

Daily Market Brief

November 20th 2023



FOREIGN EXCHANGE MARKETS

(Sources: Bloomberg / Reuters)

EURUSD

EUR/USD continues the winning streak, trading around a three-month high at 1.0920 during the Asian session on Monday. The pair seems to approach immediate resistance around the major level at 1.0950 as the US Dollar (USD) faces pressure on the likelihood of the Federal Reserve (Fed) to conclude its interest rate-hike cycle.

GBPUSD

The GBP/USD pair holds positive ground around 1.2485 during the early European session on Monday. The recovery of the pair is bolstered by the softer US Dollar (USD) and lower US Treasury bond yields. Investors will take more cues from Bank of England (BoE) Governor Andrew Bailey's speech on Monday ahead of the Federal Open Market Committee (FOMC) Meeting Minutes on Tuesday.

USDJPY

The US Dollar plummeted against the Yen (USD/JPY), breaking down through the 150. level to 149.50 as sentiment shifted against the Greenback. Last week's soft inflation data and weaker economic activity (Industrial Output and Manufacturing Production) weighed on the Dollar. A popular gauge of the Greenback's value against a basket of 6 major currencies, the Dollar Index (DXY) broke through 104 to 103.80. Traders wagered that the Fed is done with rate hikes.

Fx rates	Last	High	Low	% Daily	% Weekly	% YTD
EUR-USD	1.0918	1.0936	1.0898	0.03	2.06	1.99
GBP-USD	1.2478	1.2496	1.2446	0.13	1.62	3.27
USD-JPY	149.12	149.99	148.70	-0.34	1.74	-12.07
USD-CHF	0.8841	0.8873	0.8831	-0.18	1.98	4.57
Commodities	Last	High	Low	% Daily	% Weekly	% YTD
Gold	#NAME?	1985.23	1973.46	0.04	1.78	8.64
Silver	23.66	23.81	23.57	-0.25	5.98	-1.23
Crude Oil	76.59	76.63	75.65	0.92	-2.13	-0.93
Bitcoin	37144.76	37524.16	36946.12	0.37	-1.34	124.58
Etherium	2002.66	2015.69	1977.20	0.95	-2.18	66.98
Period	1 M	3 M	12 M			
USD LIBOR *	5.45	5.63	6.04			
EURIBOR	3.82	3.98	3.99			
SOFR	5.33	5.37	5.20			
Notes/Bonds	2 Y	10 Y	30 Y			
US	4.89	4.45	4.61			
BTP - BUND	0.63	1.77	2.07			
GILTS	4.55	4.10	4.54			

INTERNATIONAL EQUITY MARKETS

(Sources: Bloomberg / Reuters)

UNITED STATES OF AMERICA

The major averages each notched their third straight positive week. The Dow closed the week with a 1.9% advance. Those gains were sparked by tame U.S. inflation data that gave hope to investors that the Federal Reserve's tough stance on rate policy may be in the rearview mirror. Gap shares leapt 30% a day after the company posted better-than-expected results for its fiscal third quarter.

EUROPE

The recent US inflation report surprised markets, with year-on-year inflation falling to 3.2% in October, down from 3.7% the month before and below analyst estimates of 3.3%. The news led to European stocks rejoicing on the back of increased hopes that tightening monetary policy by major central banks may now come to an end. The French CAC 40 index increased 2.20% this week, also FTSE 100 index increased by 0.4% as well.

ASIA

Asian shares were higher Monday after Wall Street closed its third straight winning week with a tiny gain. U.S. futures were lower while oil prices gained as investors looking ahead to OPEC plus meetings.

