Daily Market Brief

October 23rd 2024

BANQUE BEMO

FOREIGN EXCHANGE MARKETS *(Sources: Bloomberg / Reuters)*

EUR/USD
The EUR/USD pair fell another 0.16% on Tuesday, approaching a significant technical level that could lead to new 16-week lows for the Euro. ECB President Christine Lagarde's comments were unremarkable, providing little support for the Euro and suggesting that inflation targets are not yet assured. As markets anticipate the release of global PMI figures on Thursday, there are expectations for a slight increase in the EU Services PMI for October.

GBP/USD
The GBP/USD pair remained steady on Tuesday, testing the 1.3000 level but failing to maintain momentum after reaching a nine-week low. Bank of England Governor Andrew Bailey expressed some regret over the bank's complacency regarding financial stability risks during his first of four scheduled appearances this week. Traders will be closely monitoring Bailey's upcoming speeches and are also anticipating a slight decline in the UK Services PMI, expected to drop to 52.2 in October from 52.4.

USD/JPY
The JPY has been declining against the USD for three consecutive days, with the USD/JPY pair surpassing 152.00 for the first time since late July. Concerns over the BoJ ability to raise interest rates this year have contributed to the Yen's weakness, compounded by verbal interventions from Japanese officials that have had little effect. Additionally, rising US Treasury yields, fueled by expectations of a slower pace of Federal Reserve rate cuts, continue to bolster the USD and suggest further depreciation for the JPY.

Fx rates	Last	High	Low	% Daily	% Weekly	% YTD
EUR-USD	1.0804	1.0806	1.0792	0.05	-0.53	-2.13
GBP-USD	1.2992	1.2993	1.2968	0.06	0.02	2.05
USD-JPY	152.15	152.27	151.03	0.70	-1.65	-7.30
USD-CHF	0.8671	0.8676	0.8647	0.20	-0.20	-2.96

Commodities	Last	High	Low	% Daily	% Weekly	% YTD
Gold	2751.02	2753.23	2738.03	0.07	2.89	33.35
Silver	34.67	34.90	34.45	-0.54	9.40	45.70
Crude Oil	71.61	71.72	71.30	-0.18	2.56	1.86
Bitcoin	67058.16	67796.76	66859.20	-0.65	-1.99	57.75
Etherium	2614.08	2642.77	2600.42	-0.71	-1.09	14.54

Period	1M	3M	6M	12M
SOFR ($)	4.74	4.63	4.46	4.16
ESTR (€)	2.43	3.03	2.76	2.43
SONIA (£)	4.84	4.71	4.52	4.21
SARON (F)	0.93	0.78	0.66	0.48
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 S&P 500 and the Dow Jones Industrial Average ended Tuesday marginally lower, as investors grappled with persistent concerns about an uptick in interest rates and digested this week's latest earnings reports. The U.S. 10-year Treasury note yield earlier climbed above 4.2%. Cautious commentary from Federal Reserve officials on the path of interest rate cuts has pushed yields higher.

EUROPE
European markets closed lower on Tuesday, as investors assessed earnings from bellwether firms across the region along with the U.S. interest rate outlook. The travel and leisure and technology sectors outperformed, climbing 1% and 0.8%.

ASIA
Asia-Pacific markets mostly rose Tuesday, breaking ranks with major Wall Street benchmarks, while Japanese subway operator Tokyo Metro's stellar market debut boosted investor optimism. Shares of Tokyo Metro soared as much as 47%, and were last trading up nearly 45%. The company raised 348.6 billion yen in its initial public offering, the largest IPO in Japan since 2018.

Index	Close	% Daily	% M	YTD	Futures	% Change
DJIA	42924.89	-0.02	1.90	13.89	43045.00	-0.31
S&P	5851.20	-0.05	2.32	22.67	5887.00	-0.16
Nasdaq	18573.13	0.18	3.33	23.73	20509.25	-0.05
DJ EuroStoxx50	4939.31	-0.04	1.10	9.24	4963.00	0.12
FTSE 100	8306.54	-0.14	0.57	7.41	8340.50	-0.20
CAC 40	7535.10	-0.01	0.36	-0.11	7554.00	-0.02
DAX	19421.91	-0.20	3.05	15.94	19581.00	0.04
IBEX 35	11832.70	-0.07	0.29	17.13	11805.30	-0.11
FTSE MIB	34733.52	-0.64	3.13	14.44	34569.00	-0.67
Nikkei	38411.96	-0.84	0.97	13.82	38110.00	-2.33
Hang Seng	20498.95	1.57	14.10	22.13	20812.00	1.75
DFM General	4467.35	-0.24	0.75	10.04	N/A	N/A
MSCI Tadawoul	11956.99	-0.43	-1.42	-0.09	N/A	N/A

Leb. Mrkts	Closing Px	High	Low	% Daily	% Weekly	YTD
Solidere A	99.40	99.60	95.00	4.63	5.74	11.56
Solidere B	98.00	99.00	93.50	0.31	8.53	8.95

MUST READ *(Source: Bloomberg/ Forexlive)*

Taxpayers will get higher standard deductions in 2025, IRS announces

U.S. taxpayers will again see higher standard deductions for 2025, allowing them to shield more of their money from taxation on future returns. The Internal Revenue Service detailed the increases in its annual inflation adjustments announced Tuesday. For single taxpayers and married individuals filing separately in tax year 2025, the standard deduction is rising to $15,000 — up $400 from 2024. For couples who file jointly, that standard deduction will be $30,000 for 2025, an $800 jump from the year prior. And heads of households will get a $22,500 standard deduction, up $600 from 2024. Income thresholds for all seven federal tax bracket levels were also revised upward. The top tax rate, which remains 37%, will cover incomes greater than $626,350 for single taxpayers in tax year 2025, for example — compared to $609,350 in 2024. The IRS makes such adjustments for each tax year to account for inflation, which has recently been on a downward trend. Last month, inflation in the U.S. dropped to its lowest point in more than three years, marking some encouraging economic news — but Americans are still feeling some key price pressures. "Core" prices, a gauge of underlying inflation, remained elevated in September, driven up by rising costs for medical care, clothing, auto insurance and airline fares. While taxpayers will again see higher standard deductions for 2025, the increases announced Tuesday are less than those seen in recent years.

MAIN WEEKLY EARNINGS

Company	Ticker	Market Cap	Date	Time	Estimate	Year Ago
Coca Cola Compa	KO US	$ 299.32B	23-Oct-24	Pre-mkt	0.74	0.74
Boeing Company	BA US	$ 98.51B	23-Oct-24	Pre-mkt	-10.31	-3.26
General Dynamic:	GD US	$ 84.08B	23-Oct-24	Pre-mkt	3.49	3.04
Tesla Inc	TSLA US	$ 696.34B	23-Oct-24	Aft-mkt	0.60	0.66
International Busi	IBM US	$ 213.94B	23-Oct-24	Aft-mkt	2.22	2.20

ECONOMIC CALENDAR

(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
(25-10-24) US - Durable Goods Orders

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