

Daily Market Brief

August 18th 2023



FOREIGN EXCHANGE MARKETS

(Sources: Bloomberg / Forexlive)

EURUSD

The EUR/USD pair edges higher during the Asian session on Friday and for now, seems to have snapped a five-day losing streak to a six-week low, around the 1.0855 region touched the previous day. The (USD) remains on the defensive for the second successive day in the wake of retreating US Treasury bond yields and turns out to be a key factor lending some support to the EUR/USD pair. That said, growing acceptance that the (Fed) will keep interest rates higher for longer, which had lifted the yield on the benchmark 10-year US government bond to a ten-month high on Thursday, continues to act as a tailwind for the Greenback.

GBPUSD

GBP/USD jostles with a short-term key resistance while making rounds to 1.2760 amid the early Asian session on Friday. In doing so, the Cable pair prods the three-day winning streak ahead of the UK Retail Sales for July.

USDJPY

USD/JPY remains on the back foot for the second consecutive day after refreshing the (YTD) high, pressured around 145.50 amid early Friday, as market players seek more clues amid a lackluster end of the week. Also challenging the Yen pair's latest weakness, despite the technical confirmation, is the trader's preparations for the next week's top-tier central bankers' speeches at the Jackson Hole Symposium.

Fx rates	Last	High	Low	% Daily	% Weekly	% YTD
EUR-USD	1.0879	1.0894	1.0865	0.06	-0.64	1.63
GBP-USD	1.2731	1.2766	1.2726	-0.13	0.28	5.36
USD-JPY	145.39	145.88	145.33	-0.31	-0.30	-9.82
USD-CHF	0.8788	0.8795	0.8766	0.03	-0.24	5.20
Commodities	Last	High	Low	% Daily	% Weekly	% YTD
Gold	1892.95	1895.19	1889.09	0.19	-1.09	3.78
Silver	22.82	22.89	22.67	0.57	0.60	-4.73
Crude Oil	80.62	80.80	79.91	0.29	-3.09	2.24
Bitcoin	26491.99	27699.12	25314.20	-4.16	-9.90	60.17
Etherium	1685.50	1720.50	1547.18	-1.82	-9.06	40.53
Period	1 M		3 M			12 M
USD LIBOR *	5.43		5.64			6.04
EURIBOR	3.62		3.80			4.12
SOFR	5.31		5.38			5.38
Notes/Bonds	2 Y		10 Y			30 Y
US	4.91		4.24			4.36
BTP - BUND	0.72		1.71			2.03
GILTS	5.28		4.75			4.93

INTERNATIONAL EQUITY MARKETS

(Sources: Bloomberg / Reuters)

UNITED STATES OF AMERICA

Wall Street's main indexes closed lower after choppy trading on Thursday as losses in healthcare stocks eclipsed gains in Cisco and energy stocks, while upbeat economic data kept alive fears of interest rates remaining higher for longer.

EUROPE

European shares dropped on Thursday, with a slew of downbeat earnings weighing on sentiment as well as rising bond yields on further signs major central banks will keep interest rates higher for longer. BAE Systems falls, agrees to buy Ball's aerospace assets.

ASIA

China and Hong Kong stocks dropped on Friday, as investor sentiment remained subdued amid a lack of concrete stimulus to boost consumption and support a troubled real estate sector.

Index	Close	% Daily	% M	YTD	Futures	% Change
DJIA	34474.83	-0.84	-1.37	4.01	34565.00	0.09
S&P	4370.36	-0.77	-4.05	13.83	4385.25	0.02
Nasdaq	13316.93	-1.17	-7.22	27.23	14760.00	-0.11
DJ EuroStoxx50	4227.83	-1.32	-3.25	11.45	4226.00	-0.28
FTSE 100	7310.21	-0.63	-1.92	-1.90	7285.00	-0.43
CAC 40	7191.74	-0.94	-1.74	11.09	7173.00	N/A
DAX	15676.90	-0.71	-2.78	12.59	15653.00	-0.38
IBEX 35	9278.00	-0.78	-1.88	12.75	9277.50	N/A
FTSE MIB	27879.35	-1.03	-2.88	17.60	27945.00	N/A
Nikkei	31626.00	-0.68	-3.33	20.37	31380.00	-0.85
Hang Seng	18326.63	-1.64	-5.20	-8.87	18005.00	-1.38
DFM General	4049.09	0.09	0.67	21.37	N/A	N/A
MSCI Tadawoul	11451.31	0.51	-2.70	9.28	N/A	N/A
Leb. Mkts	Closing Px	High	Low	% Daily	% Weekly	YTD
Solidere A	78.90	80.00	78.70	-1.87	-1.93	29.56
Solidere B	77.95	80.00	77.05	-2.56	-4.59	29.16

MUST READ

(Source: Bloomberg/ Forexlive)

Stocks with Special Dividends

Special dividends are one-time cash payments made by a company to its shareholders, in addition to the regular dividends they may receive. Special dividends are mainly paid when companies generate extra cash from occasional events, such as the sale of assets or a significant increase in profits. Rather than retaining the cash for future investments or acquisitions, the company decides to distribute it to shareholders. The practice of issuing special dividends has been observed throughout history and is not a recent phenomenon. According to a report, special dividends were once commonly paid by only NYSE companies. During the 1940s, 61.7% of the companies that paid dividends on the NYSE gave out special dividends, compared with 45.8% in the 1950s. Another report highlighted that in the last quarter of 2012, non-fund companies listed on various stock exchanges announced a significant number of special dividends. Specifically, in October, there were 54 special dividends, compared with 228 and 483 in November and December, respectively. The trend is likely to continue this year as well as global dividends reached their record high of \$326.7 b in the first quarter of 2023, mainly driven by special payments. Janus Henderson's report highlighted that global special dividends amounted to over \$28.8 b, of which \$9.8 billion came from US companies. In times of financial instability, investors often turn to dividend stocks to generate regular income.

MAIN WEEKLY EARNINGS

(Source: Nasdaq)

Company	Ticker	Market Cap	Date	Time	Estimate	Year Ago
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
Zoom Video Com	ZM US	\$19.4 B	21-Aug-23	After-mkt	0.31	0.28
Nordson Corpora	NDSN US	\$13.4 B	21-Aug-23	After-mkt	2.31	2.49

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

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