Daily Market Brief

October 16th 2024

FOREIGN EXCHANGE MARKETS *(Sources: Bloomberg / Reuters)*

EURUSD

The EUR/USD pair is trading around 1.0890 after a four-day decline, as the Euro faces potential downward pressure from an expected 25 basis point rate cut by the ECB in its upcoming policy meeting. Meanwhile, the US Dollar Index remains strong at a two-month high, supported by recent robust jobs and inflation data, which have tempered expectations for aggressive rate cuts by the Federal Reserve, with a high likelihood of a 25-basis-point cut anticipated in November.

GBPUSD

The GBP/USD pair has remained within a tight range between 1.3100 and 1.3000 for four days as traders await significant UK economic data. While UK wages met expectations, a surprise rise in September's Claimant Count Change to 27.9K raised concerns, despite a drop in the ILO Unemployment Rate to 4.0%; upcoming UK CPI figures are expected to show a decline in inflation. Traders are also looking ahead to US Retail Sales data, anticipated to increase, contrasting with forecasts of a contraction in the UK's retail sales for September.

USDJPY

The JPY is trading in a narrow range against the US Dollar, stalling its recovery after reaching its lowest level since early August, largely due to uncertainty about the Bank of Japan's rate-hike plans and disappointing machinery orders data. Despite these challenges, a shift in global risk sentiment and a slight decline in the US Dollar may offer some support to the safe-haven JPY, while expectations of smaller rate cuts by the Federal Reserve suggest an overall upward trend for USD/JPY prices.

Fx rates	Last	High	Low	% Daily	% Weekly	% YTD
EUR-USD	1.0883	1.0896	1.0882	-0.09	-0.51	-1.41
GBP-USD	1.3032	1.3077	1.3021	-0.32	-0.30	2.36
USD-JPY	149.31	149.37	148.88	0.07	0.00	-5.54
USD-CHF	0.8627	0.8628	0.8614	0.12	-0.22	-2.47
Commodities	**Last**	**High**	**Low**	**% Daily**	**% Weekly**	**% YTD**
Gold	2669.09	2670.58	2658.79	0.24	2.35	29.38
Silver	31.59	31.69	31.42	0.27	3.55	32.74
Crude Oil	70.80	71.14	70.72	0.31	-3.33	0.21
Bitcoin	67157.70	67543.16	66137.24	1.02	6.60	57.99
Etherium	2616.72	2629.69	2568.54	1.74	6.50	14.65

Period	1M	3M	6M	12M
SOFR ($)	4.78	4.65	4.44	4.12
ESTR (€)	2.50	3.11	2.91	2.50
SONIA (£)	4.91	4.77	4.61	4.34
SARON (F)	0.93	0.80	0.68	0.52
TONAR (¥)	0.22	0.20	0.14	0.07

	Rates
U.S. Federal Fund Target Rate	5.00
ECB Main Refinancing Operation Announcement Rate	3.65
ECB Deposit Facility Announcement Rate	3.50
ECB Marginal Lending Facility Announcement Rate	3.90
BOE Official Bank Rate	5.00

INTERNATIONAL EQUITY MARKETS *(Sources: Bloomberg / Reuters)*

UNITED STATES OF AMERICA

Stocks tumbled Tuesday, taking a breather from their rally, as traders sifted through the latest corporate earnings reports. ASML tanked 16% as chipmakers took a dive. Nvidia and AMD shed 4.7% and 5.2%, respectively. So far, about 40 S&P 500 companies have reported third-quarter results. Of those, 80% have beaten analyst expectations, per FactSet.

EUROPE

European stocks closed lower Tuesday afternoon, as investors monitored earnings and a sharp fall in oil prices and tech stocks. European sectors were spread between losses and gains, with media stocks adding 1.46% as oil and gas stocks retreated 3.24%, tracking the oil market lower.

ASIA

Most Asia-Pacific markets traded lower Wednesday, with Japan's Nikkei leading losses, following declines on Wall Street. Investors will be watching for more stimulus measures to prop up the real estate sector in China with the country's housing minister set to hold a press briefing on Thursday.

