

## FOREIGN EXCHANGE MARKETS

(Sources: Bloomberg / Reuters)

**EUR/USD**

The Euro drops against the US Dollar at the beginning of the week as investors brace for the FOMC monetary policy decision. Eurozone inflation aligns with expectations, but EUR/USD's movement restrained by anticipation of Fed's policy direction. ECB's Centeno highlights the importance of price stability and suggests rate adjustments could prevent recession in the Eurozone.

**GBP/USD**

The GBP/USD pair remains under some selling pressure during the early Asian session on Tuesday. The uptick in the US Dollar (USD) above 103.50 and higher US yields provide some support to the major pair. Markets turn cautious ahead of the central bank meetings, including the Federal Reserve and Bank of England interest rate decisions. Both central banks are expected to leave rates unchanged.

**USD/JPY**

USD/JPY stands just above the 150.00 handle as investors gear up for a central-bank-heavy week. The Bank of Japan ends its negative interest rate regime early in the Tuesday market session after Japan's spring wage negotiations showed the highest wage increases in over three decades. The Fed is also expected this week and will drop its latest Dot Plot summary of interest rate projections on Wednesday.

| Fx rates    | Last     | High     | Low      | % Daily | % Weekly | % YTD |
|-------------|----------|----------|----------|---------|----------|-------|
| EUR-USD     | 1.0866   | 1.0877   | 1.0862   | -0.06   | -0.56    | -1.57 |
| GBP-USD     | 1.2708   | 1.2732   | 1.2702   | -0.17   | -0.66    | -0.18 |
| USD-JPY     | 150.38   | 150.45   | 149.03   | 0.82    | -1.80    | -6.21 |
| USD-CHF     | 0.8891   | 0.8893   | 0.8868   | 0.15    | -1.34    | -5.37 |
| Commodities | Last     | High     | Low      | % Daily | % Weekly | % YTD |
| Gold        | 2155.95  | 2162.92  | 2154.13  | -0.20   | -0.11    | 4.51  |
| Silver      | 24.92    | 25.16    | 24.88    | -0.48   | 3.20     | 4.72  |
| Crude Oil   | 82.55    | 82.86    | 82.46    | -0.21   | 6.43     | 14.64 |
| Bitcoin     | 64603.01 | 68110.13 | 64595.06 | -4.08   | -8.60    | 51.98 |
| Etherium    | 3354.71  | 3546.68  | 3353.13  | -4.37   | -12.66   | 46.99 |
| Period      | 1 M      | 3 M      | 12 M     |         |          |       |
| EURIBOR     | 3.86     | 3.93     | 3.71     |         |          |       |
| SOFR        | 5.33     | 5.33     | 5.08     |         |          |       |
| Notes/Bonds | 2 Y      | 10 Y     | 30 Y     |         |          |       |
| US          | 4.73     | 4.32     | 4.45     |         |          |       |
| BTP - BUND  | 0.48     | 1.22     | 1.62     |         |          |       |
| GILTS       | 4.30     | 4.09     | 4.52     |         |          |       |

## INTERNATIONAL EQUITY MARKETS

(Sources: Bloomberg / Reuters)

**UNITED STATES OF AMERICA**

Stocks rose Monday as Wall Street looked to key artificial intelligence conference and awaited new monetary policy guidance from the Federal Reserve. Nvidia shares gained 1.3% on the first day of the company's GTC Conference — where the chipmaker is expected to showcase its latest inroads in artificial intelligence. Shares of Alphabet were up 5% after Bloomberg News reported that Apple was in talks with Google to include the company's Gemini AI in iPhones.

**EUROPE**

European markets had a lackluster start to the new trading week, as global investors looked ahead to the U.S. Federal Reserve's next meeting. Telecoms stocks fell 1.4%, while autos climbed 0.9%. In Europe, the Bank of England is expected to keep rates unchanged at 5.25%.

