

Daily Market Brief

May 22nd 2024



FOREIGN EXCHANGE MARKETS

(Sources: Bloomberg / Reuters)

EURUSD

The EUR/USD remains stable ahead of the release of the Minutes from (FOMC) meeting held on May 1, scheduled for Wednesday. The pair hovers around 1.0850 during the Asian trading session. The (Fed) maintains a cautious stance regarding inflation and the possibility of rate cuts in 2024. President Susan Collins, speaking at the event "Central Banking in the Post-Pandemic Financial System" on Wednesday, emphasized that progress toward interest rate adjustment will take longer and stressed the importance of patience as the right policy for the Fed.

GBPUSD

The GBP/USD remains confined around 1.2710 during the early Asian session on Wednesday. Financial markets await fresh impetus, with the release of the UK Consumer Price Index (CPI) and FOMC Minutes due on Wednesday.

USDJPY

The (JPY) strengthens as the US Dollar seems stabilizing due to endorsement for maintaining interest rates at their current levels for a longer period by (Fed) officials. Market sentiment turns slightly uncertain as Fed officials believe that a one-time decline in the U.S inflation data is insufficient to build their confidence that price pressures will return to the desired rate of 2%.

Fx rates	Last	High	Low	% Daily	% Weekly	% YTD
EUR-USD	1.0854	1.0864	1.0852	0.00	-0.28	-1.68
GBP-USD	1.2711	1.2723	1.2705	0.02	0.21	-0.16
USD-JPY	156.35	156.39	156.11	0.12	-0.94	-9.79
USD-CHF	0.9115	0.9117	0.9107	0.05	-1.02	-7.69
Commodities	Last	High	Low	% Daily	% Weekly	% YTD
Gold	2414.26	2426.61	2411.64	-0.28	1.18	17.03
Silver	31.78	32.20	31.60	-0.63	7.08	33.53
Crude Oil	78.01	78.37	77.90	-0.83	-0.19	8.39
Bitcoin	69832.76	70365.95	69217.88	0.17	4.34	64.28
Etherium	3757.37	3811.94	3721.56	0.31	21.59	64.63
Period	1 M		3 M		12 M	
EURIBOR	3.81		3.82		3.67	
SOFR	5.32		5.33		5.16	
US Fed Rate	5.31					
Notes/Bonds	2 Y		10 Y		30 Y	
US	4.84		4.42		4.56	
BTP - BUND	0.47		1.30		1.70	
GILTS	4.31		4.13		4.61	

INTERNATIONAL EQUITY MARKETS

(Sources: Bloomberg / Reuters)

UNITED STATES OF AMERICA

U.S. stocks closed with slight gains on Tuesday, sending the S&P 500 and Nasdaq to record levels, as investors assessed the latest comments from Federal Reserve officials for clues on the timing of a rate cut while quarterly earnings from Nvidia drew closer.

EUROPE

European stocks closed slightly lower on Tuesday, their third out of four sessions in the red, as caution around interest rate reductions dominated, with investors waiting for economic data due later in the week. AstraZeneca rises on upbeat revenue forecast.

ASIA

Asian shares edged higher on Wednesday as anxious investors dared to hope Al-diva Nvidia could meet sky-high expectations, while keeping a wary eye on the outlook for U.S. and UK interest rates.

Index	Close	% Daily	% M	YTD	Futures	% Change
DJIA	39872.99	0.17	4.27	5.79	40004.00	0.00
S&P	5321.41	0.25	6.20	11.56	5345.75	0.02
Nasdaq	16832.63	0.22	8.94	12.13	18812.75	0.08
DJ EuroStoxx50	5046.99	-0.54	2.23	11.62	5059.00	0.10
FTSE 100	8416.45	-0.09	4.89	8.83	8450.50	0.15
CAC 40	8141.46	-0.67	1.26	7.93	8161.20	N/A
DAX	18726.76	-0.22	4.85	11.79	18815.00	0.06
IBEX 35	11334.90	-0.04	4.08	12.20	11303.60	N/A
FTSE MIB	34603.61	-0.64	2.61	14.01	34729.00	N/A
Nikkei	38946.93	-0.83	3.17	15.42	38640.00	-0.80
Hang Seng	19220.62	0.25	16.70	13.03	19291.00	0.34
DFM General	4075.18	0.20	-2.22	0.38	N/A	N/A
MSCI Tadawoul	12122.48	-0.02	-3.09	1.30	N/A	N/A
Leb. Mrkts	Closing Px	High	Low	% Daily	% Weekly	YTD
Solidere A	70.00	70.00	70.00	1.16	0.07	-21.44
Solidere B	68.50	68.50	68.50	1.11	3.55	-23.85

MUST READ

(Source: Bloomberg/ Forexlive)

Copper Hits Record Above \$11,000 on Bets That Shortage Looms

Copper surged to its highest-ever level, extending a months-long rally driven by financial investors who've piled into the market in anticipation of deepening supply shortages. Futures on the London Metal Exchange jumped more than 4%, taking copper past \$11,000 a ton for the first time, before paring some gains in afternoon trading. Banks, miners and investment funds have been touting copper's bright long-term prospects for months, and a flood of investment into the market over the past few weeks has piled pressure on bearish traders who've taken a more cautious stance owing to weak spot demand, particularly in China. Several developments in 2024 have emboldened copper bulls and drawn in a rising tide of speculative money. Tight supply of copper ore fueled talk of output cuts by smelters, and investors are betting that surging usage in fast-growing sectors including EVs, renewable energy and artificial intelligence will offset the drag from traditional sectors like construction. Prices started to take off in early April, and last week the rally went into overdrive as a short squeeze on the New York futures market triggered a global rush to secure the metal. "That has taken prices to another level and it's very difficult to call a top in this environment. "Commodities markets do tend to overshoot."

MAIN WEEKLY EARNINGS

Company	Ticker	Market Cap	Date	Time	Estimate	Year Ago
Nvidia Corp	NVDA US	\$2.3 T	22-May-24	After-mkt	5.14	0.88
PDD Holdings	PDD US	\$201.9 B	22-May-24	Pre-mkt	1.44	0.86
TJX Companies	TJX US	\$110.7 B	22-May-24	Pre-mkt	0.87	0.76
Target Corporat	TGT US	\$72.3 B	22-May-24	Pre-mkt	2.05	2.05
Snowflake Inc.	SNOW US	\$55.1 B	22-May-24	After-mkt	-0.48	-0.66

ECONOMIC CALENDAR

(22-05-24) GB- Retail Price Index APR
(22-05-24) GB- Producer Price Index - Input, Output APR
(22-05-24) GB- Consumer Price Index APR; Core Consumer Price Index
(22-05-24) EA- ECB's President Lagarde speech
(22-05-24) DE- German Buba Monthly Report
(22-05-24) GB- BoE Monetary Policy Report Hearings
(22-05-24) US- FOMC Minutes

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

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