

Daily Market Brief

October 14th 2024



FOREIGN EXCHANGE MARKETS (Sources: Bloomberg / Reuters)

EURUSD
EUR/USD continues its downward trend for the fourth consecutive session, hovering around 1.0920 during the Asian trading hours on Monday. The Euro faces downward pressure as the ECB prepares for its monetary policy decision on Thursday. The ECB is widely anticipated to reduce its Main Refinancing Operations Rate by 25 bps. Officials have signaled the potential for further reductions in response to the E.U's economic challenges. The central bank has already lowered rates twice this year and is expected to continue with incremental 25 bps cuts in future meetings.

GBPUSD
The Pound Sterling recovers some ground against the greenback as a 'hammer' emerges on the daily chart and rises above 1.3050, registering gains of over 0.15%. Goodish economic data in the UK sponsored the GBP/USD's recovery as the economy grew around estimates. Nevertheless, a slightly hot Producer Price Index (PPI) report in the US capped the GBP's gains.

USDJPY
The (JPY) remains on the defensive against its American counterpart on Monday and languishes near its lowest level since early August during the Asian session. Japanese Prime Minister remarks earlier, saying that the economy was not ready for further interest rate hikes, raised doubt about the (BoJ) rate hike plans. This, along with a generally positive tone around the equity markets, continues to undermine demand for the safe-haven JPY.

Fx rates	Last	High	Low	% Daily	% Weekly	% YTD
EUR-USD	1.0924	1.0942	1.0915	-0.12	-0.47	-1.04
GBP-USD	1.3061	1.3074	1.3041	-0.05	-0.17	2.59
USD-JPY	149.23	149.39	148.98	0.07	-0.70	-5.49
USD-CHF	0.8583	0.8586	0.8570	0.13	-0.44	-1.97
Commodities	Last	High	Low	% Daily	% Weekly	% YTD
Gold	2658.32	2660.77	2643.26	0.06	0.60	28.86
Silver	31.40	31.44	30.75	-0.44	-0.89	31.97
Crude Oil	74.73	75.08	74.08	-1.10	-3.12	5.77
Bitcoin	63909.62	64474.90	62443.69	1.86	5.82	50.35
Etherium	2524.10	2546.68	2442.53	2.61	7.20	10.59
Period	1M	3M	6M	12M		
SOFR (\$)	4.79	4.65	4.44	4.14		
ESTR (€)	2.56	3.13	2.92	2.56		
SONIA (£)	4.93	4.78	4.64	4.38		
SARON (F)	0.93	0.83	0.71	0.56		
TONAR (¥)	0.22	0.19	0.13	0.07		

Rates	
U.S. Federal Fund Target Rate	5.00
ECB Main Refinancing Operation Announcement Rate	3.65
ECB Deposit Facility Announcement Rate	3.50
ECB Marginal Lending Facility Announcement Rate	3.90
BOE Official Bank Rate	5.00

INTERNATIONAL EQUITY MARKETS (Sources: Bloomberg / Reuters)

UNITED STATES OF AMERICA
The S&P 500 and the Dow scored record closing highs on Friday, with the big boosts from financial stocks after banks reported strong quarterly results while the latest inflation data fueled expectations for a U.S. Federal Reserve rate cut in November. Tesla reverses after unveiling robotaxi.

EUROPE
European stocks reversed early losses and ended Friday at more than a one-week high as investors shifted their focus to updates on China's stimulus plans, corporate earnings and an interest rate decision by the European Central Bank. Moody's cuts Volkswagen's outlook to 'negative'.

ASIA
Asian stocks swung between gain and loss on Monday as investors struggled to reach a consensus view on China's broad economic stimulus promises made over the weekend which were light on specifics.

Index	Close	% Daily	% M	YTD	Futures	% Change
DJIA	42863.86	0.97	3.55	13.73	43121.00	0.88
S&P	5815.03	0.61	3.36	21.91	5856.25	0.47
Nasdaq	18342.94	0.33	3.73	22.19	20425.75	-0.01
DJ EuroStoxx50	5003.92	0.68	3.30	10.67	5025.00	0.66
FTSE 100	8253.65	0.19	-0.23	6.73	8284.50	0.10
CAC 40	7577.89	0.48	1.51	0.46	7581.50	0.48
DAX	19373.83	0.85	3.61	15.65	19508.00	0.87
IBEX 35	11720.00	0.54	1.56	16.02	11732.50	0.58
FTSE MIB	34308.01	0.68	2.20	13.04	34171.00	0.67
Nikkei	39605.80	0.57	8.27	18.35	39750.00	1.17
Hang Seng	21251.98	0.39	24.70	25.15	21308.00	0.47
DFM General	4440.68	0.07	1.37	9.38	N/A	N/A
MSCI Tadawoul	12069.21	0.63	1.91	0.85	N/A	N/A

Leb. Mrkts	Closing Px	High	Low	% Daily	% Weekly	YTD
Solidere A	93.00	93.00	93.00	0.00	-0.43	4.38
Solidere B	91.15	91.15	91.15	0.28	-0.92	1.33

MUST READ (Source: Bloomberg/ Forexlive)

GM Could Go Private In 9 Years At This Rate Amid Stock Buybacks
General Motors met with investors to talk about electric vehicles, self-driving cars, and the state of the U.S. auto industry. It's a complicated time for auto makers with many new technologies trying to disrupt the century-plus-old industry. The most important part of GM's presentation, however, might have been what management said about capital return to shareholders. Repurchases lowered GM's share count by 300 million through the end of the third quarter. The share count stood at 1.1 billion at the end of the latest second quarter, down from more than 1.3 billion at the end of the third quarter of 2023. The company expects to have fewer than 1 billion shares outstanding by early 2025. The impact on the stock has been significant. GM stock was up about 28% so far this year. Stellantis and Ford Motor shares were down 44% and 14%, respectively. Investors can look forward to more of the same, but how much will GM spend? The \$16 billion in repurchased stock works out to roughly 75% of GM's \$22 billion of free cash flow generated in 2023 and 2024, including Wall Street estimates for the third and fourth quarters of this year. Looking ahead, Wall Street expects free cash flow to average roughly \$8 billion a year over the coming couple of years. With that cash flow, and the 75% payout ratio, GM could be spending \$6 billion a year on share buybacks. That's significant for a company with a market value of about \$52 billion. GM could buy back the entire company in less than nine years.

MAIN WEEKLY EARNINGS

Company	Ticker	Market Cap	Date	Time	Estimate	Year Ago
Karo	KARO US	\$1.3 B	14-Oct-24	After-mkt	0.38	0.30
UnitedHealth	UNH US	\$551.9 B	15-Oct-24	Pre-mkt	7.02	6.56
Johnson & Johnson	JNJ US	\$386.3 B	15-Oct-24	Pre-mkt	2.19	2.66
Bank of America	BAC US	\$310.1 B	15-Oct-24	Pre-mkt	0.78	0.90
Goldman Sachs	GS US	\$159.1 B	15-Oct-24	Pre-mkt	6.85	5.47

ECONOMIC CALENDAR

- (14-10-24) GB- BoE's Dhingra speech
- (14-10-24) DE- German Buba President Nagel speech
- (14-10-24) US- Fed's Kashkari, Waller speech
- (15-10-24) GB- Employment Change AUG
- (15-10-24) GB- ILO Unemployment Rate AUG; Claimant Count Change SEP
- (15-10-24) EA- ECB Bank Lending Survey
- (15-10-24) CA- Consumer Price Index SEP

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