Index	Close	% Daily	% M	YTD	Futures	% Change
DJIA	34947.28	0.01	5.49	5.43	34986.00	-0.07
S&P	4514.02	0.13	6.86	17.57	4520.75	-0.14
Nasdaq	14125.48	0.08	8.79	34.96	15845.25	-0.31
DJ EuroStoxx50	4340.77	0.89	7.85	14.42	4347.00	0.00
FTSE 100	7504.25	1.26	1.38	0.70	7512.00	-0.12
CAC 40	7233.91	0.91	6.13	11.74	7230.80	N/A
DAX	15919.16	0.84	7.57	14.33	15957.00	-0.06
IBEX 35	9761.40	0.97	8.11	18.62	9764.70	N/A
FTSE MIB	29498.43	0.82	7.83	24.43	29352.00	N/A
Nikkei	33388.03	-0.59	6.81	27.95	33320.00	-0.83
Hang Seng	17454.19	1.60	3.27	-10.35	17753.00	1.55
DFM General	3994.54	-0.11	6.36	19.61	N/A	N/A
MSCI Tadawoul	11137.03	0.50	4.53	6.28	N/A	N/A
Leb. Mrkts	Closing Px	High	Low	% Daily	% Weekly	YTD
Solidere A	68.00	69.50	67.00	-1.81	-2.30	11.66
Solidere B	66.25	67.00	65.45	1.15	0.38	9.78

MUST READ

(Source: Bloomberg/ Forexlive)

The housing market is historically unaffordable

The current US housing landscape is sidelining potential homebuyers, who are scared off by 8% mortgages and stubbornly high prices — but climbing interest rates aren't a problem for the record number of Americans who own their homes without a mortgage. The share of homeowners that are mortgage-free surged 5% between 2012 and 2022, Bloomberg reported Friday, citing data from the Census Bureau, hitting a new record just below 40%. Millions of Americans refinanced their mortgages before the recent rate spike, and some have done it multiple times over several decades. Lower rates of the past allowed many borrowers to enter shorter-term loans without radically increasing their monthly payments. Then, many benefited further when property values surged after the 2008 crisis. More than half of mortgage-free homeowners are at retirement age. Without the burdens of a mortgage, some can move as they please. They're moving from more expensive regions to the Sun Belt, where they are able to buy homes outright. Construction is booming in these states, and the share of mortgage-free homes is high. From the start of the pandemic in 2020 up to 2022, 29% of new homes built in the US were in Florida and Texas, two places that together saw 43% of homes owned outright, per Bloomberg. As Business Insider reported, about 730,000 people moved to Florida between 2021 and 2022. It's part of the "biggest migration" in a generation, said Holly Meyer Lucas, a real-estate agent in South Florida.

MAIN WEEKLY EARNINGS

Company	Ticker	Market Cap	Date	Time	Estimate	Year Ago
Zoom Video Com	ZM US	\$18.90 B	20-Nov-23	Aft-mkt	1.09	1.07
Best Buy Inc	BBY US	\$14.99 B	21-Nov-23	Pre-mkt	1.18	1.38
American Eagle O	AEO US	\$3.87 B	21-Nov-23	Pre-mkt	0.48	0.42
Abercrombie & Fi	ANF US	\$3.51 B	21-Nov-23	Pre-mkt	1.14	0.01
HP Inc	HPQ US	\$27.95 B	21-Nov-23	Aft-mkt	0.90	0.86

ECONOMIC CALENDAR

(20-11-23) US - Leading Index
(21-11-23) CA - CPI NSA MoM / CPI YoY
(21-11-23) US - Existing Home Sales
(22-11-23) US - MBA Mortgage Applications
(23-11-23) FR - HCOB France Manufacturing PMI / Services PMI / Composite PMI
(23-11-23) DE - HCOB Germany Manufacturing PMI / Services PMI / Composite PMI
(23-11-23) UK - S&P Global / CIPS UK Manufacturing PMI

CONTACT

Banque BEMO sal
Asset Management Unit

Ashrafieh, Elias Sarkis Ave., BEMO Bldg, 4th Floor
P.O.Box 16-6353 Beirut, Lebanon
Tel: +961 1 325405/6/7/9

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