

# Daily Market Brief

April 15th 2024



## FOREIGN EXCHANGE MARKETS

(Sources: Bloomberg / Reuters)

### EUR/USD

EUR/USD edges up to near 1.0650 during the Asian session on Monday, recovering from a five-month low of 1.0622 reached last Friday. The USD gained ground due to increased dollar-buying due to geopolitical turmoil, which contributed to downward pressure on the EUR/USD pair. The pair received downward pressure by diverging policy scenarios for the ECB and Fed.

### GBP/USD

GBP/USD rebounds from lows since November amid expectations of the Fed delaying rate cuts. The escalated Middle-East tension could bolster the demand for the US Dollar. BoE could reduce policy rates to around 4.75% by 2024, down from the current rate of 5.25%. BoE's policymaker, Megan Greene emphasized that rate cuts in the UK should still be considered distant, pointing to a greater risk of persistent inflation in the UK compared to the US.

### USD/JPY

The geopolitical bid in the yen has largely reversed. The pair is at a fresh 34-year high, up a half-cent on the day as the market senses a peaceful resolution in the Iran-Israeli skirmish. Eyes are on Japan for signs of intervention but given that the recent move has largely been on broad USD buying following fundamentally stronger CPI numbers, it's a tough one to lean against.

| Fx rates    | Last     | High     | Low      | % Daily | % Weekly | % YTD |
|-------------|----------|----------|----------|---------|----------|-------|
| EUR-USD     | 1.0657   | 1.0659   | 1.0629   | 0.13    | -1.86    | -3.46 |
| GBP-USD     | 1.2464   | 1.2469   | 1.2441   | 0.10    | -1.51    | -2.10 |
| USD-JPY     | 153.85   | 153.87   | 152.98   | 0.40    | -1.32    | -8.33 |
| USD-CHF     | 0.9139   | 0.9148   | 0.9103   | 0.02    | -0.93    | -7.93 |
| Commodities | Last     | High     | Low      | % Daily | % Weekly | % YTD |
| Gold        | 2359.66  | 2371.74  | 2347.28  | 0.65    | 0.88     | 14.38 |
| Silver      | 28.43    | 28.56    | 27.59    | 1.99    | 2.09     | 19.49 |
| Crude Oil   | 85.25    | 86.11    | 84.88    | -0.48   | -1.37    | 18.19 |
| Bitcoin     | 65429.17 | 65951.23 | 63361.99 | 2.45    | -6.27    | 53.92 |
| Etherium    | 3160.81  | 3171.65  | 3051.25  | 3.00    | -10.04   | 38.49 |
| Period      | 1 M      | 3 M      | 12 M     |         |          |       |
| EURIBOR     | 3.84     | 3.92     | 3.75     |         |          |       |
| SOFR        | 5.32     | 5.33     | 5.21     |         |          |       |
| Notes/Bonds | 2 Y      | 10 Y     | 30 Y     |         |          |       |
| US          | 4.92     | 4.56     | 4.66     |         |          |       |
| BTP - BUND  | 0.57     | 1.40     | 1.76     |         |          |       |
| GILTS       | 4.35     | 4.14     | 4.62     |         |          |       |

## INTERNATIONAL EQUITY MARKETS

(Sources: Bloomberg / Reuters)

### UNITED STATES OF AMERICA

Stocks sold off Friday as inflation and geopolitical worries once again dented investor sentiment on Wall Street. A broad decline in major bank shares also weighed on the market. Year-ahead and long-run inflation expectations ticked up, reflecting frustrations over sticky inflation.

### EUROPE

European markets closed lower Thursday as global investors digested the latest rate decision from the European Central Bank. The regional Stoxx 600 index provisionally ended 0.4% lower, having shifted either side of the flatline after the ECB held interest rates steady and firmed its rhetoric on a future cut.

