Daily Market Brief

October 17th 2024

FOREIGN EXCHANGE MARKETS

(Sources: Bloomberg / Reuters)

EURUSD

The EUR/USD pair is declining towards 1.0850 amid strengthening demand for the US Dollar, as investors await the ECB's expected interest rate cut. Following the FOMC's recent rate reduction and Fed Governor Waller's cautious outlook on future cuts, market focus will also be on upcoming US Retail Sales data, while the ECB's dovish stance and weaker Eurozone inflation could further pressure the Euro against the Dollar.

GBPUSD

The GBP/USD pair remains below the 1.3000 mark, near its lowest level since August, as bearish sentiment prevails following a drop in the UK's annual Consumer Price Index to 1.7%, increasing expectations for a Bank of England rate cut. The recent strength of the US Dollar, bolstered by high bond yields and safe-haven demand amid geopolitical tensions, further supports a negative outlook for the GBP/USD pair.

USDJPY

The Japanese Yen remains weak near its lowest level since early August, struggling to gain traction after Japan reported its first export decline in ten months, raising concerns about global demand. Meanwhile, the US Dollar holds firm at a two-month high, supported by expectations of modest rate cuts from the Federal Reserve and high bond yields, which contribute to the continued weakness of the JPY against the USD, with the USD/JPY pair trading around 149.50-149.55.

Fx rates	Last	High	Low	% Daily	% Weekly	% YTD
EUR-USD	1.0853	1.0870	1.0851	-0.08	-0.74	-1.68
GBP-USD	1.2985	1.3001	1.2981	-0.04	-0.57	2.00
USD-JPY	149.51	149.66	149.25	-0.09	-0.63	-5.67
USD-CHF	0.8666	0.8666	0.8643	0.14	-1.11	-2.91

Commodities	Last	High	Low	% Daily	% Weekly	% YTD
Gold	2683.27	2684.95	2673.36	0.35	2.04	30.07
Silver	31.64	31.93	31.51	-0.16	1.53	32.96
Crude Oil	70.59	71.11	70.52	0.28	-6.93	-0.08
Bitcoin	67317.20	67920.46	67241.35	-0.45	6.80	58.36
Etherium	2625.99	2647.48	2608.61	0.32	6.31	15.06

Period	1M	3M	6M	12M
SOFR ($)	4.78	4.63	4.43	4.11
ESTR (€)	2.48	3.11	2.87	2.48
SONIA (£)	4.90	4.76	4.61	4.33
SARON (F)	0.93	0.79	0.66	0.49
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

The Dow Jones Industrial Average rose to a record close on Wednesday, bouncing back from a sell-off in the previous session. Morgan Stanley rose 6.5% after topping Wall Street estimates for both its third-quarter earnings and revenue. United Airlines also reported better-than-expected results and forecast strong numbers for the fourth quarter, sending shares 12.4% higher.

EUROPE

European market closed lower Wednesday, with chip stocks and luxury goods leading losses following sales warnings. The mixed sentiment among Europe's major bourses follows declines on Wall Street Tuesday and comes as most Asia-Pacific markets traded lower overnight, with Japan's Nikkei leading losses.

ASIA

China property stocks dropped following a briefing by the country's housing ministry, while the broader CSI 300 was up along with most other Asia-Pacific markets. Japan's Nikkei 225 slipped 0.6%, while the broad-based Topix was little changed as investors assessed trade data out of Japan.

Index	Close	% Daily	% M	YTD	Futures	% Change
DJIA	43077.70	0.79	3.54	14.30	43287.00	0.66
S&P	5842.47	0.47	3.69	22.49	5881.00	0.32
Nasdaq	18367.08	0.28	4.19	22.35	20344.25	0.03
DJ EuroStoxx50	4908.71	-0.77	0.99	8.57	4932.00	-0.88
FTSE 100	8329.07	0.97	0.23	7.70	8388.50	1.18
CAC 40	7492.00	-0.40	0.06	-0.68	7533.00	-0.38
DAX	19432.81	-0.27	3.77	16.01	19590.00	-0.29
IBEX 35	11996.70	0.56	2.51	18.75	12011.30	0.41
FTSE MIB	34660.00	0.24	2.60	14.19	34519.00	0.23
Nikkei	39180.30	-0.24	7.97	16.80	39100.00	-2.00
Hang Seng	20286.85	0.35	15.27	19.42	20385.00	0.09
DFM General	4485.30	0.35	2.05	10.48	N/A	N/A
MSCI Tadawoul	12038.67	0.31	1.29	0.60	N/A	N/A

Leb. Mrkts	Closing Px	High	Low	% Daily	% Weekly	YTD
Solidere A	94.00	94.00	94.00	0.00	1.90	5.50
Solidere B	90.70	90.70	90.70	0.44	-1.41	0.83

MUST READ

(Source: Bloomberg/ Forexlive)

UK inflation drops below BOE target, boosting case for rate cut

UK inflation slipped below the Bank of England's 2% target for the first time in 3 1/2 years, a fall that sets the stage for a second interest-rate cut next month. Consumer prices rose 1.7% in September compared to a year earlier, down from a 2.2% pace previously, the Office for National Statistics said on Wednesday. That's lower than the 1.9% expected by economists and the 2.1% forecast by the BOE in August. The drop in inflation was driven by cheaper air fares, lower prices at the petrol pumps and a step down in services inflation. Services inflation was 4.9%, below the median estimate of 5.2%. Food and non-alcoholic-drink prices provided a small offsetting push. Five of the main 12 categories tracked by the ONS saw inflation of less than 2%, compared with four last month. Food and drink, clothing, furniture, housing, and transport prices grew by less than 2%. The biggest annual increases were in health and telecommunications. While overall inflation eased, food and non-alcoholic drink prices rose 1.9% on the year, up from 1.3% in August. It was the first time since March 2023 that price growth in the sector has strengthened.

MAIN WEEKLY EARNINGS

Company	Ticker	Market Cap	Date	Time	Estimate	Year Ago
Taiwan Semicond	TSM US	$ 972.37B	17-Oct-24	Pre-mkt	1.80	1.28
Netflix Inc	NFLX US	$ 301.27B	17-Oct-24	Aft-mkt	5.16	3.73
Procter & Gamble	PG US	$ 405.04B	18-Oct-24	Pre-mkt	1.90	1.83
American Express	AXP US	$ 200.25B	18-Oct-24	Pre-mkt	3.29	3.30
General Motors C	GM US	$ 55.08B	22-Oct-24	Pre-mkt	2.46	2.28

ECONOMIC CALENDAR

(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
(21-10-24) DE - PPI MoM / YoY
(22-10-24) CA - Industrial Product Price MoM

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