

Daily Market Brief

August 17th 2023



FOREIGN EXCHANGE MARKETS

(Sources: Bloomberg / Forexlive)

EURUSD

EUR/USD bears take a breather at the lowest level in six weeks while seeking fresh clues to extend the previous day's fall amid early Thursday morning in Asia. That said, the Euro pair refreshed the multi-day low to 1.0871 late Wednesday after the Monetary Policy Meeting Minutes of the Federal Open Market Committee (FOMC) appeared hawkish. Also weighing on the pair was the major US Dollar strength backed by the firmer US Treasury bond yields and sour sentiment, not to forget mostly upbeat US data.

GBPUSD

The GBP/USD pair edges lower during the Asian session on Thursday and extends the overnight pullback from the 1.2765 area, or a multi-day peak. The downtick is exclusively sponsored by the underlying bullish sentiment surrounding the US Dollar (USD), though spot prices manage to hold above the 1.2700 mark in the wake of rising bets for further interest rate hikes by the (BoE).

USDJPY

USD/JPY refreshes the Year-To-Date (YTD) high to 146.55 but lacks follow-through amid fears of the Japanese policymakers' market intervention to defend the Yen. That said, broad risk aversion and hawkish Fed concerns underpin the major currency pair's run-up early Thursday.

Fx rates	Last	High	Low	% Daily	% Weekly	% YTD
EUR-USD	1.0865	1.0890	1.0862	-0.13	-1.06	1.49
GBP-USD	1.2718	1.2735	1.2711	-0.11	0.33	5.26
USD-JPY	146.37	146.56	146.20	0.01	-1.11	-10.42
USD-CHF	0.8809	0.8810	0.8796	0.10	-0.47	4.95
Commodities	Last	High	Low	% Daily	% Weekly	% YTD
Gold	1892.52	1895.03	1889.70	0.04	-1.04	3.76
Silver	22.48	22.51	22.35	0.27	-1.01	-6.18
Crude Oil	79.11	79.49	78.95	-0.34	-4.48	0.33
Bitcoin	28622.25	28947.00	28335.37	-1.10	-2.68	73.05
Etherium	1799.34	1813.49	1779.15	-0.48	-2.56	50.02
Period	1 M	3 M	12 M			
USD LIBOR *	5.43	5.64	6.04			
EURIBOR	3.63	3.79	4.09			
SOFR	5.31	5.38	5.39			
Notes/Bonds	2 Y	10 Y	30 Y			
US	5.00	4.31	4.40			
BTP - BUND	0.70	1.70	2.04			
GILTS	5.20	4.65	4.83			

INTERNATIONAL EQUITY MARKETS

(Sources: Bloomberg / Reuters)

UNITED STATES OF AMERICA

Wall Street was lower on Wednesday after the release of the Federal Reserve's minutes showed central bank officials were divided over the need for more interest rate hikes at their last meeting. Target gains on quarterly profit beat. Banks extend losses.

EUROPE

European shares fell on Wednesday on a drag from banks, as increasing evidence of China's economy rapidly losing steam kept investors on the edge, while UK stocks came under pressure from rising worries over sticky inflation.

ASIA

China stock indexes were flat on Thursday while the Hang Seng Index sank to a nine-month low, as the deepening property crisis and concerns about potential spillover from payment woes of shadow banking-linked trust products weighed on sentiment.

Index	Close	% Daily	% M	YTD	Futures	% Change
DJIA	34765.74	-0.52	0.52	4.88	34832.00	0.02
S&P	4404.33	-0.76	-2.62	14.71	4415.75	-0.11
Nasdaq	13474.63	-1.15	-5.41	28.74	14914.75	-0.21
DJ EuroStoxx50	4284.27	-0.10	-1.66	12.93	4257.00	-0.88
FTSE 100	7356.88	-0.44	-0.67	-1.27	7319.50	-0.57
CAC 40	7260.25	-0.10	-0.43	12.15	7263.00	N/A
DAX	15789.45	0.14	-1.74	13.40	15702.00	-0.78
IBEX 35	9350.50	0.03	-0.93	13.63	9354.30	N/A
FTSE MIB	28169.96	-0.93	-1.53	18.83	28267.00	N/A
Nikkei	31766.82	-0.59	-2.51	21.02	31550.00	-0.54
Hang Seng	18329.30	-1.07	-6.59	-8.33	18118.00	-1.03
DFM General	4045.64	-0.14	0.66	21.27	N/A	N/A
MSCI Tadawoul	11392.76	-0.18	-3.29	8.73	N/A	N/A
Leb. Mkts	Closing Px	High	Low	% Daily	% Weekly	YTD
Solidere A	80.40	80.80	78.00	-0.19	0.00	32.02
Solidere B	80.00	80.00	80.00	0.00	-3.67	32.56

MUST READ

(Source: Bloomberg/ Forexlive)

Nvidia's earnings could swing the whole stock market higher

Nvidia's earnings report next week could swing the overall stock market higher as Wall Street continues to focus on growth in artificial intelligence technology, according to Deepwater Asset Management's Gene Munster. The chipmaker, which supplies processors that are key to AI development, will release second-quarter results after the close on August 23. "We need to think a lot about Nvidia, because as Nvidia goes, so goes AI and so goes the Nasdaq," Munster told CNBC. Shares were up 1.9% on Tuesday, bucking a broader stock market decline, and have soared more than 200% year to date. The Nasdaq has gained 30% this year, led by artificial intelligence stocks like Nvidia. "All eyes are on their data center number," Munster added, noting that Wall Street's estimate for Nvidia's revenue from that segment is \$8 billion. "If they exceed that, that's going to send the broader market higher, the broader Nasdaq higher. If they come in line, that's going to be a disappointment." He agreed with a Morgan Stanley note Monday that predicted Nvidia will beat quarterly forecasts and raise guidance. Munster also pointed out that Nvidia's CFO spoke at a conference in late June, just before management entered a quiet period leading up to the earnings report.

MAIN WEEKLY EARNINGS

(Source: Nasdaq)

Company	Ticker	Market Cap	Date	Time	Estimate	Year Ago
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
Deere & Company	DE US	\$126.5 B	18-Aug-23	Pre-mkt	8.12	6.16
Palo Alto Network	PANW US	\$65.9 B	18-Aug-23	After-mkt	0.54	0.15
Estee Lauder Com	EL US	\$60.1 B	18-Aug-23	Pre-mkt	-0.04	0.42

ECONOMIC CALENDAR

(Source: Forexlive)

(18-08-23) GB- Retail Sales JUL; Retail Sales ex-Fuel JUL
(23-08-23) DE- HCOB Composite, Services, Manufacturing PMI AUG preliminar
(23-08-23) EA- HCOB Manufacturing, Services, Composite PMI AUG
(23-08-23) GB- S&P Global/CIPS Composite, Services, Manufacturing PMI AUG
(23-08-23) CA- Retail Sales JUN; Retail Sales ex Autos JUN
(23-08-23) US- S&P Global Services, Manufacturing, Composite PMI AUG preliminar
(23-08-23) EA- Consumer Confidence AUG preliminar

CONTACT

Banque BEMO sal
Asset Management Unit

Ashrafieh, Elias Sarkis Ave., BEMO Bldg, 4th Floor
P.O.Box 16-6353 Beirut, Lebanon
Tel: +961 1 325405/6/7/9

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