

# Daily Market Brief

October 16 2023



## FOREIGN EXCHANGE MARKETS

(Sources: Bloomberg / Reuters)

### EURUSD

The EUR/USD pair posts modest gains during the Asian session on Monday. The rebound of the pair is supported by the softer US Dollar (USD) broadly. EUR/USD currently trades near 1.0522, up 0.22% on the day.

### GBPUSD

GBP/USD retraces the recent losses, trading higher around 1.2150 during the Asian session on Monday. The pair faced challenges possibly due to the shift in discussions about the trajectory of the US Federal Reserve's (Fed) monetary policy. Investors are expected to focus on the labor data coming from the United Kingdom (UK). Investors seem to factor in the possibility of another Federal Reserve (Fed) rate hike. The market sentiment has shifted following the slew of robust economic data from the United States (US). This could result in providing downward pressure on the GBP/USD pair.

### USDJPY

USD/JPY's rally has stalled recently as it hovers around stiff resistance at the psychological 150 mark, not too far from the 2022 high of 152.00. However, there is no sign of a reversal of the uptrend. With USD/JPY within last year's intervention zone, it could be tough to clear 150.00-152.00, especially given some Fed officials have indicated a peak in rates.

| Fx rates    | Last     | High     | Low      | % Daily | % Weekly | % YTD  |
|-------------|----------|----------|----------|---------|----------|--------|
| EUR-USD     | 1.0526   | 1.0530   | 1.0507   | 0.15    | -0.39    | -1.67  |
| GBP-USD     | 1.2160   | 1.2164   | 1.2126   | 0.14    | -0.64    | 0.64   |
| USD-JPY     | 149.46   | 149.63   | 149.32   | -0.07   | -0.64    | -12.27 |
| USD-CHF     | 0.9016   | 0.9029   | 0.9012   | -0.04   | 0.55     | 2.54   |
| Commodities | Last     | High     | Low      | % Daily | % Weekly | % YTD  |
| Gold        | 1914.86  | 1926.48  | 1914.72  | -0.93   | 2.87     | 4.98   |
| Silver      | 22.57    | 22.73    | 22.57    | -0.65   | 3.17     | -5.77  |
| Crude Oil   | 87.41    | 87.98    | 87.07    | -0.32   | 1.19     | 12.34  |
| Bitcoin     | 27862.78 | 27976.38 | 27053.64 | 2.41    | 4.29     | 68.46  |
| Etherium    | 1584.67  | 1588.89  | 1553.91  | 1.29    | 1.33     | 32.12  |
| Period      | 1 M      | 3 M      | 12 M     |         |          |        |
| USD LIBOR * | 5.45     | 5.66     | 6.04     |         |          |        |
| EURIBOR     | 3.86     | 3.99     | 4.17     |         |          |        |
| SOFR        | 5.34     | 5.40     | 5.42     |         |          |        |
| Notes/Bonds | 2 Y      | 10 Y     | 30 Y     |         |          |        |
| US          | 5.07     | 4.66     | 4.81     |         |          |        |
| BTP - BUND  | 0.90     | 2.04     | 2.31     |         |          |        |
| GILTS       | 4.85     | 4.39     | 4.83     |         |          |        |

## INTERNATIONAL EQUITY MARKETS

(Sources: Bloomberg / Reuters)

### UNITED STATES OF AMERICA

Stocks came off their session highs after consumer sentiment data was released earlier Friday. According to the University of Michigan's closely watched survey, preliminary consumer sentiment data slumped in October while inflation expectations spiked. Investors also kept an eye on Treasury yields. The yield on the 10-year Treasury was down by roughly 9 basis points at 4.62%. The 2-year Treasury-yield was about 1 basis point lower at 5.05%. Gold futures, which settled higher by 3.11%, had their best day of the year since Dec 1, 2022.

### EUROPE

European stock markets closed lower Friday afternoon as global sentiment falters. Oil and gas stocks made the biggest gains, by 1.2%, as crude prices rose sharply. Despite the sharp rise in geopolitical volatility resulting from the outbreak of the devastating Israel-Hamas war, stocks have performed strongly last week, with the Stoxx 600 currently on track for its best week since July.

