

Daily Market Brief

December 21st 2023



FOREIGN EXCHANGE MARKETS

(Sources: Bloomberg / Reuters)

EUR/USD

The EUR/USD drifted lower on Wednesday, falling back into 1.0930 late in the day after slipping from the day's opening bids near 1.0980. Markets broadly went risk-on after US Consumer Confidence and US Existing Sales revealed better-than-expected figures in both indicators. Risk assets gained some ground and the US Dollar (USD) slipped slightly as markets gear up for the holiday wrap-up. Eurozone Consumer Confidence for December also improved.

GBP/USD

The GBP/USD pair holds below the mid-1.2600s during the early Asian trading hours on Thursday. The downtick of the pair is backed by the weaker-than-expected UK inflation data and a modest recovery of the US Dollar (USD). Traders will take more cues from the economic data this week, including the US GDP growth numbers for the third quarter and the Core PCE Price Index

USD/JPY

The Japanese Yen (JPY) scales higher against its American counterpart for the second straight day on Thursday and sticks to its intraday gains heading into the European session. A slight deterioration in the global risk sentiment, as depicted by a late sell-off in the US equity markets on Wednesday, along with an upward revision of Japan's economic estimates by the government, turns out to be key factors benefitting the safe-haven JPY.

Fx rates	Last	High	Low	% Daily	% Weekly	% YTD
EUR-USD	1.0947	1.0956	1.0937	0.05	-0.42	2.26
GBP-USD	1.2637	1.2652	1.2631	-0.02	-1.02	4.59
USD-JPY	142.97	143.62	142.81	-0.42	-0.76	-8.29
USD-CHF	0.8620	0.8633	0.8612	-0.08	0.65	7.25
Commodities	Last	High	Low	% Daily	% Weekly	% YTD
Gold	2035.16	2038.24	2031.58	0.19	-0.06	11.58
Silver	24.25	24.31	24.14	0.41	0.25	1.21
Crude Oil	74.12	74.21	73.51	-0.13	3.07	-2.86
Bitcoin	43550.16	43732.50	43311.63	0.23	3.03	163.31
Etherium	2197.42	2206.50	2177.90	0.84	-1.42	83.21
Period	1 M	3 M	12 M			
EURIBOR	3.85	3.92	3.64			
SOFR	5.36	5.37	4.90			
Notes/Bonds	2 Y	10 Y	30 Y			
US	4.37	3.87	4.00			
BTP - BUND	0.53	1.62	2.02			
GILTS	4.12	3.53	4.07			

INTERNATIONAL EQUITY MARKETS

(Sources: Bloomberg / Reuters)

UNITED STATES OF AMERICA

Stocks tumbled on Wednesday as investors cashed in some profits following the market's recent hot streak, and FedEx dragged the S&P 500 lower. FedEx was the biggest laggard in the S&P 500, losing 12%. All three major averages remain on pace for a winning December and 2023 as investors look forward to proposed rate cuts from the Federal Reserve in the new year.

EUROPE

European markets closed higher Wednesday as investors digested fresh inflation data. U.K. inflation slowed more sharply than expected in November to 3.9%, down from 4.6% in October, official data showed Wednesday, adding pressure on the Bank of England to cut rates in 2024.

ASIA

Asia markets rose Wednesday, with Japan stocks extending gains for another session after the country's central bank left its ultra-loose monetary policy unchanged at its final meeting this year. The People's Bank of China held its one-year loan prime rate — the peg for most household and corporate loans in the country — at 3.45%. The five-year benchmark loan rate — the peg for most mortgages — was unchanged at 4.2%.

Index	Close	% Daily	% M	YTD	Futures	% Change
DJIA	37082.00	-1.27	5.68	11.87	37566.00	0.32
S&P	4698.35	-1.47	3.53	22.37	4768.25	0.39
Nasdaq	14777.94	-1.50	4.07	41.19	16844.50	0.47
DJ EuroStoxx50	4533.82	-0.03	4.66	19.51	4550.00	-0.52
FTSE 100	7715.68	1.02	3.12	3.54	7705.50	-0.59
CAC 40	7583.43	0.12	4.90	17.14	7608.00	N/A
DAX	16733.05	-0.07	5.24	20.18	16852.00	-0.47
IBEX 35	10101.00	-0.06	2.78	22.75	10095.50	N/A
FTSE MIB	30361.21	-0.01	4.14	28.07	30434.00	N/A
Nikkei	33675.94	-1.59	-0.64	27.00	33060.00	-1.64
Hang Seng	16613.81	-0.10	-6.41	-16.10	16626.00	-0.14
DFM General	4014.28	-0.01	0.72	20.32	N/A	N/A
MSCI Tadawoul	11702.90	-0.09	5.16	11.69	N/A	N/A

Leb. Mrkts	Closing Px	High	Low	% Daily	% Weekly	YTD
Solidere A	85.00	87.90	82.00	3.66	13.26	39.57
Solidere B	85.00	89.00	82.00	3.79	12.73	40.85

MUST READ

(Source: Bloomberg/ Forexlive)

Shipping costs to increase amid Red Sea crisis

Consumers around the world are expected to be hit by the rising costs of Red Sea freight journeys as the threat of attacks by Yemeni rebels forces shippers to divert their vessels, industry experts have said. The situation has also gone beyond the acceptable risk of doing business and has escalated amid concerns about the security and welfare of seafarers. This has prompted many shipping companies to suspend journeys through the key waterway, with the automotive and consumer goods sectors expected to be among the hardest hit. AP Moeller Maersk and Hapag-Lloyd suspended their Red Sea operations on Friday after their vessels became the targets of Houthi missiles. They were joined by other major shipping companies, including CMA GGM and the Mediterranean Shipping Company. The four companies collectively control about half of the global container shipping market. Analysis of more than 300 industrial categories and 6,000 products indicated that 14.8 per cent of all Europe, Mena imports were shipped from Asia and the Gulf by sea, according to S&P Global Market Intelligence. The transport of goods with a short shelf life will be difficult on the longer alternative routes that vessels must now take and consumers will bear the brunt of the impact from the current disruptions. Alternative routes are compromised either practically or economically, according to S&P Global Market Intelligence. The Houthi attacks come at a time when the world's other major waterway — the Panama Canal — is being severely restricted by drought.

MAIN WEEKLY EARNINGS

Company	Ticker	Market Cap	Date	Time	Estimate	Year Ago
Blackberry LTD	BB US	\$2.40B	21-Dec-23	Pre-mkt	-0.02	-0.09
AAR Corp	AIR US	\$2.50B	21-Dec-23	Aft-mkt	0.80	0.69
Carnival Corp	CCL US	\$22.69B	21-Dec-23	Aft-mkt	-0.13	-0.85
Nike Inc	NKE US	\$184.81B	21-Dec-23	Aft-mkt	0.85	0.85
Paychex Inc	PAYX US	\$46.19B	21-Dec-23	Aft-mkt	1.07	0.99

ECONOMIC CALENDAR

(21-12-23) US - Initial Jobless Claims
(22-12-23) JP - Natl CPI YoY
(22-12-23) UK - GDP YoY / QoQ
(22-12-23) IT - Manufacturing Confidence
(22-12-23) CA - GDP MoM / YoY
(22-12-23) US - New Home Sales
(22-12-23) US - U. of Mich Sentiment

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