**ASIA**

Japan's Nikkei 225 index ended above 40,000 on Tuesday after the country's central bank raised interest rates for the first time since 2007. The Bank of Japan officially ended its negative interest rate policy, hiking rates for the first time in 17 years to 0% to 0.1% from -0.1% . The bank also abolished its yield curve control policy, marking a historic shift in policy.

| Index          | Close    | % Daily | % M   | YTD   | Futures  | % Change |
|----------------|----------|---------|-------|-------|----------|----------|
| DJIA           | 38790.43 | 0.20    | 0.42  | 2.92  | 38691.18 | #N/A N/A |
| S&P            | 5149.42  | 0.63    | 2.87  | 7.96  | 5101.67  | #N/A N/A |
| Nasdaq         | 16103.45 | 0.82    | 2.08  | 7.28  | 17854.75 | #N/A N/A |
| DJ EuroStoxx50 | 4982.76  | -0.07   | 4.61  | 10.20 | 5016.92  | #N/A N/A |
| FTSE 100       | 7722.55  | -0.06   | -0.08 | -0.14 | 7734.00  | #N/A N/A |
| CAC 40         | 8148.14  | -0.20   | 4.89  | 8.02  | 8208.60  | N/A      |
| DAX            | 17932.68 | -0.02   | 4.92  | 7.05  | 18032.44 | #N/A N/A |
| IBEX 35        | 10596.70 | -0.01   | 6.56  | 4.90  | 10619.20 | N/A      |
| FTSE MIB       | 33940.96 | 0.00    | 7.15  | 11.83 | 33735.00 | N/A      |
| Nikkei         | 40003.60 | 0.66    | 3.99  | 19.54 | 39600.00 | 0.20     |
| Hang Seng      | 16737.12 | -1.10   | 2.46  | -2.90 | 16561.00 | -1.13    |
| DFM General    | 4275.38  | 0.06    | 0.12  | 5.38  | N/A      | N/A      |
| MSCI Tadawoul  | 12772.46 | 0.08    | 1.41  | 6.73  | N/A      | N/A      |

| Leb. Mrkts | Closing Px | High  | Low   | % Daily | % Weekly | YTD    |
|------------|------------|-------|-------|---------|----------|--------|
| Solidere A | 73.85      | 75.00 | 73.25 | -1.47   | -1.07    | -17.12 |
| Solidere B | 71.10      | 75.00 | 70.25 | -1.52   | -5.20    | -20.96 |

## MUST READ

(Source: Bloomberg/ Forexlive)

**Banks Late to Commercial Property May Face Most Pain**

Germany's top banking regulator said a few banks in the country may have taken too much risk in commercial property, while the industry by and large is strong enough to weather the turmoil in the asset class. "There's certainly the one or other bank that is especially exposed, that may have found this field of growth very late on and entered the market with miserable timing, maybe lured by high returns," said Raimund Roeseler, who leads oversight at watchdog BaFin. "We have concerns in individual cases, but not for the market as a whole." Roeseler, who spoke at a Handelsblatt conference in Frankfurt on Monday, didn't name any banks. Commercial real estate has been in turmoil after a spike in interest rates put developers out of business and left their lenders facing losses. While that's sent the stocks and bonds of some German banks lower, nine of the country's top banks have so far been easily able to absorb €2.2 billion (\$2.4 billion) in provisions for losses on such debt. BaFin primarily sees commercial real estate risks in the US and there's a limited number of German banks active there, Roeseler said. Still, the German market has also shown weakness, he said. "Banks are taking their first balance sheet hits, but there's very few where you have to worry that they could be existentially affected," Roeseler said. The vast majority of German banks are "very well capitalized," he added.

## MAIN WEEKLY EARNINGS

| Company           | Ticker  | Market Cap | Date      | Time    | Estimate | Year Ago |
|-------------------|---------|------------|-----------|---------|----------|----------|
| Caleres Inc       | CAL US  | \$ 1.38B   | 19-Mar-24 | Pre-mkt | 0.85     | 0.65     |
| Tencent Music En  | TME US  | \$ 17.81B  | 19-Mar-24 | Pre-mkt | 0.97     | 0.91     |
| ZTO Express Cayr  | ZTO US  | \$ 17.61B  | 19-Mar-24 | Aft-mkt | 10.95    | 8.54     |
| BioNTech SE ADR   | BNTX US | \$ 22.11B  | 20-Mar-24 | Pre-mkt | 2.31     | 9.26     |
| General Mills Inc | GIS US  | \$ 38.47B  | 20-Mar-24 | Pre-mkt | 1.05     | 0.97     |

## ECONOMIC CALENDAR

(19-03-24) JP - Industrial Production MoM  
(19-03-24) DE - ZEW Survey Expectations  
(19-03-24) CA - CPI NSA MoM / CPI YoY  
(19-03-24) US - Housing Starts  
(19-03-24) JP - BOJ Policy Balance Rate  
(20-03-24) UK - CPI MoM / YoY / Core YoY  
(20-03-24) US - MBA Mortgage Applications

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