

Daily Market Brief

July 25th 2023



FOREIGN EXCHANGE MARKETS

(Sources: Bloomberg / Forexlive)

EURUSD

The EUR/USD EUR/USD lacks upside momentum despite bouncing off a two-week low, mildly bid near 1.1075 heading into Tuesday's European session. In doing so, the Euro pair benefits from the US Dollar's retreat but hesitates in welcoming the pair buyers amid fears of a recession in the bloc. US Dollar Index (DXY) retreats from a two-week high after cheering the comparatively better PMIs the previous day, down 0.08% intraday near 101.25 at the latest.

GBPUSD

The GBP/USD pair remains under pressure and struggles to gain during the Asian session on Tuesday. The major pair currently trades around the 1.2840 area, gaining 0.1% on the day. Market mood turns cautious ahead of the Federal Open Market Committee's (FOMC) meeting scheduled on Wednesday.

USDJPY

USD/JPY remains on the back foot for the second consecutive day, down 0.15% intraday near 141.25 by the press time, as the risk-on mood in Asia weighs on the USD of late. Even so, the key technical supports and cautious mood ahead of this week's monetary policy meetings of the Fed and the (BoJ) prod the Yen pair sellers.

Fx rates	Last	High	Low	% Daily	% Weekly	% YTD
EUR-USD	1.1076	1.1082	1.1060	0.11	-1.36	3.47
GBP-USD	1.2842	1.2843	1.2810	0.10	-1.49	6.28
USD-JPY	141.39	141.62	141.21	-0.06	-1.81	-7.26
USD-CHF	0.8691	0.8701	0.8685	-0.07	-1.31	6.37
Commodities	Last	High	Low	% Daily	% Weekly	% YTD
Gold	1962.74	1963.63	1953.29	0.41	-0.81	7.61
Silver	24.54	24.56	24.29	0.79	-2.05	2.45
Crude Oil	79.03	79.07	78.74	0.37	4.45	0.23
Bitcoin	29128.82	29200.68	29056.74	-0.06	-2.05	76.12
Etherium	1852.10	1856.29	1845.40	0.09	-1.91	54.42
Period	1 M	3 M	12 M			
USD LIBOR *	5.41	5.61	6.04			
EURIBOR	3.50	3.72	4.16			
* USD LIBOR rates will be discontinued after June 30, 2023 and will be replaced by SOFR						
Notes/Bonds	2 Y	10 Y	30 Y			
US	4.85	3.87	3.93			
BTP - BUND	0.66	1.60	1.99			
GILTS	4.94	4.26	4.42			

INTERNATIONAL EQUITY MARKETS

(Sources: Bloomberg / Reuters)

UNITED STATES OF AMERICA

The Dow Jones Industrial Average led Wall Street higher on Monday and notched its longest winning streak in six years as investors bet on sectors beyond technology in a week filled with earnings reports and a Federal Reserve meeting.

EUROPE

European shares were marginally higher on Monday as gains in energy firms and telecom stocks were countered by worsening fears of recession in the euro zone and losses in Spanish stocks after the country's general election yielded no clear winner.

ASIA

Chinese stocks rallied sharply and the yuan rose on Tuesday, after the country's top leaders pledged to step up policy support to shore up a flagging post-COVID economic recovery.

Index	Close	% Daily	% M	YTD	Futures	% Change
DJIA	35411.24	0.52	4.99	6.83	35575.00	-0.01
S&P	4554.64	0.40	4.74	18.63	4584.25	0.02
Nasdaq	14058.87	0.19	4.20	34.32	15561.25	0.00
DJ EuroStoxx50	4383.03	-0.19	2.61	15.54	4401.00	-0.14
FTSE 100	7678.59	0.19	2.90	3.04	7664.50	-0.15
CAC 40	7427.31	-0.07	3.68	14.73	7413.20	N/A
DAX	16190.95	0.08	2.28	16.28	16252.00	-0.18
IBEX 35	9543.50	-0.29	3.00	15.97	9531.00	N/A
FTSE MIB	28908.42	0.18	6.24	21.94	29073.00	N/A
Nikkei	32700.94	-0.31	-0.55	24.93	32580.00	-0.09
Hang Seng	18668.15	3.22	2.01	-2.59	19295.00	3.31
DFM General	3993.83	0.19	5.31	19.72	N/A	N/A
MSCI Tadawoul	11801.90	0.35	2.99	12.63	N/A	N/A
Leb. Mkts	Closing Px	High	Low	% Daily	% Weekly	YTD
Solidere A	76.40	76.90	76.00	2.28	4.59	25.45
Solidere B	76.50	77.60	75.10	3.10	6.10	26.76

MUST READ

(Source: Bloomberg/ Forexlive)

Investors are once again chasing some of the most speculative names in the stock market

A new bull market in stocks has led to the return of animal spirits among investors, DataTrek Research said in a note. Investors are once again chasing high-risk stocks in a market that has done little but gone up since the lows notched last October. The S&P 500 has surged about 30% since then, while the Nasdaq 100 is up 50%. That's an about face from 2022, when stocks consistently trended lower and led to a despondent investor base that was bearish on just about everything. But in 2023, speculative stocks like Carvana, Riot Platforms, and Marathon Digital have printed impressive year-to-date gains of between about 500% and 700%. These stocks are considered high-risk because they are not yet profitable and, in some cases, have substantial amounts of debt. The most recent example of animal spirits might be found in Nikola. The electric vehicle company, which is still in recovery mode from the downfall of its former fraud-convicted CEO, Trevor Milton, saw its stock price soar as much as 109% this week after it said it will sell 50 of its fuel-cell powered trucks over the next five years. Many of these types of stocks make up the Roundhill MEME ETF, which has jumped about 60% so far in 2023. And according to DataTrek Research co-founder Jessica Rabe, the gains could continue as the ETF is still about 50% below its record high seen in December 2021. "Meme stocks' current positive momentum shows investors' animal spirits are starting to run hot again," Rabe said.

MAIN WEEKLY EARNINGS

(Source: Nasdaq)

Company	Ticker	Market Cap	Date	Time	Estimate	Year Ago
Microsoft Corp	MSFT US	\$2.5 T	25-Jul-23	After-mkt	2.54	2.23
Alphabet Inc.	GOOG US	\$1.5 T	25-Jul-23	After-mkt	1.32	1.21
Visa Inc.	V US	\$448.2 B	25-Jul-23	After-mkt	2.11	1.98
Texas Instrument	TXN US	\$167.3 B	25-Jul-23	After-mkt	1.76	2.45
Verizon Communi	VZ US	\$142.4 B	25-Jul-23	Pre-mkt	1.17	1.31

ECONOMIC CALENDAR

(Source: Forexlive)

(26-07-23) CH- ZEW Survey - Expectations JUL

(26-07-23) US- Fed's Monetary Policy Statement; Fed Interest Rate Decision

(26-07-23) US- FOMC Press Conference; New Home Sales Change MoM JUN

(27-07-23) EA- ECB Rate On Main Refinancing Operations

(27-07-23) EA- ECB Rate On Deposit Facility

(27-07-23) EA- ECB Monetary Policy Decision Statement

(27-07-23) US- Gross Domestic Product Annualized Q2 preliminar

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