

Daily Market Brief

April 13th 2023



FOREIGN EXCHANGE MARKETS

(Sources: Bloomberg / Forexlive)

EURUSD

The EUR/USD pair struggles to capitalize on its gains recorded over the past two days and consolidates in a range around the 1.10 psychological mark, just below its highest level since early February. The downside, meanwhile, remains cushioned in the wake of the underlying bearish sentiment surrounding the USD. In fact, the USD Index, which tracks the Greenback against a basket of currencies, languishes near the monthly low amid expectations that the (Fed) will be done with its monetary tightening after hiking one last time next month. The bets were reaffirmed by the softer-than-expected US consumer inflation figures released on Wednesday.

GBPUSD

The GBP/USD pair is gathering strength for recapturing the psychological resistance of 1.2500 in the Asian session. The Cable got significant bids on Wednesday after United States inflation softened as anticipated by the market participants.

USDJPY

USD/JPY remains sidelined around 133.20 during sluggish trading hours of early Thursday morning in Europe. In doing so, the Yen pair traces a mild recovery in the US Treasury bond yields while also cheering new Bank of Japan (BoJ) Governor Kazuo Ueda's defense of the ultra-easy monetary policy.

Fx rates	Last	High	Low	% Daily	% Weekly	% YTD
EUR-USD	1.0986	1.1005	1.0984	-0.05	0.59	2.62
GBP-USD	1.2483	1.2496	1.2480	-0.02	0.35	3.31
USD-JPY	133.29	133.31	132.95	0.12	-1.13	-1.63
USD-CHF	0.8973	0.8974	0.8954	0.13	0.80	3.03
Commodities	Last	High	Low	% Daily	% Weekly	% YTD
Gold	2016.09	2019.83	2014.32	0.06	0.41	10.53
Silver	25.42	25.57	25.39	-0.32	1.76	6.12
Crude Oil	82.95	83.36	82.90	-0.37	2.79	3.11
Bitcoin	30142.38	30213.76	29829.80	0.58	7.91	82.24
Etherium	1919.72	1930.77	1901.10	0.58	3.48	60.06
Period	1 M	3 M	12 M			
USD LIBOR *	4.94	5.24	5.32			
EURIBOR	2.89	3.11	3.58			
* USD LIBOR rates will be discontinued after June 30, 2023 and will be replaced by SOFR						
Notes/Bonds	2 Y	10 Y	30 Y			
US	3.98	3.41	3.64			
BTP - BUND	0.53	1.85	2.00			
GILTS	3.52	3.57	3.90			

INTERNATIONAL EQUITY MARKETS

(Sources: Bloomberg / Reuters)

UNITED STATES OF AMERICA

U.S. stocks ended lower on Wednesday after minutes from the Federal Reserve's March policy meeting revealed concern among several members of the Federal Open Markets Committee (FOMC) regarding the regional bank liquidity crisis.

EUROPE

Europe's blue-chip stocks hit their highest in 22 years on Wednesday as investors sought mega-cap quality stocks and as investors weighed whether the Federal Reserve could pause its rate hikes after evidence of cooling U.S. inflation.

ASIA

Hong Kong stocks fell on Thursday, as major shareholders of Alibaba and Tencent moved to slash their holdings in the two Chinese tech giants, with lingering geopolitical tensions keeping investor sentiment weak.

Index	Close	% Daily	% M	YTD	Futures	% Change
DJIA	33646.50	-0.11	5.74	1.51	33812.00	-0.01
S&P	4091.95	-0.41	6.13	6.58	4122.00	0.07
Nasdaq	11929.34	-0.85	6.62	13.98	12967.50	0.12
DJ EuroStoxx50	4334.03	0.02	5.80	14.25	4290.00	0.19
FTSE 100	7824.84	0.50	3.66	5.01	7811.50	-0.10
CAC 40	7396.94	0.09	5.50	14.26	7403.00	N/A
DAX	15703.60	0.31	4.97	12.78	15831.00	-0.09
IBEX 35	9278.70	0.44	3.57	12.75	9280.00	N/A
FTSE MIB	27629.34	0.38	5.52	16.55	27140.00	N/A
Nikkei	28082.70	0.27	1.17	7.91	28140.00	0.21
Hang Seng	20309.86	-0.79	2.30	1.86	20181.00	-0.97
DFM General	3496.52	1.52	4.24	4.81	N/A	N/A
MSCI Tadawoul	10935.39	0.80	6.12	4.36	N/A	N/A
Leb. Mkts	Closing Px	High	Low	% Daily	% Weekly	YTD
Solidere A	86.75	90.00	85.30	-1.20	-3.61	42.45
Solidere B	88.90	89.00	87.10	3.01	-1.22	47.31

MUST READ

(Source: Bloomberg/ Forexlive)

Toronto-Dominion becomes biggest bank short with US\$3.7B on the line

Turns out, the biggest short in the banking industry anywhere in the world isn't in Switzerland or Silicon Valley, but rather, in the relatively tame financial centre of Canada. In recent weeks, short sellers have upped their bearish bets against Toronto-Dominion Bank, and now have roughly US\$3.7 billion on the line vis-à-vis Canada's second-largest lender, according to an analysis by S3 Partners. That's the most among financial institutions globally and puts TD ahead of the likes of France's BNP Paribas SA and Bank of America Corp. Part of it has to do with the general skittishness toward the banking sector after three U.S. regional banks failed and Credit Suisse was forced into a shotgun wedding with UBS Group AG. And there are few signs Canadian lenders have any of the liquidity issues that investors have zeroed-in on recently. But analysts also point to worries about TD's exposure to the country's housing slowdown, as well as its ties to the U.S. market through its stake in Charles Schwab Corp. and a planned regional bank acquisition. Granted, short interest as a percentage of TD's shares available for trading, or float, remains relatively low at 3.3% and up from 2.8% a year ago. By that measure, TD is third among the top 20 U.S. and Canadian financial firms. TD's position atop the list of biggest bank shorts comes as it seeks to close a \$13.4B deal for First Horizon Corp., which would expand its foothold in the U.S.. TD is widely expected to renegotiate the deal after the recent bout of turmoil among US regional banks drove share prices lower in March. As a result, traders are "playing with short interest for TD more than normally" because the bank has become a merger arbitration play.

MAIN WEEKLY EARNINGS

(Source: Nasdaq)

Company	Ticker	Market Cap	Date	Time	Estimate	Year Ago
UnitedHealth Gro	UNH US	\$456.7 B	14-Apr-23	Pre-mkt	6.23	5.49
J P Morgan Chase	JPM US	4383.10	14-Apr-23	Pre-mkt	3.43	2.63
Wells Fargo & Cor	WFC US	\$139.1 B	14-Apr-23	Pre-mkt	1.16	0.88
BlackRock, Inc	BLK US	\$99.1 B	14-Apr-23	Pre-mkt	7.90	9.52
Citigroup	C US	\$90.5 B	14-Apr-23	Pre-mkt	1.66	2.02

ECONOMIC CALENDER

(Source: Forexlive)

(13-04-23) DE- Harmonized Index of Consumer Prices YoY MAR
(13-04-23) GB- Industrial Production MoM FEB; Manufacturing Production FEB
(13-04-23) GB- Gross Domestic Product MoM FEB; NIESR GDP Estimate 3M MAR
(13-04-23) EA- Industrial Production s.a. MoM FEB
(13-04-23) US- Producer Price Index ex Food & Energy YoY MAR
(13-04-23) US- Initial Jobless Claims
(13-04-23) CA- BoC's Governor Macklem speech

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