

# Daily Market Brief

March 16th 2023



## FOREIGN EXCHANGE MARKETS

(Sources: Bloomberg / Forexlive)

### EURUSD

The EUR/USD pair is seen building on the previous day's late rebound from the 1.0515 area, or its lowest level since January and gaining some positive traction during the Asian session on Thursday. Fears of an imminent banking crisis eased after Swiss bank Credit Suisse said that it will exercise an option to borrow up to \$54 billion from the (SNB) to shore up liquidity. This leads to a modest recovery in the global risk sentiment, which undermines the safe-haven USD. Apart from this, reports that (ECB) policymakers are still leaning towards a 50 bps rate hike later today lend some support to the major.

### GBPUSD

GBP/USD is in a consolidative phase in early Asian trading hours on Thursday amid reports suggesting that the (BoE) is in emergency talks as the Credit Suisse crisis worsens following the Swiss National Bank's (SNB) intervention.

### USDJPY

The USD/JPY pair ignores the latest inaction of the US Treasury bond yields, as well as the global policymakers' efforts to placate the financial market fears emanating from the Credit Suisse crisis. The reason could be linked to the upbeat Japan data and less confidence in the Federal Reserve's (Fed) hawkish bias.

Fx rates	Last	High	Low	% Daily	% Weekly	% YTD
EUR-USD	1.0607	1.0615	1.0573	0.28	0.25	-0.92
GBP-USD	1.2073	1.2087	1.2048	0.13	1.24	-0.08
USD-JPY	132.91	133.49	132.50	-0.38	2.44	-1.35
USD-CHF	0.9290	0.9342	0.9290	-0.46	0.39	-0.48
Commodities	Last	High	Low	% Daily	% Weekly	% YTD
Gold	1917.09	1924.39	1907.62	-0.08	4.70	5.10
Silver	21.73	21.93	21.68	-0.20	8.26	-9.28
Crude Oil	68.10	68.75	67.52	0.72	-10.06	-15.44
Bitcoin	24556.97	24725.83	24219.93	0.68	19.77	48.47
Etherium	1654.05	1670.71	1638.22	0.05	12.12	37.91
Period	1 M	3 M	12 M			
USD LIBOR *	4.73	4.94	4.99			
EURIBOR	2.60	2.75	3.51			
* USD LIBOR rates will be discontinued after June 30, 2023 and will be replaced by SOFR						
Notes/Bonds	2 Y	10 Y	30 Y			
US	3.98	3.49	3.66			
BTP - BUND	0.71	1.98	2.13			
GILTS	3.29	3.32	3.76			

## INTERNATIONAL EQUITY MARKETS

(Sources: Bloomberg / Reuters)

### UNITED STATES OF AMERICA

U.S. stocks pared losses late on Wednesday but the Dow and S&P 500 still closed lower, as problems at Credit Suisse revived fears of a banking crisis, eclipsing bets on a smaller U.S. rate hike this month. Credit Suisse U.S. shares hit record low. Feb retail sales, producer inflation fall.

### EUROPE

European shares on Wednesday had their worst day in over a year as a selloff in bank stocks resumed on renewed investor concerns about stresses within the sector, with Credit Suisse plunging to a fresh record low. ECB seen raising key rate by 25 bps Thursday.

### ASIA

The Hong Kong Stock Exchange, a unit of Hong Kong Exchanges and Clearing Ltd, said on Wednesday it has made an application to launch a renminbi counter for trading of its shares to support the development of the currency in the local market.

Index	Close	% Daily	% M	YTD	Futures	% Change
DJIA	31874.57	-0.87	-5.41	-3.84	31959.00	0.27
S&P	3891.93	-0.70	-4.85	1.37	3906.00	0.33
Nasdaq	11434.05	0.05	-3.56	9.24	12296.50	0.39
DJ EuroStoxx50	4034.92	-3.46	-6.10	6.36	4105.00	1.94
FTSE 100	7344.45	-3.83	-8.34	-1.44	7420.00	1.23
CAC 40	6885.71	-3.58	-6.52	6.36	6887.50	N/A
DAX	14735.26	-3.27	-5.14	5.83	14953.00	1.56
IBEX 35	8759.10	-4.37	-6.09	6.44	8767.50	N/A
FTSE MIB	25565.84	-4.61	-8.21	7.84	25548.00	N/A
Nikkei	27010.61	-0.80	-2.48	3.51	26740.00	-1.15
Hang Seng	19539.87	-2.15	-8.90	-3.34	19140.00	-2.39
DFM General	3310.33	-0.36	-4.94	-1.13	N/A	N/A
MSCI Tadawoul	10048.50	-1.55	-4.74	-4.10	N/A	N/A
Leb. Mrkts	Closing Px	High	Low	% Daily	% Weekly	YTD
Solidere A	97.30	98.80	91.95	8.11	15.49	59.77
Solidere B	97.50	99.00	90.10	9.86	21.80	61.56

## MUST READ

(Source: Bloomberg/ Forexlive)

### Sell any stock rebound resulting from banking-system intervention

The US government's work to prevent widespread bank runs after Silicon Valley Bank's implosion may soothe the stock market, but Morgan Stanley suggests investors should sell bounces for the time being. Depositors at Silicon Valley Bank will be fully protected from losses after regulators shut down the lender late last week, with those assurances coming from the Treasury Department, the Federal Reserve, and the Federal Deposit Insurance Corporation. But that doesn't erase the downward pressure that will bear upon earnings at banks and the overall US economy, which is already slowing down, Morgan Stanley said in its strategy note. "We suggest selling any bounces on a government intervention to quell the immediate liquidity crisis at SVB and other institutions until we make new bear market lows, at a minimum," Mike Wilson, Morgan Stanley's chief investment officer, wrote. Stocks were rising as markets were beginning to price in expectations that the Fed may pause in raising interest rates at its March 21-22 meeting. That's after experiencing their worst week of the year last week, when the S&P 500 nearly erased all its gains for the year. But regional bank stocks were sinking as contagion fears persisted. Silicon Valley Bank collapsed after the lender faced a \$1.8 billion loss on the sale of a bond portfolio whose value was hurt by the Fed's aggressive rate hikes. Fears that uninsured deposits were at risk triggered a bank run.

## MAIN WEEKLY EARNINGS

(Source: Nasdaq)

Company	Ticker	Market Cap	Date	Time	Estimate	Year Ago
FedE Corporation	FDX US	\$51.1 B	16-Mar-23	After-mkt	2.64	4.59
Dollar General	DG US	\$50.3 B	16-Mar-23	Pre-mkt	2.94	2.57
KE Holdings	BEKE US	\$23.9 B	16-Mar-23	Pre-mkt	0.03	-0.12
Jabil Inc.	JBL US	\$10.9 B	16-Mar-23	Pre-mkt	1.73	1.51
Provention Bio	PRVB US	\$801.9 M	16-Mar-23	Pre-mkt	-0.31	-0.41

## ECONOMIC CALENDER

(Source: Forexlive)

- (16-03-23) US- Housing Starts MoM FEB; Building Permits MoM FEB
- (16-03-23) US- Initial Jobless Claims; Philadelphia Fed Manufacturing Survey MAR
- (16-03-23) EA- ECB Rate On Main Refinancing Operations; ECB Press Conference
- (16-03-23) EA- ECB Rate On Deposit Facility; ECB Monetary Policy Decision Statement
- (16-03-23) EA- ECB's President Lagarde speech
- (17-03-23) US- Michigan Consumer Sentiment Index MAR preliminar
- (17-03-23) EA- Harmonized Index of Consumer Prices FEB

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