

Daily Market Brief

December 15th 2023



FOREIGN EXCHANGE MARKETS

(Sources: Bloomberg / Reuters)

EUR/USD

The EUR/USD pair gains momentum near the 1.1000 mark during the early Asian session on Friday. As widely expected, the European Central Bank (ECB) held the rate unchanged on Thursday. In response to the ECB's decision, the Euro (EUR) attracted some buyers and lifted the EUR/USD pair.

GBP/USD

GBP/USD grapples to continue its winning streak that began on Monday, trading around 1.2770 during the Asian hours on Friday. The GBP/USD pair receives a boost from the hawkish stance of the Bank of England (BoE). BoE Governor Andrew Bailey remarked that there is still some distance to cover before inflation aligns with its target, contributing to the overall hawkish sentiment.

USD/JPY

The Japanese Yen (JPY) trims a part of its Asian session losses against the US Dollar (USD) and drags the USD/JPY pair back below the 142.00 mark in the last hour. Growing acceptance that the Bank of Japan (BoJ) may exit its negative rate policy early next year continues to act as a tailwind for the JPY, which seemed unaffected by the fact that Japan's factory activity shrank for a seventh straight month in December.

Fx rates	Last	High	Low	% Daily	% Weekly	% YTD
EUR-USD	1.0985	1.1004	1.0977	-0.07	2.06	2.62
GBP-USD	1.2760	1.2774	1.2747	-0.05	1.68	5.60
USD-JPY	142.12	142.47	141.57	0.16	1.99	-7.74
USD-CHF	0.8676	0.8682	0.8652	0.00	1.42	6.56
Commodities	Last	High	Low	% Daily	% Weekly	% YTD
Gold	2035.84	2038.74	2031.40	-0.03	1.55	11.61
Silver	24.08	24.20	23.99	-0.44	4.68	0.51
Crude Oil	71.75	72.06	71.54	0.24	0.73	-6.56
Bitcoin	42611.88	43187.86	42544.19	-0.89	-2.72	157.64
Etherium	2265.20	2332.22	2261.95	-1.51	-4.02	88.87
Period	1 M	3 M	12 M			
EURIBOR	3.83	3.93	3.76			
SOFR	5.36	5.38	5.01			
Notes/Bonds	2 Y	10 Y	30 Y			
US	4.43	3.95	4.06			
BTP - BUND	0.55	1.67	2.06			
GILTS	4.36	3.79	4.29			

INTERNATIONAL EQUITY MARKETS

(Sources: Bloomberg / Reuters)

UNITED STATES OF AMERICA

The Dow Jones Industrial Average closed higher on Thursday as the 10-year Treasury tumbled below 4% and a surprise gain in retail sales gave investors further confidence 2024 would bring a soft economic landing.

EUROPE

European shares slipped from Thursday's highs but still ended the session higher as investors cheered the U.S. Federal Reserve's dovish shift a day earlier and shrugged off the European Central Bank pushing back against market bets of interest rate cuts.

ASIA

Asia-Pacific markets climbed Friday, led by Hong Kong, as Wall Street continued to rally after the U.S. Federal Reserve held rates and laid out a roadmap for cuts in 2024 and beyond. China released November data for its industrial output growth, retail sales, house prices and urban investment. Most notably, it posted its biggest industrial output expansion since February 2022 in November, though retail sales growth underwhelmed expectations.

Index	Close	% Daily	% M	YTD	Futures	% Change
DJIA	37248.35	0.43	6.45	12.37	37325.00	0.15
S&P	4719.55	0.26	4.81	22.92	4778.75	0.09
Nasdaq	14761.56	0.19	4.66	41.04	16558.75	0.09
DJ EuroStoxx50	4539.16	0.20	5.18	19.65	4549.00	0.13
FTSE 100	7648.98	1.33	2.16	2.65	7672.00	0.27
CAC 40	7575.85	0.59	5.08	17.02	7576.50	N/A
DAX	16752.23	-0.08	6.38	20.32	16772.00	-0.01
IBEX 35	10171.70	0.75	5.51	23.61	10168.10	N/A
FTSE MIB	30359.06	0.21	3.03	28.06	30389.00	N/A
Nikkei	32970.55	0.87	-1.64	26.35	32890.00	1.14
Hang Seng	16402.19	2.08	-7.38	-15.36	16793.00	1.93
DFM General	3982.07	-0.05	0.49	19.30	N/A	N/A
MSCI Tadawoul	11542.93	1.24	4.72	10.16	N/A	N/A

Leb. Mrkts	Closing Px	High	Low	% Daily	% Weekly	YTD
Solidere A	77.70	78.00	76.00	3.53	11.80	27.59
Solidere B	79.30	84.95	79.00	5.17	17.13	31.40

MUST READ

(Source: Bloomberg/ Forexlive)

Norway hikes rates by 25 basis points in surprise decision

Norway's central bank raised its benchmark interest rate by 25 basis points to 4.50% in a surprise decision on Thursday as it sought to combat persistent inflation, and said it would likely stay put at that level until late 2024. Norges Bank was ready to hike again if necessary but could also cut rates if inflation were to fall more quickly than expected, Governor Ida Wolden Bache told a press conference. "If the economy evolves as currently envisaged, there will not be a need for additional rate hikes," Bache said. "The forecast indicates that the policy rate will continue to lie around 4.5% until autumn 2024 before gradually moving down," she added. The central bank had said last month it would likely raise the cost of borrowing in December, with the caveat that a decline in core inflation could change its monetary policymakers' minds. "We see that the economy is cooling down, but inflation is still too high. An increase in the policy rate now reduces the risk of inflation remaining high for a long period of time," Bache said in a statement accompanying the decision. The Federal Reserve left U.S. interest rates unchanged on Wednesday and said the historic tightening of monetary policy is likely over, with a discussion of cuts in borrowing costs coming "into view." The ECB and Bank of England have also kept rates on hold later in the day.

MAIN WEEKLY EARNINGS

Company	Ticker	Market Cap	Date	Time	Estimate	Year Ago
Darden Restaurar	DRI US	\$19.62B	15-Dec-23	Pre-mkt	1.74	1.52
Accenture PLC	ACN US	\$228.67B	19-Dec-23	Pre-mkt	3.14	3.08
Factset research :	FDS US	\$17.25B	19-Dec-23	Pre-mkt	4.12	3.99
Fedex Corp	FDX US	\$70.26B	19-Dec-23	Aft-mkt	4.19	3.18
Micron Technolog	MU US	\$90.25B	20-Dec-23	Aft-mkt	-1.07	-0.01

ECONOMIC CALENDAR

(15-12-23) UK - Gfk Consumer Confidence
(15-12-23) FR - CPI YoY
(15-12-23) DE - HCOB Germany Manufacturing PMI
(15-12-23) IT - CPI EU Harmonized YoY
(15-12-23) EA - HCOB Eurozone Manufacturing PMI
(15-12-23) US - Empire Manufacturing
(15-12-23) US - S&P Global US Manufacturing PMI

CONTACT

Banque BEMO sal
Asset Management Unit

Ashrafieh, Elias Sarkis Ave., BEMO Bldg, 4th Floor
P.O.Box 16-6353 Beirut, Lebanon
Tel: +961 1 325405/6/7/9

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