

Daily Market Brief

March 21 2024



FOREIGN EXCHANGE MARKETS

(Sources: Bloomberg / Reuters)

EUR/USD

EUR/USD crossed 1.0890 on reaction to the Federal Reserve's (Fed) latest rate call, which held rates at 5.5% as markets had broadly predicted. Investor expectations are pricing in additional easing in 2024, despite the Federal Open Market Committee seeing stronger growth through 2024 and 2025 than initially expected.

GBP/USD

The GBP/USD pair gains momentum during the early Asian trading hours on Thursday. The rebound of the pair is supported by the weaker USD following Fed Chair Powell's dovish press conference. Investors will closely watch the BoE interest rate decision on Thursday, along with the preliminary US S&P Global PMI for March. The BoE is widely expected to keep rates on hold at 5.25% on Thursday.

USD/JPY

USD/JPY took a quick dive into 151.00 after the Fed held its main reference rate at 5.5% as markets had broadly predicted. Risk-hungry investors are struggling off higher-than-previous growth expectations and interest rate forecasts from the FOMC. Despite upside shifts to the Dot Plot, the Fed still expects three rate cuts through 2024 for around 75 basis points.

Fx rates	Last	High	Low	% Daily	% Weekly	% YTD
EUR-USD	1.0936	1.0939	1.0920	0.13	0.49	-0.93
GBP-USD	1.2794	1.2803	1.2784	0.07	0.32	0.49
USD-JPY	150.99	151.30	150.27	-0.18	-1.76	-6.59
USD-CHF	0.8853	0.8872	0.8839	-0.18	-0.18	-4.96
Commodities	Last	High	Low	% Daily	% Weekly	% YTD
Gold	2207.86	2220.89	2186.80	0.98	2.11	7.02
Silver	25.69	25.77	25.48	0.43	3.53	7.97
Crude Oil	81.64	81.84	81.45	0.46	1.11	13.18
Bitcoin	67121.98	68221.38	66102.23	0.06	0.04	57.90
Etherium	3515.47	3559.48	3448.20	1.53	-2.80	54.03
Period	1 M	3 M	12 M			
EURIBOR	3.86	3.94	3.76			
SOFR	5.33	5.33	5.08			
Notes/Bonds	2 Y	10 Y	30 Y			
US	4.59	4.26	4.44			
BTP - BUND	0.52	1.28	1.69			
GILTS	4.23	4.02	4.48			

INTERNATIONAL EQUITY MARKETS

(Sources: Bloomberg / Reuters)

UNITED STATES OF AMERICA

The three major averages rallied to hit all-time closing records Wednesday after the Federal Reserve held rates at a 23-year high and maintained expectations for three cuts before the end of 2024. The central bank indicated that it needs greater evidence that inflation is easing before it starts taking its foot off the brakes. Megacap technology stocks responsible for powering the recent market rally rose as investors bet the sector stands to gain the most from lower rates.

EUROPE

European markets closed mixed on Wednesday as investors awaited the latest monetary policy decision from the U.S. Federal Reserve. U.K. inflation came in lower than expected at 3.4% year on year in February, official figures showed Wednesday, down from 4% in January.

ASIA

Asia-Pacific markets rose as investors digested the Bank of Japan's landmark shift in monetary policy. Reserve's interest rate decision. The BOJ on Tuesday raised interest rates for the first time in 17 years and scrapped its yield curve control policy, sending the Nikkei beyond the 40,000 mark for the first time in almost two weeks.

