Daily Market Brief

December 17th 2024

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

EUR/USD

The EUR/USD pair is experiencing mild gains but faces limited upside potential due to the European Central Bank's expectation of further interest rate cuts if inflation targets are met. Technical indicators suggest a bearish outlook, with key support levels at 1.0433 and potential further declines if these levels are broken, while resistance lies around 1.0600-1.0610.

GBP/USD

The British pound rose on Monday, following a 1% decline last week, with GBP/USD trading at 1.2747, boosted by a slight increase in the UK's Services PMI. However, weak PMI data, a stagnant manufacturing sector, and a second consecutive month of GDP decline suggest ongoing economic challenges, with the Bank of England expected to hold interest rates steady on Thursday while monitoring inflation and wage growth.

USD/JPY

The Japanese Yen remains weak, trading near a three-week low against the US Dollar, as expectations for the Bank of Japan to keep rates unchanged and a positive risk sentiment weigh on the Yen. With the Federal Reserve expected to adopt a less dovish stance and US Treasury yields rising, the JPY faces downward pressure, though traders are cautious ahead of upcoming central bank meetings.

Fx rates	Last	High	Low	% Daily	% Weekly	% YTD
EUR-USD	1.0503	1.0534	1.0498	-0.09	-0.23	-4.86
GBP-USD	1.2681	1.2698	1.2666	-0.02	-0.70	-0.39
USD-JPY	154.17	154.35	153.80	0.01	-1.44	-8.52
USD-CHF	0.8956	0.8959	0.8930	0.13	-1.43	-6.05

Commodities	Last	High	Low	% Daily	% Weekly	% YTD
Gold	2648.58	2658.72	2646.55	-0.16	-1.70	28.39
Silver	30.41	30.62	30.38	-0.44	-4.68	27.81
Crude Oil	70.86	70.90	70.52	0.21	3.31	1.32
Bitcoin	106539.70	106967.43	105512.04	0.44	6.77	150.64
Etherium	4008.90	4052.43	3945.05	-0.97	3.67	75.65

Period	1M	3M	6M	12M
SOFR ($)	4.38	4.35	4.27	4.17
ESTR (€)	2.16	2.77	2.47	2.16
SONIA (£)	4.69	4.63	4.52	4.35
SARON (F)	0.44	0.44	0.29	0.13
TONAR (¥)	0.22	0.22	0.19	0.11

	Rates
U.S. Federal Fund Target Rate	4.75
ECB Main Refinancing Operation Announcement Rate	3.15
ECB Deposit Facility Announcement Rate	3.00
ECB Marginal Lending Facility Announcement Rate	3.40
BOE Official Bank Rate	4.75

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

UNITED STATES OF AMERICA

The Nasdaq Composite rose to a record, aided by a rally in tech, as investors awaited the Federal Reserve's policy meeting. The move higher in stocks came as the Fed was set to begin a two-day policy meeting on Tuesday. The key for investors will be forward guidance on future policy moves after the Fed began easing policy in September for the first time in four years.

EUROPE

European markets closed lower Monday, as traders braced for the final week of central bank action this year and three French media businesses listed in Europe. Flash Purchasing Managers' Index figures meanwhile showed slight improvements in business output but significant employment downturns in both the euro zone and the U.K.

ASIA

Asia-Pacific markets were mixed Tuesday, tracking mixed gains on Wall Street as investors look toward the U.S. Federal Reserve's decision stateside. Chinese leaders have decided to increase the country's budget deficit to 4% of GDP in 2025 in a bid to keep economic growth at around 5% next year,Reuters reported

Index	Close	% Daily	% M	YTD	Futures	% Change
DJIA	43717.48	-0.25	0.63	15.99	43657.00	-0.45
S&P	6074.08	0.38	3.47	27.34	6068.25	0.21
Nasdaq	20173.89	1.24	8.00	34.39	22092.50	1.36
DJ EuroStoxx50	4947.03	-0.42	3.17	9.41	4934.00	-0.66
FTSE 100	8262.05	-0.46	2.46	6.84	8229.50	-0.86
CAC 40	7357.08	-0.71	1.20	-2.47	7362.00	-0.71
DAX	20313.81	-0.45	5.74	21.26	20279.00	-0.60
IBEX 35	11778.60	0.23	1.23	16.60	11785.60	0.38
FTSE MIB	34740.25	-0.43	1.60	14.46	34764.00	-0.42
Nikkei	39364.68	-0.24	1.87	17.63	39400.00	-0.18
Hang Seng	19795.49	-0.42	1.47	15.63	19751.00	-1.32
DFM General	5047.54	0.06	6.56	24.40	N/A	N/A
MSCI Tadawoul	12096.73	0.31	2.41	1.38	N/A	N/A

Leb. Mrkts	Closing Px	High	Low	% Daily	% Weekly	YTD
Solidere A	91.95	95.00	89.00	-0.05	2.17	3.20
Solidere B	94.15	94.95	92.00	2.34	4.61	4.67

MUST READ *(Source: Bloomberg/ Forexlive)*

Over 90% of market players expect BOJ to keep rates steady this week, survey shows

A recent survey by Ueda Yagi Tanshi revealed that over 90% of market participants expect the Bank of Japan (BOJ) to maintain interest rates at 0.25% during its upcoming policy meeting this week. Conducted between December 12-16 among 150 financial institutions, the survey showed 91% anticipating no change in short-term rates. However, 95% of respondents expect the BOJ to raise the overnight call rate in three months, up from 67% in October. This follows the BOJ's decision to end negative interest rates in March and increase its short-term policy target to 0.25% in July. The BOJ has indicated it may hike rates again if wage and price trends align with its inflation target of 2%. Despite this, the central bank has been cautious about the timing of future hikes, with expectations shifting between December and January. Sources suggest that the BOJ is likely to hold rates steady this month, as policymakers prefer to analyze global risks and wage outlooks for the coming year. A Reuters poll conducted between December 4-11 found that a majority of economists now expect the BOJ to keep rates unchanged, a change from November's survey, where a slight majority predicted a rate hike.

MAIN WEEKLY EARNINGS

Company	Ticker	Market Cap	Date	Time	Estimate	Year Ago
Heico Corporatio	HEI US	$ 31.61B	17-Dec-24	Aft-mkt	0.96	0.74
General Mills Inc	GIS US	$ 36.42B	18-Dec-24	Pre-mkt	1.22	1.25
Jabil Inc	JBL US	$ 15.08B	18-Dec-24	Pre-mkt	1.88	2.60
Micron Technolog	MU US	$ 120.61B	18-Dec-24	Aft-mkt	1.77	-0.95
Lennar Corporatic	LEN US	$ 40.99B	18-Dec-24	Aft-mkt	4.20	5.17

ECONOMIC CALENDAR

(17-12-24) UK - ILO Unemployment Rate 3Mths
(17-12-24) DE - ZEW Survey Expectations / Current Situation
(17-12-24) CA - CPI NSA MoM / CPI YoY
(17-12-24) US - Industrial Production MoM
(18-12-24) UK - CPI MoM / YoY / Core YoY
(18-12-24) US - FOMC Rate Decision (Upper / Lower bound)
(18-12-24) EC - CPI YoY / MoM / Core YoY

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