Daily Market Brief

October 15th 2024

BANQUE BEMO

FOREIGN EXCHANGE MARKETS *(Sources: Bloomberg / Reuters)*

EURUSD

The EUR/USD pair has declined for the second consecutive day as bearish traders await a decisive break below the 200-day Simple Moving Average ahead of the ECB's upcoming policy decision. With expectations of a third interest rate cut due to sluggish Eurozone growth and falling inflation below the ECB's 2% target, the Euro is further pressured, while a strong US Dollar is bolstered by reduced chances of aggressive rate cuts from the Federal Reserve. Market focus will shift to key economic indicators and speeches from FOMC members that could influence USD demand and impact the EUR/USD dynamics.

GBPUSD

The GBP/USD pair hovered just above 1.3000 on Monday as markets awaited crucial UK economic data early in the week, including wages, job additions, and inflation figures. Analysts anticipate a slight easing in labor metrics, with average earnings projected to fall to 4.9% and a claimant count decrease expected to 20.2K, while the unemployment rate is likely to remain steady at 4.1%. Traders will also focus on Thursday's US Retail Sales data and the BoE's Monetary Policy Report Hearings.

USDJPY

The JPY is struggling to maintain modest gains against the USD, as investors lower their expectations for interest rate hikes by the BoJ in 2024. The risk-on market sentiment, combined with rising expectations for a less aggressive Federal Reserve policy, has kept US Treasury yields elevated, supporting the USD near a two-month peak.

Fx rates	Last	High	Low	% Daily	% Weekly	% YTD
EUR-USD	1.0891	1.0910	1.0888	-0.17	-0.81	-1.34
GBP-USD	1.3052	1.3069	1.3040	-0.05	-0.40	2.52
USD-JPY	149.60	149.84	149.44	-0.11	-0.94	-5.72
USD-CHF	0.8630	0.8637	0.8615	0.03	-0.65	-2.50
Commodities	**Last**	**High**	**Low**	**% Daily**	**% Weekly**	**% YTD**
Gold	2642.75	2652.80	2638.21	-0.22	0.80	28.10
Silver	30.99	31.32	30.76	-0.66	1.06	30.25
Crude Oil	71.09	72.12	70.75	-3.71	-3.37	0.62
Bitcoin	65298.00	66477.95	65189.95	-0.92	9.32	53.61
Etherium	2593.37	2653.58	2589.10	-1.06	9.59	13.63

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	0.82	0.70	0.55
TONAR (¥)	0.22	0.19	0.14	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 Jones Industrial Average rose to fresh records Monday as investors awaited the next batch of key corporate earnings. So far, 30 S&P 500 companies have posted results, beating the earnings consensus by about 5% on average, according to Bank of America. That is better than the 3% beat this time last quarter. The bond market was closed on Monday for Columbus Day.

EUROPE

European stocks closed higher Monday, taking cues from positive momentum stateside as traders looked ahead to a busy week of earnings. Tech stocks climbed 1.7%, while travel and leisure stocks fell 0.8%.

ASIA

Asia-Pacific markets were mixed Tuesday, following gains on Wall Street that saw the Dow Jones Industrial Average and the S&P 500 reach new record highs. China had gotten disappointing September trade data after markets closed Monday, with exports rising 2.4% from a year ago and imports adding 0.3%, both sharply missing expectations.

Index	Close	% Daily	% M	YTD	Futures	% Change
DJIA	43065.22	0.47	4.04	14.26	43392.00	0.57
S&P	5859.85	0.77	4.16	22.85	5909.50	0.84
Nasdaq	18502.69	0.87	4.63	23.26	20608.50	0.76
DJ EuroStoxx50	5041.01	0.74	4.07	11.49	5070.00	0.92
FTSE 100	8292.66	0.47	0.24	7.23	8344.50	0.61
CAC 40	7602.06	0.32	1.83	0.78	7640.50	0.30
DAX	19508.29	0.69	4.33	16.46	19681.00	1.02
IBEX 35	11850.90	1.12	2.69	17.31	11852.60	1.02
FTSE MIB	34680.55	1.09	3.31	14.26	34545.00	1.09
Nikkei	39605.80	0.94	9.29	19.47	39990.00	1.01
Hang Seng	21092.87	-2.33	18.61	20.85	20626.00	-2.95
DFM General	4455.02	0.32	1.70	9.73	N/A	N/A
MSCI Tadawoul	11959.67	-0.91	0.50	-0.06	N/A	N/A

Leb. Mrkts	Closing Px	High	Low	% Daily	% Weekly	YTD
Solidere A	94.15	94.35	90.25	1.24	-0.21	5.67
Solidere B	90.30	90.30	90.20	-0.93	-3.47	0.39

MUST READ *(Source: Bloomberg/ Forexlive)*

Germany in Recession and 2024 to Show No Growth, Survey Says

Germany is suffering a mild recession and output across the whole of 2024 will be flat, according to a Bloomberg survey — underscoring the malaise in Europe's largest economy. Analysts in the poll see gross domestic product shrinking 0.1% in the third quarter, following a surprise contraction of that magnitude in the second. A month ago, they still forecast stagnation between July and September. Their full-year projection also marks a downward revision from the 0.1% expansion previously envisioned. But it's a tad more optimistic than the government, which last week slashed its forecast to a contraction of 0.2%. Germany's struggles are once again in the spotlight, with retrenchment by some of its top industrial firms adding to the gloom. The weakness is largely down to the cutoff of Russian energy supplies, disappointing export demand from China, problems among carmakers and a dearth of skilled workers. A contraction in 2024 would be only the second time GDP declined in consecutive years since West and East Germany were reunified in 1990. In 2023, Germany was the only Group of Seven economy to shrink, by 0.3%. "Industry remains the Achilles heel," said Erik-Jan van Harn, an analyst at Rabobank. "There's no clear catalyst for a turnaround. A bottoming out is the best case scenario for now." For 2025, analysts expect 0.8% growth compared with 1% before. The government's new forecasts envisage 1.1%. Germany's "economic weakness likely continued in the second half of 2024, before growth momentum gradually increases again next year," the Economy Ministry said Monday in a report, adding that a "technical recession" probably occurred in the second and third quarters.

MAIN WEEKLY EARNINGS

Company	Ticker	Market Cap	Date	Time	Estimate	Year Ago
Bank of America	BAC US	$ 325.20B	15-Oct-24	Pre-mkt	0.76	0.90
Goldman Sachs G	GS US	$ 165.08B	15-Oct-24	Pre-mkt	7.21	5.47
Citigroup Inc	C US	$ 125.93B	15-Oct-24	Pre-mkt	1.31	1.52
Charles Schwab C	SCHW US	$ 124.07B	15-Oct-24	Pre-mkt	0.75	0.77
Interactive Brokei	IBKR US	$ 63.97B	15-Oct-24	Aft-mkt	1.81	1.55

ECONOMIC CALENDAR

(15-10-24) JP - Industrial Production MoM / YoY
(15-10-24) UK - ILO Unemployment Rate 3Mths
(15-10-24) FR - CPI MoM / YoY
(15-10-24) DE - ZEW Survey Expectations
(15-10-24) US - Empire Manufacturing
(15-10-24) CA - CPI NSA MoM / YoY
(15-10-24) US - NY Fed 1-Yr Inflation Expectations

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