### ASIA

Hong Kong stocks fall more than 2%, leading losses in the wider Asia-Pacific markets fell as investors digest China's inflation and trade data for September.

| Index          | Close      | % Daily | % M   | YTD     | Futures  | % Change |
|----------------|------------|---------|-------|---------|----------|----------|
| DJIA           | 33670.29   | 0.12    | -2.74 | 1.58    | 33843.00 | 0.03     |
| S&P            | 4327.78    | -0.50   | -2.75 | 12.72   | 4363.25  | 0.11     |
| Nasdaq         | 13407.23   | -1.23   | -2.20 | 28.10   | 15151.00 | 0.18     |
| DJ EuroStoxx50 | 4136.12    | -1.48   | -3.70 | 9.03    | 4150.00  | -0.07    |
| FTSE 100       | 7599.60    | -0.59   | -1.45 | 1.98    | 7645.00  | 0.20     |
| CAC 40         | 7003.53    | -1.42   | -5.09 | 8.18    | 7008.50  | N/A      |
| DAX            | 15186.66   | -1.55   | -4.45 | 9.07    | 15276.00 | -0.04    |
| IBEX 35        | 9232.90    | -1.10   | -3.32 | 12.20   | 9237.60  | N/A      |
| FTSE MIB       | 28237.02   | -0.90   | -2.28 | 19.11   | 28214.00 | N/A      |
| Nikkei         | 32315.99   | -2.19   | -5.74 | 21.13   | 31600.00 | -2.02    |
| Hang Seng      | 17813.45   | -0.79   | -2.80 | -10.66  | 17679.00 | -0.65    |
| DFM General    | 3965.05    | -2.27   | -1.94 | 18.85   | N/A      | N/A      |
| MSCI Tadawoul  | 10542.86   | -0.41   | -5.48 | 0.61    | N/A      | N/A      |
| Leb. Mrkts     | Closing Px | High    | Low   | % Daily | % Weekly | YTD      |
| Solidere A     | 75.05      | 77.00   | 73.25 | -0.92   | -2.53    | 23.23    |
| Solidere B     | 76.60      | 77.00   | 74.35 | 3.16    | -0.58    | 26.93    |

## MUST READ

(Source: Bloomberg/ Forexlive)

### US Housing market 2023

Home foreclosure activity in the US surged to the highest level since the start of the pandemic, a sign that the financial aftermath of COVID-19 has been wearing out cash-strapped homeowners. Foreclosure filings – including default notices, scheduled auctions, and bank repossessions – jumped 28% in the third quarter from the prior quarter to 124,539, the real estate data group ATTOM said in a recent report. That represents a 34% surge from a year ago, attesting to growing financial distress among US homeowners. Mortgage lenders, meanwhile, began the foreclosure process on 68,961 properties in the US over the past quarter, up 3% from the third quarter of 2022. That rise is partly attributed by the end of mortgage forbearance and foreclosure moratorium programs brought about during the pandemic, which were rolled back during 2021 and 2022. That exposed a number of households that have been strained financially in the post-pandemic economy, with inflation still hovering well-above the Fed's 2% target. Those stressors come amid an already-precarious time in the housing market, where sales have shuddered to a near-halt as high mortgage rates push buyers and sellers to the sidelines.

## MAIN WEEKLY EARNINGS

| Company             | Ticker  | Market Cap | Date      | Time    | Estimate | Year Ago |
|---------------------|---------|------------|-----------|---------|----------|----------|
| Bank of New York    | BK US   | 32.83 B    | 17-Oct-23 | Pre-mkt | 1.15     | 1.21     |
| Bank of America     | BAC US  | 214.71 B   | 17-Oct-23 | Pre-mkt | 0.81     | 0.81     |
| Johnson & Johnson   | JNJ US  | 375 B      | 17-Oct-23 | Pre-mkt | 2.52     | 2.55     |
| Goldman Sachs       | GS US   | 106.81 B   | 17-Oct-23 | Pre-mkt | 5.68     | 8.25     |
| Interactive Brokers | IBKR US | 37.03 B    | 17-Oct-23 | Aft-mkt | 1.51     | 1.08     |

## ECONOMIC CALENDAR

(16-10-23) JP - Industrial Capacity MoM  
(16-10-23) IT - CPI EU Harmonized YoY  
(16-10-23) US - Empire Manufacturing  
(17-10-23) UK - Jobless Claims Change  
(17-10-23) CA - CPI YoY  
(17-10-23) US - Capacity Utilization  
(17-10-23) US - Industrial Production MoM

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