

Daily Market Brief

June 24th 2024



FOREIGN EXCHANGE MARKETS

(Sources: Bloomberg / Reuters)

EUR/USD

The USD retained the ground gained in the previous days, and EUR/USD settled below the 1.0700 threshold for a second consecutive week. The pair moved mostly on sentiment, although tepid US data pushed EUR/USD up to 1.0760 on Tuesday. Nevertheless, the Greenback regained its strength ahead of the close, as geopolitical jitters backed safe-haven demand. The United States will release the Federal Reserve's favorite inflation gauge next week.

GBP/USD

GBP/USD witnessed good two-way business in the past week, staging a modest recovery in the first half of the week before surrendering to sellers following Thursday's BoE policy announcements. The US Dollar snapped the previous week's late recovery, returning to the red amid improving risk sentiment and increased bets of a US Fed interest rate reduction in September.

USD/JPY

The USD/JPY pair clings to gains near 159.00 in Friday's Asian session after a winning spell for six trading sessions. The asset is expected to extend its upside towards a multi-year high near 160.00 as investors expect that the BoJ could further delay plans of reducing the amount of bond-buying beyond the July meeting. The BoJ could further delay plans to trim bond-buying as core inflation decelerates. The US Dollar will be guided by the preliminary US S&P Global PMIs.

Fx rates	Last	High	Low	% Daily	% Weekly	% YTD
EUR-USD	1.0698	1.0700	1.0684	0.05	-0.34	-3.09
GBP-USD	1.2646	1.2650	1.2633	0.01	-0.46	-0.67
USD-JPY	159.71	159.92	159.62	-0.06	-1.23	-11.69
USD-CHF	0.8934	0.8945	0.8923	-0.06	-0.44	-5.82
Commodities	Last	High	Low	% Daily	% Weekly	% YTD
Gold	2324.24	2327.32	2317.79	0.10	0.22	12.66
Silver	29.62	29.69	29.35	0.22	0.53	24.48
Crude Oil	80.68	80.77	80.23	-0.06	3.37	12.54
Bitcoin	62264.51	63866.59	62252.28	-2.26	-3.99	46.48
Etherium	3365.51	3438.76	3352.52	-1.99	-5.25	47.46
Period	1 M		3 M		12 M	
EURIBOR	3.60		3.69		3.62	
SOFR	5.35		5.34		5.05	
US Fed Fund Rate (Indicator)			5.31			
Notes/Bonds	2 Y		10 Y		30 Y	
US	4.73		4.25		4.39	
BTP - BUND	0.70		1.53		1.88	
GILTS	4.17		4.08		4.59	

INTERNATIONAL EQUITY MARKETS

(Sources: Bloomberg / Reuters)

UNITED STATES OF AMERICA

The S&P 500 ticked lower Friday as shares of market bellwether Nvidia pulled back for a second day. Some signs of an overextended market have begun to appear in recent sessions, although it's unclear whether the artificial intelligence-fueled rally has reached its limits. Even Nvidia, which is large enough to sway the market, is showing signs that its upward momentum may be slowing.

EUROPE

European stocks closed lower Friday as investors assessed a slew of central bank decisions and data releases. Attention this week turned to central bank action, as the Swiss National Bank announced it would cut interest rates by 0.25 percentage points to 1.25%. The Bank of England meanwhile kept interest rates unchanged at a 16-year high of 5.25%.

ASIA

Asia-Pacific markets mostly fell on Friday after Japan's May core inflation data came in slightly cooler than expected, jeopardizing the country's plans to raise interest rates. The yen declined to 158.95 against the U.S. dollar.

Index	Close	% Daily	% M	YTD	Futures	% Change
DJIA	39150.33	0.04	0.21	3.88	39261.95	0.29
S&P	5464.62	-0.16	3.01	14.57	5471.89	-0.09
Nasdaq	17689.36	-0.18	4.54	17.84	17947.29	-0.08
DJ EuroStoxx50	4907.30	-0.82	-2.54	8.53	4910.60	-0.74
FTSE 100	8237.72	-0.42	-0.96	6.52	8200.50	-0.87
CAC 40	7628.57	-0.56	-5.76	1.13	7612.90	-0.78
DAX	18163.52	-0.50	-2.83	8.43	18191.91	-0.26
IBEX 35	11032.30	-1.15	-1.90	9.21	11039.30	-1.14
FTSE MIB	33308.77	-1.09	-3.43	9.74	33422.00	-0.77
Nikkei	38596.47	0.74	0.61	16.19	38860.00	0.65
Hang Seng	18028.52	-0.75	-3.84	4.97	17892.00	-2.25
DFM General	4012.19	0.64	-0.01	-1.17	N/A	N/A
MSCI Tadawoul	11729.97	2.01	-2.22	-1.98	N/A	N/A

Leb. Mrkts	Closing Px	High	Low	% Daily	% Weekly	YTD
Solidere A	69.55	69.55	69.50	-0.43	-0.50	-21.94
Solidere B	69.00	69.05	69.00	-1.43	-0.29	-23.29

MUST READ

(Source: Bloomberg/ Forexlive)

Bank of Japan set to reduce JGB purchases, stands pat on interest rate

The Bank of Japan kept its benchmark interest rate unchanged on Friday, but indicated it's considering the reduction of its purchase of Japanese government bonds. The central bank left short-term rates unchanged at between 0% to 0.1% at the end of its two-day policy meeting, as widely expected. But notably, the bank said in its statement it could reduce its purchases of Japanese government bonds after the next monetary policy meeting, scheduled for July 30 and 31. The decision was passed with an 8-1 majority vote, with board member Nakamura Toyooki dissenting. Toyooki was in favor of reducing JGB purchases, but is of the view that the BOJ should only decide to reduce them after reassessing developments in economic activity and prices in the July 2024 outlook report, slated for July 31. Ahead of the next meeting, the BOJ said it will collect views from market participants and will decide on a detailed plan for the reduction of its purchase amount for the next one to two years. Purchases of JGBs, commercial paper and corporate bonds will also continue as decided in the March monetary policy meeting. Following the BOJ decision, the Japanese yen weakened 0.52% to 157.84 against the U.S. dollar, while the yield on 10-year JGB fell 44 basis points to 0.924.

MAIN WEEKLY EARNINGS

Company	Ticker	Market Cap	Date	Time	Estimate	Year Ago
Enerpac Tool Groi	EPAC US	\$ 2.09B	24-Jun-24	Aft-mkt	0.47	0.39
Beyond Air Inc	XAIR US	\$ 56.9M	24-Jun-24	Aft-mkt	-0.47	-0.64
Fedex Corp	FDX US	\$ 62.42B	25-Jun-24	Aft-mkt	5.34	4.94
TD Synnex Corp	SNX US	\$ 11.39B	25-Jun-24	Pre-mkt	2.82	2.43
Progress Software	PRGS US	\$ 2.11B	25-Jun-24	Aft-mkt	0.95	1.06

ECONOMIC CALENDAR

(24-06-24) DE - IFO Business Climate
(25-06-24) CA - CPI YoY
(25-06-24) US - Conf. Board Consumer Confidence
(26-06-24) DE - Gfk Consumer Confidence
(26-06-24) US - New Home Sales
(27-06-24) US - GDP Annualized QoQ
(27-06-24) US - Durable Goods Orders

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