

Daily Market Brief

March 13 2024



FOREIGN EXCHANGE MARKETS

(Sources: Bloomberg / Reuters)

EUR/USD

EUR/USD floats near 1.0920 during Asian trading hours on Wednesday. The pair encountered volatility on Tuesday, primarily driven by the release of February's inflation data from Germany and the US. While German figures matched expectations, US inflation numbers exceeded expectations. EUR/USD maintains its position on market caution surrounding the Fed's policy decision. Euro could receive downward pressure from dovish remarks of ECB members.

GBP/USD

The GBP/USD pair holds below the 1.2800 psychological barrier during the early Asian trading hours on Wednesday. The firmer USD after the US February CPI inflation data drags the major pair lower. Investors await the UK GDP growth number for January. Traders will keep an eye on the UK monthly GDP for January, Industrial Production, and Manufacturing Production, due on Wednesday.

USD/JPY

USD/JPY rebounds after the release of higher-than-forecast US CPI data for February. The data increases the probability the Federal Reserve will retain interest rates at their current relatively high levels for longer. Higher interest rates are a positive for a currency since they result in higher capital inflows. USD/JPY is at risk of rolling over and continuing its short-term downtrend.

Fx rates	Last	High	Low	% Daily	% Weekly	% YTD
EUR-USD	1.0927	1.0931	1.0922	0.00	0.26	-1.01
GBP-USD	1.2793	1.2799	1.2786	0.00	0.49	0.49
USD-JPY	147.70	147.79	147.24	0.01	1.14	-4.51
USD-CHF	0.8778	0.8782	0.8770	0.07	0.49	-4.15
Commodities	Last	High	Low	% Daily	% Weekly	% YTD
Gold	2159.04	2161.62	2155.88	0.03	0.51	4.66
Silver	24.16	24.21	24.08	0.08	-0.01	1.55
Crude Oil	78.11	78.22	77.90	0.71	-1.29	8.47
Bitcoin	72606.68	72733.88	70660.73	2.17	6.15	70.81
Etherium	4047.78	4054.39	3928.18	2.44	3.34	77.35
Period	1 M	3 M	12 M			
EURIBOR	3.87	3.93	3.70			
SOFR	5.33	5.33	4.98			
Notes/Bonds	2 Y	10 Y	30 Y			
US	4.59	4.14	4.30			
BTP - BUND	0.50	1.28	1.73			
GILTS	4.22	3.95	4.40			

INTERNATIONAL EQUITY MARKETS

(Sources: Bloomberg / Reuters)

UNITED STATES OF AMERICA

The S&P 500 rose to a record close on Tuesday despite a hotter-than-expected inflation report. But the report wasn't enough to spook traders betting on a June interest rate cut. The rally wasn't broad-based: Large cap technology stocks led the way. Retail sales and producer price inflation later this week could serve as the next major test for stocks, as traders continue to hope interest rate cuts will begin in the second half of the year.

EUROPE

European markets closed higher on Tuesday as global investors digested the latest U.S. inflation report. Sectors mostly ended the session in the green, with autos up 2.4%, while utilities fell 1.2%. The FTSE 100 hit a 10-month high Tuesday, surging more than 1.2% in afternoon trade as slowing wage growth raised hopes for interest rate cuts.

ASIA

Asia-Pacific markets rose after comments from U.S. Federal Reserve Chair Jerome Powell hinted that interest rate cuts may not be too distant if inflation signals support policy easing. Japan's January household spending fell more than expected, dropping 6.3% year on year compared with the 4.3%.

Index	Close	% Daily	% M	YTD	Futures	% Change
DJIA	39005.49	0.61	1.91	3.49	39024.00	-0.02
S&P	5175.27	1.12	4.48	8.50	5177.50	0.00
Nasdaq	16265.64	1.54	3.90	8.36	18221.50	-0.03
DJ EuroStoxx50	4983.20	1.07	6.27	10.21	4987.00	0.00
FTSE 100	7747.81	1.02	3.14	0.19	7750.50	0.01
CAC 40	8087.48	0.84	6.06	7.22	8091.50	N/A
DAX	17965.11	1.23	6.42	7.24	17977.00	-0.02
IBEX 35	10388.90	0.61	4.67	2.84	10400.60	N/A
FTSE MIB	33753.12	1.31	8.41	11.21	33772.00	N/A
Nikkei	38695.97	-0.26	1.93	15.63	39600.00	#N/A N/A
Hang Seng	17093.50	0.05	8.61	0.32	17134.00	0.09
DFM General	4252.77	-0.25	0.54	4.49	N/A	N/A
MSCI Tadawoul	12613.94	0.46	1.69	5.40	N/A	N/A

Leb. Mrkts	Closing Px	High	Low	% Daily	% Weekly	YTD
Solidere A	72.95	74.95	72.10	-2.28	-6.05	-18.13
Solidere B	75.00	75.00	75.00	0.00	-3.54	-16.62

MUST READ

(Source: Bloomberg/ Forexlive)

US stocks climb on tech-led rally

Tech steered stock indexes higher on Tuesday, as fading inflationary fears drove investors back into markets. The S&P 500 hit a new closing high as mega-cap names soared higher in the session, following February inflation data that did little to skew investors' outlook for rate cuts to come in the middle of this year. Tuesday's CPI just marginally topped expectations, and most still forecast the Federal Reserve to start cutting in the summer. "As of now, markets expect the first cut to be in June," Jeffrey Roach, Chief Economist for LPL Financial, wrote. "Despite the stickiness of inflation, current Fed policy is clearly restrictive." Inflation rose 0.4% for the month, and 3.2% year-over-year, the Bureau of Labor Statistics showed. That's in line with expectations for the monthly figure, but slightly above the 3.1% expected for the annual reading. The month's core inflation, which strips out more volatile food and energy prices, climbed 0.4%, against estimates of a 0.3% gain. "With inflation coming in slightly hotter-than-expected, we think it's a coin flip as to whether the Fed cuts interest rates in June or if it takes a more conservative approach and waits until September," Skyler Weinand, Regan Capital chief investment officer, said. "The last mile of price stability is proving to be the hardest, and inflation was able to decelerate from 9% to 3% rather quickly, but the path to the Fed's 2% target may take more time than expected." Later this week, investors will be watching for the producer price index on Thursday.

MAIN WEEKLY EARNINGS

Company	Ticker	Market Cap	Date	Time	Estimate	Year Ago
Dollar Tree Inc	DLTR US	\$ 32.61B	13-Mar-24	Pre-mkt	2.65	2.04
Williams Sonoma	WSM US	\$ 15.46B	13-Mar-24	Pre-mkt	5.15	5.50
Lennar Corp	LEB US	\$ 45.76B	13-Mar-24	Aft-mkt	2.21	2.12
Tilly's Inc	TLYS US	\$ 215.5M	14-Mar-24	Aft-mkt	-0.21	0.01
Adobe Inc	ADBE US	\$ 261.77B	14-Mar-24	Aft-mkt	4.38	3.80

ECONOMIC CALENDAR

(13-03-24) UK - Industrial Production MoM
(13-03-24) US - MBA Mortgage Applications
(14-03-24) US - PPI Final Demand MoM
(14-03-24) US - Retail Sales Advance MoM
(14-03-24) US - Initial Jobless Claims
(15-03-24) FR - CPI MoM /YoY
(15-03-24) IT - CPI EU Harmonized YoY

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