

Daily Market Brief

September 20th 2024



FOREIGN EXCHANGE MARKETS (Sources: Bloomberg / Reuters)

EURUSD
The EUR/USD pair trades in positive for the third consecutive day near 1.1165 during the Asian trading hours on Friday. The bearish US Dollar after the US Federal Reserve began its easing cycle with an unexpected 50 basis point rate cut at its September meeting underpins the major pair.

GBPUSD
The GBP/USD pair trades with a positive bias for the third straight day on Friday and hovers around the 1.3300 mark during the Asian session. The GBP continues to draw support from the BoE decision on Thursday to keep interest rates unchanged and run down its stock of government bonds by another £100 billion over the coming 12 months. In contrast, the USD languishes near its lowest level since July 2023 amid bets for more interest rate cuts by the Fed and turns out to be a key factor acting as a tailwind for the GBP/USD pair.

USDJPY
The JPY holds ground against the USD following the BoJ policy decision on Friday, keeping its interest rate at 0.15%, as highly expected. Additionally, Japan's CPI increased to 3.0% year-on-year in August, up from 2.8% previously, marking the highest level since October 2023. Additionally, the Core National CPI, excluding fresh food, reached a six-month high of 2.8%, rising for the fourth consecutive month and in line with market expectations.

Fx rates	Last	High	Low	% Daily	% Weekly	% YTD
EUR-USD	1.1164	1.1169	1.1157	0.02	0.80	1.13
GBP-USD	1.3296	1.3302	1.3270	0.09	1.31	4.44
USD-JPY	142.29	142.93	141.96	-0.24	-1.01	-0.88
USD-CHF	0.8465	0.8480	0.8458	-0.15	0.27	-0.60
Commodities	Last	High	Low	% Daily	% Weekly	% YTD
Gold	2594.59	2595.22	2584.88	0.30	0.66	25.77
Silver	31.10	31.15	30.72	1.02	1.25	30.71
Crude Oil	71.80	72.10	71.80	-0.21	4.59	1.16
Bitcoin	63771.72	64114.38	62630.17	1.16	6.63	50.02
Etherium	2543.73	2556.99	2438.13	3.16	7.61	11.45
Period	1M	3M	6M	12M		
SOFR (\$)	4.92	4.75	4.39	3.85		
ESTR (€)	2.69	3.37	3.14	2.69		
SONIA (£)	4.92	4.82	4.63	4.24		
SARON (F)	0.91	0.86	0.76	0.66		
TONAR (¥)	0.22	0.16	0.11	0.05		
						Rates
U.S. Federal Fund Target Rate						5.00
ECB Main Refinancing Operation Announcement Rate						3.65
ECB Deposit Facility Announcement Rate						3.50
ECB Marginal Lending Facility Announcement Rate						3.90
BOE Official Bank Rate						5.00

INTERNATIONAL EQUITY MARKETS (Sources: Bloomberg / Reuters)

UNITED STATES OF AMERICA
Stocks jumped Thursday, with the Dow Jones Industrial Average and S&P 500 rising to new all-time highs, as traders cheered the Federal Reserve's Wednesday decision to lower interest rates by a half percentage point. Tech stocks rallied as the rate cut spurred investors to return to a risk-on mood. Nvidia and AMD shares popped about 4% and nearly 6%, respectively.

EUROPE
European markets closed higher Thursday as investors digested the Bank of England's decision to hold interest rates steady, along with the U.S. Federal Reserve's 50 basis point rate cut. Bank of England policy makers voted to hold its key rate steady at 5% in a widely anticipated move.

ASIA
Most Asia-Pacific markets opened higher on Friday with Japan's Nikkei 225 leading gains, after Wall Street soared overnight following the Federal Reserve's outsized rate cut. The Bank of Japan kept its benchmark interest rate steady at around 0.25% at the conclusion of a two-day meeting Friday.

