

Daily Market Brief

April 18th 2023



FOREIGN EXCHANGE MARKETS

(Sources: Bloomberg / Forexlive)

EURUSD

The EUR/USD pair attracts some buying during the Asian session on Tuesday and for now, seems to have stalled its two-day-old corrective fall from a one-year high. A modest (USD) downtick turns out to be a key factor acting as a tailwind for the major, though the uptick lacks bullish conviction. The fact that the European Central Bank (ECB) policymakers have left the door open to a downshift in the pace of interest rate hikes might hold back traders from placing aggressive bullish bets around the shared currency.

GBPUSD

The GBP/USD pair has extended its recovery above the immediate resistance of 1.2380 in the Asian session. The Cable is approaching the round-level resistance of 1.2400 ahead of the release of the United Kingdom Employment data. Sheer volatility is expected from the Pound Sterling as the labor market data will have a significant impact on the interest rate decision by the (BoE), which is scheduled for May.

USDJPY

USD/JPY bulls struggle to keep the reins during a three-day winning streak amid early Tuesday. The latest chatters surrounding the Bank of Japan's (BoJ) easy money policy seem to weigh on the Yen pair as the decision-makers try to defend the current policy amid challenges from bond buying and fiscal moves.

Fx rates	Last	High	Low	% Daily	% Weekly	% YTD
EUR-USD	1.0940	1.0942	1.0922	0.13	0.26	2.20
GBP-USD	1.2390	1.2391	1.2368	0.11	-0.27	2.54
USD-JPY	134.39	134.71	134.28	-0.06	-0.53	-2.43
USD-CHF	0.8977	0.8989	0.8971	-0.11	0.62	2.99
Commodities	Last	High	Low	% Daily	% Weekly	% YTD
Gold	2000.89	2001.87	1993.39	0.29	-0.14	9.70
Silver	25.10	25.11	24.99	0.27	0.15	4.78
Crude Oil	81.17	81.22	80.71	0.42	-0.44	0.89
Bitcoin	29564.70	29608.88	29128.50	0.36	-2.38	78.75
Etherium	2091.55	2092.52	2054.10	0.70	4.13	74.39
Period	1 M	3 M	12 M			
USD LIBOR *	4.96	5.26	5.27			
EURIBOR	2.95	3.18	3.72			
* USD LIBOR rates will be discontinued after June 30, 2023 and will be replaced by SOFR						
Notes/Bonds	2 Y	10 Y	30 Y			
US	4.18	3.59	3.80			
BTP - BUND	0.50	1.83	1.97			
GILTS	3.61	3.69	4.05			

INTERNATIONAL EQUITY MARKETS

(Sources: Bloomberg / Reuters)

UNITED STATES OF AMERICA

Major U.S. stock indexes posted modest gains on Monday, helped by financial and industrial shares, while investors braced for a heavy week of corporate results and comments from Federal Reserve officials that could give more insight into the path of interest rates.

EUROPE

European shares cooled off after five straight sessions of gains on Monday as bank shares led declines, while semiconductor stocks slipped after a report that the world's largest contract chipmaker, TSMC, was cutting its annual costs outlook.

ASIA

China shares on Tuesday were mixed and traded in a narrow range, even as the country reported higher-than-expected quarterly growth on a boost from consumption.

Index	Close	% Daily	% M	YTD	Futures	% Change
DJIA	33987.18	0.30	6.67	2.53	34140.00	0.03
S&P	4151.32	0.33	5.99	8.12	4176.50	-0.01
Nasdaq	12157.72	0.28	4.53	16.16	13177.00	-0.08
DJ EuroStoxx50	4367.61	-0.53	7.44	15.13	4323.00	0.19
FTSE 100	7879.51	0.10	7.42	5.74	7897.00	0.22
CAC 40	7498.18	-0.28	8.27	15.82	7502.50	N/A
DAX	15789.53	-0.11	6.92	13.40	15958.00	0.18
IBEX 35	9378.50	0.17	7.56	13.97	9376.80	N/A
FTSE MIB	27700.21	-0.62	8.65	16.84	27229.00	N/A
Nikkei	28514.78	0.44	4.78	9.76	28640.00	0.39
Hang Seng	20782.45	-0.73	5.70	4.30	20662.00	-0.60
DFM General	3513.89	0.63	4.92	5.33	N/A	N/A
MSCI Tadawoul	11163.57	1.19	11.90	6.54	N/A	N/A
Leb. Mkts	Closing Px	High	Low	% Daily	% Weekly	YTD
Solidere A	89.00	89.40	89.00	2.59	0.62	46.14
Solidere B	87.75	88.00	86.05	-1.29	0.34	45.40

MUST READ

(Source: Bloomberg/ Forexlive)

Exxon Mobil eyes potential mega-deal with shale driller Pioneer

Exxon Mobil Corp. has held preliminary talks with Pioneer Natural Resources Co. about a possible acquisition of the U.S. fracking giant, as the oil major hunts for a blockbuster deal in the shale patch, according to people familiar with the matter. Discussions between the two companies about a potential deal have been informal, the people said. But after posting record profits in 2022, Exxon is flush with cash and, according to people familiar with the company's plans, has been exploring options that could reshape a swath of the U.S. oil and gas industry while pushing Exxon deeper into West Texas shale. Exxon executives have discussed a potential tie-up with at least one other company, people familiar with the matter said. Some of the people cautioned there is no formal process between Exxon and Pioneer. Any deal, if it happens, likely wouldn't come together until later this year or next year, the people said, and talks may not morph into formal negotiations at all or Exxon may pursue another company. But they said Exxon is on the hunt for a seismic deal to put its windfall profits to use and sees Dallas area-based Pioneer as a top target. An acquisition of Pioneer, with a market cap of around \$49B, would likely be Exxon's largest since its mega-merger with Mobil Corp. in 1999. It would give Exxon a dominant position in the oil-rich Permian Basin of West Texas and New Mexico, a region Exxon has said is integral to its growth plans. Pioneer's size would likely put an acquisition of the company ahead of the U.S. oil industry's most recent blockbuster, Occidental Petroleum Corp's 2019 purchase of Anadarko Petroleum Corp. for about \$38B, and top Exxon's 2010 acquisition of XTO Energy Inc. for more than \$30 billion.

MAIN WEEKLY EARNINGS

(Source: Nasdaq)

Company	Ticker	Market Cap	Date	Time	Estimate	Year Ago
Johnson & Johnso	JNJ US	\$512.5 B	18-Apr-23	Pre-mkt	2.50	2.67
Bank of America	BAC US	\$229.6 B	18-Apr-23	Pre-mkt	0.80	0.80
Netflix, Inc	NFLX US	\$150.6 B	18-Apr-23	Aft-mkt	2.81	3.53
Lockheed Martin	LMT US	\$124.1 B	18-Apr-23	Pre-mkt	6.13	6.44
Goldman Sachs	GS US	\$109.2 B	18-Apr-23	Pre-mkt	8.53	10.76

ECONOMIC CALENDER

(Source: Forexlive)

(18-04-23) AU- RBA Meeting Minutes

(18-04-23) GB- Average Earnings Including, Excluding Bonus (3Mo/Yr) FEB

(18-04-23) GB- ILO Unemployment Rate FEB; Claimant Count Rate, Change MAR

(18-04-23) DE- ZEW Survey - Current Situation, Economic Sentiment APR

(18-04-23) EA- ZEW Survey - Economic Sentiment APR

(18-04-23) US- Building Permits MoM MAR; Housing Starts MoM MAR

(18-04-23) CA- BoC Consumer Price Index Core YoY MAR; Consumer Price Index MAR

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