

Daily Market Brief

May 13th 2024



FOREIGN EXCHANGE MARKETS

(Sources: Bloomberg / Reuters)

EUR/USD

Europe's shared currency eked out a marginal gain of +0.1% versus its US counterpart last week, marking a fourth straight week in positive territory for the major currency pair. This will be a watched market ahead of Wednesday's US CPI print, with technicals suggesting a move higher in EUR/USD from short-term support.

GBP/USD

GBP/USD edges higher to near 1.2520 during the Asian session on Monday, possibly due to improved risk appetite. The GBP was bolstered by releasing higher-than-expected UK GDP figures on Friday. The UK economy expanded by 0.6% in Q1, surpassing forecasts and signaling the end of the nation's brief recession. BoE's Chief Economist Huw Pill indicated a growing belief that rate cuts might be on the horizon.

USD/JPY

The USD/JPY pair trades on a stronger note near 155.85 during the Asian trading hours on Monday. The hawkish stance from the US Fed has provided some support to the Greenback in recent sessions. Investors will take more cues from the US CPI, Producer, Price Index (PPI), and Retail Sales this week for fresh impetus. Also, Fed Jefferson and Mester are set to speak later on Monday.

Fx rates	Last	High	Low	% Daily	% Weekly	% YTD
EUR-USD	1.0774	1.0776	1.0766	0.03	0.05	-2.40
GBP-USD	1.2528	1.2533	1.2518	0.02	-0.27	-1.59
USD-JPY	155.90	155.96	155.52	0.08	-1.27	-9.53
USD-CHF	0.9064	0.9074	0.9058	-0.01	-0.01	-7.17
Commodities	Last	High	Low	% Daily	% Weekly	% YTD
Gold	2350.61	2364.55	2350.49	-0.42	1.15	13.94
Silver	28.04	28.24	27.97	-0.50	2.18	17.85
Crude Oil	78.18	78.19	77.78	-0.10	-0.38	8.40
Bitcoin	61092.01	61768.66	60753.01	-0.29	-0.77	43.72
Etherium	2882.97	2941.71	2864.38	-1.35	-2.30	26.32
Period	1 M		3 M			12 M
EURIBOR	3.86		3.82			3.63
SOFR	5.32		5.32			5.14
Notes/Bonds	2 Y		10 Y			30 Y
US	4.86		4.49			4.64
BTP - BUND	0.52		1.34			1.74
GILTS	4.32		4.17			4.65

INTERNATIONAL EQUITY MARKETS

(Sources: Bloomberg / Reuters)

UNITED STATES OF AMERICA

The Dow Jones Industrial Average rose on Friday, wrapping an eighth consecutive winning session and registering its best week of 2024. Investor enthusiasm was kept in check after consumer sentiment data released Friday morning showed a big uptick in inflation expectations. However, markets will be put to the test this week when April's consumer price index reading is released.

EUROPE

European markets closed higher on Friday as positive momentum continued into the end of the week. The U.K. economy emerged from a recession, first-quarter gross domestic product data released Friday showed. GDP rose 0.6% on the previous three months — above the 0.4% estimate.

ASIA

Asian stocks were mostly lower on Monday after Wall Street coasted to the close of another winning week. The release of weak Chinese lending data and news that the U.S. government plans to raise tariffs on a raft of Chinese exports were weighing on sentiment. Japan's Q1 economic growth figures are due to be released on Thursday.

Index	Close	% Daily	% M	YTD	Futures	% Change
DJIA	39512.84	0.32	4.03	4.84	39644.00	0.01
S&P	5222.68	0.16	1.94	9.49	5251.00	0.09
Nasdaq	16340.87	-0.03	1.02	8.86	18292.75	0.21
DJ EuroStoxx50	5085.08	0.61	2.63	12.47	5081.00	0.14
FTSE 100	8433.76	0.63	5.48	9.06	8438.50	-0.15
CAC 40	8219.14	0.38	2.60	8.96	8214.50	0.08
DAX	18772.85	0.46	4.70	12.07	18905.00	0.15
IBEX 35	11105.50	0.50	3.93	9.93	11119.70	0.00
FTSE MIB	34657.35	0.93	2.65	14.19	34377.00	0.00
Nikkei	38229.11	-0.22	-3.49	13.99	38150.00	-0.24
Hang Seng	18963.68	0.64	14.13	11.95	19068.00	0.61
DFM General	4173.04	-0.16	-1.68	2.79	N/A	N/A
MSCI Tadawoul	12217.05	-0.55	-3.84	2.09	N/A	N/A

Leb. Mrkts	Closing Px	High	Low	% Daily	% Weekly	YTD
Solidere A	70.00	70.00	70.00	0.00	-3.31	-21.44
Solidere B	69.00	69.00	69.00	0.00	-4.76	-23.29

MUST READ

(Source: Bloomberg/ Forexlive)

Crucial inflation report for the week

A strong earnings season and blockbuster reports from tech industry titans fueled a U.S. stock market rebound from the first real swoon of 2024. Next week's inflation data could determine whether the good vibes continue. The benchmark S&P 500 index, opens new tab is up over 9% for the year, up near its late-March record high, following a 5% pullback that occurred last month. The bounce has overlapped with a stronger-than-expected first-quarter reporting season for U.S. companies. With well over 80% of the S&P 500 having reported results, companies are on track to have increased earnings by 7.8%, well ahead of the April expectation of 5.1% growth, according to LSEG IBES. Still, some investors worry the rally could stall without evidence that inflation is cooling again. While Fed Chairman Jerome Powell has reassured markets the central bank is unlikely to raise rates anytime soon, months of strong inflation have led to concerns that policymakers will not cut them this year. Strong earnings have "got investors feeling more comfortable about being in this market," said Art Hogan, chief market strategist at B Riley Wealth. However, "the trajectory of inflation is always going to be important to us while we're in a cycle where we expect the next thing for the Fed to do is to cut rates." Inflation reports have preceded market pivots in recent years, as the Fed has ramped up interest rates to cool consumer inflation from four-decade highs hit in 2022. Most recently, an April 10 release showing a third-straight month of stronger-than-expected inflation was followed by a roughly two-week decline in stocks as it spurred fears the Fed could raise rates

MAIN WEEKLY EARNINGS

Company	Ticker	Market Cap	Date	Time	Estimate	Year Ago
Paysafe LTD	PSFE US	\$ 923.5M	13-May-24	Aft-mkt	0.50	0.54
StoneCo LTD	STNE US	\$ 5.13B	13-May-24	Aft-mkt	1.44	0.72
Home Depot Inc	HD US	\$ 343.32B	14-May-24	Pre-mkt	3.61	3.82
Alibaba Group Hc	BABA US	\$ 194.79B	14-May-24	Pre-mkt	10.48	10.71
Cisco Systems Inc	CSCO US	\$ 194.60B	15-May-24	Aft-mkt	0.82	1.00

ECONOMIC CALENDAR

(13-05-24) US - NY Fed 1-YR Inflation Expectations
(14-05-24) JP - PPI YoY
(14-05-24) DE - CPI YoY / CPI MoM
(14-05-24) UK - Claimant Count Rate
(14-05-24) US - NFIB Small Business Optimism
(14-05-24) US - PPI Final Demand MoM
(15-05-24) US - CPI MoM / Core CPI MoM

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