

Daily Market Brief

August 19th, 2024



FOREIGN EXCHANGE MARKETS

(Sources: Bloomberg / Reuters)

EUR/USD

EUR/USD extends its gains for the second successive session, trading around 1.1030 during the Asian hours on Monday. The upside of the pair could be attributed to the rising odds of an interest rate cut by the US Fed starting in September. The Euro receives support as ECB policymakers have hesitated to commit to a specific rate-cut path.

GBP/USD

GBP/USD rebounded strongly this week, helped by the return of risk flows and divergent monetary policy outlooks between the US Fed and the BoE. With the inflation reports from both sides of the Atlantic now out of the way, Pound Sterling traders eagerly await the Minutes of the Fed's July policy meeting for fresh cues on the interest-rate outlook.

USD/JPY

The JPY appreciates for the second consecutive day against the USD, driven by hawkish sentiment surrounding the BoJ. Recent data showing growth in Japan's second-quarter GDP supports the potential for an interest rate hike by the BoJ in the near term. Markets are now anticipating Japanese inflation figures later this week for further insight into the Bank of Japan's monetary policy direction.

Fx rates	Last	High	Low	% Daily	% Weekly	% YTD
EUR-USD	1.1047	1.1049	1.1014	0.18	1.06	0.07
GBP-USD	1.2963	1.2965	1.2890	0.15	1.51	1.82
USD-JPY	145.47	148.05	145.42	-1.48	1.20	-3.05
USD-CHF	0.8623	0.8695	0.8619	-0.44	0.34	-2.42
Commodities	Last	High	Low	% Daily	% Weekly	% YTD
Gold	2500.52	2509.94	2495.07	-0.30	1.12	21.21
Silver	28.94	29.13	28.73	-0.12	3.45	21.64
Crude Oil	76.25	76.73	76.19	-0.52	-4.76	6.88
Bitcoin	58486.47	59825.20	58240.51	-2.24	-1.14	37.59
Etherium	2624.48	2669.26	2605.07	-1.57	-1.95	14.99
Period	1 M		3 M		12 M	
EURIBOR	3.60		3.56		3.14	
SOFR	5.34		5.13		4.39	
US Fed Fund Rate (Indicator)			5.31			
Notes/Bonds	2 Y		10 Y		30 Y	
US	4.05		3.87		4.12	
BTP - BUND	0.51		1.39		1.79	
GILTS	3.68		3.93		4.47	

INTERNATIONAL EQUITY MARKETS

(Sources: Bloomberg / Reuters)

UNITED STATES OF AMERICA

U.S. stocks rose on Friday as investors closed out the best week of 2024, part of a market comeback from a violent rout to begin August. Shares of Nvidia are among the biggest winners in technology stocks on the week with a gain of more than 18%. Apple and Microsoft advanced roughly 4% and 3%, respectively, for the week. On Friday, consumer sentiment rose more than expected, according to the latest University of Michigan survey.

EUROPE

European markets closed higher Friday, rounding off what's set to be a winning week for global stocks. Autos stocks recorded the biggest sectoral gain, adding 1.06%, while oil and gas stocks lost 0.15%.

ASIA

The Nikkei 225 jumped 3.64% to cross 38,000 for the first time since Aug. 1. On a weekly basis, the index was up 8.67%, its highest gain since April 2020, according to FactSet data. Japan's broader Topix, gained 2.99% to close at 2,678.6, also clocking its best week since 2020 — up 7.86%.

Index	Close	% Daily	% M	YTD	Futures	1W % Change
DJIA	40659.76	0.24	0.92	7.88	40780.00	3.29
S&P	5554.25	0.20	0.89	16.45	5576.50	3.85
Nasdaq	17631.72	0.21	-0.54	17.46	19589.00	5.10
DJ EuroStoxx50	4840.52	0.68	0.28	7.06	4861.00	3.76
FTSE 100	8311.41	-0.43	1.91	7.48	8322.00	1.31
CAC 40	7449.70	0.35	-1.13	-1.24	7435.20	2.49
DAX	18322.40	0.77	0.83	9.38	18375.00	3.39
IBEX 35	10949.70	0.59	-1.24	8.39	10940.90	2.93
FTSE MIB	33040.81	2.20	-3.43	8.86	33168.00	3.44
Nikkei	38062.67	-1.66	-6.57	11.85	37430.00	6.76
Hang Seng	17430.16	0.87	0.94	3.13	N/A	N/A
DFM General	4243.14	0.58	1.49	4.52	N/A	N/A
MSCI Tadawoul	11981.40	0.56	-1.70	0.12	N/A	N/A

Leb. Mrkts	Closing Px	High	Low	% Daily	% Weekly	YTD
Solidere A	79.00	79.00	79.00	-3.42	4.64	-11.34
Solidere B	74.00	74.00	74.00	0.00	-3.90	-17.73

MUST READ

(Source: Bloomberg/ Forexlive)

159 Countries Set to Adopt BRICS New Payment System

Amid the alliance's continued efforts to create a SWIFT alternative, the economic alliance has sought to create its very own BRICS payment system. It will play a major role in the alliance trade dealings. Specifically, allowing unilateral settlement to be done without the need for the US dollar. The move is poised to be vital for the bloc and participating nations, and it appears there will be a lot of them. According to one Russian official, there are already 159 countries seeking to adopt the system currently. With a potential launch coming in October, it could have massive global market ramifications. The past several years have seen the BRICS alliance committed to enhanced de-dollarization efforts. With the impact of Western sanctions on Russia, the move is a clear promotion of local currency and alternative settlement methods. Although many have been skeptical, there is no denying its popularity to this point. According to Russia's Central Bank Governor, Elvira Nabiullina, 159 countries are ready to adopt the BRICS payment system when it goes live. Indeed, these foreign participants are looking to explore an expansion to Russia's System for Transmitting Financial Messages (SPFS) platform. Nabiullina said the system "is an alternative to SWIFT." Moreover, she added, "Similar infrastructure exists in some other countries. We are holding discussions on the interaction of such platforms, but here the interest and technical readiness of our partners are important." The payment system has become increasingly important for the alliance. According to the head of Russia's BRICS Presidency Council, Viktoria Panova. "This issue tops the agenda because every member of the group sees it as important," she added.

MAIN WEEKLY EARNINGS

Company	Ticker	Market Cap	Date	Time	Estimate	Year Ago
Estee Lauder Com	EL US	\$ 34.05B	19-Aug-24	Pre-mkt	0.27	0.07
Palo Alto Network	PANW US	\$ 108.18B	19-Aug-24	Aft-mkt	1.41	1.44
Lowe's Cos Inc	LOW US	\$ 137.42B	20-Aug-24	Pre-mkt	3.97	4.56
Target Corporatio	TGT US	\$ 66.64B	21-Aug-24	Pre-mkt	2.19	1.80
Analog Devices In	ADI US	\$ 110.75B	21-Aug-24	Pre-mkt	1.51	2.49

ECONOMIC CALENDAR

(20-08-24) US - CPI YoY / MoM
(20-08-24) CA - CPI NSA MoM / YoY
(21-08-24) US - MBA Mortgage Applications
(21-08-24) US - FOMC Meeting Minutes
(22-08-24) FR - HCOB France Manufacturing PMI
(22-08-24) US - S&P Global US Services PMI
(23-08-24) JP - Natl CPI YoY

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