

# Daily Market Brief

May 14th 2024



## FOREIGN EXCHANGE MARKETS

(Sources: Bloomberg / Reuters)

### EUR/USD

EUR/USD has recovered its recent gains registered in the previous session, trading around 1.0780 during the Asian session on Tuesday. From a technical perspective, analysis indicates a sideways trend for the pair as it continues to lie within the symmetrical triangle. A surpassing of the upper boundary could shift the momentum toward a bullish trend.

### GBP/USD

GBP/USD hovers around 1.2560 during the Asian session on Tuesday following the improved risk appetite. The GBP received support as UK GDP figures released on Friday showed an expansion by 0.6% in Q1, surpassing expectations and signaling the end of the country's brief recession. This robust economic rebound represents the strongest growth seen in over two years. Market participants are now turning their attention to employment data expected later in the day.

### USD/JPY

The USD/JPY pair extends the rally around 156.20 during the early Asian trading hours on Tuesday. The Japanese Yen loses ground against the USD despite the hawkish signal from the BoJ to cut purchases of Japanese government bonds on Monday and the downbeat NFP for April last week. Investors will take more cues from the key US economic data this week, including the PPI, CPI, and Retail Sales.

| Fx rates    | Last     | High     | Low      | % Daily | % Weekly | % YTD |
|-------------|----------|----------|----------|---------|----------|-------|
| EUR-USD     | 1.0785   | 1.0794   | 1.0784   | -0.05   | 0.28     | -2.30 |
| GBP-USD     | 1.2552   | 1.2562   | 1.2552   | -0.06   | 0.34     | -1.41 |
| USD-JPY     | 156.42   | 156.50   | 156.14   | 0.13    | -1.11    | -9.83 |
| USD-CHF     | 0.9086   | 0.9088   | 0.9079   | 0.03    | -0.02    | -7.40 |
| Commodities | Last     | High     | Low      | % Daily | % Weekly | % YTD |
| Gold        | 2345.01  | 2345.95  | 2334.91  | 0.37    | 1.34     | 13.67 |
| Silver      | 28.44    | 28.50    | 28.19    | 0.83    | 4.38     | 19.50 |
| Crude Oil   | 79.26    | 79.38    | 79.06    | 0.18    | 1.12     | 9.90  |
| Bitcoin     | 62645.85 | 63114.36 | 62316.18 | -0.70   | 0.02     | 47.37 |
| Etherium    | 2942.31  | 2960.23  | 2930.32  | -0.40   | -2.62    | 28.92 |
| Period      | 1 M      |          | 3 M      |         | 12 M     |       |
| EURIBOR     | 3.86     |          | 3.82     |         | 3.63     |       |
| SOFR        | 5.32     |          | 5.32     |         | 5.15     |       |
| Notes/Bonds | 2 Y      |          | 10 Y     |         | 30 Y     |       |
| US          | 4.85     |          | 4.48     |         | 4.63     |       |
| BTP - BUND  | 0.52     |          | 1.35     |         | 1.74     |       |
| GILTS       | 4.33     |          | 4.17     |         | 4.66     |       |

## INTERNATIONAL EQUITY MARKETS

(Sources: Bloomberg / Reuters)

### UNITED STATES OF AMERICA

The DJIA slipped on Monday, snapping an eight-day winning streak, as traders grappled with rising inflation expectations ahead of key reports due later in the week. A New York Fed Reserve survey showed consumers last month raised their expectations for price increases in both the near & long term. Stocks gave back earlier gains after the survey results were issued.

### EUROPE

European markets closed mixed on Monday as investors awaited the release of fresh U.S. inflation data. Construction and materials stocks led losses, down 0.9%, while autos stocks gained 1.4%.

