

FOREIGN EXCHANGE MARKETS

(Sources: Bloomberg / Forexlive)

EURUSD

EUR/USD remains firmer for the second consecutive day around 1.0880 as it defends the previous day's U-turn from a five-week low heading into Tuesday's European session. Adding strength to the Euro pair is the broad US Dollar weakness amid the cautious mood ahead of the debt ceiling talks, as well as due to the downbeat US data. It's worth noting that mostly upbeat economic analysis from the European Commission (EC) also favors the Euro buyers ahead of the first readings of the Eurozone's (Q1) (GDP).

GBPUSD

The GBP/USD is displaying topsy-turvy moves above the immediate support of 1.2550 in the early European session. The Cable is showing signs of volatility contraction ahead of the release of the United Kingdom Employment data.

USDJPY

The USD/JPY pair has slipped below the crucial support of 136.00 in the Tokyo session. The asset is expected to remain on tenterhooks as investors are waiting for the US borrowing cap negotiations between the White House and congressional Republicans.

Fx rates	Last	High	Low	% Daily	% Weekly	% YTD
EUR-USD	1.0879	1.0885	1.0868	0.05	-0.76	1.63
GBP-USD	1.2522	1.2532	1.2515	-0.06	-0.78	3.63
USD-JPY	135.99	136.12	135.91	-0.10	-0.56	-3.58
USD-CHF	0.8952	0.8962	0.8948	-0.04	-0.53	3.27
Commodities	Last	High	Low	% Daily	% Weekly	% YTD
Gold	2015.91	2018.38	2013.93	-0.03	-0.92	10.52
Silver	24.00	24.11	23.98	-0.34	-6.24	0.21
Crude Oil	71.38	71.79	71.28	0.38	-3.16	-11.00
Bitcoin	27153.61	27387.35	26872.37	-0.74	0.53	64.17
Etherium	1815.00	1826.96	1796.85	-0.62	1.04	51.33
Period	1 M	3 M	12 M			
USD LIBOR *	5.11	5.32	5.26			
EURIBOR	3.16	3.35	3.80			
* 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	3.99	3.49	3.82			
BTP - BUND	0.73	1.88	2.06			
GILTS	3.83	3.82	4.25			

INTERNATIONAL EQUITY MARKETS

(Sources: Bloomberg / Reuters)

UNITED STATES OF AMERICA

The S&P 500 and the Dow ended with modest gains on Monday after manufacturing data raised concerns about a slowing U.S. economy that could help bring down inflation amid ongoing debt ceiling negotiations, while a rise in Meta shares helped lift the Nasdaq.

EUROPE

European stocks climbed on Monday as investors assessed uncertainties around U.S. debt ceiling talks and a runoff election in Turkey, while parsing data for clues on the state of the global economy. Euro zone industry output slumps, with Ireland plunge.

ASIA

China stocks were flat on Tuesday after April activity data broadly missed expectations and pointed to a slow economic recovery trend. Hong Kong stocks were up, led by tech stocks.

Index	Close	% Daily	% M	YTD	Futures	% Change
DJIA	33348.60	0.14	-1.59	0.61	33328.00	-0.21
S&P	4136.28	0.30	-0.03	7.73	4141.75	-0.20
Nasdaq	12365.21	0.66	1.99	18.14	13454.75	-0.10
DJ EuroStoxx50	4316.41	-0.03	-1.69	13.78	4309.00	0.00
FTSE 100	7777.70	0.30	-1.20	4.37	7774.50	-0.06
CAC 40	7418.21	0.05	-1.35	14.59	7418.00	N/A
DAX	15917.24	0.02	0.69	14.32	15961.00	-0.03
IBEX 35	9201.50	-0.35	-1.72	11.82	9194.00	N/A
FTSE MIB	27245.46	-0.37	-2.25	14.93	27028.00	N/A
Nikkei	29626.34	0.83	4.84	14.48	29880.00	0.67
Hang Seng	19971.13	0.39	-1.91	1.35	20011.00	0.26
DFM General	3525.43	-0.95	0.96	5.68	N/A	N/A
MSCI Tadawoul	11230.20	-1.04	1.79	7.17	N/A	N/A
Leb. Mrkts	Closing Px	High	Low	% Daily	% Weekly	YTD
Solidere A	82.95	83.00	81.00	1.97	-0.48	36.21
Solidere B	81.75	81.95	80.00	1.68	0.12	35.46

MUST READ

(Source: Bloomberg/ Forexlive)

Fed policy on right track, but inflation still too high

The Federal Reserve is getting interest rates closer to where they need to be to win the battle against inflation, a pair of U.S. central bankers said, though neither gave a clear signal on whether they feel they have reached that point. Coming a week after Fed policymakers raised their target range for the benchmark rate to 5%-5.25%, the remarks - from Fed Governor Philip Jefferson and St. Louis Fed President James Bullard -- suggest some uncertainty about whether the Fed will in fact pause interest-rate hikes next month, as is widely expected. Indeed a third U.S. central banker speaking early in the day, Governor Michelle Bowman, signaled she feels further policy tightening may yet be appropriate, unless inflation drops more convincingly. The Fed has raised its benchmark interest rate five full percentage points over the past 14 months - the fastest pace of tightening in 40 years. Inflation by the Fed's preferred measure has eased from 7% last summer to 4.2%. Meanwhile unemployment, which had been expected to rise as borrowing costs surged, has instead fallen to 3.4%, the lowest since 1969. "Is inflation still too high? Yes." Fed Governor Philip Jefferson said at a monetary policy conference at the Hoover Institution. "Has the current disinflation been uneven and slower than any of us would like? Yes. But my reading of this evidence is that we are 'doing what is necessary or expected' of us," which is the dictionary definition, he said, of being "on track."

MAIN WEEKLY EARNINGS

(Source: Nasdaq)

Company	Ticker	Market Cap	Date	Time	Estimate	Year Ago
Home Depot, Inc	HD US	\$291.5 B	16-May-23	Pre-mkt	3.83	4.09
Sea Limited	SE US	\$47.7 B	16-May-23	Pre-mkt	0.38	-1.04
Cisco Systems, Inc	CSCO US	\$189.8 B	17-May-23	After-mkt	0.87	0.78
Target Corporatio	TGT US	\$72.4 B	17-May-23	Pre-mkt	1.77	2.19
Synopsys, Inc	SNPS US	\$55.8 B	17-May-23	After-mkt	1.66	1.89

ECONOMIC CALENDER

(Source: Forexlive)

- (16-05-23) AU- RBA Meeting Minutes report
- (16-05-23) CN- Retail Sales YoY APR; Industrial Production YoY APR
- (16-05-23) GB- Claimant Count Change, Rate APR; ILO Unemployment Rate 3M MAR
- (16-05-23) GB- Average Earnings Including, Excluding Bonus (3Mo/Yr) MAR
- (16-05-23) EA- Gross Domestic Product YoY, QoQ Q1 preliminar
- (16-05-23) DE- ZEW Survey - Current Situation, Economic Sentiment MAY
- (16-05-23) US- Retail Sales MoM APR; Retail Sales Control Group APR

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