

# Daily Market Brief

October 24 2023



## FOREIGN EXCHANGE MARKETS

(Sources: Bloomberg / Reuters)

### EURUSD

EUR/USD continues to move upward for the fourth successive day, trading higher around the 1.0680 level during the Asian session on Tuesday. Market participants await the preliminary Eurozone October PMI. In Germany, both the German GfK Consumer Confidence Survey and PMI data are also on the agenda. Tuesday will feature a speech by ECB President Christine Lagarde.

### GBPUSD

GBP/USD continues the winning streak that began on Thursday, trading higher near 1.2270 during the Asian session on Tuesday. United Kingdom (UK) gears up for the release of Employment and S&P Global PMI data. Economists anticipate a decline in employment levels for the three months leading to August, signaling that companies are scaling back their workforces in response to a gloomy demand outlook.

### USDJPY

The USD/JPY pair sticks to mild gains after bouncing off the 149.55 low during the early Asian session on Tuesday. The pair currently trades near 149.76, gaining 0.03% on the day. However, the fear of FX intervention by the Japanese authorities remains intact. On Friday, attention will shift to the annual Tokyo Consumer Price Index (CPI) for October.

| Fx rates    | Last     | High     | Low      | % Daily | % Weekly | % YTD  |
|-------------|----------|----------|----------|---------|----------|--------|
| EUR-USD     | 1.0683   | 1.0687   | 1.0665   | 0.12    | 1.00     | -0.21  |
| GBP-USD     | 1.2268   | 1.2274   | 1.2235   | 0.16    | 0.70     | 1.53   |
| USD-JPY     | 149.67   | 149.79   | 149.50   | -0.03   | 0.09     | -12.39 |
| USD-CHF     | 0.8905   | 0.8929   | 0.8900   | -0.07   | 1.09     | 3.82   |
| Commodities | Last     | High     | Low      | % Daily | % Weekly | % YTD  |
| Gold        | 1977.05  | 1980.91  | 1971.49  | 0.21    | 2.80     | 8.39   |
| Silver      | 23.13    | 23.19    | 22.93    | 0.64    | 1.38     | -3.46  |
| Crude Oil   | 85.74    | 86.30    | 85.65    | 0.29    | 0.35     | 10.90  |
| Bitcoin     | 34050.00 | 35172.00 | 31439.95 | 7.97    | 18.53    | 105.87 |
| Etherium    | 1816.70  | 1849.55  | 1705.55  | 6.28    | 15.92    | 51.47  |
| Period      | 1 M      | 3 M      | 12 M     |         |          |        |
| USD LIBOR * | 5.45     | 5.66     | 6.04     |         |          |        |
| EURIBOR     | 3.86     | 3.97     | 4.19     |         |          |        |
| SOFR        | 5.32     | 5.38     | 5.38     |         |          |        |
| Notes/Bonds | 2 Y      | 10 Y     | 30 Y     |         |          |        |
| US          | 5.06     | 4.84     | 4.99     |         |          |        |
| BTP - BUND  | 0.85     | 1.97     | 2.23     |         |          |        |
| GILTS       | 4.83     | 4.60     | 5.05     |         |          |        |

## INTERNATIONAL EQUITY MARKETS

(Sources: Bloomberg / Reuters)

### UNITED STATES OF AMERICA

Stocks were mixed on Monday after the benchmark 10-year Treasury yield briefly rose above 5%, before retreating as investors increasingly accept interest rates will stay higher for longer. The ongoing sell-off in bonds and worries about an escalation in Middle East hostilities are weighing on the market. Stocks have stuttered as the "new normal" of elevated borrowing costs has sunk in, after Fed Chair Jerome Powell signaled the central bank's commitment to the strategy.

### EUROPE

European stocks finished on a mixed note on Monday as fears of an escalation of conflict in the Middle East weighed on risk appetite, although traders appeared relieved by the fact that the ground offensive into Gaza had yet to materialise.

