

Daily Market Brief

July 25th 2024



FOREIGN EXCHANGE MARKETS

(Sources: Bloomberg / Reuters)

EUR/USD

The EUR/USD pair trades in negative territory for the third consecutive day around 1.0835 during the Asian session on Thursday. The major pair adds to the previous day's losses amid a downbeat view of the Eurozone's economic outlook and rising expectation that the ECB would cut more rates in September. Later on Thursday, investors will closely watch the speech by the ECB's Lagarde, along with the advanced US GDP for the Q2.

GBP/USD

The GBP/USD pair edges lower to 1.2895 during the Asian trading hours on Thursday. The higher possibility that the BoE will begin cutting interest rates in August has undermined the GBP. In the absence of top-tier UK economic data releases, the GBP/USD pair will be influenced by the USD. The release of preliminary US GDP for Q2 will be in the spotlight.

USD/JPY

The USD/JPY pair remains under some selling pressure around 153.70, the lowest in three months, on Thursday during the early Asian session. The rising bets that the BoJ will cut interest rates next week provide some support to the JPY for the time being. US Gross GDP for Q2 will be in the spotlight on Thursday.

Fx rates	Last	High	Low	% Daily	% Weekly	% YTD
EUR-USD	1.0843	1.0846	1.0835	0.03	-0.50	-1.78
GBP-USD	1.2893	1.2917	1.2886	-0.11	-0.39	1.27
USD-JPY	152.68	153.97	152.23	-0.79	3.07	-7.62
USD-CHF	0.8827	0.8855	0.8823	-0.27	0.57	-4.68
Commodities	Last	High	Low	% Daily	% Weekly	% YTD
Gold	2375.67	2401.27	2366.86	-0.92	-2.84	15.16
Silver	27.93	28.92	27.74	-3.37	-6.36	17.39
Crude Oil	76.96	77.54	76.81	-0.81	-5.34	7.88
Bitcoin	64191.26	66066.99	63808.16	-2.80	-4.74	51.01
Etherium	3177.45	3375.75	3135.39	-5.86	-9.84	39.22
Period	1 M	3 M	12 M			
EURIBOR	3.62	3.69	3.51			
SOFR	5.35	5.28	4.82			
US Fed Fund Rate (Indicator)	5.31					
Notes/Bonds	2 Y	10 Y	30 Y			
US	4.39	4.26	4.53			
BTP - BUND	0.60	1.35	1.75			
GILTS	3.99	4.16	4.67			

INTERNATIONAL EQUITY MARKETS

(Sources: Bloomberg / Reuters)

UNITED STATES OF AMERICA

Stocks sold off Wednesday, weighed down by underwhelming reports from two megacap tech companies, leading the S&P 500 and the Nasdaq Composite to post their worst session since 2022. The U.S. PMI flash manufacturing output index fell to 49.5 in July, unexpectedly slipping into contraction territory as new orders, production and inventories declined.

EUROPE

European markets closed lower on Wednesday as investors reacted to the latest earnings from regional banks and U.S. tech companies. On the data front, flash purchasing managers' index data showed business activity stalled in the euro zone in July, while it picked up in the U.K. thanks to strong manufacturing growth.

ASIA

Asia-Pacific markets fell Wednesday as traders assessed July business activity data from Japan and Australia, and tech earnings from the U.S. Japan's composite purchasing managers' index for July was at 52.6, up from 49.7 in June.

Index	Close	% Daily	% M	YTD	Futures	1W % Change
DJIA	39853.87	-1.25	1.90	5.74	40134.00	-2.00
S&P	5427.13	-2.31	-0.77	13.78	5471.50	-2.19
Nasdaq	17342.41	-3.64	-2.12	15.53	19205.75	-3.49
DJ EuroStoxx50	4861.87	-1.12	-1.50	7.53	4855.00	-1.02
FTSE 100	8153.69	-0.17	-1.14	5.44	8135.00	-1.06
CAC 40	7513.73	-1.12	-1.94	-0.39	7530.80	-0.75
DAX	18387.46	-0.92	1.15	9.77	18404.00	-0.45
IBEX 35	11210.10	-0.02	0.82	10.97	11092.70	-0.56
FTSE MIB	34471.65	-0.48	2.27	13.57	34690.00	0.05
Nikkei	39154.85	-3.06	-3.10	13.43	37920.00	-5.72
Hang Seng	17311.05	-1.74	-5.89	-0.22	17021.00	-4.46
DFM General	4228.65	0.30	5.75	4.16	N/A	N/A
MSCI Tadawoul	12101.21	-0.04	3.16	1.12	N/A	N/A
Leb. Mrkts	Closing Px	High	Low	% Daily	% Weekly	YTD
Solidere A	81.80	83.00	77.40	2.06	12.21	-8.19
Solidere B	77.55	79.75	76.50	0.00	10.55	-13.79

MUST READ

(Source: Bloomberg/ Forexlive)

Tech Rout Sends Stocks Sharply Lower; Nasdaq Has Worst Day Since 2022

Major U.S. indexes tumbled Wednesday, led by steep declines for technology stocks after worrisome earnings reports from two mega-cap companies. The Nasdaq Composite closed 3.6% lower, a 655-point decline. Wednesday marked the index's biggest one-day point drop in more than four years and biggest percentage decline since October 2022. The S&P 500 fell 2.3% to its lowest closing level in six weeks, while the Dow Jones Industrial Average slid 1.3%, finishing below 40,000 points for the first time in nearly two weeks. Wednesday's selloff was sparked by quarterly results from Tesla and Alphabet, released after Tuesday's closing bell, that disappointed investors. Tesla shares fell 12% Wednesday, while the Google and YouTube parent fell 5%. Shares of the other Magnificent 7 companies—AI investor favorite Nvidia, Microsoft, Apple, Meta Platforms and Amazon—also finished sharply lower. Large-cap tech stocks, which have powered the market most of the year, have encountered significant volatility in recent weeks as investors shift money into small-cap stocks amid expectations that smaller companies stand to benefit most from widely anticipated rate cuts by the Federal Reserve. The Russell 2000 small-cap index, which has outpaced the major indexes this month, fell 2.1% Wednesday. In other markets, gold prices fell slightly to around \$2,400 an ounce and crude oil was up about 0.7% after falling the previous session. The yield on 10-year Treasuries rose to 4.28%, its highest level in two weeks, as investors await economic growth and inflation data that will be released in the coming days. Market participants are hoping that data will give the Fed confidence to start cutting its benchmark interest rate soon.

MAIN WEEKLY EARNINGS

Company	Ticker	Market Cap	Date	Time	Estimate	Year Ago
Abbvie Inc	ABBV US	\$ 311.16B	25-Jul-24	Pre-mkt	2.56	2.91
AstaZeneca ADR	AZN US	\$ 247.14B	25-Jul-24	Pre-mkt	0.97	1.08
RTX Corp	RTX US	\$ 139.37B	25-Jul-24	Pre-mkt	1.30	1.29
Southwest Airline	LUV US	\$ 15.92B	25-Jul-24	Pre-mkt	0.51	1.09
Valero Energy Cor	VLO US	\$ 48.66B	25-Jul-24	Pre-mkt	2.60	5.40

ECONOMIC CALENDAR

(25-07-24) US - GDP Annualized QoQ
(25-07-24) US - Initial Jobless Claims
(25-07-24) US - Durable Goods Orders
(26-07-24) JP - Tokyo CPI YoY
(26-07-24) US - Personal Income / Personal Spending
(26-07-24) US - U. of Mich. Sentiment
(30-07-24) FR - GDP QoQ

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