Daily Market Brief

October 18th 2024

Banque BEMO

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

EURUSD

The EUR/USD pair has ended a four-day losing streak, trading around 1.0840, while the US Dollar reached a two-month high due to strong US Retail Sales. The Federal Reserve is expected to cut rates, with a 90.8% probability of a 25 basis point cut in November, while the European Central Bank has also lowered its rates, marking its first back-to-back cuts in 13 years. Despite this, ECB President Christine Lagarde's comments left future rate cut timing uncertain.

GBPUSD

The GBP/USD pair is experiencing slight buying momentum during the Asian session, trading around 1.3020-1.3025 after bouncing from a two-month low. The US Dollar is pulling back from its recent highs as traders take profits, while expectations of modest rate cuts by the Federal Reserve may limit further USD losses and cap the GBP/USD gains. Additionally, a surprising drop in the UK Consumer Price Index suggests potential rate cuts by the Bank of England, leading traders to be cautious about making aggressive bets on the British Pound.

USDJPY

The JPY has strengthened against the US Dollar during the Asian session, ending a two-day losing streak. This slight increase follows verbal intervention from Japanese authorities and stronger domestic inflation data, which may give the BoJ more flexibility to consider interest rate hikes. However, investor sentiment remains cautious, anticipating that the BoJ will likely refrain from raising rates this year due to uncertainty about new political leadership and the general election.

Fx rates	Last	High	Low	% Daily	% Weekly	% YTD
EUR-USD	1.0842	1.0844	1.0825	0.10	-0.87	-1.78
GBP-USD	1.3053	1.3054	1.3004	0.32	-0.11	2.53
USD-JPY	149.88	150.28	149.77	-0.22	-0.50	-5.90
USD-CHF	0.8658	0.8664	0.8655	-0.02	-0.99	-2.82
Commodities	**Last**	**High**	**Low**	**% Daily**	**% Weekly**	**% YTD**
Gold	2709.40	2714.10	2692.30	0.62	1.99	31.33
Silver	32.11	32.18	31.59	1.29	1.79	34.92
Crude Oil	71.04	71.17	70.67	0.52	-5.98	0.55
Bitcoin	67925.45	68204.87	66924.13	1.48	8.26	59.79
Etherium	2625.29	2650.26	2595.86	1.07	6.72	15.03

Period	1M	3M	6M	12M
SOFR ($)	4.76	4.62	4.42	4.09
ESTR (€)	2.41	3.06	2.81	2.41
SONIA (£)	4.87	4.73	4.54	4.23
SARON (F)	0.93	0.78	0.65	0.46
TONAR (¥)	0.22	0.20	0.14	0.07

	Rates
U.S. Federal Fund Target Rate	5.00
ECB Main Refinancing Operation Announcement Rate	3.4
ECB Deposit Facility Announcement Rate	3.25
ECB Marginal Lending Facility Announcement Rate	3.65
BOE Official Bank Rate	5.00

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

UNITED STATES OF AMERICA

The Dow Jones Industrial Average rallied to a new record close after strong economic data eased lingering fears of a potential recession. However, the S&P 500 failed to set a new benchmark, even though it had hit an intraday record earlier in the session as the artificial intelligence trade mounted a revival. New data released Thursday on the economy also lifted stocks. September's retail sales figures showed that consumer spending was still robust

EUROPE

European markets closed higher on Thursday as traders assessed a flurry of corporate results and the European Central Bank's third interest rate cut of the year.

ASIA

Markets in mainland China and Hong Kong rebounded Friday after the world's second-largest economy posted better-than-expected economic growth. Elsewhere most Asia-Pacific markets were lower. Japan's headline inflation for September came in at 2.5%, while core CPI rose 2.4% year on year compared with Reuters estimates of 2.3%.

Index	Close	% Daily	% M	YTD	Futures	% Change
DJIA	43239.05	0.37	4.18	14.72	43484.00	0.34
S&P	5841.47	-0.02	3.97	22.47	5888.75	0.02
Nasdaq	18373.61	0.04	4.55	22.40	20410.25	0.26
DJ EuroStoxx50	4947.30	0.79	2.32	9.42	4964.00	0.65
FTSE 100	8385.13	0.67	1.59	8.43	8382.50	0.41
CAC 40	7583.73	1.22	1.86	0.54	7556.00	0.78
DAX	19583.39	0.77	4.66	16.90	19679.00	0.46
IBEX 35	11904.50	-0.77	1.88	17.84	11910.80	-0.84
FTSE MIB	35038.73	1.09	4.11	15.44	34910.00	1.08
Nikkei	38911.19	0.23	7.20	16.54	39030.00	-0.41
Hang Seng	20079.10	2.61	16.66	20.86	20684.00	1.71
DFM General	4458.67	-0.59	1.56	9.82	N/A	N/A
MSCI Tadawoul	11907.43	-1.09	-0.11	-0.50	N/A	N/A

Leb. Mrkts	Closing Px	High	Low	% Daily	% Weekly	YTD
Solidere A	94.60	97.00	93.00	0.64	1.72	6.17
Solidere B	95.90	96.00	95.55	5.73	5.50	6.61

MUST READ *(Source: Bloomberg/ Forexlive)*

Oil Edges Up With Focus on Middle East After Hamas Leader Death

Oil edged higher, after notching its first gain in five sessions, with eyes on developments in the Middle East after the death of Hamas leader Yahya Sinwar. Brent traded near $75 a barrel, while West Texas Intermediate rose toward $71. The killing of Sinwar by Israeli soldiers led President Joe Biden to renew calls for a cease-fire in Gaza, although Prime Minister Benjamin Netanyahu said operations are "yet to be completed." Sentiment was lifted by a report on Thursday that showed US oil stockpiles shrank 2.19 million barrels last week, indicating healthy consumption in the biggest crude user. Data from China on Friday also showed tentative signs of economic improvement in the second-biggest economy, although apparent oil demand fell from a year earlier. "China demand is an important piece in the whole equation," said Zhong Liang Han, a Singapore-based investment strategist at Standard Chartered Bank. "But we do think supply-side issues are the larger piece, and there's quite a bit of excess supply expected." Brent's latest move higher has failed to offset sharp declines on Monday and Tuesday, with futures set to notch a 5% drop this week after concerns eased that Israel would strike Iran's energy infrastructure in retaliation for an attack at the start of the month. In the longer term, the International Energy Agency forecast that rising global supply could lead to a sizable surplus next year.

MAIN WEEKLY EARNINGS

Company	Ticker	Market Cap	Date	Time	Estimate	Year Ago
Procter & Gamble	PG US	$ 404.81B	18-Oct-24	Pre-mkt	1.90	1.83
American Express	AXP US	$ 203.16B	18-Oct-24	Pre-mkt	3.29	3.30
General Motors	GM US	$ 55.50B	22-Oct-24	Pre-mkt	2.46	2.28
Lockheed Martin	LMT US	$ 145.31B	22-Oct-24	Pre-mkt	6.44	6.77
RTX Corp	RTX US	$ 167.28B	22-Oct-24	Pre-mkt	1.34	1.25

ECONOMIC CALENDAR

(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
(23-10-24) CA - Bank of Canada Rate Decision
(23-10-24) EA - Consumer Confidence
(24-10-24) FR - HCOB France Manufacturing PMI

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