

Daily Market Brief

October 19th 2023



FOREIGN EXCHANGE MARKETS

(Sources: Bloomberg / Reuters)

EURUSD

The EUR/USD pair struggles to gain and resumes its downside during the early Asian session on Thursday. The escalating geopolitical tension between Israel-Hamas and higher US Treasury bond yield exert some selling pressure on the pair. EUR/USD currently trades around 1.0538, up 0.01% for the day.

GBPUSD

GBP/USD continues with its relative underperformance in the wake of the uncertainty over the next policy move by the (BoE), which, in turn, is seen as a key factor acting as a headwind for the GBP/USD pair. The latest UK consumer inflation figures released on Wednesday showed that the headline CPI remained steady at 6.7% in September against expectations for a modest dip to 6.6%, riving bets for a potential BoE rate hike in November. The UK (ONS), meanwhile, reported earlier this week that wage growth moderated slightly in the three months to August, which might allow the BoE to hold interest rates at their current level.

USDJPY

The USD/JPY pair attracts some sellers during the Asian session on Thursday and for now, seems to have snapped a three-day winning streak. Spot prices currently trade around the 149.75 region, though the downside seems cushioned in the wake of the underlying bullish sentiment surrounding the USD.

Fx rates	Last	High	Low	% Daily	% Weekly	% YTD
EUR-USD	1.0537	1.0542	1.0528	0.01	0.09	-1.57
GBP-USD	1.2126	1.2146	1.2111	-0.12	-0.40	0.36
USD-JPY	149.76	149.93	149.67	-0.11	0.03	-12.45
USD-CHF	0.8985	0.8995	0.8982	-0.06	1.10	2.89
Commodities	Last	High	Low	% Daily	% Weekly	% YTD
Gold	1947.89	1953.37	1945.29	0.02	4.23	6.79
Silver	22.93	22.94	22.78	0.39	5.04	-4.28
Crude Oil	88.09	88.42	87.75	-0.26	6.25	13.21
Bitcoin	28321.00	28423.21	28145.85	0.22	5.48	71.23
Etherium	1551.45	1567.53	1543.17	-0.71	-0.25	29.36
Period	1 M	3 M	12 M			
USD LIBOR *	5.45	5.66	6.04			
EURIBOR	3.85	3.97	4.16			
SOFR	5.34	5.42	5.46			
Notes/Bonds	2 Y	10 Y	30 Y			
US	5.24	4.96	5.03			
BTP - BUND	0.94	2.04	2.28			
GILTS	5.01	4.66	5.04			

INTERNATIONAL EQUITY MARKETS

(Sources: Bloomberg / Reuters)

UNITED STATES OF AMERICA

U.S. stocks ended sharply lower on Wednesday, with the S&P 500 and Nasdaq falling more than 1% each, as Treasury yields rose again and investors assessed the latest batch of quarterly corporate results and forecasts. Tesla, Netflix shares up after the closing bell.

EUROPE

European shares fell on Wednesday, dragged by a drop in shares of chipmakers and British drugmaker AstraZeneca, while increasing concerns over an escalation in the Middle East conflict further weighed on sentiment. Adidas jumps after upbeat 2023 guidance. UK annual inflation tops expectations in Sept.

ASIA

Chinese stocks hit a new low for the year on Thursday, dragged by consumer-related shares as investor confidence remained depressed despite signs that parts of the economy are stabilising. Hong Kong shares also fell.

Index	Close	% Daily	% M	YTD	Futures	% Change
DJIA	33665.08	-0.98	-2.47	1.56	33763.00	-0.10
S&P	4314.60	-1.34	-2.91	12.37	4334.25	-0.14
Nasdaq	13314.30	-1.62	-2.66	27.21	14997.00	-0.12
DJ EuroStoxx50	4105.86	-1.12	-3.23	8.23	4095.00	-0.73
FTSE 100	7588.00	-1.14	-0.94	1.83	7589.50	-0.50
CAC 40	6965.99	-0.91	-4.34	7.60	6916.00	N/A
DAX	15094.91	-1.03	-3.64	8.41	15104.00	-0.69
IBEX 35	9212.70	-0.92	-3.30	11.95	9161.00	N/A
FTSE MIB	28135.79	-0.82	-2.16	18.68	27920.00	N/A
Nikkei	32042.25	-1.91	-5.45	20.45	31420.00	-1.87
Hang Seng	17732.52	-2.04	-3.48	-12.19	17367.00	-2.22
DFM General	3883.06	-0.02	-4.72	16.38	N/A	N/A
MSCI Tadawoul	10714.06	-0.16	-3.22	2.25	N/A	N/A
Leb. Mrkts	Closing Px	High	Low	% Daily	% Weekly	YTD
Solidere A	75.10	75.40	73.50	0.67	-2.28	23.32
Solidere B	72.50	72.50	72.50	-2.36	-4.79	20.13

MUST READ

(Source: Bloomberg/ Forexlive)

AI Factories

Foxconn the world's largest contract electronics maker, and Nvidia will join hands to build artificial intelligence factories for various applications, including self-driving cars. At a Foxconn event in Taipei, Nvidia CEO said these AI factories - or large data centers - will be used for training autonomous vehicles, language-based generative AI and robotics platforms. Foxconn, formally known as Hon Hai Precision, will use Nvidia's latest chips - including the GH200 superchip that it is not allowed to sell in China and software to build these data centers. The announcement comes a day after the U.S. unveiled new chip export curbs.

Plans Delayed

General Motors confirmed that it will delay the opening of its second electric truck plant in Michigan by a year. The Detroit automaker pushed back the conversion of its Orion Assembly plant to "better manage" capital investment with evolving electric vehicle demand. "We also identified engineering improvements that we will implement to increase the profitability of our products," the company said in a statement. Some analysts believe Rivian can capitalize on the struggles faced by automakers in the electric truck category. The ongoing Detroit strike is expected to slow down the electric truck production timeline for GM and Ford.

MAIN WEEKLY EARNINGS

Company	Ticker	Market Cap	Date	Time	Estimate	Year Ago
Taiwan Semicond	TSM US	\$71.9 B	19-Oct-23	After-mkt	1.16	1.79
Philip Morris Inter	PM US	\$144.9 B	19-Oct-23	Pre-mkt	1.61	1.53
Union Pacific	UNP US	\$128.8 B	19-Oct-23	Pre-mkt	2.45	3.19
AT&T Inc	T US	\$104.2 B	19-Oct-23	Pre-mkt	0.63	0.68
Blackstone Inc	BX US	\$74.5 B	19-Oct-23	Pre-mkt	0.99	1.06

ECONOMIC CALENDAR

(19-10-23) US- Initial Jobless Claims; Philadelphia Fed Manufacturing Survey OCT
(19-10-23) US- Fed's Jefferson speech; Existing Home Sales Change MoM SEP
(19-10-23) US- Fed's Chair Powell speech; Monthly Budget Statement
(20-10-23) US- Fed's Logan speech
(20-10-23) GB- Gfk Consumer Confidence OCT; Retail Sales SEP
(20-10-23) DE- Producer Price Index SEP
(20-10-23) CA- Retail Sales AUG; Retail Sales ex Autos AUG

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