

Daily Market Brief

September 13th 2024



FOREIGN EXCHANGE MARKETS

(Sources: Bloomberg / Reuters)

EURUSD

The EUR/USD pair builds on the previous day's goodish recovery move from the 1.1000 psychological mark, or a nearly four-week low and attracts some follow-through buyers for the second straight day on Friday. The softer-than-expected US (PPI) report lifted bets for a larger interest rate cut by the (Fed) next week. This, along with a positive risk tone, drags the USD to over a one-week low and turns out to be a key factor acting as a tailwind for the pair. Meanwhile, the (ECB) refrained from providing a specific interest rate guidance, which underpins the shared currency and contributes to the bid tone surrounding the currency pair.

GBPUSD

The GBP/USD pair gains positive traction for the second straight day and recovers further from over a three-week low, around the 1.3000 psychological mark touched on Wednesday. Dovish Fed expectations keep the US Treasury bond yields depressed near the 2024 low, which, along with the upbeat market mood, undermines the safe-haven buck and acts as a tailwind for the GBP/USD pair.

USDJPY

The USD/JPY pair weakens further below mid-141.00s during the Asian session on Friday and has now moved back closer to the YTD low touched earlier this week. Moreover, the fundamental backdrop seems tilted firmly in favor of bearish traders and supports prospects for an extension of a well-established downtrend witnessed over the past two months or so.

Fx rates	Last	High	Low	% Daily	% Weekly	% YTD
EUR-USD	1.1085	1.1090	1.1070	0.10	0.01	0.42
GBP-USD	1.3145	1.3151	1.3123	0.16	0.12	3.25
USD-JPY	140.94	141.87	140.65	-0.62	0.96	0.07
USD-CHF	0.8496	0.8525	0.8486	-0.19	-0.78	-0.97
Commodities	Last	High	Low	% Daily	% Weekly	% YTD
Gold	2568.81	2570.30	2556.79	0.43	2.86	24.52
Silver	30.08	30.09	29.84	0.66	7.66	26.39
Crude Oil	69.48	69.52	69.17	0.74	2.67	-2.11
Bitcoin	57881.50	58413.49	57797.97	-0.54	6.44	36.17
Etherium	2347.21	2374.67	2343.01	-0.20	3.10	2.84
Period	1M	3M	6M	12M		
SOFR (\$)	5.10	4.95	4.57	3.97		
ESTR (€)	2.75	3.40	3.20	2.75		
SONIA (£)	4.92	4.84	4.64	4.25		
SARON (F)	1.01	0.93	0.80	0.66		
TONAR (¥)	0.22	0.15	0.11	0.05		

Central Banks Rates

U.S.	5.50
ECB	3.65
BOE	5.00

INTERNATIONAL EQUITY MARKETS

(Sources: Bloomberg / Reuters)

UNITED STATES OF AMERICA

Wall Street's main indexes closed higher on Thursday after the latest inflation data reinforced expectations for a 25-basis point rate cut by the Federal Reserve, while Moderna's weak revenue forecast made it the S&P 500's biggest percentage loser.

EUROPE

European shares jumped on Thursday after the European Central Bank (ECB) cut interest rates again as inflation hovers within striking distance of its 2% target and the domestic economy is skirting a recession. Growth slowing, inflation gradually declining, ECB says.

ASIA

Asian stocks are poised to end the week on a strong footing on Friday, spurred on by another solid rise on Wall Street the day before that puts some key benchmark indexes across the continent on track to register modest weekly gains.

Index	Close	% Daily	% M	YTD	Futures	% Change
DJIA	41096.77	0.58	3.35	9.04	41180.00	0.07
S&P	5595.76	0.75	2.97	17.32	5608.00	0.10
Nasdaq	17569.68	1.00	2.22	17.04	19465.75	0.10
DJ EuroStoxx50	4814.08	1.06	2.54	6.47	4834.00	0.46
FTSE 100	8240.97	0.57	0.07	6.57	8257.00	0.10
CAC 40	7435.07	0.52	2.19	-1.43	7441.00	N/A
DAX	18518.39	1.03	3.97	10.55	18602.00	0.45
IBEX 35	11400.20	1.08	6.31	12.85	11408.00	N/A
FTSE MIB	33453.78	0.84	4.52	10.22	33480.00	N/A
Nikkei	36833.27	-0.27	1.38	9.77	36870.00	0.00
Hang Seng	17240.39	0.93	1.32	2.07	17424.00	1.00
DFM General	4364.87	0.42	4.31	7.51	N/A	N/A
MSCI Tadawoul	11842.55	0.65	0.39	-1.04	N/A	N/A

Leb. Mrkts	Closing Px	High	Low	% Daily	% Weekly	YTD
Solidere A	88.20	88.75	88.00	5.13	-2.05	-1.01
Solidere B	86.60	88.00	84.50	3.53	-0.29	-3.72

MUST READ

(Source: Bloomberg/ Forexlive)

Interest payments on the national debt top \$1 trillion as deficit swells

The U.S. government for the first time has spent more than \$1 trillion this year on interest payments for its \$35.3 trillion national debt, the Treasury Department reported Thursday. With the Federal Reserve holding benchmark rates at their highest in 23 years, the government has laid out \$1.049 trillion on debt service, up 30% from the same period a year ago and part of a projected \$1.158 trillion in payments for the full year. Subtracting the interest the government earns on its investments, net interest payments have totaled \$843 billion, higher than any other category except Social Security and Medicare. The jump in debt service costs came as the U.S. budget deficit surged in August, edging closer to \$2 trillion for the full year. With one month left in the federal government's fiscal year, the August shortfall popped by \$380 billion, a dramatic reversal from the \$89 billion surplus for the same month a year prior that was due largely to accounting maneuvers involving student debt forgiveness. That took the 2024 deficit to just shy of \$1.9 trillion, or a 24% increase from the same point a year ago. The Fed is widely expected to lower rates next week, but just by a quarter percentage point. However, in anticipation of additional moves in future months, Treasury yields have tumbled in recent weeks.

MAIN WEEKLY EARNINGS

Company	Ticker	Market Cap	Date	Time	Estimate	Year Ago
Ferguson Entrepri	FERG US	\$37.9 B	17-Sep-24	Pre-mkt	2.89	2.77
General Mills	GIS US	\$1.5 B	18-Sep-24	After-mkt	0.37	0.31
Steelcase	SCS US	\$1.5 B	18-Sep-24	After-mkt	0.37	0.31
FedEx	FDX US	\$69.5 B	19-Sep-24	After-mkt	4.87	4.55
Lennar Corpora	LEN US	\$48.9 B	19-Sep-24	After-mkt	3.62	3.91

ECONOMIC CALENDAR

- (13-09-24) FR- Consumer Price Index AUG
- (13-09-24) EA- Eurogroup Meeting
- (13-09-24) GB- Consumer Inflation Expectations
- (13-09-24) EA- Industrial Production JUL
- (13-09-24) US- Michigan Consumer Sentiment Index SEP preliminar
- (17-09-24) US- Retail Sales AUG
- (17-09-24) DE- ZEW Survey - Economic Sentiment SEP

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