Daily Market Brief

October 21st 2024

FOREIGN EXCHANGE MARKETS

(Sources: Bloomberg / Reuters)

EUR/USD

EUR/USD remains stable around 1.0860, following recent gains, but faces potential downside due to diminishing speculation about a 50-basis-point rate cut by the Federal Reserve after strong US economic data. The ECB's recent 25-basis-point rate cut, driven by falling inflation, has increased expectations of further easing, which could exert downward pressure on the Euro and the EUR/USD pair.

GBP/USD

The GBP/USD pair is struggling to build on recent gains, fluctuating around 1.3050-1.3045 and remaining near a one-month low due to a surprise drop in UK inflation, which has heightened expectations for interest rate cuts by the Bank of England. The positive sentiment around the US Dollar, bolstered by elevated Treasury yields and geopolitical risks, suggests that the GBP/USD may continue its downward trend, with bearish traders eyeing a potential move below the 1.3000 level.

USD/JPY

The JPY has strengthened against the US Dollar for the second consecutive day, aided by recent verbal interventions from Japanese authorities and safe-haven demand amid geopolitical tensions. However, uncertainty surrounding the BoJ policy direction, particularly following cautious remarks from BoJ Governor Kazuo Ueda and resistance to rate hikes from Prime Minister Shigeru Ishiba, suggests that significant JPY appreciation may be limited, especially with expectations of future Fed rate cuts supporting the USD.

Fx rates	Last	High	Low	% Daily	% Weekly	% YTD
EUR-USD	1.0860	1.0872	1.0853	-0.06	-0.45	-1.62
GBP-USD	1.3042	1.3058	1.3039	-0.08	-0.13	2.44
USD-JPY	149.32	149.64	149.09	-0.14	0.29	-5.55
USD-CHF	0.8649	0.8654	0.8645	0.01	-0.25	-2.72
Commodities	**Last**	**High**	**Low**	**% Daily**	**% Weekly**	**% YTD**
Gold	2725.34	2732.82	2719.73	0.14	2.90	32.11
Silver	33.85	34.11	33.53	0.40	8.51	42.27
Crude Oil	69.46	69.72	69.00	0.35	-5.92	-1.68
Bitcoin	69020.34	69474.38	68584.66	0.38	2.07	62.37
Etherium	2737.58	2768.11	2704.50	0.98	4.58	19.95

Period	1M	3M	6M	12M
SOFR ($)	4.76	4.63	4.44	4.13
ESTR (€)	2.37	3.05	2.79	2.37
SONIA (£)	4.87	4.72	4.54	4.23
SARON (F)	0.93	0.78	0.64	0.44
TONAR (¥)	0.22	0.20	0.14	0.07

	Rates
U.S. Federal Fund Target Rate	5.00
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	5.00

INTERNATIONAL EQUITY MARKETS

(Sources: Bloomberg / Reuters)

UNITED STATES OF AMERICA

Both the S&P 500 and the Dow Jones Industrial Average surged to new record highs Friday, sealing six straight weeks of gains. Netflix climbed 11% on Friday after the streaming giant beat Wall Street's earnings and revenue estimates in the third quarter, while reporting a 35% jump in ad-tier memberships from the prior three-month period. More than 70 S&P 500 companies have reported earnings this season. Of those, 75% have beaten expectations, as per FactSet.

EUROPE

European markets closed higher Friday, led by an uptick in tech and luxury stocks. Most regional bourses and the majority of sectors in the green. Tech stocks led gains, rising 2%, while mining stocks added 1.39%.

ASIA

China's central bank cut the one- and five-year LPRs by 25 basis points to 3.1% and 3.6%, respectively. Key economic data this week will include October inflation figures for Japan's capital city of Tokyo, as well as advance third-quarter GDP figures from South Korea.

Index	Close	% Daily	% M	YTD	Futures	% Change
DJIA	43275.91	0.09	2.88	14.82	43533.00	0.05
S&P	5864.67	0.40	2.84	22.95	5903.00	0.27
Nasdaq	18489.55	0.63	3.02	23.17	20448.50	0.40
DJ EuroStoxx50	4986.27	0.79	2.36	10.28	4993.00	0.50
FTSE 100	8358.25	-0.32	1.56	8.08	8398.00	-0.35
CAC 40	7613.05	0.39	1.50	0.93	7608.70	0.31
DAX	19657.37	0.38	5.01	17.35	19726.00	0.09
IBEX 35	11925.20	0.17	1.46	18.05	11886.70	-0.20
FTSE MIB	35204.26	0.47	4.27	15.99	35057.00	0.47
Nikkei	38981.75	0.13	3.47	16.64	39060.00	-0.10
Hang Seng	20804.11	-1.44	12.30	20.28	20524.00	2.42
DFM General	4469.25	0.24	0.74	10.09	N/A	N/A
MSCI Tadawoul	11882.93	-0.21	-1.64	-0.71	N/A	N/A

Leb. Mrkts	Closing Px	High	Low	% Daily	% Weekly	YTD
Solidere A	94.55	95.00	92.50	-0.05	1.67	6.12
Solidere B	94.30	95.00	92.05	-1.67	3.46	4.84

MUST READ

(Source: Bloomberg/ Forexlive)

UBS sells its 50% stake in Swisscard to American Express

UBS is offloading part of the Credit Suisse business it acquired last year with a deal to sell the fallen bank's 50% stake in credit card provider Swisscard. UBS will sell its 50% holding in the company to its joint venture partner American Express, Swisscard said in a statement. Terms of the deal were not disclosed. After the deal, Amex will become the sole owner of Swisscard, with Credit Suisse customers transferring to the existing UBS credit card platform. Swisscard said it would continue to issue all other cards it issues under the American Express, Mastercard and Visa licenses and will continue to operate the American Express business in Switzerland. There is no near-term impact on any of these cardholders, merchants or partners, the company said. Following its emergency takeover last year, UBS is now divesting parts of the Credit Suisse business. In June it sold a stake in Credit Suisse Securities (China), and in July it agreed to sell a former insurance-linked investment arm of the bank to its management. UBS on Monday said it was fully committed to its credit card business, but issuing credit cards in Switzerland through Swisscard did not "align with the existing operational setup and strategic priorities of UBS as legal successor to Credit Suisse." The bank said there was no need for action by cardholders, with clients holding Credit Suisse branded credit cards to be informed about new card issuance in the first half of 2025.

MAIN WEEKLY EARNINGS

Company	Ticker	Market Cap	Date	Time	Estimate	Year Ago
General Motors	GM US	$ 55.27B	22-Oct-24	Pre-mkt	2.46	2.28
Lockheed Martin	LMT US	$ 145.83B	22-Oct-24	Pre-mkt	6.44	6.77
RTX Corp	RTX US	$ 167.50B	22-Oct-24	Pre-mkt	1.34	1.25
3M	MMM US	$ 74.24B	22-Oct-24	Pre-mkt	1.91	2.68
Texas Instrument:	TXN US	$ 181.21B	22-Oct-24	Aft-mkt	1.39	1.85

ECONOMIC CALENDAR

(21-10-24) DE - PPI MoM / YoY
(22-10-24) CA - Industrial Product Price MoM
(23-10-24) CA - Bank of Canada Rate Decision
(23-10-24) EA - Consumer Confidence
(24-10-24) FR - HCOB France Manufacturing PMI
(24-10-24) UK - S&P Global UK Manufacturing PMI
(24-10-24) US - Initial Jobless Claims

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