

Daily Market Brief

June 25th 2024



FOREIGN EXCHANGE MARKETS

(Sources: Bloomberg / Reuters)

EUR/USD

EUR/USD drifted up in a mild recovery from last Friday's dip into 1.0670. The new trading week is kicking things off with risk appetite firmly pinned higher, sending the US Dollar lower and bolstering the Euro as investors head into a relatively quiet Tuesday. Key economic data releases are relegated to later in the week, traders will shift their focus on update to US GDP figures is slated for Thursday, with Friday rounding out the trading week with German Retail Sales and the latest update for US PCE price Index inflation.

GBP/USD

GBP/USD ground out some bullish chart paper on Monday, climbing from a recent swing low into 1.2650 as markets kicked off the new trading week with risk appetite firmly on the front foot. Key economic data remains limited through most of the week. GDP updates for the US and the UK are due in the back half of the trading week, with US PCE Price Index inflation numbers slated for Friday.

USD/JPY

The USD/JPY is flat but advanced steadily towards the 160.00 figure for the second time in 2024. The pair trades at 159.65, down some 0.10%, amid Japanese authority's verbal intervention. The USD/JPY has managed to climb back above 159.00, even though traders were reluctant to re-test the BoJ patience of intervening in the FX space to tame the JPY depreciation

Fx rates	Last	High	Low	% Daily	% Weekly	% YTD
EUR-USD	1.0742	1.0744	1.0731	0.08	0.02	-2.69
GBP-USD	1.2694	1.2699	1.2680	0.06	-0.12	-0.29
USD-JPY	159.42	159.71	159.19	-0.13	-0.98	-11.53
USD-CHF	0.8919	0.8934	0.8913	-0.12	-0.86	-5.66
Commodities	Last	High	Low	% Daily	% Weekly	% YTD
Gold	2325.32	2334.57	2322.82	-0.40	-0.18	12.72
Silver	29.51	29.66	29.25	-0.25	-0.09	24.01
Crude Oil	81.70	81.90	81.54	0.09	2.48	13.96
Bitcoin	60976.51	61583.98	59373.30	2.53	-6.28	43.45
Etherium	3372.70	3393.47	3306.60	1.91	-4.29	47.78
Period	1 M		3 M		12 M	
EURIBOR	3.60		3.69		3.62	
SOFR	5.34		5.34		5.04	
US Fed Fund Rate (Indicator)			5.31			
Notes/Bonds	2 Y		10 Y		30 Y	
US	4.73		4.24		4.37	
BTP - BUND	0.67		1.51		1.86	
GILTS	4.19		4.08		4.58	

INTERNATIONAL EQUITY MARKETS

(Sources: Bloomberg / Reuters)

UNITED STATES OF AMERICA

The Dow Jones Industrial Average climbed Monday as investors sold big technology names in favor of other sectors such as banks and energy. Information technology was the biggest declining S&P 500 sector for the day, falling more than 2%. Meanwhile, energy advanced 2.7%, and financials and utilities were up roughly 1%. Investors will receive key inflation data this week in the form of May's personal consumption expenditure data.

EUROPE

European stocks were positive Monday, as investors look ahead to fresh economic data and interest rate decisions from the region. Monetary policy decisions come from Sweden and Turkey's central banks this week, while data releases to look out for include gross domestic product data from Spain on Tuesday and Italy on Friday.

ASIA

Asian shares edged lower, kicking off a week that includes measures of inflation that will help guide bets on the outlook for global interest rates. The yen was steady after Japan's top currency official ratcheted up intervention rhetoric.

Index	Close	% Daily	% M	YTD	Futures	1Y % Change
DJIA	39411.21	0.67	0.87	4.57	39261.95	13.78
S&P	5447.87	-0.31	2.70	14.22	5471.89	20.79
Nasdaq	17496.82	-1.09	3.40	16.56	19747.29	26.42
DJ EuroStoxx50	4950.98	0.89	-1.68	9.50	4910.61	14.17
FTSE 100	8281.55	0.53	-0.43	7.09	8200.50	7.68
CAC 40	7706.89	1.03	-4.79	2.17	7612.90	5.18
DAX	18325.58	0.89	-1.97	9.40	18191.91	10.40
IBEX 35	11172.10	1.27	-0.66	10.59	11039.30	19.50
FTSE MIB	33834.91	1.58	-1.90	11.48	33422.00	25.15
Nikkei	38804.65	0.90	1.31	17.00	39180.00	22.18
Hang Seng	18027.71	0.51	-2.63	6.29	18124.00	-5.08
DFM General	4000.25	-0.30	-0.31	-1.47	N/A	N/A
MSCI Tadawoul	11697.04	-0.28	-2.49	-2.26	N/A	N/A

Leb. Mrkts	Closing Px	High	Low	% Daily	% Weekly	YTD
Solidere A	69.95	70.00	69.70	0.65	0.58	-21.49
Solidere B	69.05	69.05	69.05	0.07	0.00	-23.24

MUST READ

(Source: Bloomberg/ Forexlive)

Worsening water crisis can weigh on India's sovereign credit strength

India's worsening water shortage, triggered by high consumption amid rapid economic growth and frequent natural disasters, can negatively impact the South Asian nation's sovereign credit strength, Moody's Ratings said on Tuesday. Millions of Indians face water shortages every summer when water demand rises in farms, offices and homes against a limited supply, but a prolonged heatwave this year has worsened the shortfall, including in Delhi and the southern tech hub of Bengaluru. "This is detrimental to the credit health of the sovereign, as well as sectors that heavily consume water, such as coal power generators and steel-makers," Moody's Ratings said in a note. "In the long term, investment in water management can mitigate risks from potential water shortages," it added. "Decreases in water supply can disrupt agricultural production and industrial operations, resulting in inflation in food prices and declines in income for affected businesses and communities, while sparking social unrest," Moody's said. This, in turn, can exacerbate volatility in India's growth, it warned. Increases in the frequency of water shortage, severity or durations of extreme climate events stemming from climate change will exacerbate the situation because India heavily relies on monsoon rainfall for water supply, the global agency said. Industrialisation and urbanisation will intensify competition for water among businesses and residents, it added. The sustainable finance market in India can provide companies and regional governments with a critical avenue to raise funds, it said. Moody's currently has a Baa3 rating on India with a stable outlook.

MAIN WEEKLY EARNINGS

Company	Ticker	Market Cap	Date	Time	Estimate	Year Ago
Fedex Corp	FDX US	\$ 63.12B	25-Jun-24	Aft-mkt	5.34	4.94
TD Synnex Corp	SNX US	\$ 11.34B	25-Jun-24	Pre-mkt	2.82	2.43
Progress Software	PRGS US	\$ 2.17B	25-Jun-24	Aft-mkt	0.95	1.06
Paychex	PAYX US	\$ 45.38B	26-Jun-24	Pre-mkt	1.10	0.97
Micron Technolog	MU US	\$ 153.94B	26-Jun-24	Pre-mkt	0.50	-1.43

ECONOMIC CALENDAR

(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
(28-06-24) US - PCE Price Index YoY

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