

Daily Market Brief

November 15th 2023



FOREIGN EXCHANGE MARKETS

(Sources: Bloomberg / Reuters)

EURUSD

The EUR/USD pair surges above 1.0850 but faces rejection below the 1.0900 mark during the early European trading hours on Wednesday. The weaker-than-expected US inflation data exerts some selling pressure on the US Dollar (USD) and supports the EUR/USD pair. That being said, the markets anticipate that the Federal Reserve (Fed) is done with the hiking cycle this year and expect to deliver rate cuts earlier in the second quarter (Q2) of 2024.

GBPUSD

GBP/USD floats around 1.2480 during the Asian session on Wednesday. The GBP/USD pair saw a notable surge of 1.79%. Wednesday is set to bring forth crucial UK inflation data and Retail Sales figures. The market will be keeping a close eye on these numbers, and if inflation follows the anticipated downward trend, it might keep the Bank of England (BoE) from making any immediate changes to its monetary policy.

USDJPY

USD/JPY recovers recent losses registered in the previous session after the weaker US inflation data release. However, the pair trades higher around 150.60 during the Asian session on Wednesday. The Japanese Yen (JPY) faces challenges as Japan's preliminary Gross Domestic Product (GDP) for Q3 showed a decline of 0.5%, swinging from 1.2% growth in the previous quarter.

Fx rates	Last	High	Low	% Daily	% Weekly	% YTD
EUR-USD	1.0873	1.0884	1.0866	-0.06	1.53	1.57
GBP-USD	1.2485	1.2500	1.2479	-0.11	1.63	3.33
USD-JPY	150.63	150.79	150.29	0.17	0.23	-12.95
USD-CHF	0.8888	0.8903	0.8883	-0.03	1.18	4.02
Commodities	Last	High	Low	% Daily	% Weekly	% YTD
Gold	1969.35	1970.57	1961.63	0.26	0.98	7.97
Silver	23.26	23.27	23.03	0.73	3.10	-2.91
Crude Oil	78.67	78.77	77.66	0.52	4.43	1.76
Bitcoin	35607.25	35681.06	35376.50	0.06	-4.52	115.29
Etherium	1981.35	1991.95	1968.00	-0.03	-5.32	65.20
Period	1 M	3 M	12 M			
USD LIBOR *	5.44	5.64	6.04			
EURIBOR	3.82	4.00	4.04			
SOFR	5.33	5.39	5.35			
Notes/Bonds	2 Y	10 Y	30 Y			
US	4.84	4.45	4.61			
BTP - BUND	0.67	1.81	2.09			
GILTS	4.58	4.15	4.58			

INTERNATIONAL EQUITY MARKETS

(Sources: Bloomberg / Reuters)

UNITED STATES OF AMERICA

Stocks rallied Tuesday, building on their strong November gains, as Wall Street cheered new U.S. inflation data that raised hopes of the Federal Reserve wrapping up its rate-hiking campaign. CPI was flat last month, while economists polled by Dow Jones expected a gain of 0.1% month over month. Core CPI was also lower than expected and rose at the slowest rate in two years.

EUROPE

European markets on Monday made a positive start to the trading week, with investors looking ahead to high-stakes talks between the U.S. and China in the next few days. Travel and leisure stocks added 1.7% to lead gains, while media stocks dropped 0.2%.

ASIA

China's consumer and industrial activity expanded faster than expected in October, adding to hopes of improvement as the economy continues to grapple with a property slowdown, weak trade and an incomplete recovery from the coronavirus pandemic. Retail sales expanded 7.6 per cent year on year last month. Industrial production climbed 4.6 per cent as well.

Index	Close	% Daily	% M	YTD	Futures	% Change
DJIA	34827.70	1.43	3.44	5.07	34939.00	0.21
S&P	4495.70	1.91	3.88	17.09	4519.50	0.28
Nasdaq	14094.38	2.37	5.13	34.66	15918.25	0.31
DJ EuroStoxx50	4291.72	1.41	3.76	13.13	4318.00	0.21
FTSE 100	7440.47	0.20	-2.09	-0.15	7477.50	0.19
CAC 40	7185.68	1.39	2.60	11.00	7207.50	N/A
DAX	15614.43	1.76	2.82	12.14	15712.00	0.20
IBEX 35	9623.30	1.71	4.23	16.94	9630.00	N/A
FTSE MIB	29344.43	1.45	3.92	23.78	29225.00	N/A
Nikkei	33519.70	2.52	3.72	28.46	33450.00	2.26
Hang Seng	17396.86	3.34	0.93	-9.11	18096.00	3.56
DFM General	3973.21	0.01	0.22	19.12	N/A	N/A
MSCI Tadawoul	10857.10	0.62	2.98	3.61	N/A	N/A
Leb. Mrkts	Closing Px	High	Low	% Daily	% Weekly	YTD
Solidere A	68.10	69.95	66.00	-0.58	-2.64	11.82
Solidere B	68.00	68.00	68.00	0.00	3.03	12.68

MUST READ

(Source: Bloomberg/ Forexlive)

Geopolitics overtake inflation as investor's biggest tail risk

Higher inflation is no longer the leading concern for investors surveyed by Bank of America, and worsening geopolitical conflict now sits in the top spot. In September, 40% of participants in a survey from the bank indicated that inflation-induced monetary tightness was the key tail risk facing markets. That number has since dropped to 25% in this month's iteration of the Global Fund Manager survey. This comes as the Federal Reserve has already paused further interest rate hikes in two consecutive policy meetings, while Tuesday's consumer price index report for October showed no sign that inflation was at risk of a resurgence. Not only are markets now indicating that the central bank is unlikely to keep raising rates, some projections estimate that interest will come down sharply next year. In the past two months, the share of investors who view geopolitics as the leading risk has jumped from 14% to 31%. Geopolitical fallout has only expanded since then, with the Israel-Hamas conflict taking center stage. Warnings from key Wall Street commentators have also risen in that timeframe. Investors don't appear to be flocking haven assets that would usually benefit from significant turmoil. For instance, after Hamas' October attack on Israel, the Treasury market's ongoing sell off continued as concerns about higher rates and growing US deficits overshadowed the implications of a new conflict in the Middle East.

MAIN WEEKLY EARNINGS

Company	Ticker	Market Cap	Date	Time	Estimate	Year Ago
Target Corporatio	TGT US	\$49.2 B	15-Nov-23	Pre-mkt	1.47	1.54
Palo Alto Networl	PANW US	\$73.1 B	15-Nov-23	Aft-mkt	0.48	0.12
Cisco Systems	CSCO US	\$216.1 B	15-Nov-23	Aft-mkt	0.91	0.77
Walmart Inc	WMT US	\$451.24 B	16-Nov-23	Pre-mkt	1.52	1.50
GAP Inc	GPS US	\$5.09 B	16-Nov-23	Aft-mkt	0.19	0.71

ECONOMIC CALENDAR

(15-11-23) JN - Industrial Production MoM
(15-11-23) UK - CPI MoM / CPI YoY / CPI Core YoY
(15-11-23) FR - CPI YoY / CPI MoM
(15-11-23) US - MBA Mortgage Applications / Retail Sales Advance MoM
(16-11-23) CA - Housing Starts
(16-11-23) US - Initial Jobless Claims
(17-11-23) UK - Retail Sales Inc Auto Fuel MoM

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