Index	Close	% Daily	% M	YTD	Futures	% Change
DJIA	39512.13	1.03	2.33	4.84	38691.18	N/A
S&P	5224.62	0.89	4.87	9.53	5101.67	N/A
Nasdaq	16369.41	1.25	5.06	9.05	17854.75	N/A
DJ EuroStoxx50	5000.31	-0.15	4.71	10.59	5016.92	N/A
FTSE 100	7737.38	-0.01	0.98	0.05	7734.00	N/A
CAC 40	8161.41	-0.48	4.47	8.20	8208.60	N/A
DAX	18015.13	0.15	5.24	7.54	18032.44	N/A
IBEX 35	10752.50	0.48	6.38	6.44	10619.20	N/A
FTSE MIB	34293.29	0.09	7.10	12.99	33735.00	N/A
Nikkei	40815.66	2.03	6.39	21.97	40580.00	2.47
Hang Seng	16543.07	2.22	2.47	-0.80	16945.00	2.22
DFM General	4291.37	0.07	0.92	5.77	N/A	N/A
MSCI Tadawoul	12739.33	-0.51	0.83	6.45	N/A	N/A

Leb. Mrkts	Closing Px	High	Low	% Daily	% Weekly	YTD
Solidere A	74.20	74.80	74.05	0.20	-1.07	-16.72
Solidere B	74.75	74.80	74.65	1.22	-0.33	-16.90

MUST READ

(Source: Bloomberg/ Forexlive)

Stocks notch fresh records as the Fed affirms guidance for rate cuts

US stocks surged on Wednesday, with the S&P 500 notching a fresh record as investors took in the Federal Reserve's latest policy guidance on rate cuts to come this year. The S&P 500 closed above 5,200 for the first time and the Dow Jones Industrial Average soared almost 400 points to notch a new all-time high. The Nasdaq Composite ended more than 1% higher. Fed officials kept interest rates steady at 5.25%-5.5%, as markets had been broadly anticipating. Officials also reiterated guidance via the dot plot that three 25 basis-point rate cuts could come later in 2024, assuming inflation continues its downward path. "We are strongly committed to returning inflation to our 2% objective," Fed Chair Jerome Powell said in prepared remarks Wednesday afternoon. "As labor market tightness has eased and progress on inflation has continued, the risk to achieving our employment and inflation goals are coming into better balance," he later added. Markets are now pricing in a 73% chance the Fed could cut rates at least once by the end of June, according to the CME FedWatch tool. "The FOMC has stuck to its view that the underlying inflation picture is improving, notwithstanding the disappointing numbers in the past two months," Ian Shepherdson, the chief economist of Pantheon Macroeconomics, said in a note on Wednesday. "We are encouraged by policymakers' decision to stick with three rate cuts this year and to forecast a markedly slower run rate in core inflation across the remainder of the year."

MAIN WEEKLY EARNINGS

Company	Ticker	Market Cap	Date	Time	Estimate	Year Ago
Accenture PLC		\$ 253.83B	21-Mar-24	Pre-mkt	2.65	2.69
Academy Sports &	ASO US	\$ 5.28B	21-Mar-24	Pre-mkt	2.29	2.04
Darden Restaura	DRI US	\$ 20.85B	21-Mar-24	Pre-mkt	2.62	2.34
Factset Research !	FDS US	\$ 18.58B	21-Mar-24	Pre-mkt	3.92	3.80
FedEx Corp	FDX US	\$ 64.97B	21-Mar-24	Aft-mkt	3.47	3.41

ECONOMIC CALENDAR

(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
(21-03-24) US - Initial Jobless Claims
(21-03-24) US - Existing Home Sales
(22-03-24) JP - Natl CPI YoY

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

Disclaimer: This report is published for information purposes only. The information herein has been compiled from, or based upon sources we believe to be reliable, but we do not guarantee or accept responsibility for its completeness and accuracy. This document should not be construed as a solicitation to take part in any investment, or as constituting any representation or warranty on our part. The investment risks described herein are not purported to be exhaustive, any person considering an investment should seek independent advice on the suitability or otherwise of the particular investment. Investment, Capital Market and Treasury products are subject to investment risk, including possible loss of principal amount invested. Past performance is not indicative of future results: prices can go up or down. Investors investing in investments and/or treasury products denominated in foreign (non-local) currency should be aware of the risk of exchange rate fluctuations that may cause loss of principal when foreign currency is converted to the investor's home currency. Client understands that it is his/her responsibility to seek legal and/or tax advice regarding the legal and tax consequences of his/her investment transactions. The consequences of any action taken on the basis of information contained herein are solely the responsibility of the recipient.