

FOREIGN EXCHANGE MARKETS

(Sources: Bloomberg / Reuters)

EUR/USD

EUR/USD fell short of recent bullish momentum, pulling back sharply after a brief jump above 1.0900 to kick off the new trading week and keeping price action strung out along the top end of a descending price channel. Traders are weighing their stance on the Greenback as Fed speak dominated investor sentiment with appearances from key policymakers on Monday. Federal Reserve Chairman Jerome Powell acknowledged the recent progress on inflation on Monday.

GBP/USD

GBP/USD trades around 1.2960 during the Asian session on Tuesday, remaining close 13-month high at 1.2995 recorded in the previous session. The GBP may appreciate further as investors consider UK markets a more attractive investment destination compared to US markets, which face political uncertainties.

USD/JPY

The USD/JPY pair trades on a stronger note around 158.30 on Tuesday during the early Asian trading hours. The uptick of the pair is bolstered by the modest rebound in USD. Fed officials acknowledged significant progress on inflation. The pair's upside might be limited amid the fear of FX intervention by Japanese authorities.

Fx rates	Last	High	Low	% Daily	% Weekly	% YTD
EUR-USD	1.0889	1.0899	1.0888	-0.05	0.70	-1.36
GBP-USD	1.2959	1.2974	1.2957	-0.07	1.35	1.79
USD-JPY	158.74	158.79	158.00	0.43	1.63	-11.15
USD-CHF	0.8953	0.8960	0.8952	-0.06	0.28	-6.02
Commodities	Last	High	Low	% Daily	% Weekly	% YTD
Gold	2432.37	2432.85	2420.08	0.42	2.89	17.91
Silver	30.85	30.88	30.56	0.57	0.16	29.65
Crude Oil	81.54	81.93	81.54	-0.45	0.16	13.74
Bitcoin	63641.26	65005.90	63536.86	-0.22	10.58	49.72
Etherium	3416.10	3499.77	3413.27	-0.56	9.63	49.68
Period	1 M	3 M	12 M			
EURIBOR	3.63	3.66	3.56			
SOFR	5.33	5.29	4.84			
US Fed Fund Rate (Indicator)			5.31			
Notes/Bonds	2 Y	10 Y	30 Y			
US	4.44	4.20	4.43			
BTP - BUND	4.46	1.28	1.69			
GILTS	4.07	4.10	4.61			

INTERNATIONAL EQUITY MARKETS

(Sources: Bloomberg / Reuters)

UNITED STATES OF AMERICA

The Dow Jones Industrial Average advanced on Monday as investors bet the unsuccessful assassination attempt on former President Donald Trump will lead to big gains for the Republican presidential candidate and the GOP at the polls in November. Small-cap shares and banks climbed on Monday.

EUROPE

European stocks started the week lower as global markets assess the effect of an assassination attempt on former U.S. President Donald Trump at a rally over the weekend. Household goods led losses, down 2%, followed by utilities, which lost 1.9%.

ASIA

Asia-Pacific markets mostly fell on Monday as China's GDP data missed expectations, while investors also assessed the impact of an assassination attempt on former U.S. President Donald Trump at a rally over the weekend. China's statistics bureau announced that its economy grew 4.7% in the second quarter, missing expectations of a 5.1% expansion forecast.

Index	Close	% Daily	% M	YTD	Futures	3D % Change
DJIA	40211.72	0.53	4.20	6.69	40570.00	0.67
S&P	5631.22	0.28	3.68	18.06	5693.25	0.50
Nasdaq	18472.57	0.40	4.43	23.06	20644.50	0.59
DJ EuroStoxx50	4983.11	-1.19	2.98	10.21	5006.00	-1.55
FTSE 100	8182.96	-0.85	0.44	5.82	8182.00	-1.14
CAC 40	7632.71	-1.19	1.73	1.19	7636.00	-1.20
DAX	18590.89	-0.84	3.27	10.98	18704.00	-1.13
IBEX 35	11143.00	-0.96	1.37	10.30	11152.00	-0.99
FTSE MIB	34375.92	-0.59	5.24	13.26	34537.00	-0.61
Nikkei	41190.68	0.33	6.47	23.49	41320.00	0.39
Hang Seng	18015.94	-1.47	-1.07	4.12	17771.00	-3.26
DFM General	4114.55	0.26	3.28	1.35	N/A	N/A
MSCI Tadawoul	11947.70	0.56	3.90	-0.16	N/A	N/A

Leb. Mrkts	Closing Px	High	Low	% Daily	% Weekly	YTD
Solidere A	72.90	73.50	68.05	4.29	8.00	-18.18
Solidere B	71.70	74.90	68.60	0.99	3.17	-20.29

MUST READ

(Source: Bloomberg/ Forexlive)

Powell indicates Fed won't wait until inflation is down to 2% before cutting rates

Federal Reserve Chair Jerome Powell said Monday that the central bank will not wait until inflation hits 2% to cut interest rates. Speaking at the Economic Club of Washington D.C., Powell referenced the idea that central bank policy works with "long and variable lags" to explain why the Fed wouldn't wait for its target to be hit. "The implication of that is that if you wait until inflation gets all the way down to 2%, you've probably waited too long, because the tightening that you're doing, or the level of tightness that you have, is still having effects which will probably drive inflation below 2%," Powell said. Instead, the Fed is looking for "greater confidence" that inflation will return to the 2% level, Powell said. "What increases that confidence in that is more good inflation data, and lately here we have been getting some of that," he said. Powell also said he thinks a "hard landing" for the U.S. economy was not "a likely scenario." Monday was Powell's first public speaking appearance since the consumer price index report for June showed cooling inflation, with prices actually falling month over month. Powell said at the beginning of his appearance that he was not intending to make any signals about when the Fed might start to cut interest rates. The central bank's next policy meeting is at the end of July. The target range for the federal funds rate is currently 5.25% to 5.50%. That is up from a range of 0% to 0.25% during the Covid-19 pandemic, and a range of 1.50%-1.75% before that health crisis.

MAIN WEEKLY EARNINGS

Company	Ticker	Market Cap	Date	Time	Estimate	Year Ago
Bank of America	BAC US	\$ 327.60B	16-Jul-24	Pre-mkt	0.80	0.88
Morgan Stanley	MS US	\$ 171.06B	16-Jul-24	Pre-mkt	1.65	1.24
Charles Schwab	SCHW US	\$ 137.24B	16-Jul-24	Pre-mkt	0.72	0.75
State Street Corp	STT US	\$ 23.78B	16-Jul-24	Pre-mkt	2.03	2.17
Unitedhealth Groi	UNH US	\$ 474.34B	16-Jul-24	Pre-mkt	6.59	6.14

ECONOMIC CALENDAR

(16-07-24) DE - ZEW Survey Expectations
(16-07-24) CA - CPI NSA MoM
(17-07-24) UK - CPI MoM / YoY
(17-07-24) US - Housing Starts
(17-07-24) EA - CPI YoY / MoM / Core YoY
(17-07-24) US - Industrial Production MoM
(18-07-24) EA - ECB Main Refinancing Rate

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