

Daily Market Brief

October 23 2023



FOREIGN EXCHANGE MARKETS

(Sources: Bloomberg / Reuters)

EURUSD

The shared currency rose modestly to 1.0595 from Friday's open at 1.0585. The Euro slid to an overnight low at 1.0565 before rallying. The overnight high recorded for the EUR/USD pair was at 1.0603. A fall in Germany's September PPI had little effect on the Euro.

GBPUSD

The British Pound rallied to finish at 1.2162, up from Friday's open at 1.2148. Sterling shrugged off a fall in monthly UK Retail Sales to -0.9% from 0.4% previously, and expectations at -0.3%. The overnight low traded for the GBP/USD pair was at 1.2090.

USDJPY

Against the Japanese Yen, the Dollar kept its bid. In early Asia, the USD/JPY pair breached the 150-resistance level to 150.11 before falling back to 149.90. Overnight, the USD/JPY hit a low at 149.67 before rebounding. The lack of follow-through Dollar buying at the 150-level suggested that markets remain wary of intervention from Japanese authorities. The fall in the US 10-year bond yield also impeded the Dollar from soaring higher.

Fx rates	Last	High	Low	% Daily	% Weekly	% YTD
EUR-USD	1.0574	1.0601	1.0573	-0.19	0.13	-1.22
GBP-USD	1.2147	1.2166	1.2144	-0.14	-0.57	0.53
USD-JPY	149.94	150.11	149.74	0.05	-0.29	-12.55
USD-CHF	0.8954	0.8957	0.8914	0.37	0.51	3.25
Commodities	Last	High	Low	% Daily	% Weekly	% YTD
Gold	1976.39	1978.68	1964.41	-0.25	2.93	8.35
Silver	23.32	23.34	23.03	-0.26	3.10	-2.67
Crude Oil	87.14	88.29	86.83	-1.07	2.21	12.72
Bitcoin	30844.08	30977.34	29729.99	3.29	9.14	86.49
Etherium	1691.83	1706.18	1635.92	3.09	8.28	41.06
Period	1 M		3 M		12 M	
USD LIBOR *	5.45		5.66		6.04	
EURIBOR	3.86		3.97		4.19	
SOFR	5.33		5.40		5.44	
Notes/Bonds	2 Y		10 Y		30 Y	
US	5.12		4.97		5.12	
BTP - BUND	0.94		2.04		2.27	
GILTS	4.89		4.65		5.11	

INTERNATIONAL EQUITY MARKETS

(Sources: Bloomberg / Reuters)

UNITED STATES OF AMERICA

Stocks retreated Friday as a surge in the 10-year Treasury yield prompted broader concerns about the state of the economy. The yield on the benchmark 10-year Treasury crossed 5% for the first time in 16 years on Thursday, a level that could ripple through the economy by raising rates on mortgages, credit cards, auto loans and more. Not to mention, it offers investors an attractive alternative to stocks. The 30-year U.S. Treasury yield also hit a high last seen in July 2007. Regional banks tumbled as higher rates raised worries about the sector's exposure to Treasury securities that are falling in value.

EUROPE

European shares fell on Friday and posted their biggest weekly loss in seven months as concerns about a wider Middle East conflict, rising government bond yields and disappointing earnings reports kept higher-risk equities under pressure.

ASIA

Asian stock markets dropped across the region on Friday, taking their cue from U.S. markets as Federal Reserve Chairman Jerome Powell's remarks drove bond yields higher and weighed on equities.

Index	Close	% Daily	% M	YTD	Futures	% Change
DJIA	33127.28	-0.86	-2.46	-0.06	33293.00	0.11
S&P	4224.16	-1.26	-2.22	10.02	4256.50	0.19
Nasdaq	12983.81	-1.53	-1.73	24.05	14694.25	0.20
DJ EuroStoxx50	4024.68	-1.61	-4.34	6.09	4053.00	0.20
FTSE 100	7402.14	-1.30	-3.67	-0.67	7429.00	0.07
CAC 40	6816.22	-1.52	-5.13	5.29	6857.30	N/A
DAX	14798.47	-1.64	-4.88	6.28	14917.00	0.09
IBEX 35	9029.10	-1.29	-4.98	9.72	9038.70	N/A
FTSE MIB	27357.00	-1.40	-4.27	15.40	27450.00	N/A
Nikkei	31259.36	-0.67	-4.17	18.99	31010.00	-0.54
Hang Seng	17172.13	-0.72	-4.90	-13.19	17044.00	-0.75
DFM General	3751.57	0.13	-9.89	12.60	N/A	N/A
MSCI Tadawoul	10496.16	-1.49	-4.14	0.17	N/A	N/A
Leb. Mrkts	Closing Px	High	Low	% Daily	% Weekly	YTD
Solidere A	75.45	75.95	74.00	2.44	0.53	23.89
Solidere B	72.65	77.00	72.55	-5.53	-5.16	20.38

MUST READ

(Source: Bloomberg/ Forexlive)

Bank of America

Bank of America reported unrealized losses of \$131.6 billion on securities in the third quarter, growing from the second quarter, but the bank does not expect the portfolio will generate actual losses in the long-term. Unrealized losses have come under closer scrutiny by investors since March. At the time, Silicon Valley Bank sold a portfolio of its holdings at a sharp loss, precipitating its collapse and fuelling the worst industry turmoil since the 2008 financial crisis. Banks use the held-to-maturity designation to buy less risky securities that give them downside protection, even though in a rising interest rate environment there is limited upside potential. "All of these are unrealized losses are on government- guaranteed securities," Bank of America's chief financial officer, Alastair Borthwick, told reporters on conference call discussing third-quarter earnings. "Because we're holding them to maturity, we will anticipate that we'll have zero losses over time. U.S. banks could be grappling with at least \$650 billion of unrealized losses in their securities portfolios, according to an estimate from Moody's after prospects of interest rates staying higher for longer led to a bond market rout in the third quarter.

MAIN WEEKLY EARNINGS

Company	Ticker	Market Cap	Date	Time	Estimate	Year Ago
Microsoft Corp.	MSFT US	\$2.4 T	24-Oct-23	Aft-mkt	2.65	2.35
Visa Inc	V US	\$449.1 B	24-Oct-23	Aft-mkt	2.23	1.93
General Electric C	GE US	\$115.46 B	24-Oct-23	Pre-mkt	0.56	0.35
General Motors C	GM US	\$40.81 B	24-Oct-23	Pre-mkt	1.84	2.25
Alphabet Inc CL A	GOOGL US	\$1.72 T	24-Oct-23	Aft-mkt	1.45	1.06

ECONOMIC CALENDAR

(23-10-23) EA - Consumer confidence
(24-10-23) UK - Claimant count rate / Jobless Claims Change
(24-10-23) US - S&P Global US Manufacturing PMI
(24-10-23) DE - Gfk Consumer Confidence
(25-10-23) EA - M3 Money Supply YoY
(25-10-23) US - MBA Mortgage Applications
(25-10-23) CA - Bank of Canada Rate Decision / New Home Sales

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