### ASIA

Asia-Pacific markets were mixed Friday after an inflation-fueled selloff in the previous session, with investor assessing economic data from Singapore and South Korea. The losses come as China's exports for March fell more than expected, declining 7.5% compared to the 2.3% fall expected by economists polled by Reuters. This follows a weaker-than-expected rise in the country's inflation on Thursday.

| Index          | Close    | % Daily | % M   | YTD   | Futures  | % Change |
|----------------|----------|---------|-------|-------|----------|----------|
| DJIA           | 37983.24 | -1.24   | -1.89 | 0.78  | 38358.00 | 0.32     |
| S&P            | 5123.41  | -1.46   | 0.12  | 7.41  | 5186.25  | 0.38     |
| Nasdaq         | 16175.09 | -1.62   | 1.26  | 7.75  | 18246.75 | 0.39     |
| DJ EuroStoxx50 | 4955.01  | -0.23   | -0.62 | 9.59  | 4917.00  | 0.37     |
| FTSE 100       | 7995.58  | 0.91    | 3.47  | 3.39  | 7991.50  | -0.30    |
| CAC 40         | 8010.83  | -0.16   | -1.88 | 6.20  | 8018.50  | 0.06     |
| DAX            | 17930.32 | -0.13   | -0.04 | 7.04  | 18185.00 | 0.34     |
| IBEX 35        | 10686.00 | 0.34    | 0.83  | 5.78  | 10686.20 | 0.00     |
| FTSE MIB       | 33764.15 | 0.15    | -0.52 | 11.24 | 33134.00 | 0.00     |
| Nikkei         | 39523.55 | -0.88   | 1.21  | 17.07 | 39200.00 | -0.88    |
| Hang Seng      | 16721.69 | -0.56   | -0.56 | -2.46 | 16635.00 | -0.73    |
| DFM General    | 4244.15  | -0.06   | -0.21 | 4.54  | N/A      | N/A      |
| MSCI Tadawoul  | 12666.90 | -0.30   | -0.48 | 5.85  | N/A      | N/A      |

| Leb. Mrkts | Closing Px | High  | Low   | % Daily | % Weekly | YTD    |
|------------|------------|-------|-------|---------|----------|--------|
| Solidere A | 74.15      | 75.00 | 74.00 | 0.20    | -0.47    | -16.78 |
| Solidere B | 73.50      | 73.50 | 73.50 | 0.07    | -0.68    | -18.29 |

## MUST READ

(Source: Bloomberg/ Forexlive)

### Record debt costs impact on climate spending

Emerging countries will pay a record \$400 billion to service external debt this year, and nearly four dozen cannot spend the money they need for climate adaptation and sustainable development without risking default in the next five years, according to a report led by Boston University released on the eve of the IMF/World Bank spring meetings. The report, opens new tab from the Debt Relief for Green and Inclusive Recovery Project found that 47 developing countries would hit external debt insolvency thresholds, as defined by the IMF, in the next five years if they invested the necessary amounts to hit 2030 Agenda and Paris Agreement goals. "They would be in such high debt distress that they would be knocking on the door of, given the current debt environment, if they were going to try to mobilize that kind of financing," said Kevin Gallagher, director of Boston University's Global Development Policy Center. A further 19 developing countries lack the liquidity to meet the spending targets without help, though they would not approach default thresholds. The report called for an overhaul of the global financial architecture, alongside debt forgiveness for the most at-risk countries and an increase in affordable finance and credit enhancements. If the IMF determines a country can handle an amount of debt that is too high, it can saddle the nation with unaffordable payments -- possibly pushing them back into default. Private creditors, however, have at times criticised the Fund's analyses for being too pessimistic, making them closely watched and politically charged.

## MAIN WEEKLY EARNINGS

| Company           | Ticker | Market Cap | Date      | Time    | Estimate | Year Ago |
|-------------------|--------|------------|-----------|---------|----------|----------|
| Goldman Sachs Gr  | GS US  | \$ 130.90B | 15-Apr-24 | Pre-mkt | 8.81     | 8.79     |
| M&T Bank Corp     | MTB US | \$ 22.42B  | 15-Apr-24 | Pre-mkt | 3.10     | 4.01     |
| Unitedhealth Groi | UNH US | \$ 404.91B | 16-Apr-24 | Pre-mkt | 6.59     | 6.26     |
| Bank of America   | BAC US | \$ 282.41B | 16-Apr-24 | Pre-mkt | 0.77     | 0.94     |
| Bank of New York  | BK US  | \$ 41.53B  | 16-Apr-24 | Pre-mkt | 1.19     | 1.13     |

## ECONOMIC CALENDAR

(15-04-24) JP - Core Machines Orders MoM  
(15-04-24) US - Empire Manufacturing  
(15-04-24) US - Retail Sales Advance MoM  
(16-04-24) UK - Claimant Count Rate  
(16-04-24) UK - Jobless Claims Change  
(16-04-24) DE - ZEW Survey Expectations  
(16-04-24) CA - Housing Starts

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