

# Daily Market Brief

August 16th 2023



## FOREIGN EXCHANGE MARKETS

(Sources: Bloomberg / Forexlive)

### EURUSD

EUR/USD holds lower grounds near 1.0900, poking the intraday bottom amid early Wednesday in Asia. In doing so, the Euro pair struggles for clear directions amid the cautious mood ahead of the Federal Open Market Committee's (FOMC) Monetary Policy Meeting Minutes. As a result, the Euro bears need a strong hawkish tone from the Fed Minutes to defend the one-month-old downside trend.

### GBPUSD

GBP/USD retreats to 1.2700 as bulls fail to keep the reins ahead of Wednesday's top-tier US/UK catalysts, after a surprise entry the previous day. That said, the Cable pair eases within a 1.5-month-old symmetrical triangle following a corrective bounce after the UK's latest employment report. It's worth noting that the Pound Sterling's latest restoration of the original trend could also be linked to the market's cautious mood ahead of British inflation data and Monetary Policy Meeting Minutes of the Federal Open Market Committee (FOMC).

### USDJPY

The USD/JPY pair remains confined around the 145.45-70 region in a narrow trading band in the Asian session on Wednesday. Traders continue to fear intervention by the Bank of Japan (BoJ) as the JPY weakens to a 9-month low. The major currently trades near 145.52, losing 0.02% for the day.

| Fx rates    | Last     | High     | Low      | % Daily | % Weekly | % YTD |
|-------------|----------|----------|----------|---------|----------|-------|
| EUR-USD     | 1.0914   | 1.0918   | 1.0899   | 0.08    | -0.55    | 1.95  |
| GBP-USD     | 1.2702   | 1.2712   | 1.2687   | -0.02   | -0.13    | 5.12  |
| USD-JPY     | 145.43   | 145.70   | 145.42   | -0.10   | -1.17    | -9.84 |
| USD-CHF     | 0.8782   | 0.8792   | 0.8778   | -0.03   | -0.10    | 5.27  |
| Commodities | Last     | High     | Low      | % Daily | % Weekly | % YTD |
| Gold        | 1904.65  | 1905.48  | 1900.36  | 0.14    | -0.51    | 4.42  |
| Silver      | 22.60    | 22.63    | 22.50    | 0.32    | -0.28    | -5.65 |
| Crude Oil   | 80.63    | 81.26    | 80.62    | -0.44   | -4.47    | 2.26  |
| Bitcoin     | 29122.65 | 29225.44 | 29115.09 | -0.17   | -0.90    | 76.08 |
| Etherium    | 1820.48  | 1829.88  | 1820.02  | -0.40   | -1.28    | 51.79 |
| Period      | 1 M      | 3 M      | 12 M     |         |          |       |
| USD LIBOR * | 5.43     | 5.63     | 6.04     |         |          |       |
| EURIBOR     | 3.66     | 3.80     | 4.08     |         |          |       |
| SOFR        | 5.31     | 5.38     | 5.38     |         |          |       |
| Notes/Bonds | 2 Y      | 10 Y     | 30 Y     |         |          |       |
| US          | 4.91     | 4.19     | 4.31     |         |          |       |
| BTP - BUND  | 0.67     | 1.68     | 2.02     |         |          |       |
| GILTS       | 5.14     | 4.59     | 4.78     |         |          |       |

## INTERNATIONAL EQUITY MARKETS

(Sources: Bloomberg / Reuters)

### UNITED STATES OF AMERICA

Wall Street's main stock indexes closed sharply lower on Tuesday after stronger-than-expected retail sales data stoked worries interest rates could stay higher for longer, while U.S. big banks dropped on a report that Fitch could downgrade some lenders.

### EUROPE

UK and Swedish stocks led declines among European peers on Tuesday after data from both countries triggered worries about high interest rates, while China-exposed shares fell as Beijing's policy support failed to boost investor sentiment.