### ASIA

Asia-Pacific markets were largely lower Monday as investors assessed China's stronger-than-expected April inflation data. The data highlight for the week will be Japan's first-quarter GDP, which is expected to have contracted an annualized 1.5%, according to a Reuters poll, likely jeopardizing the Bank of Japan's plans to raise interest rates.

| Index          | Close    | % Daily | % M   | YTD   | Futures  | % Change |
|----------------|----------|---------|-------|-------|----------|----------|
| DJIA           | 39431.51 | -0.21   | 3.81  | 4.62  | 39563.00 | 0.01     |
| S&P            | 5221.42  | -0.02   | 1.91  | 9.47  | 5244.25  | -0.02    |
| Nasdaq         | 16388.24 | 0.29    | 1.32  | 9.17  | 18277.75 | -0.10    |
| DJ EuroStoxx50 | 5078.96  | -0.12   | 2.50  | 12.33 | 5074.00  | 0.00     |
| FTSE 100       | 8414.99  | -0.22   | 5.25  | 8.82  | 8410.00  | -0.15    |
| CAC 40         | 8209.28  | -0.12   | 2.48  | 8.83  | 8213.00  | 0.00     |
| DAX            | 18742.22 | -0.16   | 4.53  | 11.88 | 18845.00 | -0.04    |
| IBEX 35        | 11152.00 | 0.42    | 4.36  | 10.39 | 11147.50 | 0.00     |
| FTSE MIB       | 34815.91 | 0.46    | 3.12  | 14.71 | 34526.00 | 0.00     |
| Nikkei         | 38179.46 | 0.20    | -3.21 | 14.31 | 38250.00 | 0.37     |
| Hang Seng      | 19115.06 | -0.11   | 14.19 | 12.00 | 19076.00 | -0.09    |
| DFM General    | 4173.28  | 0.01    | -1.67 | 2.80  | N/A      | N/A      |
| MSCI Tadawoul  | 12259.60 | 0.35    | -3.22 | 2.44  | N/A      | N/A      |

| Leb. Mrkts | Closing Px | High  | Low   | % Daily | % Weekly | YTD    |
|------------|------------|-------|-------|---------|----------|--------|
| Solidere A | 69.65      | 69.95 | 68.55 | -0.50   | -2.11    | -21.83 |
| Solidere B | 70.00      | 70.00 | 69.95 | 1.45    | -3.38    | -22.18 |

## MUST READ

(Source: Bloomberg/ Forexlive)

### GameStop stock surges over 70%

On Monday, Keith Gill, known online as "Roaring Kitty," posted a picture on X — marking the first time he's engaged with the social media platform in about three years. For most people, a return to social media wouldn't be remarkable. But Gill isn't most people. Between 2020 and 2021, he became one of the key internet personas who encouraged an army of day traders to heavily invest in GameStop, kicking off the "meme stock" frenzy. And in 2024, it appears that meme stocks are rallying again. On Monday, GameStop's share price soared by around 70% throughout the day and trading was paused multiple times due to volatility. On top of that, short sellers lost \$1 billion due to GameStop's sudden price rise, according to data from S3 Partner. Short sellers are individual investors or hedge funds who believe a certain stock's price will decline. They borrow shares of that stock, sell them, then buy them back when the share price falls and earn a profit from the difference. However, a lot can go wrong with this strategy. If the stock price doesn't fall the way the short sellers anticipated, they can lose money, as happened with GameStop.

## MAIN WEEKLY EARNINGS

| Company           | Ticker  | Market Cap | Date      | Time    | Estimate | Year Ago |
|-------------------|---------|------------|-----------|---------|----------|----------|
| Home Depot Inc    | HD US   | \$ 337.90B | 14-May-24 | Pre-mkt | 3.61     | 3.82     |
| Alibaba Group Hc  | BABA US | \$ 205.88B | 14-May-24 | Pre-mkt | 10.48    | 10.71    |
| Cisco Systems Inc | CSCO US | \$ 197.11B | 15-May-24 | Aft-mkt | 0.82     | 1.00     |
| ZTO Express       | ZTO US  | \$ 17.70B  | 15-May-24 | Aft-mkt | 12.03    | 10.90    |
| Under Armour      | UAA US  | \$ 2.92B   | 16-May-24 | Pre-mkt | 0.08     | 0.18     |

## ECONOMIC CALENDAR

(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  
(15-05-24) US - Retail Sales Advance MoM

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