, a key inflationary gauge — set to be released on Tuesday morning. More key economic data is expected on Thursday and Friday, including January's reading on retail sales, production, imports and exports, housing starts and the producer price index, or PPI.

EUROPE

European markets kicked off the new trading week higher, as investors continued to monitor corporate earnings and the interest rate outlook. Siemens Energy was up 5.7% on its own ratings upgrades from several analysts. It comes after the renewables firm posted a swing to profit and higher orders.

ASIA

Asia markets were mixed Monday to start a holiday-shortened week for most markets, while China remains shut for the week. Many major stock markets in Asia-Pacific were closed Monday including Hong Kong, Taiwan and South Korea.

Index	Close	% Daily	% M	YTD	Futures	% Change
DJIA	38797.38	0.33	3.20	2.94	38869.00	-0.04
S&P	5021.84	-0.09	4.98	5.28	5038.25	-0.06
Nasdaq	15942.55	-0.30	6.48	6.20	17955.75	-0.06
DJ EuroStoxx50	4746.35	0.65	5.94	4.97	4752.00	-0.21
FTSE 100	7573.69	0.01	-0.67	-2.06	7552.50	0.11
CAC 40	7689.80	0.55	3.01	1.94	7695.00	N/A
DAX	17037.35	0.65	1.99	1.71	17069.00	-0.19
IBEX 35	9984.70	0.89	-1.09	-1.16	9987.30	N/A
FTSE MIB	31456.73	0.97	3.24	3.64	31568.00	N/A
Nikkei	37963.97	2.89	6.71	13.45	38130.00	3.36
Hang Seng	15746.58	-0.83	-3.07	-7.63	15713.00	0.00
DFM General	4210.96	0.21	2.82	3.94	N/A	N/A
MSCI Tadawoul	12295.91	0.71	1.48	2.75	N/A	N/A

Leb. Mrkts	Closing Px	High	Low	% Daily	% Weekly	YTD
Solidere A	85.20	88.00	84.50	-1.39	-0.70	-4.38
Solidere B	83.55	88.00	82.25	-3.69	-5.11	-7.12

MUST READ

(Source: Bloomberg/Forexlive)

Hunt for 'next Nvidia' draws options traders to Arm's soaring stock

The craze for artificial intelligence stocks sent options traders piling into bets on Arm Holdings on Monday, with many positioning for more gains in the shares after they almost doubled in price in less than a week. Arm Holdings' shares are up 80% since Wednesday, after the company forecast better-than-expected quarterly results powered by demand for its technology to design chips for artificial intelligence features. The jump in the stock price has ignited trading in the chip designer's options, with volume soaring to about 490,000 contracts a day over the last three sessions. That is more than 10 times the options' average daily trading volume in the month prior to the earnings report, according to Trade Alert data. The exploding options volume pointed to investors hunting for the 'next NVIDIA,' said Chris Murphy, co-head of derivative strategy at Susquehanna Financial Group, noting that the surge in bullish options activity was likely helping boost the stock. On Monday, 600,000 Arm contracts changed hands by 2:15 p.m. (1915 GMT), with the day's volume projected to hit a record 816,000 contracts, data showed. With Arm shares up 20% at \$137.72 on Monday, call options on the shares rising above \$185 by Friday were the most actively traded Arm contracts. Arm's share price rise has made for massive gains for recent bullish options bets. ARM puts were also busy on Monday, possibly pointing to some investors looking to lock in some of the stocks' recent gains, he said. Arm's technology is not directly used in the AI work, but companies like Nvidia are choosing it for central processing units that complement their AI-specific chips.

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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