Daily Market Brief

December 13th 2024

BANQUE BEMO

FOREIGN EXCHANGE MARKETS *(Sources: Bloomberg / Reuters)*

EUR/USD

The EUR/USD pair is under pressure, reaching a three-week low due to a dovish European Central Bank and concerns about the Eurozone economy, while the US dollar benefits from expectations of rising US Treasury yields and a cautious Federal Reserve. Geopolitical tensions and trade war fears further support the USD, but traders are cautious ahead of the upcoming FOMC meeting, which may offer new insights into the Fed's rate-cut strategy.

GBP/USD

The GBP/USD pair continues to decline for the third consecutive day, weighed down by tariff threats from Trump's administration and a stronger US dollar following a better-than-expected US Producer Price Index report. While traders await the UK GDP and factory data, the downside risks for the pound are limited by expectations that the Bank of England will ease policy more slowly than other central banks.

USD/JPY

The Japanese Yen remains weak against the US Dollar for the fifth consecutive day, falling to a two-week low due to expectations that the Bank of Japan will keep rates unchanged and rising US Treasury yields. While a softer risk tone and geopolitical tensions provide some support for the Yen, traders are cautious ahead of next week's FOMC and BoJ policy meetings.

Fx rates	Last	High	Low	% Daily	% Weekly	% YTD
EUR-USD	1.0460	1.0481	1.0456	-0.08	-1.02	-5.25
GBP-USD	1.2637	1.2679	1.2635	-0.28	-0.84	-0.74
USD-JPY	152.77	153.09	152.46	0.09	-1.81	-7.68
USD-CHF	0.8932	0.8932	0.8905	0.12	-1.61	-5.80

Commodities	Last	High	Low	% Daily	% Weekly	% YTD
Gold	2689.40	2692.85	2678.97	0.32	2.13	30.36
Silver	30.96	31.27	30.86	-0.12	-0.03	30.10
Crude Oil	70.06	70.16	69.87	0.06	4.26	0.17
Bitcoin	99625.67	100496.84	99244.95	-0.16	-0.47	134.37
Etherium	3878.53	3941.75	3836.77	0.30	-2.90	69.94

Period	1M	3M	6M	12M
SOFR ($)	4.40	4.36	4.26	4.12
ESTR (€)	2.14	2.77	2.46	2.14
SONIA (£)	4.70	4.64	4.53	4.35
SARON (F)	0.45	0.43	0.31	0.17
TONAR (¥)	0.22	0.22	0.18	0.11

	Rates
U.S. Federal Fund Target Rate	4.75
ECB Main Refinancing Operation Announcement Rate	3.15
ECB Deposit Facility Announcement Rate	3.00
ECB Marginal Lending Facility Announcement Rate	3.40
BOE Official Bank Rate	4.75

INTERNATIONAL EQUITY MARKETS *(Sources: Bloomberg / Reuters)*

UNITED STATES OF AMERICA

Stocks fell Thursday, weighed down by a hotter-than-expected U.S. inflation report, as tech shares failed to keep the momentum seen earlier in the week. The producer price index, which tracks wholesale prices, increased 0.4% last month. Economists polled by Dow Jones expected a 0.2% increase on a monthly basis.

EUROPE

European markets closed slightly lower Thursday, having shifted between modest losses and gains following the European Central Bank's decision to cut interest rates by 25 basis points. The Swiss National Bank also cut rates by 50 basis points earlier in the session Thursday, exceeding expectations of a smaller trim amid an ongoing tussle with depressed inflation and a strong Swiss franc.

ASIA

China stocks led losses in Asia Friday after Beijing affirmed its recent policy shifts and stressed on plans to boost growth following a high-profile meeting Thursday. Most other Asia-Pacific markets also fell, tracking Wall Street declines following a hotter-than-expected producer price inflation reading.

