

Daily Market Brief

September 23rd 2024



FOREIGN EXCHANGE MARKETS (Sources: Bloomberg / Reuters)

EURUSD
EUR/USD remains stable around 1.1160 during Asian trading on Monday. The US Dollar may weaken due to increased expectations of interest rate cuts by the Federal Reserve in 2024, following a significant 50 basis point cut to a 4.75-5.00% range last week. Despite predictions of an additional 75 basis points in cuts by year-end, Fed Chair Jerome Powell indicated a cautious approach to easing policies. Meanwhile, ECB President Christine Lagarde stressed the need for adaptable monetary policy in a changing global landscape.

GBPUSD
GBP/USD has dipped to 1.3310, ending a three-day winning streak, as a modest recovery of the US Dollar weighs on the pair. Investors are focusing on the upcoming flash PMI data for both the UK and US, while the Federal Reserve's recent 50 basis point rate cut has led to mixed sentiments regarding inflation and interest rates. Meanwhile, Bank of England Governor Andrew Bailey emphasized the importance of maintaining low inflation and cautious interest rate adjustments.

USDJPY
The JPY continues to decline for a third session, amid concerns that the BoJ is not hastening interest rate increases. The BoJ kept its rate target between 0.15-0.25% at a recent meeting, with Governor Kazuo Ueda noting moderate economic recovery but underlying weaknesses. Meanwhile, the USD is rising as Treasury yields recover, though it faces potential challenges from expectations of further rate cuts by the Federal Reserve in 2024.

Fx rates	Last	High	Low	% Daily	% Weekly	% YTD
EUR-USD	1.1165	1.1170	1.1156	0.03	0.29	1.14
GBP-USD	1.3318	1.3323	1.3307	-0.02	0.77	4.61
USD-JPY	144.21	144.46	143.70	0.25	-2.49	-2.20
USD-CHF	0.8507	0.8521	0.8494	0.08	-0.69	-1.09
Commodities	Last	High	Low	% Daily	% Weekly	% YTD
Gold	2629.08	2631.13	2616.16	0.27	1.81	27.44
Silver	31.10	31.20	30.95	-0.24	1.21	30.71
Crude Oil	71.61	71.68	70.89	0.86	3.75	1.36
Bitcoin	63847.84	64723.97	62393.05	1.01	6.00	50.20
Etherium	2664.88	2686.54	2526.75	3.55	14.57	16.76
Period	1M	3M	6M	12M		
SOFR (\$)	4.86	4.69	4.35	3.83		
ESTR (€)	2.67	3.36	3.14	2.67		
SONIA (£)	4.96	4.85	4.67	4.28		
SARON (F)	0.90	0.85	0.76	0.66		
TONAR (¥)	0.22	0.16	0.11	0.05		
						Rates
U.S. Federal Fund Target Rate						5.00
ECB Main Refinancing Operation Announcement Rate						3.65
ECB Deposit Facility Announcement Rate						3.50
ECB Marginal Lending Facility Announcement Rate						3.90
BOE Official Bank Rate						5.00

INTERNATIONAL EQUITY MARKETS (Sources: Bloomberg / Reuters)

UNITED STATES OF AMERICA
The Dow Jones Industrial Average eked out a gain and closed at a record on Friday, capping a big rally for the week that came after the first major easing of interest rate policy by the Federal Reserve in four years.

EUROPE
European markets closed lower Friday as investors digested a slew of central bank rate decisions this week and their impact on the global economy. The regional benchmark closed 1.4% higher Thursday, after the U.K.'s Bank of England and Norway's Norges Bank both held rates steady, drawing a contrast with the U.S. Federal Reserve's bumper rate cut a day prior.

ASIA
Asia-Pacific markets were mostly higher Monday as investors digested monetary policy decisions from Japan and China as well as the U.S. Federal Reserve's sharp rate cut last week. Despite growing calls for lower interest rates, the People's Bank of China unexpectedly left its key benchmark rate on hold on Friday. The Bank of Japan kept its benchmark interest rate steady at around 0.25% on Friday.

