

Daily Market Brief

March 14 2024



FOREIGN EXCHANGE MARKETS

(Sources: Bloomberg / Reuters)

EUR/USD

EUR/USD remains steady near 1.0950 during Thursday's Asian session, in an attempt to maintain gains from the prior session. The pair received a boost as the US Dollar struggled to sustain its strength despite higher US Treasury yields spurred by positive inflation data. The relatively sluggish fundamentals of the euro area, juxtaposed with the resilient US economy, reinforce the anticipation of a stronger Dollar in the medium term.

GBP/USD

The GBP/USD pair continues with its struggle to gain any meaningful traction and extends its consolidative price move around the 1.2800 mark. The setup seems tilted in favour of bullish traders and warrants some caution before positioning for an extension of the recent pullback from the vicinity of the 1.2900. The GBP might continue to draw support from expectations that the BoE might keep interest rates higher for longer.

USD/JPY

The pair rebounds to crucial resistance of 148.00 as investors hope that the BoJ will delay its plans to quit negative interest rates. The asset recovers as optimism over BoJ hiking interest rates in the March policy meeting wanes, and stubborn US inflation data for Feb has dents hopes of the Fed reducing interest rates in June.

Fx rates	Last	High	Low	% Daily	% Weekly	% YTD
EUR-USD	1.0940	1.0955	1.0939	-0.07	-0.07	-0.90
GBP-USD	1.2792	1.2805	1.2787	-0.04	-0.13	0.48
USD-JPY	147.89	147.97	147.53	0.09	0.11	-4.63
USD-CHF	0.8798	0.8798	0.8782	0.10	-0.24	-4.36
Commodities	Last	High	Low	% Daily	% Weekly	% YTD
Gold	2169.09	2177.05	2167.89	-0.24	0.42	5.14
Silver	24.91	25.16	24.80	-0.38	2.40	4.69
Crude Oil	79.72	79.93	79.57	0.00	1.00	10.71
Bitcoin	73606.51	73670.01	72542.81	0.61	7.40	73.16
Etherium	3991.35	4013.04	3943.70	-0.02	2.02	74.88
Period	1 M	3 M	12 M			
EURIBOR	3.85	3.93	3.71			
SOFR	5.33	5.33	5.01			
Notes/Bonds	2 Y	10 Y	30 Y			
US	4.64	4.20	4.35			
BTP - BUND	0.46	1.23	1.68			
GILTS	4.27	4.02	4.47			

INTERNATIONAL EQUITY MARKETS

(Sources: Bloomberg / Reuters)

UNITED STATES OF AMERICA

The S&P 500 was lower on Wednesday, pulling back from a record reached in the previous session, as Nvidia cooled off from its red-hot rally. The VanEck Semiconductor ETF (SMH) slid roughly 2% for its third losing session in four. The information technology sector slipped about 1.1%. Investors will get more inflation data Thursday in the form of the producer price index for February.

EUROPE

European markets closed higher Wednesday, following a mixed trading session as investors digested the latest U.S. inflation report and U.K. gross domestic product figures. Investors on Wednesday were monitoring U.K. economic data, which showed a return to moderate growth in January.

ASIA

Asia-Pacific markets were mixed after Wall Street jumped overnight, following U.S. inflation data that largely met expectations. Canon Electronics shares fell as much as 12.7% after Tokyo-based Space One's rocket exploded just moments into its inaugural launch. South Korea's unemployment rate came in at a seasonally adjusted rate of 2.6% year over year in February, according to official data.

Index	Close	% Daily	% M	YTD	Futures	% Change
DJIA	39043.32	0.10	1.61	3.59	39122.00	0.14
S&P	5165.31	-0.19	3.29	8.29	5176.00	0.15
Nasdaq	16177.77	-0.54	2.01	7.77	18131.00	0.31
DJ EuroStoxx50	5000.55	0.35	6.19	10.60	5007.00	-0.04
FTSE 100	7772.17	0.31	2.69	0.50	7775.50	0.02
CAC 40	8137.58	0.62	5.99	7.88	8141.00	N/A
DAX	17961.38	-0.02	6.00	7.22	17970.00	-0.05
IBEX 35	10560.50	1.65	6.49	4.54	10573.70	N/A
FTSE MIB	33885.43	0.39	8.16	11.64	33907.00	N/A
Nikkei	38807.38	0.29	2.93	15.97	39600.00	#N/A N/A
Hang Seng	17082.11	-1.04	6.46	-0.84	16953.00	-1.12
DFM General	4259.24	0.39	1.24	5.32	N/A	N/A
MSCI Tadawoul	12723.15	0.87	2.29	6.32	N/A	N/A

Leb. Mrkts	Closing Px	High	Low	% Daily	% Weekly	YTD
Solidere A	75.00	75.00	74.95	2.81	-1.19	-15.82
Solidere B	75.00	75.00	75.00	0.00	3.31	-16.62

MUST READ

(Source: Bloomberg/ Forexlive)

Tesla slips following Wells Fargo warning

Tesla shares dropped about 2% on Wednesday after Wells Fargo raised concerns over the waning impact of price cuts by the world's most valuable automaker on the demand for its electric vehicles and downgraded them to "underweight". Tesla is battling a global slowdown in EV demand following last year's price war that hurt margins and has lost nearly \$200 billion in market value as its shares slumped nearly 29% this year. The brokerage also slashed Tesla's price target to \$120 from \$200, which is one of the lowest on Wall Street and implies a 32% downside to stock's last closing price. Investor concerns over the company's prospects have been high since CEO Elon Musk in January warned that growth would be "notably lower" this year. Tesla has lagged other "Magnificent Seven" stocks including Microsoft, Apple, Nvidia, Amazon, Alphabet, and Meta Platforms in 2024. Despite the slump, it has the highest forward price-to-earnings ratio of 52 among the seven companies, as analysts lowered their estimates for earnings. Their average estimate for earnings in 2024 has dropped by about 10.8% in the past 30 days, LSEG data showed. Still, the average Wall Street rating for Tesla is "hold" as many analysts believe that the demand slump could stabilize later in the year. "We can concur the price wars in China are brutal however there is a sense from industry checks... that many of these price cuts are starting to subside into spring/summer 2024," Wedbush analyst Dan Ives said.

MAIN WEEKLY EARNINGS

Company	Ticker	Market Cap	Date	Time	Estimate	Year Ago
Dollar General	DG US	\$ 34.72B	14-Mar-24	Pre-mkt	1.73	2.96
Tilly's Inc	TLYS US	\$ 219.4M	14-Mar-24	Aft-mkt	-0.21	0.01
Adobe Inc	ADBE US	\$ 259.24B	14-Mar-24	Aft-mkt	4.38	3.80
Smartsheet Inc	SMAR US	\$ 5.62B	14-Mar-24	Aft-mkt	0.18	0.07
Jabil Inc	JBL US	\$ 18.98B	15-Mar-24	Pre-mkt	1.66	1.88

ECONOMIC CALENDAR

(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
(15-03-24) US - Empire Manufacturing
(15-03-24) US - Industrial Production MoM

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