

Daily Market Brief

October 18 2023



FOREIGN EXCHANGE MARKETS

(Sources: Bloomberg / Reuters)

EURUSD

EUR/USD trades lower around the 1.0570 level aligned with the major support at the 1.0550 level, during the Asian session on Wednesday. Investors await the final reading of the Eurozone Harmonized Index of Consumer Prices for September, which is expected to remain consistent.

GBPUSD

GBP/USD extends losses on the second successive day, trading lower around 1.2160 during the Asian session on Wednesday. The upbeat economic data from the United States (US) exerts pressure on the pair. Investors await the UK Consumer Price Index (CPI) on Wednesday, with predictions pointing towards a slight decrease in the annual figure, shifting from 6.7% to 6.5%.

USDJPY

The USD/JPY pair remains confined in a narrow range around 149.75 during the early Asian trading hours on Wednesday. A surge in US Treasury bond yields underpinned the major pair. At nearly the 150.00 mark, investors remain on guard for the possibility of an intervention by Japanese authorities. However, the Greenback attracted some buyers on the back of the upbeat US data on Tuesday, but the impact was short-lived.

Fx rates	Last	High	Low	% Daily	% Weekly	% YTD
EUR-USD	1.0586	1.0587	1.0561	0.09	-0.32	-1.11
GBP-USD	1.2207	1.2208	1.2159	0.20	-0.86	1.03
USD-JPY	149.66	149.84	149.49	-0.10	-0.33	-12.39
USD-CHF	0.8987	0.9015	0.8987	-0.17	0.37	2.87
Commodities	Last	High	Low	% Daily	% Weekly	% YTD
Gold	1937.14	1942.85	1923.09	0.73	3.35	6.20
Silver	23.12	23.17	22.77	1.35	4.90	-3.49
Crude Oil	88.44	89.09	87.64	2.05	5.93	13.66
Bitcoin	28702.12	28975.15	28340.27	0.85	6.40	73.54
Etherium	1573.43	1582.39	1558.20	0.82	0.91	31.19
Period	1 M	3 M	12 M			
USD LIBOR *	5.45	5.66	6.04			
EURIBOR	3.86	3.98	4.17			
SOFR	5.33	5.40	5.40			
Notes/Bonds	2 Y	10 Y	30 Y			
US	5.20	4.84	4.93			
BTP - BUND	0.84	2.01	2.28			
GILTS	4.88	4.51	4.94			

INTERNATIONAL EQUITY MARKETS

(Sources: Bloomberg / Reuters)

UNITED STATES OF AMERICA

The 10-year U.S. Treasury yield topped 4.8%, reaching its highest level since Oct. 6 — when it traded at 4.887%. The move followed retail sales data that came in hotter than economists surveyed by Dow Jones had anticipated. Rising yields have pressured the broader market in recent weeks as traders assess the prospects of tighter Federal Reserve policy for longer than expected. Investors have also considered the potential impact from the Israel-Hamas war on the global economy.

EUROPE

European stocks edged lower today as a slew of downbeat earnings and higher government bond yields outweighed gains in energy shares and slight easing of concerns about risks stemming from the Middle East conflict.

ASIA

Asia markets pared some declines from earlier in the session on Wednesday after economic data from China showed stronger-than-expected growth. China posted 4.9% growth in the July to September quarter from a year earlier, according to a release from China's National Bureau of Statistics on Wednesday. Economists expected the country's economy to report growth of 4.4%, according to a Reuters poll.

Index	Close	% Daily	% M	YTD	Futures	% Change
DJIA	33997.65	0.04	-1.81	2.57	34134.00	-0.03
S&P	4373.20	-0.01	-1.80	13.90	4396.75	-0.11
Nasdaq	13533.75	-0.25	-1.29	29.31	15212.75	-0.18
DJ EuroStoxx50	4152.32	0.06	-2.20	9.46	4172.00	0.05
FTSE 100	7675.21	0.58	0.29	3.00	7729.00	0.22
CAC 40	7029.70	0.11	-3.39	8.59	7033.00	N/A
DAX	15251.69	0.09	-3.02	9.54	15383.00	0.27
IBEX 35	9298.50	0.12	-1.94	13.00	9299.90	N/A
FTSE MIB	28367.36	-0.09	-0.76	19.66	28342.00	N/A
Nikkei	32040.29	0.13	-4.33	22.94	32090.00	0.16
Hang Seng	17773.34	-0.13	-1.01	-10.27	17779.00	-0.10
DFM General	3937.46	-0.15	-2.74	18.03	N/A	N/A
MSCI Tadawoul	10731.40	1.03	-2.76	2.41	N/A	N/A

Leb. Mrkts	Closing Px	High	Low	% Daily	% Weekly	YTD
Solidere A	74.60	74.95	73.55	-0.07	-3.12	22.50
Solidere B	74.25	77.00	73.25	-1.26	-3.82	23.03

MUST READ

(Source: Bloomberg/ Forexlive)

Climate change impact on China's Economy

China suffered direct economic losses of 308.29 billion yuan (\$57.6 billion) over the first nine months of 2023, the government said, from natural disasters such as torrential rains, deadly landslides, freakish hailstorms and a string of typhoons. The emergency management ministry unveiled on Sunday (Oct 8) the unprecedented toll wrought on the nation of 1.4 billion by calamities that ranged from sandstorms to rains that brought massive flooding and historic rainfall in Beijing, the capital. During the nine-month period, more than 89 million were affected, while over 2.75 million had to be evacuated and resettled due to natural disasters. Four typhoons during the period caused heavy losses, with the most recent back-to-back events bringing flash flooding and hundreds of landslides in southern areas, while the north and northeast suffered record rain and evacuations. China's crops of rice, soy and corn were also battered, triggering larger inflation worries at a time when the government is battling to stabilize the economy. Crops across 9.71 million hectares (24 million acres) were affected in the nine-month period, the government said. Excessive heat forced a struggle with dramatic weather swings that some experts blamed on climate change.

MAIN WEEKLY EARNINGS

Company	Ticker	Market Cap	Date	Time	Estimate	Year Ago
Netflix Inc	NFLX US	157.64 B	18-Oct-23	Aft-mkt	3.55	3.10
Tesla Inc	TSLA US	808.89 B	18-Oct-23	Aft-mkt	0.73	1.05
Morgan Stanley	MS US	133.1 B	18-Oct-23	Pre-mkt	1.30	1.53
American Airlines	AAL US	7.8 B	18-Oct-23	Pre-mkt	0.25	0.69
AT&T Inc	T US	104.23 B	19-Oct-23	Pre-mkt	0.62	0.68

ECONOMIC CALENDAR

(18-10-23) UK - CPI MoM / YoY / Core YoY / Retail Price Index
(18-10-23) EC - CPI MoM / YoY / Core YoY
(18-10-23) US - MBA Mortgage Applications / Building Permits / Housing Starts
(19-10-23) JN - Trade Balance
(19-10-23) FR - Manufacturing Confidence
(19-10-23) CA - Industrial Product Price MoM
(19-10-23) US - Initial Jobless Claims

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