

Daily Market Brief

June 20th 2024



FOREIGN EXCHANGE MARKETS

(Sources: Bloomberg / Reuters)

EUR/USD

EUR/USD cycled on Wednesday with US markets out for a midweek holiday, and the Fiber heads into the back half of the trading week with mid-tier data on the offering, leaving investors to look ahead to Friday's Purchasing Managers Index (PMI) activity figures for meaningful data releases to drive sentiment in either direction. Friday looms ahead with PMI activity figures on both sides of the Pacific.

GBP/USD

GBP/USD elbowed its way firmly above 1.2700 in quiet Wednesday trading as GBP traders gear up for Thursday's latest outing from the Bank of England (BoE), which is expected to keep rates on hold at 5.25% even as UK economic data continues to miss the mark, but not badly enough to spark institutional fears of an outright recession. BoE expected to hold rates, investors to look for shifts in votes.

USD/JPY

The USD/JPY pair consolidates around the 158.00 round figure during the Asian session on Thursday and remains well within the striking distance of its highest level since late April touched last week. The mixed fundamental backdrop, meanwhile, warrants some caution before positioning for an extension of the recent appreciating move witnessed over the past two weeks or so. The BoJ's cautious approach and the upbeat market mood undermine the safe-haven JPY.

Fx rates	Last	High	Low	% Daily	% Weekly	% YTD
EUR-USD	1.0738	1.0749	1.0737	-0.06	0.01	-2.73
GBP-USD	1.2709	1.2724	1.2708	-0.09	-0.42	-0.17
USD-JPY	158.14	158.19	157.92	0.03	-0.70	-10.81
USD-CHF	0.8835	0.8849	0.8835	-0.08	1.18	-4.77
Commodities	Last	High	Low	% Daily	% Weekly	% YTD
Gold	2341.49	2344.94	2327.81	0.59	1.62	13.50
Silver	30.30	30.49	29.72	1.72	4.61	27.34
Crude Oil	81.42	81.96	81.13	-0.18	3.72	13.13
Bitcoin	65469.01	65469.01	64783.59	0.95	-0.82	54.02
Etherium	3579.13	3592.12	3533.27	0.77	0.76	56.82
Period	1 M	3 M	12 M			
EURIBOR	3.61	3.72	3.60			
SOFR	5.34	5.35	5.06			
US Fed Fund Rate (Indicator)	5.31					
Notes/Bonds	2 Y	10 Y	30 Y			
US	4.74	4.25	4.38			
BTP - BUND	0.72	1.54	1.89			
GILTS	4.19	4.07	4.55			

INTERNATIONAL EQUITY MARKETS

(Sources: Bloomberg / Reuters)

UNITED STATES OF AMERICA

U.S. financial markets are closed for the Juneteenth holiday.

EUROPE

European stocks closed lower Wednesday, losing the positive momentum seen during the previous trading session. Inflation rose by an annual 2.0% in May, hitting the Bank of England's target ahead of its policy rate decision on Thursday. The Bank is widely expected to hold rates steady at 5.25%, with the majority of economists polled by Reuters forecasting a cut in August.

ASIA

Investors in Asia assessed Japan's trade data for May, with exports beating expectations. Exports grew 13.5% year on year compared with a 13% increase expected by economists polled by Reuters. Imports growth of 9.5%, however, missed expectations of a 10.4% increase. Investors also digested the Reuters Tankan index reading which showed business confidence among large Japanese manufacturers fell to +6 from +9 in May. On the flip side, business confidence among non-manufacturers climbed to +31 from +26 in May.

Index	Close	% Daily	% M	YTD	Futures	% Change
DJIA	38834.86	0.15	-2.92	3.04	38861.00	0.01
S&P	5487.03	0.25	3.47	15.04	5508.50	0.32
Nasdaq	17862.23	0.03	7.05	18.99	20050.50	0.66
DJ EuroStoxx50	4885.45	-0.61	-3.72	8.05	4899.00	0.27
FTSE 100	8205.11	0.17	-2.60	6.10	8224.50	0.26
CAC 40	7570.20	-0.77	-7.64	0.36	7573.00	0.00
DAX	18067.91	-0.35	-3.74	7.86	18130.00	0.32
IBEX 35	11056.40	-0.10	-2.50	9.45	11048.60	0.00
FTSE MIB	33220.31	-0.29	-4.61	9.45	33228.00	0.00
Nikkei	38570.76	0.06	-1.22	15.33	38570.00	0.23
Hang Seng	18430.39	-0.70	-6.80	7.35	18296.00	-0.73
DFM General	3988.22	0.11	-1.94	-1.76	N/A	N/A
MSCI Tadawoul	11498.93	-1.31	-5.17	-3.91	N/A	N/A

Leb. Mrkts	Closing Px	High	Low	% Daily	% Weekly	YTD
Solidere A	69.50	69.55	69.50	-0.71	-0.29	-22.00
Solidere B	69.05	69.05	69.05	0.00	-0.72	-23.24

MUST READ

(Source: Bloomberg/ Forexlive)

TSMC Nears \$1 Trillion Valuation as Target Upgrades Boost Rally

The bullish chorus on Taiwan Semiconductor Manufacturing Co. is growing even louder as a stock rally puts its market capitalization closer to the \$1 trillion milestone. A flurry of Wall Street brokerages have lifted their price targets for TSMC this week, citing surging AI-related demand and potential price hikes in 2025 to drive up earnings. Goldman Sachs Group Inc. is the most bullish of all, increasing its price target by 19% to NT\$1,160 as it sees three- and five-nanometer chip manufacturing prices advancing by a "low single digit percentage." JPMorgan Chase & Co. says TSMC may "lift its 2024 revenue guidance and potentially move up its capex to the higher end of the guidance range," and expects AI to contribute 35% of total sales by 2028. Citigroup Inc. and Morgan Stanley also raised their price targets on a stronger earnings outlook. The foundry sector leader has emerged as a major beneficiary of the widening adoption of artificial intelligence, with its cutting-edge technology and valuation making it a favorite play among global investors. TSMC has also prospered from being the main advanced-chip supplier of Nvidia Corp. — recently crowned the world's most-valuable company. TSMC overtook Berkshire Hathaway Inc. last week to become the eighth-largest company globally in terms of market capitalization, based on the firm's US-listed ADRs. The depository receipts' 73% gain this year has boosted the firm's market value to \$932 billion, shy of the \$1 trillion threshold.

MAIN WEEKLY EARNINGS

Company	Ticker	Market Cap	Date	Time	Estimate	Year Ago
GMS INC	GMS US	\$ 3.58B	20-Jun-24	Pre-mkt	2.04	2.11
Accenture PLC	A CN US	\$ 179.61B	20-Jun-24	Pre-mkt	3.15	3.19
Commercial Meta	CMC US	\$ 5.87B	20-Jun-24	Pre-mkt	1.11	2.02
Kroger Co	KR US	\$ 37.51B	20-Jun-24	Pre-mkt	1.34	1.51
Jabil Inc	JBL US	\$ 15.22B	20-Jun-24	Pre-mkt	1.85	1.99

ECONOMIC CALENDAR

(20-06-24) UK - Bank of England Bank Rate
(20-06-24) US - Initial Jobless Claims
(20-06-24) US - Housing Starts
(20-06-24) US - Philadelphia Fed Business Outlook
(21-06-24) JP - Natl CPI YoY
(21-06-24) UK - S&P Global UK Manufacturing PMI
(21-06-24) US - S&P Global US Manufacturing PMI

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