Index	Close	% Daily	% M	YTD	Futures	% Change
DJIA	43914.12	-0.53	-0.10	16.52	43978.00	-0.53
S&P	6051.25	-0.54	1.10	26.87	6066.75	-0.41
Nasdaq	19902.84	-0.66	3.50	32.59	21729.25	-0.26
DJ EuroStoxx50	4965.53	0.12	4.75	9.82	4961.00	-0.16
FTSE 100	8311.76	0.12	3.50	7.48	8300.50	-0.13
CAC 40	7420.94	-0.03	2.83	-1.62	7405.50	-0.38
DAX	20426.27	0.13	7.49	21.94	20422.00	-0.11
IBEX 35	11764.80	-0.21	3.41	16.46	11767.30	-0.18
FTSE MIB	34857.37	0.36	3.41	14.85	34887.00	0.34
Nikkei	39470.44	-0.95	1.93	17.95	39830.00	1.07
Hang Seng	20397.05	-1.87	0.97	17.41	20060.00	-0.77
DFM General	4811.61	0.18	1.85	18.73	N/A	N/A
MSCI Tadawoul	12099.33	-0.41	2.61	1.40	N/A	N/A

Leb. Mrkts	Closing Px	High	Low	% Daily	% Weekly	YTD
Solidere A	91.60	94.90	91.00	-0.97	1.83	2.81
Solidere B	90.00	90.00	90.00	0.00	-5.21	0.06

MUST READ *(Source: Bloomberg/ Forexlive)*

Gold Edges Higher as Traders Weigh Mixed US Data, Rate Outlook

Gold prices edged higher following mixed U.S. economic data, with investors focusing on the Federal Reserve's final policy meeting of the year. Gold traded near $2,687 an ounce after falling 1.4% on Thursday, driven by a report showing an unexpected acceleration in U.S. wholesale inflation and a rise in jobless claims. Despite this, gold is set to record a weekly gain, fuelled by optimism that the Fed will reduce rates by 25 basis points next week. Traders are also speculating that the Fed may pause rate cuts early next year. Lower borrowing costs generally support gold, as it offers no interest. However, gold price growth may slow in 2025 due to concerns about U.S. growth and inflation under a potential Donald Trump presidency. The World Gold Council noted that the outlook for U.S. interest rates could temper gold's gains. Gold has surged about 30% this year, poised for its biggest annual gain since 2007, supported by Fed easing, safe-haven demand, and central bank buying. As of 5:43 a.m. in London, spot gold was up 0.3% at $2,689.37, on track for a weekly increase of 2%. Silver dropped, while platinum and palladium remained steady.

MAIN WEEKLY EARNINGS

Company	Ticker	Market Cap	Date	Time	Estimate	Year Ago
Heico Corporatioı	HEI US	$ 30.65B	17-Dec-24	Aft-mkt	0.96	0.74
General Mills Inc	GIS US	$ 36.68B	18-Dec-24	Pre-mkt	1.22	1.25
Jabil Inc	JBL US	$ 14.93B	18-Dec-24	Pre-mkt	1.88	2.60
Micron Technolog	MU US	$ 109.09B	18-Dec-24	Aft-mkt	1.77	-0.95
Lennar Corporatic	LEN US	$ 42.04B	18-Dec-24	Aft-mkt	4.20	5.17

ECONOMIC CALENDAR

(13-12-24) JP - Industrial Production MoM / YoY
(13-12-24) UK - Industrial Production MoM
(13-12-24) FR - CPI MoM / YoY
(16-12-24) EC - HCOB Eurozone Composite / Manufacturing / Services PMI
(16-12-24) US - Empire Manufacturing
(16-12-24) US - S&P Global US Manufacturing / Services / Composite PMI
(17-12-24) UK - ILO Unemployment Rate 3Mths

CONTACT

Banque BEMO sal
Asset Management Unit

Ashrafieh, Elias Sarkis Ave., BEMO Bldg, 4th Floor
P.O.Box 16-6353 Beirut, Lebanon
Tel: +961 1 325405/6/7/9