

Daily Market Brief

August 14th, 2024



FOREIGN EXCHANGE MARKETS

(Sources: Bloomberg / Reuters)

EUR/USD

The EUR/USD pair trades on a flat note near 1.0990 during the early European session on Wednesday. Traders prefer to wait on the sidelines ahead of the release of top-tier economic data from the Eurozone and the US. The Eurozone GDP for the Q2 and the US CPI for July will be closely watched. The US PPI rose 2.2% year-on-year in July, softer than expected.

GBP/USD

The GBP/USD pair ticks lower during the Asian session on Wednesday around the 1.2870-1.2875 region touched the previous day. The UK CPI will play a key role in influencing the BoE monetary policy decision and drive the GBP. Crucial US CPI report will be scrutinized for cues about the Fed rate cut path, which should provide some meaningful impetus to the directional move for the GBP/USD pair.

USD/JPY

The JPY trims its daily gains on Wednesday despite the rising expectations of the BoJ hiking rates again in 2024. Japan's parliament is scheduled to hold a special session on August 23 to discuss the BoJ decision to raise interest rates last month. BoJ Governor Kazuo Ueda is expected to attend the session, according to government sources cited by Reuters.

Fx rates	Last	High	Low	% Daily	% Weekly	% YTD
EUR-USD	1.0988	1.0998	1.0985	-0.05	0.60	-0.46
GBP-USD	1.2827	1.2868	1.2820	-0.27	1.06	0.75
USD-JPY	147.03	147.19	146.08	0.13	-0.24	-4.07
USD-CHF	0.8648	0.8659	0.8638	0.00	-0.36	-2.71
Commodities	Last	High	Low	% Daily	% Weekly	% YTD
Gold	2461.86	2472.62	2455.51	-0.13	3.31	19.34
Silver	27.78	28.00	27.55	-0.24	4.42	16.77
Crude Oil	78.88	79.10	78.61	0.68	4.85	10.57
Bitcoin	60808.37	61323.51	60420.86	0.37	0.05	43.05
Etherium	2722.37	2743.78	2687.15	0.85	4.91	19.28
Period	1 M		3 M		12 M	
EURIBOR	3.63		3.55		3.19	
SOFR	5.34		5.12		4.36	
US Fed Fund Rate (Indicator)			5.31			
Notes/Bonds	2 Y		10 Y		30 Y	
US	3.93		3.84		4.15	
BTP - BUND	0.49		1.39		1.80	
GILTS	3.61		3.89		4.47	

INTERNATIONAL EQUITY MARKETS

(Sources: Bloomberg / Reuters)

UNITED STATES OF AMERICA

Stocks rallied Tuesday, moving closer to last month's record levels following the first of two key U.S. inflation reports this week. The producer price index increased 0.1% last month. The PPI encouraged investors ahead of the more widely followed CPI out Wednesday morning, which is expected to show an increase of 0.2% month over month, up from a 0.1% decline in the prior month.

EUROPE

European stocks closed higher on Tuesday, as market participants monitored a fresh batch of economic data following last week's volatility. U.K. wage data released by the Office for National Statistics on Tuesday showed that pay excluding bonuses grew 5.4% year-on-year between April and June. The unemployment rate fell to 4.2% from 4.4%, the ONS said.

ASIA

Asia-Pacific markets were mixed on Wednesday as the Reserve Bank of New Zealand cut benchmark lending rates and Japan's Prime Minister Fumio Kishida announced that he would step down in September. In Japan, business sentiment at manufacturers turned slightly less confident in August.

Index	Close	% Daily	% M	YTD	Futures	1W % Change
DJIA	39765.64	1.04	-0.59	5.51	39910.00	2.63
S&P	5434.43	1.68	-3.22	13.93	5460.25	4.47
Nasdaq	17187.61	2.43	-6.58	14.50	19112.50	6.38
DJ EuroStoxx50	4694.92	0.49	-6.90	3.84	4732.00	0.98
FTSE 100	8235.23	0.30	-0.21	6.49	8268.00	1.31
CAC 40	7275.87	0.35	-5.81	-3.54	7328.50	0.89
DAX	17812.05	0.48	-4.99	6.33	17945.00	1.44
IBEX 35	10723.80	0.73	-4.68	6.15	10735.60	1.01
FTSE MIB	32006.45	0.24	-7.44	5.45	32137.00	0.50
Nikkei	36232.51	0.53	-11.57	8.84	36480.00	3.79
Hang Seng	17174.06	-0.50	-6.59	0.24	N/A	N/A
DFM General	4184.50	-0.40	1.96	3.07	N/A	N/A
MSCI Tadawoul	11796.84	0.48	-0.71	-1.43	N/A	N/A
Leb. Mrkts	Closing Px	High	Low	% Daily	% Weekly	YTD
Solidere A	74.50	74.50	73.00	0.61	-3.75	-16.39
Solidere B	72.55	73.05	72.40	-1.49	-9.76	-19.34

MUST READ

(Source: Bloomberg/ Forexlive)

U.S. budget deficit hits US\$1.5 trillion as fiscal year nears end

The U.S. budget deficit exceeded US\$1.5 trillion with two months to go until the end of the fiscal year, down slightly on 2023 though vastly larger than pre-pandemic times. The \$1.52 trillion gap for the 10 months through July was down 6 per cent from the same period last year, Treasury Department data released Wednesday showed. For the month of July, the deficit was \$244 billion - 16% smaller than July 2023, adjusted for calendar differences. The adjusted year-to-date narrowing was 5%. Higher revenues helped narrow the deficit. Receipts have risen in part because of a deferral of tax deadlines from fiscal 2023 into this year in states that suffered from natural disasters. Affected areas included most of California. The interest burden on outstanding US debt remained a major drag on the budget. Interest costs in the first 10 months of the fiscal year totalled \$956 billion, up 32% from 2023. The Federal Reserve's aggressive interest-rate hiking campaign, aimed at quelling inflation, has made debt more expensive to issue for the federal government. The weighted average interest rate on outstanding US interest-bearing government debt was 3.33% at the end of July - the highest since January 2010 and up about half a percentage point from a year before.

MAIN WEEKLY EARNINGS

Company	Ticker	Market Cap	Date	Time	Estimate	Year Ago
Cisco Systems Inc	CSCO US	\$ 182.79B	14-Aug-24	Aft-mkt	0.85	1.14
Ali Baba Group - S	BABA US	\$ 196.11B	15-Aug-24	Pre-mkt	15.64	17.37
Walmart Inc	WMT US	\$ 548.00B	15-Aug-24	Pre-mkt	0.65	0.61
Applied Materials	AMAT US	\$ 166.26B	15-Aug-24	Aft-mkt	2.03	1.90
Deere & Company	DE US	\$ 96.61B	15-Aug-24	Pre-mkt	5.75	10.20

ECONOMIC CALENDAR

(14-08-24) UK - CPI MoM / YoY
(14-08-24) FR - CPI MoM / YoY
(14-08-24) US - July CPI Inflation data
(15-08-24) US - NY Fed Manufacturing Index
(15-08-24) UK - GDP QoQ / YoY
(15-08-24) US - Empire Manufacturing
(15-08-24) US - Industrial Production MoM

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