### ASIA

Shares were mixed Tuesday in Asia after Wall Street wobbled to a mixed close as yields on U.S. Treasury bonds fell back after creeping above 5%. Shanghai's benchmark has fallen to its lowest level in several years as worries over a slump in the property market and a slowing economy in general have led investors to sell off shares.

| Index          | Close    | % Daily | % M    | YTD    | Futures  | % Change |
|----------------|----------|---------|--------|--------|----------|----------|
| DJIA           | 32936.41 | -0.58   | -3.03  | -0.64  | 33145.00 | 0.24     |
| S&P            | 4217.04  | -0.17   | -2.38  | 9.83   | 4256.50  | 0.34     |
| Nasdaq         | 13018.33 | 0.27    | -1.46  | 24.38  | 14792.00 | 0.53     |
| DJ EuroStoxx50 | 4041.75  | 0.42    | -3.93  | 6.54   | 4056.00  | -0.02    |
| FTSE 100       | 7374.83  | -0.37   | -4.02  | -1.03  | 7388.50  | -0.09    |
| CAC 40         | 6850.47  | 0.50    | -4.65  | 5.82   | 6857.30  | N/A      |
| DAX            | 14800.72 | 0.02    | -4.86  | 6.30   | 14882.00 | -0.02    |
| IBEX 35        | 8995.50  | -0.37   | -5.33  | 9.31   | 9038.70  | N/A      |
| FTSE MIB       | 27558.78 | 0.74    | -3.56  | 16.25  | 27528.00 | N/A      |
| Nikkei         | 30999.55 | 0.31    | -4.04  | 19.16  | 31090.00 | 0.29     |
| Hang Seng      | 17172.13 | -0.83   | -5.70  | -13.92 | 17054.00 | -0.79    |
| DFM General    | 3729.91  | -0.58   | -10.52 | 11.81  | N/A      | N/A      |
| MSCI Tadawoul  | 10293.19 | -1.93   | -5.99  | -1.77  | N/A      | N/A      |

| Leb. Mrkts | Closing Px | High  | Low   | % Daily | % Weekly | YTD   |
|------------|------------|-------|-------|---------|----------|-------|
| Solidere A | 74.95      | 75.05 | 74.00 | -0.66   | 0.40     | 23.07 |
| Solidere B | 72.95      | 75.75 | 72.55 | 0.41    | -2.99    | 20.88 |

## MUST READ

(Source: Bloomberg/ Forexlive)

### China's unfolding property crisis

China's biggest private sector developer, Country Garden, appears to be heading for default after failing to make a payment on an offshore bond. Two years ago it was the default of another developer, Evergrande that encapsulated concern over the scale of problems in Chinese property. Evergrande had racked up \$340bn of liabilities and become the world's most indebted property developer. Country Garden's sales fell 44 per cent year-on-year in the first six months of 2022. The company's shares have fallen around 70 per cent this year, while its bonds are trading at about 5 cents on the dollar. The turmoil among property developers is hugely significant for China because construction and real estate has been the motor of much of its growth. Country Garden reiterated last week that it "will not be able to meet all of its overseas debt repayment obligations". The group has international debts worth of around \$11bn and total liabilities of around \$200bn as of the end of June. The group is expected to join dozens of other developers in pursuing an offshore debt restructuring. But the status of their much larger mainland obligations, which include loans from banks and investment firms, remains shrouded in uncertainty.

## MAIN WEEKLY EARNINGS

| Company            | Ticker   | Market Cap | Date      | Time    | Estimate | Year Ago |
|--------------------|----------|------------|-----------|---------|----------|----------|
| Alphabet Inc CL A  | GOOGL US | \$1.72 T   | 24-Oct-23 | Aft-mkt | 1.45     | 1.06     |
| 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     |
| 3M CO              | MMM US   | \$47.78 B  | 24-Oct-23 | Pre-mkt | 2.34     | 2.69     |

## ECONOMIC CALENDAR

(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  
(26-10-23) EA - ECB Main Refinancing Rate

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