Index	Close	% Daily	% M	YTD	Futures	% Change
DJIA	42740.42	-0.75	2.69	13.40	42987.00	-0.86
S&P	5815.26	-0.76	3.23	21.92	5864.50	-0.73
Nasdaq	18315.59	-1.01	4.11	22.01	20381.00	-1.15
DJ EuroStoxx50	4946.73	-1.87	2.47	9.41	4945.00	-2.29
FTSE 100	8249.28	-0.52	-0.35	6.67	8280.00	-0.55
CAC 40	7521.97	-1.05	0.97	-0.28	7562.00	-1.03
DAX	19486.19	-0.11	4.58	16.32	19607.00	-0.15
IBEX 35	11930.20	0.67	3.02	18.10	11962.30	0.93
FTSE MIB	34578.45	-0.29	3.00	13.93	34440.00	-0.30
Nikkei	39910.55	-1.73	7.22	17.20	39240.00	-0.91
Hang Seng	20318.79	0.52	17.23	19.81	20500.00	-2.94
DFM General	4469.57	0.33	1.69	10.09	N/A	N/A
MSCI Tadawoul	12001.63	0.35	1.13	0.29	N/A	N/A

Leb. Mrkts	Closing Px	High	Low	% Daily	% Weekly	YTD
Solidere A	94.00	96.00	93.00	-0.16	1.57	5.50
Solidere B	90.30	90.30	90.30	0.00	-1.85	0.39

MUST READ *(Source: Bloomberg/ Forexlive)*

Google will help build seven nuclear reactors to power its AI systems

Google is adding nuclear plants to its seemingly ever-growing portfolio. The company has partnered with Kairos Power to back the construction of seven small nuclear reactors in the U.S. It's the first agreement of its kind. The first plant is expected to come online by 2030, the company announced in a blog post. Other reactors will be deployed by 2035. All totaled, the deal will funnel 500 megawatts of power to the company's AI technologies—enough to power a midsize city. The smaller reactors created by Kairos, a nuclear-energy startup, are different from the towers most people think of when they conjure up an image of a nuclear reactor. The company uses a molten salt cooling system, which operates at a lower pressure. Google's announcement comes weeks after Microsoft announced a partnership with Constellation Energy that will see the undamaged reactor at Three Mile Island, the site of the worst nuclear accident in U.S. history, resume operations to power Microsoft's AI data centers. Experts have warned data centers could become a big strain on the U.S. power grid, with the nine-year projected growth forecast for North America essentially doubling from where it stood a year ago. Last year, the five-year forecast from Grid Strategies projected growth of 2.6%. That number has since nearly doubled to 4.7%—and planners expect peak demand to grow by 38 gigawatts. In real-world terms, that's sufficient to power 12.7 million homes.

MAIN WEEKLY EARNINGS

Company	Ticker	Market Cap	Date	Time	Estimate	Year Ago
Morgan Stanley	MS US	$ 181.90B	16-Oct-24	Pre-mkt	1.60	1.38
Alcoa Corp	AA US	$ 10.67B	16-Oct-24	Aft-mkt	0.25	-1.14
Blackstone Inc	BX US	$ 190.93B	17-Oct-24	Pre-mkt	0.91	0.94
Netflix Inc	NFLX US	$ 302.98B	17-Oct-24	Aft-mkt	5.16	3.73
Procter & Gamble	PG US	$ 407.84B	18-Oct-24	Pre-mkt	1.90	1.83

ECONOMIC CALENDAR

(16-10-24) UK - CPI MoM / YoY
(16-10-24) CA - Manufacturing Sales MoM
(17-10-24) EA - CPI YoY / MoM
(17-10-24) EA - ECB Deposit Facility Rate / ECB Marginal Lending Facility
(17-10-24) US - Philadelphia Fed Business Outlook
(17-10-24) US - Industrial Production MoM
(18-10-24) JP - Natl CPI YoY / Natl CPI Ex Fresh Food YoY

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