

Daily Market Brief

October 25 2023



FOREIGN EXCHANGE MARKETS

(Sources: Bloomberg / Reuters)

EURUSD

EUR/USD attempts to regain the upward direction post losses registered in the previous session due to weaker Eurozone PMI and upbeat S&P Global PMI from the United States (US). The preliminary HCOB Composite PMI for the eurozone declined to 46.5 in October, down from 47.2 in September. This marks the sixth consecutive reading below 50, indicating a persistent slowdown.

GBPUSD

The GBP/USD pair attracts some dip-buying during the Asian session on Wednesday and for now, seems to have stalled the previous day's retracement slide from the 1.2300 mark, or a near two-week high. Spot prices manage to hold above the 1.2150 level in the wake of subdued US Dollar (USD) price action, though lack bullish conviction.

USDJPY

The USD/JPY continues to cycle close to the 150.00 major handle, and the pair has constrained into a tight holding pattern after failing to make a meaningful break after tipping into 150.16 at the beginning of October. The Bank of Japan (BoJ) continues to remain fearful of Japanese inflation descending back into deflationary levels in the future.

Fx rates	Last	High	Low	% Daily	% Weekly	% YTD
EUR-USD	1.0601	1.0607	1.0589	0.10	0.62	-0.97
GBP-USD	1.2169	1.2176	1.2156	0.07	0.24	0.71
USD-JPY	149.84	149.92	149.80	-0.05	0.06	-12.49
USD-CHF	0.8923	0.8944	0.8921	-0.10	0.75	3.61
Commodities	Last	High	Low	% Daily	% Weekly	% YTD
Gold	1975.10	1977.04	1970.08	0.21	1.41	8.28
Silver	22.97	23.02	22.88	0.21	0.54	-4.13
Crude Oil	83.36	83.93	83.21	-0.45	-4.48	7.83
Bitcoin	34134.70	34372.01	33501.99	1.44	15.32	106.38
Etherium	1788.79	1806.55	1767.29	0.95	11.55	49.14
Period	1 M		3 M		12 M	
USD LIBOR *	5.44		5.64		6.04	
EURIBOR	3.86		3.96		4.15	
SOFR	5.32		5.38		5.38	
Notes/Bonds	2 Y		10 Y		30 Y	
US	5.06		4.82		4.94	
BTP - BUND	0.88		2.00		2.29	
GILTS	4.79		4.54		5.00	

INTERNATIONAL EQUITY MARKETS

(Sources: Bloomberg / Reuters)

UNITED STATES OF AMERICA

All three major US stock indexes advanced, with interest rate sensitive megacaps providing much of the upside lift as benchmark Treasury yields held steady, comfortably below their recent spike to 5 per cent. Third quarter earnings season has shifted into high gear, and this week nearly a third of the companies in the S&P 500 are expected to post results.

EUROPE

European stocks closed higher Tuesday, with all major bourses in the green following a rough patch that saw the Stoxx 600 index fall 3.4% last week. Mining stocks led gains with a 2.6% increase, while auto stocks shed 0.9%. Banks were 1% lower as Barclays fell nearly 7% following third-quarter results.

ASIA

China led Asia's stock markets higher on Wednesday as investors cheered the approval of a trillion-yuan sovereign bond issue as a harbinger of stimulus, while the Aussie dollar hit a two-week high as hotter-than-expected inflation lifted rate forecasts. MSCI's broadest index of Asia-Pacific shares outside Japan rose 0.9 percent and the Hang Seng 2 percent. Japan's Nikkei rose 1.1 percent.

Index	Close	% Daily	% M	YTD	Futures	% Change
DJIA	33141.38	0.62	-2.55	-0.02	33307.00	0.11
S&P	4247.68	0.73	-2.07	10.63	4259.25	-0.28
Nasdaq	13139.88	0.93	-0.99	25.54	14776.00	-0.47
DJ EuroStoxx50	4065.37	0.58	-2.45	7.16	4070.00	-0.17
FTSE 100	7389.70	0.20	-3.07	-0.83	7401.50	-0.09
CAC 40	6893.65	0.63	-3.23	6.49	6857.30	N/A
DAX	14879.94	0.54	-3.41	6.87	14953.00	-0.03
IBEX 35	8975.80	-0.22	-4.37	9.07	9038.70	N/A
FTSE MIB	27572.74	0.05	-2.85	16.31	27465.00	N/A
Nikkei	31062.35	0.67	-4.31	19.83	31270.00	0.39
Hang Seng	16991.53	1.10	-3.10	-13.16	17198.00	1.42
DFM General	3741.51	0.77	-9.85	13.01	N/A	N/A
MSCI Tadawoul	10379.71	0.84	-4.58	-0.94	N/A	N/A
Leb. Mrkts	Closing Px	High	Low	% Daily	% Weekly	YTD
Solidere A	74.85	75.90	74.00	-0.13	0.34	22.91
Solidere B	72.75	73.00	72.50	-0.27	-2.02	20.55

MUST READ

(Source: Bloomberg/ Forexlive)

Why bitcoin is surging again

Bitcoin is rocketing higher, topping \$35,000 for the first time since May 2022. It's up 20% over the past five days. The famously volatile cryptocurrency has more than doubled in value this year as investors grow excited about the prospect of being able to buy bitcoin funds that trade on good old-fashioned stock exchanges rather than having to deal with less-regulated and sometimes sketchy crypto platforms. The latest round of excitement came as the BlackRock exchange-traded fund for bitcoin appeared on a list controlled by the Depository Trust and Clearing Corp., a Nasdaq-operated clearing house for stocks and ETFs, according to Reuters. But there's another reason why bitcoin may be rising: fear. As investors look to diversify their portfolios in uncertain times, some turn to bitcoin, ironically as a kind of digital safe haven. Sometimes dubbed "digital gold," bitcoin has become a way for investors to branch out beyond traditional stocks and bonds.

MAIN WEEKLY EARNINGS

Company	Ticker	Market Cap	Date	Time	Estimate	Year Ago
INTL Business Ma	IBM US	\$124.24 B	25-Oct-23	Aft-mkt	2.12	1.81
Meta Platforms II	META US	\$808 B	25-Oct-23	Aft-mkt	3.70	1.64
Baker Hughes Co	BKR US	\$35 B	26-Oct-23	Aft-mkt	0.39	0.26
Merck & Co Inc	MRK US	\$262.25 B	26-Oct-23	Pre-mkt	1.96	1.85
Intel Corp	INTC US	\$141.76 B	26-Oct-23	Aft-mkt	0.21	0.59

ECONOMIC CALENDAR

(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
(26-10-23) US - GDP Annualized QoQ / GDP Price Index / Durable Goods Orders
(26-10-23) US - Initial Jobs Claims / Continuing Claims / Pending Home Sales MoM
(27-10-23) JIN - Tokyo CPI YoY

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