

Daily Market Brief

January 25 2024



FOREIGN EXCHANGE MARKETS

(Sources: Bloomberg / Reuters)

EUR/USD

EUR/USD rose to a near-term high above 1.0930 on Wednesday after European PMI figures surprised to the upside on the manufacturing component, while a broad forecast beat for US PMI data soured market sentiment and sent the EUR/USD lower as investors second-guessed the day's momentum and pulled back into the safe-haven US Dollar (USD), albeit slightly.

GBP/USD

GBP/USD experiences a downward trend, following the pullback from a recent two-week high at 1.2774 on Wednesday. The Pound Sterling (GBP) initially received support following positive Purchasing Managers Index (PMI) data from the United Kingdom (UK). However, this upward momentum could not be sustained after the release of upbeat PMI data from the United States (US).

USD/JPY

USD/JPY heads into the Thursday market session trading near 147.50 after shedding the 148.00 handle on Wednesday. The Bank of Japan (BoJ) remained firmly planted in their dovish monetary policy stance on Tuesday, dedicated to keeping interest rates in negative territory until the Japanese central bank sees enough evidence that inflation in Japan's domestic economy won't drop too far below 2% in the future. The BoJ is also waiting to see how wages shift in the spring

Fx rates	Last	High	Low	% Daily	% Weekly	% YTD
EUR-USD	1.0886	1.0887	1.0870	0.01	0.09	-1.39
GBP-USD	1.2723	1.2727	1.2704	-0.02	0.13	-0.06
USD-JPY	147.70	147.88	147.42	0.13	0.31	-4.51
USD-CHF	0.8638	0.8649	0.8626	0.12	0.49	-2.59
Commodities	Last	High	Low	% Daily	% Weekly	% YTD
Gold	2015.53	2017.69	2013.74	0.08	-0.39	-2.30
Silver	22.78	22.80	22.65	0.49	0.17	-4.27
Crude Oil	75.41	75.57	75.16	0.43	1.97	4.97
Bitcoin	39996.90	40168.10	39740.25	0.58	-4.09	-5.91
Etherium	2220.17	2238.95	2202.80	0.19	-9.90	-2.72
Period	1 M	3 M	12 M			
EURIBOR	3.87	3.95	3.67			
SOFR	5.34	5.32	4.85			
Notes/Bonds	2 Y	10 Y	30 Y			
US	4.37	4.15	4.38			
BTP - BUND	0.50	1.56	1.99			
GILTS	4.42	4.01	4.61			

INTERNATIONAL EQUITY MARKETS

(Sources: Bloomberg / Reuters)

UNITED STATES OF AMERICA

The S&P 500 rose Wednesday as Netflix led a broader rally among technology names, pushing the broader market to new heights. Netflix shares surged more than 10% after the streamer said its total subscriber count hit an all-time high of 260.8 million. Revenue topped analysts' estimates. Microsoft rose nearly 1%, Meta advanced 1.4%.

EUROPE

European markets were higher Wednesday as preliminary purchasing managers' index data showed improved activity in the euro zone in January. Investors are gearing up for the European Central Bank's monetary policy meeting and accompanying statement Thursday. The composite services and manufacturing PMI data indicated an uptick business activity giving investors a boost ahead of the ECB's next meeting on Thursday.

ASIA

Hong Kong's Hang Seng index surged 3.5% on Wednesday, powered by tech stocks as other Asia-Pacific markets mostly fell. Just after the markets closed, the People's Bank of China governor said the central bank would cut its reserve requirement ratio for financial institutions by 50 basis points from Feb. 5.

Index	Close	% Daily	% M	YTD	Futures	% Change
DJIA	37806.39	-0.26	1.12	0.31	38064.00	0.22
S&P	4868.55	0.08	2.40	2.07	4900.50	0.04
Nasdaq	15481.92	0.36	3.26	3.13	17624.75	0.02
DJ EuroStoxx50	4564.11	2.20	0.94	0.94	4581.00	-0.09
FTSE 100	7527.67	0.56	-2.21	-2.66	7508.00	-0.24
CAC 40	7455.64	0.91	-1.50	-1.16	7361.10	N/A
DAX	16889.92	1.58	1.10	0.83	16969.00	-0.21
IBEX 35	9974.00	1.16	-1.36	-1.27	9839.80	N/A
FTSE MIB	30338.35	0.87	-0.05	-0.04	30503.00	N/A
Nikkei	36236.47	0.03	8.97	8.28	36220.00	-0.11
Hang Seng	15899.87	1.94	-0.80	-4.92	16214.00	1.76
DFM General	4181.47	0.21	4.29	3.22	N/A	N/A
MSCI Tadawoul	12174.18	0.57	3.06	1.73	N/A	N/A

Leb. Mrkts	Closing Px	High	Low	% Daily	% Weekly	YTD
Solidere A	73.95	74.00	72.00	-1.20	-6.63	-17.00
Solidere B	74.00	74.00	74.00	0.00	-7.50	-17.73

MUST READ

(Source: Bloomberg/ Forexlive)

On China's recovery, from real estate to deflation

Policymakers in China are set to introduce a large shot of liquidity to prop up the country's slumping economy and financial markets. China's central bank announced Wednesday its largest "economic first aid package" in two years. Measures include a 50-basis points cut in required cash reserves for banks, translating into around a \$140 billion liquidity injection into the banking system, starting from February 5. The reduction in required bank reserves comes as post-pandemic recovery challenges cripple the world's second-largest economy. Officials in Beijing are faced with a deflationary outlook, a housing crisis, and recent turbulence in the country's stock market, with its benchmark Shanghai SE Composite Index hitting five-year lows in recent days. People's Bank of China governor Pan Gongsheng said on Wednesday that the bank would roll out policies boosting commercial property loans either on Wednesday or Thursday night, offering investors some relief from the rising concerns about China's approaches to tackle the real estate sector and household wealth. "At present, China's monetary policy still has enough room," said Pan. 2023 was a "hard to smile" year for China's economic outlook, with stock market tumbling 13% for the year. Meanwhile, Beijing is considering establishing a 2 trillion yuan (\$280 billion) market stabilization fund sourced from the offshore accounts of state-owned enterprises, in a bid to stop the meltdown in stock prices that's wiped out over \$6 trillion since 2021.

MAIN WEEKLY EARNINGS

Company	Ticker	Market Cap	Date	Time	Estimate	Year Ago
Southwest Airline	LUV US	\$ 15.55B	25-Jan-24	Pre-mkt	0.12	-0.38
Blackstone Inc	BX US	\$ 145.91B	25-Jan-24	Pre-mkt	0.96	1.07
Visa Inc	V US	\$ 560.15B	25-Jan-24	Aft-mkt	2.35	2.18
Levi Strauss & Co	LEVI US	\$ 6.24B	25-Jan-24	Aft-mkt	0.43	0.34
T Mobile US Inc	TMUS US	\$ 187.35B	25-Jan-24	Aft-mkt	1.91	1.18

ECONOMIC CALENDAR

(25-01-24) EA - ECB Main Refinancing Rate
(25-01-24) US - GDP Annualized QoQ
(25-01-24) US - Durable Goods Orders
(25-01-24) US - Initial Jobless Claims / New Home Sales
(26-01-24) JP - Tokyo CPI YoY
(26-01-24) US - M3 Money Supply YoY
(26-01-24) US - Personal Income/ Personal Spending

CONTACT

Banque BEMO sal
Asset Management Unit

Ashrafieh, Elias Sarkis Ave., BEMO Bldg, 4th Floor
P.O.Box 16-6353 Beirut, Lebanon
Tel: +961 1 325405/6/7/9

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