

Daily Market Brief

August 16th, 2024



FOREIGN EXCHANGE MARKETS

(Sources: Bloomberg / Reuters)

EUR/USD

EUR/USD took a dive back below the 1.1000 handle on Thursday despite a broad-market recovery in investor sentiment. US Retail Sales growth lurched to an 18-month high of 1.0% MoM in July, well above the forecast 0.3% and entirely engulfing the previous month's -0.2% contraction. Improving economic health indicators are helping to stave off recent concerns of a potential recession within the US.

GBP/USD

GBP/USD continues to strengthen for the second consecutive session, trading around 1.2870 during the Asian hours on Friday. The improved risk sentiment, driven by a stronger-than-expected recovery in US Retail Sales, has eased concerns about a potential US recession and boosted risk-sensitive currencies like the GBP. The US Dollar struggles due to fully pricing in of a 25 basis point rate cut by the Fed in September.

USD/JPY

USDJPY jumped to two-week high on Thursday after better than expected US economic data (retail sales / jobless claims) reduced growth concerns and shifted expectations from 50 basis points Fed rate cut in September to initial 25 basis points plan.

Fx rates	Last	High	Low	% Daily	% Weekly	% YTD
EUR-USD	1.0986	1.0986	1.0971	0.13	0.63	-0.48
GBP-USD	1.2878	1.2879	1.2852	0.18	0.92	1.15
USD-JPY	148.95	149.35	148.74	-0.22	-1.57	-5.31
USD-CHF	0.8713	0.8729	0.8710	-0.15	-0.71	-3.43
Commodities	Last	High	Low	% Daily	% Weekly	% YTD
Gold	2455.98	2460.06	2450.84	-0.03	1.01	19.05
Silver	28.18	28.43	28.09	-0.61	2.63	18.44
Crude Oil	77.80	78.16	77.72	-0.46	1.25	9.06
Bitcoin	58217.10	58485.53	56655.01	2.71	-0.52	36.96
Etherium	2598.30	2609.26	2535.65	1.89	1.58	13.84
Period	1 M		3 M		12 M	
EURIBOR	3.61		3.54		3.15	
SOFR	5.34		5.10		4.29	
US Fed Fund Rate (Indicator)			5.31			
Notes/Bonds	2 Y		10 Y		30 Y	
US	4.07		3.90		4.16	
BTP - BUND	0.48		1.37		1.78	
GILTS	3.65		3.92		4.48	

INTERNATIONAL EQUITY MARKETS

(Sources: Bloomberg / Reuters)

UNITED STATES OF AMERICA

Stocks rallied on Thursday as investors regained confidence in the economy following encouraging consumer and labor data that helped ease recession worries. Encouraging inflation data this week had largely swept away investors' recessionary fears prior to Thursday's swath of economic data, and led to a rebound in equities following last week's sharp global sell-off.

EUROPE

European stocks closed higher Thursday, maintaining the week's positive momentum as investors digested cooler-than-expected inflation readings in the U.S and U.K. The regional Stoxx 600 index ended up 1.15%, with the technology sector leading gains, up 2.54%.

ASIA

Asia-Pacific markets largely rose on Thursday after Japan's GDP growth beat expectations, while traders also digested China retail sales, industrial output and urban unemployment data for July. Australia's S&P/ASX 200 rose 0.19% after its unemployment rate for July ticked up 0.1% to 4.2%.

Index	Close	% Daily	% M	YTD	Futures	1W % Change
DJIA	40563.06	1.39	-0.96	7.62	40762.00	2.83
S&P	5543.22	1.61	-2.19	16.21	5580.25	3.91
Nasdaq	17594.50	2.34	-4.94	17.21	19659.25	5.61
DJ EuroStoxx50	4807.77	1.70	-2.83	6.33	4848.00	3.35
FTSE 100	8347.35	0.80	2.23	7.94	8375.00	2.40
CAC 40	7423.37	1.23	-2.07	-1.59	7424.00	2.06
DAX	18183.24	1.66	-1.81	8.55	18296.00	2.93
IBEX 35	10885.60	1.23	-1.85	7.76	10885.60	2.30
FTSE MIB	32328.03	1.00	-5.94	6.51	32458.00	1.68
Nikkei	36726.64	3.27	-8.11	13.33	37910.00	8.16
Hang Seng	17109.14	1.89	-1.67	2.26	N/A	N/A
DFM General	4218.68	0.12	2.65	3.91	N/A	N/A
MSCI Tadawoul	11915.02	0.55	-1.37	-0.44	N/A	N/A

Leb. Mrkts	Closing Px	High	Low	% Daily	% Weekly	YTD
Solidere A	81.80	82.00	73.15	9.80	4.80	-8.19
Solidere B	74.00	74.05	73.50	2.00	-6.62	-17.73

MUST READ

(Source: Bloomberg / Forexlive)

Jamie Dimon on taxing the wealthy and America's debt problem

JPMorgan CEO Jamie Dimon has put forth a solution to unrestrained US debt: Tax the rich at the same rate as middle-class people, or higher. The bank executive told "PBS News Hour" that the country could clamp down on runaway borrowing without eliminating spending. In fact, Dimon expects that reducing the debt while still investing in the right initiatives is "doable," he said. "I would spend the money that helps make it a better country, so some of this is infrastructure, earned-income tax credits, military," he said. "I would have a competitive national tax system, and then I would maximize growth." Dimon added: "And then you'll have a little bit of a deficit, and you would maybe just raise taxes a little bit — like the Warren Buffett type of rule, I would do that." This rule posits that no household making above \$1 million a year should pay taxes on a lower share of their income than middle-class earners. The principle earned its name from the billionaire investor Warren Buffett, who famously criticized that his secretary paid a higher tax rate than he did. Calls for wealthier Americans to pay higher taxes have grown louder in the past year as economists search for answers to the federal government's skyrocketing debt. Dimon has been among Wall Street's most consistent voices to raise the alarm, frequently saying that runaway borrowing will amplify inflation and interest-rate pressures through the coming decade. Not everyone shares Dimon's optimism that tax hikes alone can solve this problem. Though commentators have pushed for tax-hike proposals that embrace all income levels, others urge both Democrats and Republicans to consider spending cuts as well.

MAIN WEEKLY EARNINGS

Company	Ticker	Market Cap	Date	Time	Estimate	Year Ago
Flowers Foods Inc	FLO US	\$ 4.78B	16-Aug-24	Pre-mkt	0.33	0.33
Estee Lauder Com	EL US	\$ 34.11B	19-Aug-24	Pre-mkt	0.27	0.07
Palo Alto Network	PANW US	\$ 111.15B	19-Aug-24	Aft-mkt	1.41	1.44
Lowe's Cos Inc	LOW US	\$ 136.79B	20-Aug-24	Pre-mkt	3.97	4.56
Target Corporatio	TGT US	\$ 65.54B	21-Aug-24	Pre-mkt	2.19	1.80

ECONOMIC CALENDAR

(16-08-24) US - Housing Starts
(16-08-24) US - U. of Mich Sentiment
(20-08-24) US - CPI YoY / MoM
(20-08-24) CA - CPI NSA MoM / YoY
(21-08-24) US - MBA Mortgage Applications
(21-08-24) US - FOMC Meeting Minutes
(22-08-24) FR - HCOB France Manufacturing PMI

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