# Daily Market Brief

November 20th 2024

BANQUE BEMO

## FOREIGN EXCHANGE MARKETS *(Sources: Bloomberg / Reuters)*

**EUR/USD**

The EUR/USD remains subdued as the US Dollar strengthens amid safe-haven demand, driven by escalating geopolitical tensions in the Russia-Ukraine conflict. Concerns over potential US trade tariffs on the Eurozone and persistent European inflation weigh on the Euro, while the US Dollar benefits from expectations of pro-inflationary policies under the incoming Trump administration.

**GBP/USD**

GBP/USD continues to rise for the third session in a row, supported by reduced expectations of a Bank of England rate cut this year, with traders awaiting key UK inflation data for further clues on the BoE's next move. Meanwhile, the US Dollar remains steady after recent losses, as markets anticipate inflationary policies under the incoming Trump administration, which could affect future Federal Reserve rate decisions.

**USD/JPY**

The Japanese Yen continues to weaken against the US Dollar, aided by easing geopolitical tensions and uncertainty over the Bank of Japan's interest rate policy, which helps the USD/JPY pair recover from a recent low. Meanwhile, US economic growth expectations under President-elect Trump, rising Treasury yields, and reduced safe-haven demand further support the US Dollar, though concerns over potential intervention may limit significant Yen depreciation.

| Fx rates | Last | High | Low | % Daily | % Weekly | % YTD |
|---|---|---|---|---|---|---|
| EUR-USD | 1.0591 | 1.0610 | 1.0583 | -0.05 | 0.26 | -4.06 |
| GBP-USD | 1.2708 | 1.2714 | 1.2673 | 0.21 | 0.00 | -0.18 |
| USD-JPY | 155.39 | 155.46 | 154.53 | 0.47 | 0.05 | -9.23 |
| USD-CHF | 0.8839 | 0.8844 | 0.8818 | 0.17 | 0.20 | -4.81 |
| **Commodities** | **Last** | **High** | **Low** | **% Daily** | **% Weekly** | **% YTD** |
| Gold | 2629.05 | 2641.84 | 2628.69 | -0.12 | 2.18 | 27.44 |
| Silver | 31.04 | 31.34 | 30.98 | -0.56 | 2.42 | 30.44 |
| Crude Oil | 69.39 | 69.58 | 69.38 | 0.00 | 1.40 | -1.29 |
| Bitcoin | 92424.12 | 92736.39 | 91494.57 | 0.13 | 0.75 | 117.43 |
| Etherium | 3106.08 | 3126.61 | 3069.21 | 0.34 | 0.46 | 36.09 |

| Period | 1M | 3M | 6M | 12M |
|---|---|---|---|---|
| SOFR ($) | 4.60 | 4.52 | 4.43 | 4.28 |
| ESTR (€) | 2.27 | 2.90 | 2.62 | 2.27 |
| SONIA (£) | 4.71 | 4.68 | 4.59 | 4.46 |
| SARON (F) | 0.83 | 0.65 | 0.52 | 0.35 |
| TONAR (¥) | 0.22 | 0.22 | 0.17 | 0.09 |

| | Rates |
|---|---|
| U.S. Federal Fund Target Rate | 4.75 |
| ECB Main Refinancing Operation Announcement Rate | 3.4 |
| ECB Deposit Facility Announcement Rate | 3.25 |
| ECB Marginal Lending Facility Announcement Rate | 3.65 |
| BOE Official Bank Rate | 4.75 |

## INTERNATIONAL EQUITY MARKETS *(Sources: Bloomberg / Reuters)*

**UNITED STATES OF AMERICA**

The Nasdaq Composite rose on Tuesday, fueled by gains in Nvidia, Walmart, Tesla, and other tech stocks, despite concerns over escalating geopolitical tensions between Ukraine and Russia. Investors remained cautious as fears of nuclear escalation and increased volatility from the conflict weighed on market sentiment, with safe-haven assets like Treasury bonds and gold seeing gains.

**EUROPE**

European markets fell on Tuesday as geopolitical tensions around Russia escalated, particularly after the Kremlin expanded its nuclear retaliation stance. Most sectors saw declines, including banks and travel, while healthcare rose slightly, as investors sought safe-haven assets amid growing concerns over the conflict and its global impact.

