

Daily Market Brief

August 21st 2023



FOREIGN EXCHANGE MARKETS

(Sources: Bloomberg / Forexlive)

EURUSD

EUR/USD grinds near 1.0880 as bears take a breather at the lowest levels in six weeks after dominating since late July in a row. That said, the Euro pair's latest consolidation could be linked to the market's preparations for this week's top-tier data/events, especially amid a light calendar on Monday. However, the bearish bias remains intact as the latest EU/US data and market sentiment favors the Greenback.

GBPUSD

GBP/USD buyers struggle to keep the reins after beating the bears the last week, following four consecutive weekly declines. With this, the Cable pair seesaws near 1.2740-30 amid the early hours of Monday's Asian session after positing the first weekly gain in five. That said, the latest round of the UK housing and employment signals seem to join the market's cautious mood ahead of this week's top-tier data/events to prod the Pound Sterling buyers.

USDJPY

USD/JPY snaps a two-day losing streak, hovering around 145.40 during the Asian session on Monday. The USD/JPY pair cheers employment and manufacturing survey data. However, market participants are currently in search of additional cues that could provide them with a clearer understanding of the US (Fed) direction regarding monetary policy tightening.

Fx rates	Last	High	Low	% Daily	% Weekly	% YTD
EUR-USD	1.0878	1.0887	1.0870	0.05	-0.26	1.62
GBP-USD	1.2735	1.2751	1.2716	0.01	0.41	5.40
USD-JPY	145.41	145.63	145.15	0.01	0.10	-9.83
USD-CHF	0.8823	0.8828	0.8811	0.03	-0.44	4.78
Commodities	Last	High	Low	% Daily	% Weekly	% YTD
Gold	1888.08	1894.14	1884.89	-0.07	-1.00	3.51
Silver	22.77	22.89	22.67	0.07	0.73	-4.97
Crude Oil	81.74	82.15	81.07	0.60	-0.93	3.67
Bitcoin	26112.78	26242.31	26043.11	-0.46	-9.77	57.88
Etherium	1679.46	1690.01	1674.83	-0.59	-7.11	40.03
Period	1 M	3 M	12 M			
USD LIBOR *	5.43	5.64	6.04			
EURIBOR	3.62	3.82	4.09			
SOFR	5.31	5.38	5.38			
Notes/Bonds	2 Y	10 Y	30 Y			
US	4.96	4.30	4.43			
BTP - BUND	0.68	1.71	2.04			
GILTS	5.20	4.68	4.87			

INTERNATIONAL EQUITY MARKETS

(Sources: Bloomberg / Reuters)

UNITED STATES OF AMERICA

The S&P 500 ended nearly flat on Friday as gains in defensive sectors and energy offset weakness in megacap growth stocks, while investors looked toward next week's speech by Federal Reserve Chair Jerome Powell. Energy, defensive sectors support market. Estee Lauder slips on annual forecast miss.

EUROPE

European shares sank to their lowest level in six weeks on Friday, dragged down by financials and healthcare as concern over interest rates staying higher for longer globally and China's dwindling growth prospects hit investor sentiment. Euro zone inflation fall confirmed.

ASIA

China stocks fell to around nine-month lows on Monday as investors were disappointed by authorities' milder-than-expected measures to boost confidence, with the country's sluggish recovery and property woes keeping sentiment fragile.

Index	Close	% Daily	% M	YTD	Futures	% Change
DJIA	34500.66	0.07	-2.06	4.08	34535.00	-0.08
S&P	4369.71	-0.01	-3.67	13.81	4377.25	-0.11
Nasdaq	13290.78	-0.20	-5.29	26.98	14727.00	-0.11
DJ EuroStoxx50	4212.95	-0.35	-4.06	11.05	4228.00	0.02
FTSE 100	7262.43	-0.65	-5.24	-2.54	7271.00	-0.01
CAC 40	7164.11	-0.38	-3.61	10.66	7108.50	N/A
DAX	15574.26	-0.65	-3.73	11.86	15621.00	-0.02
IBEX 35	9267.70	-0.11	-3.17	12.62	9216.20	N/A
FTSE MIB	27761.98	-0.42	-3.79	17.10	27839.00	N/A
Nikkei	31450.76	0.32	-2.33	20.91	31530.00	0.19
Hang Seng	17950.85	-1.64	-7.44	-10.74	17642.00	-1.43
DFM General	4050.59	0.04	1.61	21.42	N/A	N/A
MSCI Tadawoul	11501.42	0.44	-2.17	9.76	N/A	N/A
Leb. Mkts	Closing Px	High	Low	% Daily	% Weekly	YTD
Solidere A	79.40	79.90	78.70	0.63	1.34	30.38
Solidere B	79.10	80.00	77.20	1.48	1.35	31.07

MUST READ

(Source: Bloomberg/ Forexlive)

The Week Ahead

Investors will look to regroup next week after three straight weeks of declines for the S&P 500 Index and the Nasdaq Composite Index amid rising concerns over higher Treasury yields and inflation. The market weakness came right in front of the Fed's Jackson Hole symposium, which will be a key focus for investors and include a speech by Jerome Powell. Analyst Gary Gambino advised readers that they should not expect any big surprises to come out of the conference. "The Fed will probably restate its intent to keep interest rates high for an extended period to make sure inflation does not flare up again," he previewed. Early in the week, global flash PMI prints, U.S. durable goods orders, and European sentiment indicators will give economists more data points to analyze. Meanwhile, on the earnings front, reports from Nvidia, DICK'S Sporting Goods, and Snowflake will be closely watched. On the labor front, the United Auto Workers union set a vote for next week on authorizing their leaders to call for strikes against Detroit automakers Stellantis, Ford, and General Motors Company. Union President Shawn Fain said in a recent statement that talks are moving slowly and have yet to get to wages and other economic issues. Traders could also see the AMC Entertainment 1-for-10 reverse stock split and subsequent APE unit conversion finally make it to the finish line.

MAIN WEEKLY EARNINGS

(Source: Nasdaq)

Company	Ticker	Market Cap	Date	Time	Estimate	Year Ago
Zoom Video Com	ZM US	\$19.4 B	21-Aug-23	After-mkt	0.31	0.28
Nordson Corpora	NDSN US	\$13.4 B	21-Aug-23	After-mkt	2.31	2.49
NVIDIA Corporati	NVDA US	\$1.1 T	23-Aug-23	After-mkt	1.69	0.32
Analog Devices	ADI US	\$87.9 B	23-Aug-23	Pre-mkt	2.53	2.52
Snowflake	SNOW US	\$50.9 B	23-Aug-23	After-mkt	-0.35	-0.67

ECONOMIC CALENDAR

(Source: Forexlive)

(21-08-23) DE- Producer Price Index JUL; German Byba Monthly report
(23-08-23) DE- HCOB Composite, Services, Manufacturing PMI AUG preliminar
(23-08-23) EA- HCOB Manufacturing, Services, Composite PMI AUG
(23-08-23) GB- S&P Global/CIPS Composite, Services, Manufacturing PMI AUG
(23-08-23) CA- Retail Sales JUN; Retail Sales ex Autos JUN
(23-08-23) US- S&P Global Services, Manufacturing, Composite PMI AUG preliminar
(23-08-23) EA- Consumer Confidence AUG preliminar

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