

Daily Market Brief

October 17 2023



FOREIGN EXCHANGE MARKETS

(Sources: Bloomberg / Reuters)

EURUSD

The EUR/USD pair edged higher on Monday, peaking at 1.0554 and heading into Wall Street's closing trading a handful of pips below such a high. The week started with a firmer US Dollar, as tensions in the Middle East keep affecting the market mood. Demand for safety, however, receded as the day went by, with the USD giving up ground against all its major rivals.

GBPUSD

The GBP/USD gained on Monday, climbing back into 1.2215 as market risk appetite recovers heading into Tuesday's UK wages and US Retail Sales reading. UK Average Earnings Excluding Bonuses is expected to hold steady at 7.8% on Tuesday, while the figure with bonuses added in is seen declining from 8.5% to 8.3%.

USDJPY

The USD/JPY pair extends its sideways consolidative price move for the second straight day and remains confined in a narrow range around mid-149.00s through the Asian session on Tuesday. The uncertainty over the Federal Reserve's (Fed) next policy move keeps the US Dollar (USD) bulls on the defensive. This, along with speculations that Japanese authorities will intervene in the foreign exchange market to support the domestic currency, acts as a headwind for the USD/JPY pair.

Fx rates	Last	High	Low	% Daily	% Weekly	% YTD
EUR-USD	1.0545	1.0562	1.0544	-0.14	-0.57	-1.49
GBP-USD	1.2193	1.2217	1.2193	-0.20	-0.77	0.91
USD-JPY	149.60	149.64	149.48	0.06	-0.59	-12.35
USD-CHF	0.9016	0.9016	0.8998	0.18	0.32	2.54
Commodities	Last	High	Low	% Daily	% Weekly	% YTD
Gold	1915.14	1921.85	1912.47	-0.26	2.94	5.00
Silver	22.48	22.63	22.37	-0.57	2.94	-6.13
Crude Oil	86.40	87.08	86.11	-0.30	0.50	11.04
Bitcoin	28199.17	28577.25	28097.07	-0.73	5.47	70.50
Etherium	1587.69	1605.28	1579.40	-0.03	3.36	32.38
Period	1 M	3 M	12 M			
USD LIBOR *	5.45	5.66	6.04			
EURIBOR	3.86	3.99	4.17			
SOFR	5.33	5.40	5.39			
Notes/Bonds	2 Y	10 Y	30 Y			
US	5.10	4.75	4.91			
BTP - BUND	0.84	1.98	2.24			
GILTS	4.91	4.48	4.93			

INTERNATIONAL EQUITY MARKETS

(Sources: Bloomberg / Reuters)

UNITED STATES OF AMERICA

Stocks closed higher Monday as traders awaited a deluge of corporate earnings reports and shrugged off a rise in Treasury yields. Earnings season heats up this week with 11% of the S&P 500 slated to report results. Some on Wall Street are bracing for more volatility into year end amid rising yields and oil prices, sticky inflation and conflict in the Middle East. But a focus on earnings can give investors optimism in the short term, said Lisa Erickson, senior vice president at U.S. Bank Wealth Management.

EUROPE

European shares kicked off the week on a higher note today, boosted by gains in financial and mining stocks, while investors remained risk-averse on prospects of escalation in the Middle East conflict.

ASIA

Asian equities advanced halting a two day selloff as technology stocks rallied amid easing concerning over a wider conflict in the Middle East. The MSCI Asia Pacific Index climbed as much as 0.8% with chipmakers Taiwan Semiconductor and Samsung the biggest boosts. Benchmarks in South Korea, and the Philippines were among the

Index	Close	% Daily	% M	YTD	Futures	% Change
DJIA	33984.54	0.93	-1.83	2.53	34098.00	-0.12
S&P	4373.63	1.06	-1.72	13.91	4395.75	-0.12
Nasdaq	13567.98	1.20	-1.02	29.63	15270.25	-0.13
DJ EuroStoxx50	4149.86	0.33	-3.38	9.39	4166.00	-0.02
FTSE 100	7630.63	0.41	-1.05	2.40	7660.50	-0.10
CAC 40	7022.19	0.27	-4.83	8.47	7026.50	N/A
DAX	15237.99	0.34	-4.12	9.44	15335.00	0.05
IBEX 35	9287.10	0.59	-2.75	12.86	9291.20	N/A
FTSE MIB	28391.60	0.55	-1.74	19.76	28368.00	N/A
Nikkei	31659.03	1.00	-4.65	22.53	31960.00	0.92
Hang Seng	17640.36	0.51	-2.49	-10.37	17758.00	0.38
DFM General	3943.35	-0.55	-2.47	18.20	N/A	N/A
MSCI Tadawoul	10622.12	0.75	-4.34	1.37	N/A	N/A
Leb. Mrkts	Closing Px	High	Low	% Daily	% Weekly	YTD
Solidere A	74.65	76.95	74.50	-0.53	-5.98	22.58
Solidere B	75.20	77.00	74.10	-1.83	-3.84	24.61

MUST READ

(Source: Bloomberg/ Forexlive)

Egypt inflation hits a new record

With inflation figures climbing to another record high, Egypt decided to cut prices on staple foods in a move that is likely to only offer a temporary respite. For the fourth successive month, Egypt's annual urban consumer price inflation reached an all-time high, accelerating to 38% last month, up from 37.4% in August. With food and beverage prices a key factor in driving up inflation, the North African country sought to ease pressure on consumers by agreeing with private producers and retailers to cut prices on staple foods by 15-25%. A foreign currency shortage, which saw the pound lose half of its value against the dollar since March 2022, has been one of the main factors behind a record surge in inflation, with Egypt struggling to attract foreign investments. Egypt has kept its official rate at about LE30.90 per dollar since January, even though it trades at about LE40 per dollar on the black market. Egypt is required to pay \$29.23bn in external debt service in 2024, with \$14.59bn scheduled for the first half of the year. With the prospect of another pound devaluation very likely, prices may shoot up again. With presidential elections due in December, Egypt is unlikely to adopt any painful measures before then.

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

(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
(17-10-23) US - Retail Sales Advance MoM
(18-10-23) UK - CPI MoM / YoY / Core YoY
(18-10-23) EC - CPI MoM / YoY / Core YoY

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

Disclaimer: This report is published for information purposes only. The information herein has been compiled from, or based upon sources we believe to be reliable, but we do not guarantee or accept responsibility for its completeness and accuracy. This document should not be construed as a solicitation to take part in any investment, or as constituting any representation or warranty on our part. The investment risks described herein are not purported to be exhaustive, any person considering an investment should seek independent advice on the suitability or otherwise of the particular investment. Investment, Capital Market and Treasury products are subject to investment risk, including possible loss of principal amount invested. Past performance is not indicative of future results: prices can go up or down. Investors investing in investments and/or treasury products denominated in foreign (non-local) currency should be aware of the risk of exchange rate fluctuations that may cause loss of principal when foreign currency is converted to the investor's home currency. Client understands that it is his/her responsibility to seek legal and/or tax advice regarding the legal and tax consequences of his/her investment transactions. The consequences of any action taken on the basis of information contained herein are solely the responsibility of the recipient.