### ASIA

Japan's Nikkei share average touched a more than two-month low on Wednesday as China's economic outlook weighed on risk appetite, while banking shares slid after a report on a possible downgrade of U.S. major banks.

| Index          | Close      | % Daily | % M   | YTD     | Futures  | % Change |
|----------------|------------|---------|-------|---------|----------|----------|
| DJIA           | 34946.39   | -1.02   | 1.27  | 5.43    | 35006.00 | 0.00     |
| S&P            | 4437.86    | -1.16   | -1.50 | 15.58   | 4453.75  | 0.01     |
| Nasdaq         | 13631.05   | -1.14   | -3.42 | 30.24   | 15114.75 | 0.07     |
| DJ EuroStoxx50 | 4288.57    | -0.96   | -2.53 | 13.05   | 4284.00  | -0.30    |
| FTSE 100       | 7389.64    | -1.57   | -0.60 | -0.83   | 7381.00  | -0.18    |
| CAC 40         | 7267.70    | -1.10   | -1.45 | 12.26   | 7271.00  | N/A      |
| DAX            | 15767.28   | -0.86   | -2.10 | 13.24   | 15764.00 | -0.31    |
| IBEX 35        | 9347.50    | -0.87   | -0.96 | 13.59   | 9344.40  | N/A      |
| FTSE MIB       | 28435.49   | 0.57    | -0.79 | 19.95   | 28541.00 | N/A      |
| Nikkei         | 32238.89   | -1.24   | -1.70 | 22.02   | 31810.00 | -1.36    |
| Hang Seng      | 18581.11   | -1.34   | -5.57 | -7.32   | 18324.00 | -1.14    |
| DFM General    | 4051.19    | -0.19   | 1.03  | 21.44   | N/A      | N/A      |
| MSCI Tadawoul  | 11412.88   | -0.70   | -2.58 | 8.92    | N/A      | N/A      |
| Leb. Mkts      | Closing Px | High    | Low   | % Daily | % Weekly | YTD      |
| Solidere A     | 80.55      | 81.00   | 79.00 | -1.47   | -0.56    | 32.27    |
| Solidere B     | 80.00      | 80.00   | 80.00 | 0.00    | -4.19    | 32.56    |

## MUST READ

(Source: Bloomberg/ Forexlive)

### FOMC September Meeting

As the Fed's September meeting approaches, Wall Street economists are leaning towards the possibility of a pause in the central bank's interest rate hike trajectory. Despite Fed Chair maintaining the option for another rate increase, various indicators and economic signals appear to be aligning in a way that suggests a temporary halt in the rate-hiking cycle. Recent economic data and trends are contributing to this sentiment. Notably, there has been a decline in used car prices and a moderation in rents, both of which are contributing factors in lowering inflationary pressures. Additionally, observations of consumer spending patterns indicate a moderation in growth, while signs of diminishing wage pressures provide further indications that the economy might not be signaling a need for immediate rate adjustments. According to Bloomberg, central bank policymakers have been vocal about their approach, indicating that they are awaiting incoming data to inform their decision-making process regarding potential rate increases. With the latest inflation reports unexpectedly showing a milder trend and a backdrop of economic indicators that suggest a more measured pace, there appears to be a consensus that there is little immediate urgency for a rate hike in the upcoming September meeting. In the midst of these considerations, the Fed is also keeping a watchful eye on other critical factors such as the dynamics of student loan repayment and the potential for a government shutdown. These variables, coupled with the broader economic landscape, are likely to shape the final decision on whether to pause or proceed with further interest rate increases.

## MAIN WEEKLY EARNINGS

(Source: Nasdaq)

| Company            | Ticker  | Market Cap | Date      | Time      | Estimate | Year Ago |
|--------------------|---------|------------|-----------|-----------|----------|----------|
| Cisco Systems      | CSCO US | \$216.2 B  | 16-Aug-23 | After-mkt | 0.95     | 0.74     |
| TJX companies      | TJX US  | \$99.1 B   | 16-Aug-23 | Pre-mkt   | 0.76     | 0.69     |
| Target Corporation | TGT US  | \$60.8 B   | 16-Aug-23 | Pre-mkt   | 1.49     | 0.39     |
| Walmart Inc.       | WMT US  | \$430.8 B  | 17-Aug-23 | Pre-mkt   | 1.69     | 1.77     |
| Applied Materials  | AMAT US | \$119.1 B  | 17-Aug-23 | After-mkt | 1.73     | 1.94     |

## ECONOMIC CALENDAR

(Source: Forexlive)

(16-08-23) GB- Retail Price Index JUL; PPI Core Output n.s.a JUL  
(16-08-23) GB- Producer Price Index - Output n.s.a JUL  
(16-08-23) GB- Consumer Price Index JUL; Core Consumer Price Index JUL  
(16-08-23) EA- Gross Domestic Product s.a. YoY, QoQ, Q2 preliminar  
(16-08-23) US- FOMC Minutes  
(17-08-23) US- Philadelphia Fed Manufacturing Survey AUG  
(18-08-23) GB- Retail Sales JUL

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