

Daily Market Brief

April 16th 2024



FOREIGN EXCHANGE MARKETS

(Sources: Bloomberg / Reuters)

EUR/USD

For the fifth consecutive session, EUR/USD remained under pressure, sliding to levels around the 1.0620 zone and reaching new 2024 lows amidst continued strength in the US Dollar (USD). The US Dollar accelerated its gains amidst higher yields. The ECB's Simkus favoured 50 bps of rate cuts in the summer.

GBP/USD

The GBP/USD pair drifts lower for the third straight day on Tuesday and drops to its lowest level since November 17 during the Asian session. Spot prices currently trade around the 1.2420 region as traders now look to the UK monthly employment details for a fresh impetus. Bets for more aggressive policy easing by the BoE continue to weigh on the GBP. Reduced Fed rate cut bets underpin the USD and also contribute to the downfall.

USD/JPY

USD/JPY continues its ascent, breaking past 154.00, driven by strong US economic data and risk aversion from Middle East tensions. March's robust US Retail Sales highlight ongoing consumer strength, pushing up US Treasury yields. Japanese officials voice worries over swift currency fluctuations, staying in close contact with global partners on financial and FX market developments.

Fx rates	Last	High	Low	% Daily	% Weekly	% YTD
EUR-USD	1.0620	1.0628	1.0606	-0.04	-2.18	-3.80
GBP-USD	1.2440	1.2450	1.2421	-0.05	-1.88	-2.29
USD-JPY	154.29	154.42	154.14	0.01	-1.64	-8.59
USD-CHF	0.9125	0.9137	0.9114	0.10	-0.99	-7.79
Commodities	Last	High	Low	% Daily	% Weekly	% YTD
Gold	2385.87	2392.22	2379.39	0.11	1.41	15.65
Silver	28.74	29.02	28.63	-0.44	2.10	20.80
Crude Oil	86.05	86.18	85.62	0.75	0.96	19.30
Bitcoin	62665.68	63908.20	61755.80	-0.77	-11.12	47.42
Etherium	3045.35	3129.09	2991.60	-1.23	-13.60	33.43
Period	1 M	3 M	12 M			
EURIBOR	3.84	3.92	3.75			
SOFR	5.32	5.32	5.17			
Notes/Bonds	2 Y	10 Y	30 Y			
US	4.92	4.61	4.72			
BTP - BUND	0.55	1.44	1.79			
GILTS	4.41	4.24	4.72			

INTERNATIONAL EQUITY MARKETS

(Sources: Bloomberg / Reuters)

UNITED STATES OF AMERICA

Stocks retreated on Monday as rising yields and worries over the conflict in the Middle East overshadowed strong Goldman Sachs earnings and hot retail sales data. The 10-year Treasury rose above the key 4.6% level in the session and touched its highest point since mid-November. Retail sales rose 0.7% in March illustrating that consumption remains strong despite inflationary pressures.

EUROPE

European markets closed mixed on Monday amid heightened geopolitical tensions following Iran's large-scale drone and missile attack on Israel over the weekend. Oil and gas stocks led the losses, down 1.6% on rising risks in the Middle East. UK inflation data to be released on Wednesday.

ASIA

Asia-Pacific markets fell Monday as traders weighed the impact of Iran's massive drone and missile attacks on Israel over the weekend, with focus also on key economic data from China and Japan later in the week. Japan will release its March trade data and inflation numbers on Wednesday and Friday.

Index	Close	% Daily	% M	YTD	Futures	% Change
DJIA	37735.11	-0.65	-2.53	0.12	37947.00	-0.11
S&P	5061.82	-1.20	-1.08	6.12	5098.50	-0.10
Nasdaq	15885.02	-1.79	-0.55	5.82	17864.25	-0.05
DJ EuroStoxx50	4984.48	0.59	-0.03	10.24	4874.00	-1.16
FTSE 100	7965.53	-0.38	3.08	3.00	7898.00	-1.02
CAC 40	8045.11	0.43	-1.46	6.65	8046.50	0.00
DAX	18026.58	0.54	0.50	7.61	18042.00	-1.01
IBEX 35	10687.20	0.01	0.84	5.79	10670.00	0.00
FTSE MIB	33954.28	0.56	0.04	11.87	33323.00	0.00
Nikkei	39232.80	-1.86	-0.53	15.05	38530.00	-1.78
Hang Seng	16600.46	-1.67	-2.37	-4.24	16327.00	-1.63
DFM General	4243.78	-0.01	-0.44	4.53	N/A	N/A
MSCI Tadawoul	12708.34	0.33	-0.16	6.19	N/A	N/A

Leb. Mrkts	Closing Px	High	Low	% Daily	% Weekly	YTD
Solidere A	74.10	75.00	74.00	-0.07	-0.74	-16.84
Solidere B	73.50	73.50	73.50	0.00	-0.68	-18.29

MUST READ

(Source: Bloomberg/ Forexlive)

Wall Street's 'fear gauge' hits 2024 peak

Trading in options tied to Vix or Wall Street's "fear gauge," has hit a six-year high, according to data shared by Cboe Global Markets. Demand for hedges remained elevated on Monday, helping to send the Vix toward its highest settlement level since Oct. 30, according to Dow Jones Market Data. The index stood at 19.28 in recent trade. The Vix is based off trading activity in options linked to the S&P 500. But investors can also trade options and futures tied to the Vix index; roughly 2.6 million of these option contracts changed hands on Friday, compared with a 20-day average of 806,000, marking the highest figure since February 2018. Trading volume in Vix options had already been on the rise lately, as traders have expressed more interest in hedging against a market crash, according to the head of derivatives market intelligence at Cboe. Most of Friday's trading-volume increase was driven by Vix calls, which represent bets that stocks could see a sharp drop over a relatively short period. They can also be used as a kind of insurance against such a crash. February 2018 holds special significance for traders: It brought a sudden spike in the Vix that triggered a powerful but short-lived selloff that traders refer to as "Volmageddon." In addition to the Vix, the Cboe VVIX, which measures demand for Vix-linked options, also continued to climb on Monday, with the gauge on track to close at its highest level since late October, according to FactSet data.

MAIN WEEKLY EARNINGS

Company	Ticker	Market Cap	Date	Time	Estimate	Year Ago
Unitedhealth Groi	UNH US	\$ 410.84B	16-Apr-24	Pre-mkt	6.59	6.26
Bank of America	BAC US	\$ 283.67B	16-Apr-24	Pre-mkt	0.77	0.94
Bank of New York	BK US	\$ 41.56B	16-Apr-24	Pre-mkt	1.19	1.13
Interactive Broker	IBKR US	\$ 46.25B	16-Apr-24	Aft-mkt	1.63	1.35
United Airlines Hc	UAL US	\$ 13.49B	16-Apr-24	Aft-mkt	-0.57	-0.63

ECONOMIC CALENDAR

(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
(16-04-24) US - Housing Starts
(16-04-24) CA - CPI NSA MoM
(17-04-24) UK - CPI MoM / CPI YoY

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