Daily Market Brief

October 22nd 2024

BANQUE BEMO

FOREIGN EXCHANGE MARKETS

(Sources: Bloomberg / Reuters)

EUR/USD

The EUR/USD started the week with a decline, nearing 12-week lows just above 1.0800, as market concerns about the pace of future Federal Reserve rate cuts lingered. European Central Bank President Christine Lagarde is set to speak on Wednesday about Europe's financial challenges, while global PMI figures are expected on Thursday, with forecasts suggesting a slight increase in October's EU Services PMI to 51.6 from 51.4.

GBP/USD

The GBP/USD fell on Monday, testing levels below 1.3000 as traders prepared for a busy week filled with central bank appearances and global PMI updates. Bank of England Governor Andrew Bailey is scheduled to speak on Tuesday at the Bloomberg Global Regulatory Forum, with his remarks expected later in the day. Market forecasts predict a slight decline in the UK's October Services PMI, projected to decrease to 52.2 from 52.4 in September.

USD/JPY

The Japanese Yen fell to its lowest level since late July, around 151.00 against the US Dollar, as investors doubt the Bank of Japan will raise interest rates this year amid political uncertainty ahead of the October 27 election. Rising US Treasury yields, driven by concerns over increased deficit spending post-election and expectations for a less aggressive Federal Reserve, further pressure the JPY, although intervention fears may limit significant declines.

Fx rates	Last	High	Low	% Daily	% Weekly	% YTD
EUR-USD	1.0823	1.0824	1.0813	0.07	-0.64	-1.96
GBP-USD	1.3005	1.3006	1.2980	0.15	-0.53	2.15
USD-JPY	150.91	151.10	150.50	0.05	-1.13	-6.54
USD-CHF	0.8653	0.8664	0.8647	-0.10	-0.42	-2.76
Commodities	**Last**	**High**	**Low**	**% Daily**	**% Weekly**	**% YTD**
Gold	2733.06	2736.02	2719.08	0.49	2.65	32.48
Silver	34.09	34.20	33.77	0.88	8.21	43.25
Crude Oil	70.35	70.58	70.27	-0.30	-0.33	-0.42
Bitcoin	67571.57	67901.98	66570.23	-0.22	0.95	58.96
Etherium	2647.26	2683.96	2614.11	-1.03	1.92	15.99

Period	1M	3M	6M	12M
SOFR ($)	4.74	4.63	4.44	4.12
ESTR (€)	2.42	3.05	2.80	2.42
SONIA (£)	4.87	4.72	4.54	4.23
SARON (F)	0.93	0.78	0.65	0.47
TONAR (¥)	0.22	0.21	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

The Dow Jones Industrial Average fell Monday, giving back some of the strong gains from last week, as Treasury yields rose and investors awaited new earnings reports. The yield on the 10-year Treasury jumped, rising nearly 12 basis points to 4.19%. Earnings will be key this week with roughly one-fifth of the S&P 500 set to report. Among the companies are Tesla, Coca-Cola and GE Aerospace.

EUROPE

European markets closed lower on Monday as investors awaited key corporate earnings and monitored elevated Middle East tensions. The majority of major bourses and almost all sectors in negative territory. Insurance stocks led the losses, down 1.1%, while oil and gas stocks rose 0.6%

ASIA

Asia-Pacific markets slipped on Tuesday, trailing a mixed session on Wall Street. Investors will see a light day in terms of economic data out of Asian countries. All eyes are on India's markets, where Hyundai India is set to debut after a 278.56 billion rupee ($3.3 billion) IPO, the nation's largest ever.

Index	Close	% Daily	% M	YTD	Futures	% Change
DJIA	42931.60	-0.80	2.06	13.91	43116.00	-0.92
S&P	5853.98	-0.18	2.66	22.73	5885.50	-0.35
Nasdaq	18540.01	0.27	3.30	23.51	20463.50	-0.09
DJ EuroStoxx50	4941.22	-0.90	1.43	9.28	4968.00	-0.66
FTSE 100	8318.24	-0.48	1.07	7.56	8338.50	-0.61
CAC 40	7536.23	-1.01	0.48	-0.09	7608.70	0.00
DAX	19461.19	-1.00	3.96	16.17	19673.00	-0.54
IBEX 35	11841.10	-0.71	0.75	17.21	11886.70	0.00
FTSE MIB	34955.95	-0.71	3.54	15.17	34801.00	-0.73
Nikkei	38954.60	-1.32	1.90	14.87	38460.00	-1.41
Hang Seng	20478.46	0.16	12.34	20.32	20515.00	-1.58
DFM General	4477.96	0.19	0.94	10.30	N/A	N/A
MSCI Tadawoul	12008.31	1.06	-1.00	0.34	N/A	N/A

Leb. Mrkts	Closing Px	High	Low	% Daily	% Weekly	YTD
Solidere A	95.00	95.00	95.00	0.48	0.90	6.62
Solidere B	97.70	98.00	92.75	3.61	8.19	8.62

MUST READ

(Source: Bloomberg/ Forexlive)

Gold steady near record high as traders digest fed rate views

Gold steadied, after hitting a record high in the previous session, as traders digested differing views from Federal Reserve officials on the path forward for US interest rates. Bullion traded near $2,720 an ounce after rising as much as 0.7% on Monday before closing slightly lower. Fed Bank of Kansas City President Jeffrey Schmid said he favors a slower pace of reductions, while his San Francisco counterpart Mary Daly reiterated her view on the need to deploy additional cuts to guard against labor market deterioration. The precious metal has surged by almost a third this year, hitting successive all-time highs, with the rally intensifying in the last couple of months as the Fed pivoted to cutting interest rates. The worsening conflict in the Middle East and a tight US election that's only a couple of weeks away are also fueling haven demand. Money managers have increased net-long positions in gold in recent sessions, while investors have also been adding to exchange-traded fund holdings. Spot gold rose 0.1% to $2,722.95 an ounce as of 8:06 a.m. in Singapore after touching a record of $2,740.59 on Monday. The Bloomberg Dollar Spot Index was steady after rising 0.4% in the previous session. Silver and palladium edged higher, while platinum was slightly lower.

MAIN WEEKLY EARNINGS

Company	Ticker	Market Cap	Date	Time	Estimate	Year Ago
General Motors	GM US	$ 54.99B	22-Oct-24	Pre-mkt	2.46	2.28
Lockheed Martin	LMT US	$ 146.50B	22-Oct-24	Pre-mkt	6.44	6.77
RTX Corp	RTX US	$ 167.48B	22-Oct-24	Pre-mkt	1.34	1.25
3M	MMM US	$ 74.07B	22-Oct-24	Pre-mkt	1.91	2.68
Texas Instrument:	TXN US	$ 178.75B	22-Oct-24	Aft-mkt	1.39	1.85

ECONOMIC CALENDAR

(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
(25-10-24) JP - Tokyo CPI YoY / Tokyo CPI Ex-Fresh Food YoY

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