Daily Market Brief

November 18th 2024

BANQUE BEMO

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

EUR/USD
The EUR/USD pair is near its yearly low of 1.0496, weighed down by strong US economic data, including higher-than-expected retail sales and manufacturing growth, as well as hawkish comments from Federal Reserve officials. The Euro faces downward pressure due to the European Central Bank's dovish stance and slower-than-expected Eurozone growth, with inflation projections falling sharply over the next few years.

GBP/USD
The GBP/USD pair is consolidating just above 1.2600, having ended a six-day losing streak, but remains under pressure due to concerns over the UK's economic slowdown and uncertainty regarding the Bank of England's policy. Meanwhile, the US Dollar stays supported by expectations of inflationary pressures from President-elect Trump's policies, and despite a recent pause in the USD rally, further weakness seems unlikely in the near term.

USD/JPY
The Japanese Yen is supported by speculation of potential government intervention to stabilize the currency, but its appreciation remains limited due to uncertainty over the Bank of Japan's rate-hike plans and a positive risk sentiment. Meanwhile, the US Dollar continues to consolidate near its year-to-date high, supported by expectations of inflationary policies under President-elect Trump and higher US Treasury bond yields, which keep pressure on the JPY.

Fx rates	Last	High	Low	% Daily	% Weekly	% YTD
EUR-USD	1.0543	1.0550	1.0526	0.03	-1.05	-4.49
GBP-USD	1.2638	1.2643	1.2610	0.16	-1.79	-0.73
USD-JPY	154.57	155.14	153.84	0.17	-0.55	-8.75
USD-CHF	0.8874	0.8887	0.8868	-0.02	-0.77	-5.18
Commodities	**Last**	**High**	**Low**	**% Daily**	**% Weekly**	**% YTD**
Gold	2586.26	2597.30	2564.41	0.90	-1.24	25.37
Silver	30.65	30.73	30.27	1.24	-0.12	28.79
Crude Oil	67.15	67.32	66.61	0.19	-1.31	-4.48
Bitcoin	91771.18	91771.18	88741.60	2.94	3.54	115.89
Etherium	3138.75	3145.67	3043.04	2.49	-0.50	37.52

Period	1M	3M	6M	12M
SOFR ($)	4.61	4.49	4.39	4.24
ESTR (€)	2.21	2.91	2.58	2.21
SONIA (£)	4.71	4.68	4.60	4.46
SARON (F)	0.87	0.67	0.53	0.36
TONAR (¥)	0.22	0.22	0.16	0.09

	Rates
U.S. Federal Fund Target Rate	4.75
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	4.75

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

UNITED STATES OF AMERICA
Stocks tumbled on Friday as the postelection rally fizzled and investors fretted over the path of interest rates. October retail sales data on Friday showed a 0.4% increase, slightly better than the 0.3% forecast from economists polled by Dow Jones. That finding follows an October consumer inflation report that was in line with economists' projections.

EUROPE
European markets closed lower Friday after a choppy session, as investors assessed fresh economic data and the future path for interest rate cuts following hawkish comments from U.S. Federal Reserve Chair Jerome Powell.

ASIA
Asia-Pacific stocks mostly rose Monday as markets kickstarted what ING calls a "quiet" week for economic data from the region. Key data this week from Asia will include China's loan prime rate, set to be released Wednesday. ING said no change is expected in China's LPR, with the one-year rate currently at 3.1% and the five-year LPR at 3.6%.

Index	Close	% Daily	% M	YTD	Futures	% Change
DJIA	43444.99	-0.70	0.39	15.27	43601.00	-0.68
S&P	5870.62	-1.32	0.10	23.08	5915.00	-1.06
Nasdaq	18680.12	-2.24	1.03	24.44	20647.50	-1.73
DJ EuroStoxx50	4794.85	-0.80	-3.84	6.05	4814.00	-0.48
FTSE 100	8063.61	-0.09	-3.53	4.27	8103.00	0.11
CAC 40	7269.63	-0.58	-4.51	-3.63	7297.80	-0.19
DAX	19210.81	-0.27	-2.27	14.68	19327.00	0.05
IBEX 35	11635.90	0.97	-2.43	15.18	11623.50	0.94
FTSE MIB	34191.79	-0.48	-2.88	12.65	33929.00	-0.48
Nikkei	38642.91	-1.09	-1.95	14.21	38230.00	-0.91
Hang Seng	19426.34	0.54	-6.12	14.57	19544.00	0.53
DFM General	4739.76	-0.34	5.70	16.36	N/A	N/A
MSCI Tadawoul	11811.98	0.18	-0.80	-1.30	N/A	N/A

Leb. Mrkts	Closing Px	High	Low	% Daily	% Weekly	YTD
Solidere A	91.80	94.00	90.30	-0.27	-4.13	3.03
Solidere B	92.50	92.50	92.50	0.00	-3.65	2.83

MUST READ *(Source: Bloomberg/ Forexlive)*

Goldman Says 'Go for Gold' as Central Banks Buy, Fed Cuts in '25

Goldman Sachs predicts that gold prices will hit a record high in 2025, potentially reaching $3,000 per ounce. The main drivers for this bullish outlook are increased central-bank demand and a potential US interest rate cut, which could boost flows into exchange-traded funds. Gold has already seen a strong rally this year, largely fueled by central bank buying and the Federal Reserve's shift toward easier policy. The forecast also suggests that gold may benefit from trade tensions, concerns about US fiscal sustainability, and a possible rise in speculative interest. Additionally, a Trump presidency could further support gold, as his administration may intensify sanctions on Iran, increasing geopolitical risks and demand for the metal. Gold is currently priced around $2,584 per ounce, having peaked above $2,790 recently. Meanwhile, Goldman also expects Brent crude to trade between $70 and $85 per barrel in 2025, with potential upside risks from US actions against Iran. The firm favors base metals over ferrous ones and sees short-term upside risks for European gas prices, particularly due to weather conditions. For agricultural commodities, there are concerns that a trade war with China could lead to reduced US exports, potentially driving down prices for soybeans, corn, and meat.

MAIN WEEKLY EARNINGS

Company	Ticker	Market Cap	Date	Time	Estimate	Year Ago
Medtronic PLC	MDT US	$ 112.26B	19-Nov-24	Pre-mkt	1.25	1.25
Walmart Inc	WMT US	$ 677.22B	19-Nov-24	Pre-mkt	0.53	0.51
Target Corporatic	TGT US	$ 70.08B	20-Nov-24	Pre-mkt	2.30	2.10
Palo Alto Networl	PANW US	$ 126.65B	20-Nov-24	Aft-mkt	1.48	1.38
Nvidia Corp	NVDA US	$ 3.48T	20-Nov-24	Aft-mkt	0.74	0.40

ECONOMIC CALENDAR

(18-11-24) JP - Core Machine Orders MoM / YoY
(19-11-24) EC - CPI YoY / MoM / Core YoY
(19-11-24) CA - CPI NSA MoM / YoY
(20-11-24) UK - CPI MoM / YoY / Core YoY
(21-11-24) US - Philadelphia Fed Business Outlook
(22-11-24) JP - Natl CPI YoY
(22-11-24) DE - GDP SA QoQ / GDP NSA YoY

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