Index	Close	% Daily	% M	YTD	Futures	% Change
DJIA	42063.36	0.09	2.16	11.60	41946.09	0.00
S&P	5702.55	-0.19	1.21	19.55	5699.99	0.00
Nasdaq	17948.32	-0.36	0.39	19.57	19808.01	0.00
DJ EuroStoxx50	4871.54	-1.45	-0.77	7.74	4902.96	0.00
FTSE 100	8229.99	-1.19	-1.17	6.42	8262.00	0.00
CAC 40	7500.26	-1.51	-1.01	-0.57	7528.30	0.00
DAX	18720.01	-1.49	0.47	11.75	18858.13	0.00
IBEX 35	11753.30	-0.21	4.21	16.35	11768.90	0.00
FTSE MIB	33762.25	-0.83	0.33	11.24	33851.00	0.00
Nikkei	37723.91	1.53	-1.67	12.73	38270.00	1.95
Hang Seng	18258.57	0.34	4.03	7.47	18338.00	0.33
DFM General	4436.37	0.34	3.35	9.28	N/A	N/A
MSCI Tadawoul	12129.62	0.41	-0.53	1.36	N/A	N/A
Leb. Mrkts	Closing Px	High	Low	% Daily	% Weekly	YTD
Solidere A	88.00	88.00	83.20	-0.90	-0.23	-1.23
Solidere B	86.00	86.00	86.00	-0.86	-0.69	-4.39

MUST READ (Source: Bloomberg/ Forexlive)

Apollo eyes \$5 billion investment in Intel, Bloomberg News reports
U.S.-based asset management company Apollo Global Management has offered to make an investment of as much as \$5 billion in Intel, Bloomberg News reported on Sunday. Apollo has indicated in recent days it would be willing to make an equity-like investment of billions of dollars in Intel, the report said, citing a person familiar with the matter. The news comes at a moment of weakness for Intel, which was once the most valuable chipmaker in the world, but whose shares have lost nearly 60% of their value since the start of the year. Intel executives have been weighing Apollo's proposal, Bloomberg reported, adding that talks regarding the deal are in a preliminary stage and have not been finalized. Bloomberg said that the size of the potential investment in Intel could change and discussions regarding a deal could also fall through. Intel declined to comment on the Bloomberg News report, while Apollo did not respond to a Reuters' request for comment. Earlier this year, Apollo said it will acquire a 49% equity interest in a joint venture related to Intel's new manufacturing facility in Ireland for \$11 billion. The development for an investment in Intel comes soon after Qualcomm has in recent days approached Intel to explore a potential acquisition of the troubled chipmaker in what could be a transformational deal in the sector but faces many hurdles. Qualcomm CEO Cristiano Amon is personally involved in the negotiations to acquire five-decade-old Intel, which are currently in an early stage, Reuters reported on Friday citing a source who was briefed on the matter.

MAIN WEEKLY EARNINGS

Company	Ticker	Market Cap	Date	Time	Estimate	Year Ago
AAR Corp	AIR US	\$ 2.48B	23-Sep-24	After-mkt	0.82	0.78
Thor Industries In	THO US	\$ 5.51B	24-Sep-24	Pre-mkt	1.30	1.68
Cintas Corp	CTAS US	\$ 82.33B	25-Sep-24	Pre-mkt	1.00	0.93
Micron Technolog	MU US	\$ 100.79B	25-Sep-24	After-mkt	1.10	-1.07
Jefferies Financial	JEF US	\$ 12.75B	25-Sep-24	After-mkt	0.80	0.23

ECONOMIC CALENDAR

(23-09-24) US - S&P Global US Manufacturing PMI / Services PMI / Composite PMI
(24-09-24) US - Conf. Board Consumer Confidence
(24-09-24) US - Richmond Fed Manufact. Index
(25-09-24) US - MBA Mortgage Applications
(26-09-24) DE - GfK Consumer Confidence
(26-09-24) US - GDP Annualized QoQ
(26-09-24) US - Durable Goods Orders

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