

Daily Market Brief

August 21st, 2024



FOREIGN EXCHANGE MARKETS

(Sources: Bloomberg / Reuters)

EUR/USD

The EUR/USD pair loses momentum around 1.1120, snapping the three-day winning streak during the early European session on Wednesday. The cautious mood in the markets ahead of the July FOMC Minutes meeting minutes on Wednesday provides some support for the Greenback.

GBP/USD

GBP/USD chalked in another third of a percent gain on Tuesday, squeezing out a fresh 13-month high and closing in the green for a third straight day as the Pound Sterling capitalizes on broad-market Greenback weakness. Market sentiment is holding on the high end ahead of key business activity survey results, and the upcoming kickoff of the Jackson Hole Economic Symposium.

USD/JPY

The JPY halts its three-day winning streak against the USD following the release of Trade Balance data on Wednesday. However, the JPY's decline might be limited due to the growing likelihood of another near-term interest rate hike. Traders are also anticipating BoJ Governor Kazuo Ueda's appearance in parliament on Friday, where he will discuss the central bank's decision last month to raise interest rates.

Fx rates	Last	High	Low	% Daily	% Weekly	% YTD
EUR-USD	1.1117	1.1133	1.1117	-0.12	0.95	0.71
GBP-USD	1.3022	1.3038	1.3022	-0.09	1.50	2.29
USD-JPY	145.63	145.78	144.94	0.25	1.17	-3.15
USD-CHF	0.8544	0.8545	0.8521	0.05	1.26	-1.52
Commodities	Last	High	Low	% Daily	% Weekly	% YTD
Gold	2516.32	2520.00	2510.97	0.09	2.80	21.98
Silver	29.55	29.60	29.34	0.38	7.19	24.19
Crude Oil	73.04	73.29	72.89	-0.18	-3.69	2.90
Bitcoin	59388.95	59552.81	58817.14	0.13	0.15	39.71
Etherium	2594.91	2599.45	2558.41	0.19	-0.56	13.70
Period	1 M	3 M	12 M			
EURIBOR	3.58	3.55	3.18			
SOFR	5.31	5.12	4.38			
US Fed Fund Rate (Indicator)		5.31				
Notes/Bonds	2 Y	10 Y	30 Y			
US	3.98	3.80	4.06			
BTP - BUND	0.50	1.38	1.79			
GILTS	3.69	3.92	4.45			

INTERNATIONAL EQUITY MARKETS

(Sources: Bloomberg / Reuters)

UNITED STATES OF AMERICA

Stocks ticked lower on Tuesday, ending a winning streak as investors failed to build on the market's recent recovery rally. This week, investors are readying themselves for the Federal Reserve's annual Jackson Hole Economic Symposium, where Fed Chair Jerome Powell is scheduled to give remarks Friday. Traders will parse minutes from the central bank's July policy meeting due Wednesday.

EUROPE

European stocks closed lower Tuesday afternoon as market uncertainty over the economic outlook lingers. Banks shed 1.25%, while oil and gas stocks fell 2.09%. In central bank news, Sweden's Riksbank cut interest rates by 25 basis points to 3.5% from 3.75% and signaled two to three more rate cuts this year.

ASIA

Asia-Pacific markets mostly fell on Wednesday after U.S. benchmark indexes, the S&P500 and the Nasdaq Composite, snapped an eight-day winning streak overnight. Japan's trade data for July showed exports rose 10.3% year on year and imports grew 16.6%.

Index	Close	% Daily	% M	YTD	Futures	1W % Change
DJIA	40834.97	-0.15	1.36	8.35	41000.00	2.20
S&P	5597.12	-0.20	1.67	17.34	5625.50	2.71
Nasdaq	17816.94	-0.33	0.51	18.69	19830.25	3.74
DJ EuroStoxx50	4857.58	-0.28	0.63	7.43	4881.00	2.93
FTSE 100	8273.32	-1.00	1.44	6.98	8306.00	0.29
CAC 40	7485.73	-0.22	-0.65	-0.76	7435.20	1.35
DAX	18357.52	-0.35	1.02	9.59	18444.00	2.75
IBEX 35	11087.80	-0.13	0.00	9.76	10940.90	1.72
FTSE MIB	33075.62	-0.57	-3.33	8.97	33194.00	2.27
Nikkei	38062.92	-0.25	-5.23	13.46	37950.00	4.32
Hang Seng	17511.08	-1.02	-0.49	1.67	N/A	N/A
DFM General	4254.87	0.41	1.77	4.80	N/A	N/A
MSCI Tadawoul	12103.82	0.67	-0.81	1.14	N/A	N/A
Leb. Mrkts	Closing Px	High	Low	% Daily	% Weekly	YTD
Solidere A	80.15	81.95	78.00	2.76	8.24	-10.04
Solidere B	77.10	79.00	75.60	2.73	4.68	-14.29

MUST READ

(Source: Bloomberg/ Forexlive)

BOJ to raise rates again by end-year, say 57% of economists - Reuters poll

The Bank of Japan will raise interest rates again by year-end, according to more than half the economists in a Reuters poll published on Wednesday, with those who had a view on which month leaning towards a December increase. The findings reflect analysts' conviction the BOJ is undeterred from gradually retreating from decades of huge monetary stimulus even as its global peers, including the U.S. Federal Reserve, tilt toward interest rate cuts. In the August 13-19 poll, 57% of economists, or 31 of 54, said the BOJ would raise borrowing costs again by the end of the year. The median prediction for the rate at end-year was 25 basis points higher, at 0.50%. Among a smaller sample of 22 economists who predicted higher rates by year-end and also provided a forecast for a specific month when the BOJ will next change them, about two-thirds, 14, said December and about one-third, eight, said October. "The current policy rate is extremely accommodative," said Atsushi Takeda, chief economist at Itochu Research Institute. "The BOJ will continue to raise interest rates toward the neutral rate as long as the 2% price stability target is expected to be achieved." The central bank surprised many market participants in July by raising base borrowing costs to 0.25% from a range of 0%-0.1%, just four months after abandoning negative rates. At the time, BOJ Governor Kazuo Ueda signalled the likelihood of steady rate hikes in coming years. But his message came just days before turmoil in financial markets had the battered yen soaring against the U.S. dollar and the Tokyo stock market plunging by its biggest amount in 37 years. Markets have since stabilised. Although BOJ deputy governor Shinichi Uchida dialled back Ueda's hawkish comments by assuring the bank will not bring borrowing costs up while markets are unstable, economists say the BOJ's overall stance has not changed.

MAIN WEEKLY EARNINGS

Company	Ticker	Market Cap	Date	Time	Estimate	Year Ago
Target Corporatio	TGT US	\$ 66.77B	21-Aug-24	Pre-mkt	2.19	1.80
Analog Devices In	ADI US	\$ 110.90B	21-Aug-24	Pre-mkt	1.51	2.49
Macy's Inc	M US	\$ 4.90B	21-Aug-24	Pre-mkt	0.31	0.20
Snowflake Inc	SNOW US	\$ 44.17B	21-Aug-24	Aft-mkt	0.16	0.22
Workday Inc	WDAY US	\$ 61.60B	22-Aug-24	Aft-mkt	1.64	1.43

ECONOMIC CALENDAR

(21-08-24) US - MBA Mortgage Applications
(21-08-24) US - FOMC Meeting Minutes
(22-08-24) FR - HCOB France Manufacturing PMI
(22-08-24) US - S&P Global US Services PMI
(23-08-24) JP - Natl CPI YoY
(23-08-24) US - New Home Sales
(26-08-24) US - Durable Goods ORders

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