Index	Close	% Daily	% M	YTD	Futures	% Change
DJIA	42025.19	1.26	2.91	11.50	42037.00	-0.05
S&P	5713.64	1.70	2.08	19.79	5711.00	-0.12
Nasdaq	18013.98	2.51	1.11	20.00	19811.50	-0.20
DJ EuroStoxx50	4943.38	2.24	1.77	9.33	4919.00	-0.45
FTSE 100	8328.72	0.91	0.67	7.70	8284.50	-0.59
CAC 40	7615.41	2.29	1.73	0.96	7615.50	0.00
DAX	19002.38	1.55	3.51	13.44	18911.00	-0.51
IBEX 35	11778.10	0.80	6.23	16.59	11788.80	0.00
FTSE MIB	34044.86	1.16	2.93	12.17	34048.00	0.00
Nikkei	37155.33	1.39	-1.02	12.58	37450.00	1.52
Hang Seng	18013.16	0.88	3.77	6.60	18192.00	0.73
DFM General	4421.52	0.71	3.92	8.91	N/A	N/A
MSCI Tadawoul	12080.47	1.34	-0.19	0.94	N/A	N/A
Leb. Mrkts	Closing Px	High	Low	% Daily	% Weekly	YTD
Solidere A	88.80	89.90	87.00	-0.28	5.84	-0.34
Solidere B	86.75	89.55	83.80	2.00	3.71	-3.56

MUST READ (Source: Bloomberg/ Forexlive)

Japan's core inflation accelerates for 4th month in August
Japan's core consumer inflation accelerated for the fourth straight month in August and tracked comfortably above the central bank's 2% target, data showed on Friday, keeping alive expectations for further interest rate hikes. The data comes hours before the Bank of Japan concludes its two-day policy meeting, where it is widely expected to keep interest rates steady at 0.25%. The core CPI rose 2.8% in August from a year earlier, matching a median market forecast. It followed a 2.7% rise in July. A separate index stripping away both fresh food and fuel costs, which is scrutinised by the BOJ as a better gauge of demand-driven inflation, rose 2.0% in August from a year earlier. In July, the index was up 1.9%. "While the yen has strengthened sharply in recent weeks, we think it will take at least half a year for lower input costs to be passed on to consumer prices," said Marcel Thieliand, head of Asia-Pacific at Capital Economics. "Accordingly, underlying inflation should remain around 2% over the coming months, prompting another rate hike by the Bank of Japan at its October meeting," Thieliand said. BOJ Governor Kazuo Ueda has stressed the bank's readiness to raise rates further if inflation durably hits its target accompanied by solid wage growth. Japan's core consumer inflation has exceeded the BOJ's 2% for well over two years as rising raw material import costs, due in part to the weak yen, prodded firms to hike prices. In current projections made in July, the BOJ expects core consumer inflation to hit 2.5% in the year ending in March 2025 before slowing to 2.1% in fiscal 2025 and 1.9% in 2026.

MAIN WEEKLY EARNINGS

Company	Ticker	Market Cap	Date	Time	Estimate	Year Ago
AAR Corp	AIR US	\$ 2.49B	23-Sep-24	After-mkt	0.82	0.78
Thor Industries In	THO US	\$ 5.71B	24-Sep-24	Pre-mkt	1.30	1.68
Cintas Corp	CTAS US	\$ 82.16B	25-Sep-24	Pre-mkt	1.00	0.93
Micron Technolog	MU US	\$ 98.96B	25-Sep-24	After-mkt	1.10	-1.07
Jefferies Financial	JEF US	\$ 12.8B	25-Sep-24	After-mkt	0.80	0.23

ECONOMIC CALENDAR

(20-09-24) JP - Natl CPI YoY / Natl CPI Ex Fresh food YoY
(20-09-24) FR - Manufacturing Confidence
(20-09-24) JP - BoJ Target Rate
(23-09-24) US - S&P Global US Manufacturing PMI / Services PMI / Composite PMI
(24-09-24) US - Conf. Board Consumer Confidence
(24-09-24) US - Richmond Fed Manufact. Index
(25-09-24) US - MBA Mortgage Applications

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