

Daily Market Brief

May 23th 2024



FOREIGN EXCHANGE MARKETS

(Sources: Bloomberg / Reuters)

EUR/USD

EUR/USD knocked lower on Wednesday after the Fed latest Meeting Minutes revealed the FOMC are grimly determined to wait for more proof inflation will ease to 2%, sending risk appetite lower as rate-cut-hungry investors keep hoping for dovish signs from the US central bank. Odds of a September rate cut are getting a second look from investors.

GBP/USD

The GBP/USD pair extends the rally near 1.2720 during the early Asian session on Thursday. The uptick of the major pair is bolstered by the hotter-than-expected UK CPI inflation data, which slashed June rate cut bets from the Bank of England (BoE). The FOMC Minutes showed the participants worried over the lack of progress on inflation towards its 2% target. The UK CPI rose by 2.3% YoY in April, compared to 3.2% in March, above the consensus of 2.1%.

USD/JPY

The JPY remains flat despite the BoJ announcing on Thursday that it left the Japanese government bonds (JGB) amounts unchanged compared to the previous operation. Over a month ago, the BoJ trimmed the amount of 5-10 years it bought in a scheduled operation. The US Dollar gained ground after the FOMC Minutes cast doubt on the Fed's willingness to proceed with rate cuts.

Fx rates	Last	High	Low	% Daily	% Weekly	% YTD
EUR-USD	1.0826	1.0832	1.0822	0.03	-0.38	-1.93
GBP-USD	1.2724	1.2732	1.2716	0.06	0.43	-0.06
USD-JPY	156.74	156.90	156.65	-0.04	-0.86	-10.02
USD-CHF	0.9146	0.9157	0.9143	-0.12	-0.92	-8.00
Commodities	Last	High	Low	% Daily	% Weekly	% YTD
Gold	2362.24	2383.79	2361.61	-0.70	-0.62	14.51
Silver	30.31	30.99	30.25	-1.55	2.49	27.39
Crude Oil	76.93	77.30	76.83	-0.83	-2.30	6.89
Bitcoin	69337.70	69623.41	68967.63	-0.11	3.50	63.12
Etherium	3764.09	3792.57	3725.80	0.42	20.63	64.92
Period	1 M		3 M		12 M	
EURIBOR	3.79		3.82		3.68	
SOFR	5.32		5.33		5.15	
US Fed Rate		5.31				
Notes/Bonds	2 Y		10 Y		30 Y	
US	4.88		4.43		4.55	
BTP - BUND	0.47		1.29		1.68	
GILTS	4.45		4.23		4.68	

INTERNATIONAL EQUITY MARKETS

(Sources: Bloomberg / Reuters)

UNITED STATES OF AMERICA

U.S. stocks traded lower Wednesday as the minutes from the Federal Reserve's May meeting. Minutes from policy meeting of the FOMC released Wednesday stated a lack of progress in recent months toward lower inflation. The minutes also showed "various participants" discussed a willingness to hike rates if inflation did not keep moving lower toward its 2% goal.

EUROPE

European stocks closed lower on Wednesday, as regional markets continue to see-saw over the inflation outlook and the trajectory of interest rates. Mining stocks dropped 2.1% after Anglo American said it had rejected BHP Group's third takeover bid but extended the timeline for talks.

ASIA

Asia-Pacific markets close mixed with mainland China stocks bucking the trend on Wednesday, following a slew of economic data out of Japan. Shares of Xpeng soared more than 13% in Hong Kong trade on Wednesday, after the Chinese EV maker reported an improvement in profit margin.

Index	Close	% Daily	% M	YTD	Futures	% Change
DJIA	39671.04	-0.51	3.03	5.26	39828.00	0.11
S&P	5307.01	-0.27	4.66	11.26	5358.00	0.57
Nasdaq	16801.54	-0.18	7.04	11.93	18951.75	0.88
DJ EuroStoxx50	5025.17	-0.43	0.34	11.14	5049.00	0.32
FTSE 100	8370.33	-0.55	4.05	8.24	8386.00	-0.01
CAC 40	8092.11	-0.61	-0.17	7.28	8161.20	#N/A N/A
DAX	18680.20	-0.25	2.99	11.51	18781.00	0.14
IBEX 35	11329.00	-0.05	2.29	12.15	11303.60	#N/A N/A
FTSE MIB	34460.52	-0.41	0.28	13.54	34583.00	0.00
Nikkei	38617.10	1.14	4.01	16.72	39060.00	1.17
Hang Seng	19195.60	-1.65	12.18	10.74	18862.00	-1.53
DFM General	4057.87	-0.42	-2.60	-0.05	N/A	N/A
MSCI Tadawoul	12157.03	0.29	-2.62	1.58	N/A	N/A

Leb. Mrkts	Closing Px	High	Low	% Daily	% Weekly	YTD
Solidere A	70.00	70.00	70.00	0.00	-1.06	-21.44
Solidere B	68.50	68.50	68.50	0.00	4.98	-23.85

MUST READ

(Source: Bloomberg/ Forexlive)

Nvidia stock pops 4%, announces stock split and dividend hike

Nvidia reported first quarter earnings after the bell on Wednesday that topped expectations while also announcing a 10-for-1 stock split and an increased dividend, following some of its Big Tech peers in doling out heftier quarterly payments to shareholders. The company reported adjusted earnings per share of \$6.12 on revenue of \$26 billion, a jump of 461% and 262%, respectively, from a year ago. Analysts were expecting adjusted EPS of \$5.65 on revenue of \$24.69 billion, according to data from Bloomberg. The company reported adjusted EPS of \$1.09 on revenue of \$7.19 billion in the same quarter last year. In the current quarter, Nvidia expects revenue of \$28 billion plus or minus 2%. That's better than the \$26.6 billion analysts had expected. Nvidia stock rose as much as 4% in extended trading on Wednesday. Wall Street analysts have previously raised concerns about the share of Nvidia's Data Center revenue that comes from hyperscalers like Microsoft, Google, Amazon, and other Big Tech names. That's especially true as those companies roll out their own AI accelerator chips. Nvidia's Data Center revenue jumped 427% year over year to \$22.6 billion, accounting for 86% of the company's total revenue for the quarter. But Colette Kress, CFO pointed out that revenue out of China was down significantly in the quarter, since the company was forced to halt shipments of its most powerful chips to the country. What's more, she said she expects the market in the region to remain very competitive going forward. The stock split will likely fuel speculation Nvidia could be added to the price-weighted DJIA.

MAIN WEEKLY EARNINGS

Company	Ticker	Market Cap	Date	Time	Estimate	Year Ago
Ralph Lauren	RL US	\$ 10.50B	23-May-24	Pre-mkt	1.66	0.00
BJ's Wholesale	BJ US	\$ 10.69B	23-May-24	Pre-mkt	0.83	0.85
Hamilton Lane Inc	HMLE US	\$ 6.45B	23-May-24	Pre-mkt	1.01	0.96
Medtronic Plc	MDT US	\$ 113.87B	23-May-24	Pre-mkt	1.26	1.30
Weibo Corp	WB US	\$ 2.15B	23-May-24	Pre-mkt	0.36	0.47

ECONOMIC CALENDAR

(23-05-24) US - Initial Jobless Claims
(23-05-24) US - New Home Sales
(24-05-24) JP - Natl CPI YoY
(24-05-24) UK - Retail Sales Ex Auto Fuel MoM/YoY
(24-05-24) US - Durable Goods Orders
(24-05-24) US - U. of Mich. Sentiment
(29-05-24) DE - CPI YoY / MoM

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