

Daily Market Brief

May 24th 2024



FOREIGN EXCHANGE MARKETS

(Sources: Bloomberg / Reuters)

EUR/USD

EUR/USD headed lower on Thursday, driven closer to the 1.0800 handle after an unexpected upswing in US Services Purchasing Managers Index (PMI) figures sparked renewed fears of fewer Federal Reserve (Fed) rate cuts. This sent investors into the safe-haven US Dollar and deflated the Euro despite better-than-expected HCOB PMI figures earlier in the day. Fed rate cut hopes hinging in easing services inflation stumble.

GBP/USD

The GBP/USD pair loses its recovery momentum near 1.2695 during the early Asian session on Friday. The major pair edges lower after retracing from the recent top around 1.2760 amid renewed US Dollar (USD) demand. The US PMI accelerated to the highest level in just over two years in May. The UK inflation data dashed hopes of BoE rate cuts in June. Later on Friday, the UK Retail Sales, US Durable Goods Orders, and Michigan Consumer Sentiment Index will be due.

USD/JPY

The USD/JPY registered gains for the second consecutive trading day but were marginal. The pair trades at 156.86, up by 0.03%, as economic indicators in the United States showed that business activity remains resilient, growing at the fastest pace since 2022. U.S. economic data showing rapid business growth since 2022 bolsters the pair.

Fx rates	Last	High	Low	% Daily	% Weekly	% YTD
EUR-USD	1.0810	1.0815	1.0806	-0.05	-0.54	-2.07
GBP-USD	1.2690	1.2700	1.2687	-0.07	-0.09	-0.32
USD-JPY	157.08	157.15	156.90	0.10	-0.91	-10.21
USD-CHF	0.9153	0.9155	0.9141	0.11	-0.68	-8.07
Commodities	Last	High	Low	% Daily	% Weekly	% YTD
Gold	2339.09	2339.20	2325.46	0.42	-3.15	13.38
Silver	30.57	30.57	30.05	1.46	-2.92	28.48
Crude Oil	76.87	77.06	76.76	0.00	-3.41	6.81
Bitcoin	67247.04	68278.26	67074.63	-0.75	1.65	58.20
Etherium	3734.79	3876.02	3730.14	-0.57	21.46	63.64
Period	1 M		3 M		12 M	
EURIBOR	3.80		3.82		3.67	
SOFR	5.32		5.34		5.17	
US Fed Rate		5.31				
Notes/Bonds	2 Y		10 Y		30 Y	
US	4.92		4.47		4.58	
BTP - BUND	0.48		1.29		1.67	
GILTS	4.50		4.26		4.70	

INTERNATIONAL EQUITY MARKETS

(Sources: Bloomberg / Reuters)

UNITED STATES OF AMERICA

Stocks fell Thursday, with the Dow Jones Industrial Average registering its worst day of 2024, as a post-earnings rally in Nvidia failed to lift the broader market. Chipmaker and artificial intelligence darling Nvidia surged 9.3%, sending shares above \$1,000, after posting stronger-than-expected fiscal first-quarter results and announcing a 10-for-1 stock split. The majority of the stocks in the broad market index turned negative Thursday, indicating a lack of market breadth.

EUROPE

European markets closed slightly higher on Thursday as traders digested the minutes of the last U.S. Fed Reserve meeting and fresh economic data from the euro zone. Technology stocks rose 1.08%, helped by U.S. Nvidia, which posted stronger-than-expected fiscal first-quarter results after the Wall Street close.

ASIA

Asia-Pacific markets were mixed after minutes of the last U.S. Federal Reserve meeting revealed officials' concerns over sticky inflation, with members seemingly getting cold feet on possible interest rate cuts.

Index	Close	% Daily	% M	YTD	Futures	% Change
DJIA	39065.26	-1.53	1.57	3.65	39170.00	0.05
S&P	5267.84	-0.74	3.87	10.44	5291.25	0.11
Nasdaq	16736.03	-0.39	6.51	11.49	18706.75	0.06
DJ EuroStoxx50	5037.60	0.25	0.96	11.42	5015.00	-0.56
FTSE 100	8339.23	-0.37	3.72	7.84	8284.50	-0.87
CAC 40	8102.33	0.13	0.13	7.41	8161.20	#N/A N/A
DAX	18691.32	0.06	3.33	11.58	18656.00	-0.54
IBEX 35	11311.10	-0.16	2.57	11.97	11303.60	#N/A N/A
FTSE MIB	34467.67	0.02	0.57	13.56	34581.00	0.00
Nikkei	39103.22	-1.13	0.52	15.53	38660.00	-1.10
Hang Seng	18868.71	-1.51	8.03	9.01	18568.00	-1.72
DFM General	4023.64	-0.84	-3.45	-0.89	N/A	N/A
MSCI Tadawoul	11995.99	-1.32	-2.91	0.24	N/A	N/A

Leb. Mrkts	Closing Px	High	Low	% Daily	% Weekly	YTD
Solidere A	70.00	70.00	70.00	0.00	0.07	-21.44
Solidere B	70.00	70.00	67.05	2.19	0.86	-22.18

MUST READ

(Source: Bloomberg/ Forexlive)

Elon Musk now says he opposes US tariffs on Chinese EVs

Tesla, opens new tab founder Elon Musk told tech investors in Paris on Thursday he opposed U.S. tariffs on Chinese electric vehicles (EVs), an about-face from his January warning that trade barriers were needed or China would "demolish most other car companies in the world." On Thursday, Musk said he did not favour measures that distorted the market. This month, U.S. President Joe Biden rolled out new tariffs on an array of Chinese imports, including EVs, seeking to support American manufacturing. The Biden administration has maintained a number of tariffs introduced by former President Donald Trump, while ratcheting up others, including quadrupling EV duties to more than 100%. The White House said the new measures affect \$18 billion in imported Chinese goods. "Neither Tesla nor I asked for these tariffs, in fact I was surprised when they were announced. Things that inhibit freedom of exchange or distort the market are not good," Musk said at the Viva Technology conference in Paris via video link. "Tesla competes quite well in the market in China with no tariffs and no deferential support. I'm in favour of no tariffs," Musk said. In January, Musk warned Chinese automakers would "demolish" global competitors without trade barriers. "If there are no trade barriers established, they will pretty much demolish most other car companies in the world," Musk said in a post-earnings analyst call at the start of the year.

MAIN WEEKLY EARNINGS

Company	Ticker	Market Cap	Date	Time	Estimate	Year Ago
Booz Allen Hamilt	BAH US	\$ 19.77B	24-May-24	Pre-mkt	1.23	1.01
Chewy Inc	CHWY US	\$ 7.07B	29-May-24	Pre-mkt	0.16	0.20
Abercrombie & Fi	ANF US	\$ 7.44B	29-May-24	Pre-mkt	1.69	0.39
HP Inc	HPQ US	\$ 31.95B	29-May-24	Aft-mkt	0.81	0.80
Salesforce Inc	CRM US	\$ 270.56B	29-May-24	Aft-mkt	2.38	1.69

ECONOMIC CALENDAR

(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
(30-05-24) US - GDP Annualized QoQ
(30-05-24) US - Core PCE Price Index QoQ

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