**ASIA**

Asia-Pacific markets were mostly lower Wednesday, following a mixed day on Wall Street amid mounting geopolitical tensions between Ukraine and Russia.

| Index | Close | % Daily | % M | YTD | Futures | % Change |
|---|---|---|---|---|---|---|
| DJIA | 43268.94 | -0.28 | -0.02 | 14.80 | 43521.00 | -0.04 |
| S&P | 5916.98 | 0.40 | 0.89 | 24.05 | 5953.25 | 0.57 |
| Nasdaq | 18987.47 | 1.04 | 2.69 | 26.49 | 20830.50 | 0.97 |
| DJ EuroStoxx50 | 4751.23 | -0.82 | -4.71 | 5.08 | 4797.00 | -0.02 |
| FTSE 100 | 8099.02 | -0.13 | -3.10 | 4.73 | 8131.50 | 0.08 |
| CAC 40 | 7229.64 | -0.67 | -5.04 | -4.16 | 7278.50 | -0.19 |
| DAX | 19060.31 | -0.67 | -3.04 | 13.78 | 19216.00 | -0.12 |
| IBEX 35 | 11588.40 | -0.74 | -2.82 | 14.71 | 11599.20 | -0.67 |
| FTSE MIB | 33324.73 | -1.28 | -5.34 | 9.80 | 33424.00 | -1.30 |
| Nikkei | 38352.34 | -0.16 | -1.61 | 14.61 | 38440.00 | 0.47 |
| Hang Seng | 19663.67 | 0.19 | -5.30 | 15.57 | 19714.00 | 0.54 |
| DFM General | 4731.72 | 0.86 | 6.79 | 17.56 | N/A | N/A |
| MSCI Tadawoul | 11875.91 | 0.38 | -0.06 | -0.76 | N/A | N/A |

| Leb. Mrkts | Closing Px | High | Low | % Daily | % Weekly | YTD |
|---|---|---|---|---|---|---|
| Solidere A | 92.00 | 92.00 | 91.15 | 0.22 | -3.16 | 3.25 |
| Solidere B | 91.70 | 92.00 | 90.00 | -0.16 | -2.45 | 1.95 |

## MUST READ *(Source: Bloomberg/ Forexlive)*

### Japan and China dump US Treasuries before Trump's victory

Two of the world's biggest foreign holders of US government debt offloaded a pile of Treasuries in the third quarter as they rallied before the presidential election. Japanese investors sold a record USD 61.9 billion of the securities in the three months ended Sept. 30, data from the US Department of the Treasury showed on Monday. Funds in China offloaded USD 51.3 billion during the same period, the second biggest sum on record. The return on Treasuries peaked at a 2-1/2 year high in mid-September before the Republican Party gained control of both houses of Congress and the White House. The securities have since dropped almost 4% from that level on concern President- elect Donald Trump's low-tax, high tariff policies will fuel inflation. Japan's selling may have been in part amplified by the nation's intervention in the foreign-exchange market on July 11 and 12 when the Ministry of Finance sold dollars to buy the yen for a total of JPY5.53 trillion yen (USD 35.9 billion). The sales by China may have also been skewed due to its use of custodial accounts. Funds in Belgium, seen as a home to such accounts for the Asian nation, bought a record USD 20.2 billion of Treasuries in September. Japan and China still own USD 1.02 trillion and USD 731 billion worth of Treasuries respectively, underscoring their influence over the US debt market.

## MAIN WEEKLY EARNINGS

| Company | Ticker | Market Cap | Date | Time | Estimate | Year Ago |
|---|---|---|---|---|---|---|
| Target Corporatic | TGT US | $ 71.87B | 20-Nov-24 | Pre-mkt | 2.30 | 2.10 |
| Palo Alto Networl | PANW US | $ 126.90B | 20-Nov-24 | Aft-mkt | 1.48 | 1.38 |
| Nvidia Corp | NVDA US | $ 3.61T | 20-Nov-24 | Aft-mkt | 0.74 | 0.40 |
| Deere & company | DE US | $ 109.46B | 21-Nov-24 | Pre-mkt | 3.87 | 8.26 |
| Copart Inc | CPRT US | $ 54.45B | 21-Nov-24 | Aft-mkt | 0.37 | 0.35 |

## ECONOMIC CALENDAR

**(20-11-24) UK** - CPI MoM / YoY / Core YoY
**(21-11-24) US** - Philadelphia Fed Business Outlook
**(22-11-24) JP** - Natl CPI YoY
**(22-11-24) DE** - GDP SA QoQ / GDP NSA YoY
**(22-11-24) US** - S&P Global US Manufacturing PMI
**(22-11-24) US** - University of Michigan Sentiment
**(26-11-24) US** - Conf. Board Consumer Confidence


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