

Daily Market Brief

March 20 2024



FOREIGN EXCHANGE MARKETS

(Sources: Bloomberg / Reuters)

EUR/USD

The Euro remains on the defensive against the US Dollar as market participants await March's monetary policy decision by the FOMC on Wednesday. US housing gains, Building Permits, and Housing Starts rise. Germany's ZEW and EU surveys beat expectations, uplifting investor sentiment.

GBP/USD

The GBP/USD pair trades in negative territory for the fifth consecutive day during the early Asian session on Wednesday. Investors await the UK February CPI inflation data and the Fed interest rate decision on Wednesday. UK CPI inflation report due later in the day might offer some hints on whether the BoE will signal the timeline of its first interest rate cut or retain its higher rate for a longer stance.

USD/JPY

The Japanese yen weakened substantially against its peers on Tuesday and Wednesday, as an interest rate hike by the Bank of Japan was largely overshadowed by the central bank reiterating its dovish outlook for the near-term. The BOJ hiked rates by 0.1% on Tuesday- its first such move in 17 years, while also ending its negative interest rate policy and yield curve control mechanism.

Fx rates	Last	High	Low	% Daily	% Weekly	% YTD
EUR-USD	1.0869	1.0871	1.0858	0.03	-0.72	-1.54
GBP-USD	1.2720	1.2725	1.2711	-0.02	-0.60	-0.09
USD-JPY	151.54	151.58	150.77	0.45	-2.49	-6.93
USD-CHF	0.8892	0.8896	0.8876	0.12	-1.16	-5.38
Commodities	Last	High	Low	% Daily	% Weekly	% YTD
Gold	2157.48	2160.26	2155.32	-0.01	-0.78	4.58
Silver	24.90	25.00	24.85	-0.05	-0.41	4.65
Crude Oil	83.13	83.21	83.11	-0.41	4.28	15.44
Bitcoin	61798.31	64073.49	60790.61	-3.06	-8.93	45.38
Etherium	3135.12	3297.19	3060.26	-4.38	-13.61	37.37
Period	1 M	3 M	12 M			
EURIBOR	3.86	3.93	3.75			
SOFR	5.33	5.33	5.10			
Notes/Bonds	2 Y	10 Y	30 Y			
US	4.68	4.29	4.44			
BTP - BUND	0.50	1.25	1.65			
GILTS	4.26	4.06	4.51			

INTERNATIONAL EQUITY MARKETS

(Sources: Bloomberg / Reuters)

UNITED STATES OF AMERICA

Stocks rose Tuesday as the Federal Reserve kicked off its two-day policy meeting. Traders also kept an eye on Nvidia following key announcements from the tech giant. The central bank is expected to keep rates unchanged Wednesday. A recent slate of worrying inflation reports has investors concerned that the Fed could signal interest rates will remain higher for longer than expected.

EUROPE

European markets closed slightly higher Tuesday, as global investors looked to the start of the U.S. Federal Reserve's two-day policy meeting. Autos stocks rose 1.2%, while food and beverage stocks were down 0.5%.

ASIA

It was a dramatic day for Asia-Pacific markets as investors assessed the latest central bank monetary policy decisions from the Bank of Japan and the Reserve Bank of Australia. The BOJ officially ended its negative interest rate policy at its March meeting, hiking interest rates and raising its benchmark interest rate from -0.1% to a range of 0% to 0.1%. The bank also abolished its yield curve control policy. Asia-Pacific markets largely fell Tuesday following the move.

Index	Close	% Daily	% M	YTD	Futures	% Change
DJIA	39110.76	0.83	1.42	3.77	38691.18	#N/A N/A
S&P	5178.51	0.56	4.08	8.57	5101.67	#N/A N/A
Nasdaq	16166.79	0.39	3.43	7.70	17854.75	#N/A N/A
DJ EuroStoxx50	5007.92	0.50	5.20	10.76	5016.92	#N/A N/A
FTSE 100	7738.30	0.20	0.25	0.07	7734.00	#N/A N/A
CAC 40	8201.05	0.65	5.21	8.72	8208.60	N/A
DAX	17987.49	0.31	5.38	7.38	18032.44	#N/A N/A
IBEX 35	10701.40	0.99	6.61	5.93	10619.20	N/A
FTSE MIB	34262.36	0.95	8.08	12.88	33735.00	N/A
Nikkei	40003.60	0.66	4.27	19.54	39980.00	0.96
Hang Seng	16529.48	0.23	1.97	-2.81	16588.00	0.19
DFM General	4272.76	0.18	0.07	5.43	N/A	N/A
MSCI Tadawoul	12804.00	0.25	1.57	6.99	N/A	N/A

Leb. Mrkts	Closing Px	High	Low	% Daily	% Weekly	YTD
Solidere A	74.05	74.50	73.00	0.27	1.51	-16.89
Solidere B	73.85	74.50	70.00	3.87	-1.53	-17.90

MUST READ

(Source: Bloomberg/ Forexlive)

India is buying the most US oil as sanctions on Russian energy bite

India is buying more American crude oil as Russian energy flows dwindle amid sanctions. Bloomberg reported on Tuesday that the country is buying the most US crude in a year. India's state-owned oil refiners Bharat Petroleum, Indian Oil, and the country's leading private refiner Reliance Industries, have snapped up nearly 7 million barrels of April-loading crude oil so far in March, the largest monthly inflow since last May. WTI Midland crude oil accounted for the bulk of India's purchase this month, despite its higher delivered cost compared to the Middle East equivalent benchmark. Per Bloomberg, traders said India's switch to American oil would hit Sokol oil – the Russian equivalent of WTI Midland – the most. Since the Kremlin's invasion of Ukraine in February 2022, the West has intensified sanctions on Moscow's energy exports, including imposing a price cap on Russian oil to stem the flow of revenue used to fund the war. Despite this, India is still the biggest adopter of Russian crude. Experts told Bloomberg that the South Asian country imported 10% of US crude in 2021, but that plummeted to 4% in the past two years as Russia gained market share by selling at deep discounts. Yet, the impact of sanctions may finally have kicked in as many signs point to India pulling back on buying oil from Russian sources. Russian oil shipments to India fell by 420,000 barrels per day in February, totaling 1.2 million barrels imported daily. India's top oil refiners are also shying away from long-term contracts with Russian suppliers, and now considering purchases from Saudi Arabia as an alternative.

MAIN WEEKLY EARNINGS

Company	Ticker	Market Cap	Date	Time	Estimate	Year Ago
General Mills Inc	GIS US	\$ 38.97B	20-Mar-24	Pre-mkt	1.05	0.97
BioNTech SE ADR	BNTX US	\$ 22.37B	20-Mar-24	Pre-mkt	2.31	9.26
Micron Technolog	MU US	\$ 103.77B	20-Mar-24	Aft-mkt	-0.24	-1.91
Five Below Inc	FIVE US	\$ 11.41B	20-Mar-24	Aft-mkt	3.78	3.07
KB Home	KBH US	\$ 5.18B	20-Mar-24	Aft-mkt	1.57	1.45

ECONOMIC CALENDAR

(20-03-24) UK - CPI MoM / YoY / Core YoY
(20-03-24) US - MBA Mortgage Applications
(20-03-24) US - FOMC Rate Decision (Upper / Lower Bound)
(21-03-24) FR - HCOB France Manufacturing PMI
(21-03-24) EA - HCOB Eurozone Services PMI
(21-03-24) UK - S&P Global UK Manufacturing PMI
(21-03-24) UK - Bank of England Rate

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