Daily Market Brief

October 25th 2024

BANQUE BEMO

FOREIGN EXCHANGE MARKETS

(Sources: Bloomberg / Reuters)

EUR/USD

The EUR/USD pair rebounded slightly by 0.4% on Thursday, moving above the 1.0800 level but remains down over 4% from its late September peak. Mixed PMI results showed the EU Manufacturing PMI rising to 45.9, while the Services PMI dropped to 51.2, missing expectations. Attention now shifts to US economic data, with forecasts predicting a 1.0% decline in September Durable Goods Orders and steady Consumer Inflation Expectations at 3.0%.

GBP/USD

The GBP/USD pair rose 0.4% on Thursday, with traders working to keep prices above 1.2900 despite mixed UK PMI results, while US PMI data exceeded expectations, supporting the pair just below 1.3000. As UK data slows, focus shifts to US Durable Goods Orders, expected to contract by 1.0%, and stable Consumer Inflation Expectations at 3.0%.

USD/JPY

The Japanese Yen is fluctuating against the US Dollar on Friday due to mixed economic signals and uncertainty surrounding Japan's upcoming election. A drop in Tokyo's core inflation rate below the Bank of Japan's target dampens hopes for rate hikes, while positive risk sentiment reduces the JPY's safe-haven appeal, though verbal interventions from Japanese authorities limit bearish bets. Meanwhile, the USD stabilizes after a recent decline, supported by expectations of smaller rate cuts from the Federal Reserve, allowing the pair to remain above the mid-151.00s.

Fx rates	Last	High	Low	% Daily	% Weekly	% YTD
EUR-USD	1.0824	1.0829	1.0820	-0.04	-0.40	-1.95
GBP-USD	1.2968	1.2976	1.2960	-0.05	-0.64	1.86
USD-JPY	151.60	152.11	151.46	-0.15	-1.37	-6.97
USD-CHF	0.8651	0.8665	0.8651	-0.07	-0.03	-2.74

Commodities	Last	High	Low	% Daily	% Weekly	% YTD
Gold	2727.90	2736.31	2724.00	-0.30	0.24	32.23
Silver	33.50	33.79	33.39	-0.54	-0.64	40.79
Crude Oil	70.36	70.69	70.25	0.24	2.43	0.09
Bitcoin	67804.73	68795.38	67567.16	-0.51	-1.39	59.51
Etherium	2497.22	2558.60	2484.61	-1.52	-7.89	9.42

Period	1M	3M	6M	12M
SOFR ($)	4.72	4.62	4.45	4.18
ESTR (€)	2.32	3.01	2.71	2.32
SONIA (£)	4.82	4.70	4.52	4.23
SARON (F)	0.93	0.75	0.61	0.43
TONAR (¥)	0.22	0.21	0.14	0.07

	Rates
U.S. Federal Fund Target Rate	5.00
ECB Main Refinancing Operation Announcement Rate	3.4
ECB Deposit Facility Announcement Rate	3.25
ECB Marginal Lending Facility Announcement Rate	3.65
BOE Official Bank Rate	5.00

INTERNATIONAL EQUITY MARKETS

(Sources: Bloomberg / Reuters)

UNITED STATES OF AMERICA

The S&P 500 bounced back on Thursday, posting its first positive day in a week that has been beset by higher rates. Tesla was the best-performing stock in the broad market index. The electric vehicle manufacturer surged nearly 22% after posting third-quarter results that beat analysts' expectations. Treasury yields moved lower, easing from three-month highs reached in the previous session.

EUROPE

European stocks closed marginally higher after paring back earlier gains on Thursday as investors reviewed another batch of earnings reports. The majority of major bourses trading in positive territory while sectors were mixed.

ASIA

Asia-Pacific markets mostly rose on Friday. Japan also released its October inflation numbers for the capital city of Tokyo on Friday. The Bank of Japan's monetary policy meeting is due on Oct. 30 and 31. The city's headline inflation rate fell to 1.8% in October from 2.2% the month before, with core inflation also coming in at 1.8%, down from 2%.

Index	Close	% Daily	% M	YTD	Futures	% Change
DJIA	42374.36	-0.33	1.10	12.43	42577.00	-0.37
S&P	5809.86	0.21	1.53	21.80	5847.25	0.18
Nasdaq	18415.49	0.76	1.84	22.68	20381.00	0.81
DJ EuroStoxx50	4935.45	0.26	0.38	9.16	4929.00	-0.22
FTSE 100	8269.38	0.13	0.01	6.93	8296.50	0.12
CAC 40	7503.28	0.08	-0.82	-0.53	7519.00	0.05
DAX	19443.00	0.34	2.77	16.07	19476.00	-0.14
IBEX 35	11839.80	-0.21	0.40	17.20	11818.20	-0.13
FTSE MIB	34698.81	0.00	2.54	14.32	34524.00	-0.03
Nikkei	38143.29	-0.86	-0.15	13.00	37850.00	-0.60
Hang Seng	20489.62	1.16	8.36	21.59	20722.00	-0.02
DFM General	4464.00	0.00	-0.55	9.96	N/A	N/A
MSCI Tadawoul	11886.06	-0.13	-3.71	-0.68	N/A	N/A

Leb. Mrkts	Closing Px	High	Low	% Daily	% Weekly	YTD
Solidere A	96.40	99.80	96.25	-0.26	1.90	8.19
Solidere B	95.55	95.55	95.50	-0.52	-0.36	6.23

MUST READ

(Source: Bloomberg/ Forexlive)

US must act now to change path of rising debt, IMF's Gaspar says

The US keeps increasing its borrowings at a pace that can't go on indefinitely and should take advantage of its current economic situation to fix that, International Monetary Fund official Vitor Gaspar said. Speaking in Washington, the head of the fund's fiscal department and former Portuguese finance minister observed that debt in the world's biggest economy is much more than it was before the pandemic struck. "It is growing at about 2 percentage points of GDP every year," he said. "From that viewpoint, this path of debt cannot continue forever." Gaspar said that the US political system does have scope to fix the public finances, at a time and with a mix of policies of its choosing, but that it shouldn't wait to do so — not least because the country is "in a very favorable economic and financial situation" at present. "Growth has been outperforming that of other advanced economies, the labor market in the United States shows indicators that are the envy of many other countries, and so the prescription that the time to adjust is now applies to the United States," he said, adding that "adjustment in the United States is not only good for the United States, it's also good for the rest for the world."

MAIN WEEKLY EARNINGS

Company	Ticker	Market Cap	Date	Time	Estimate	Year Ago
Colgoate Palmoliv	CL US	$ 81.50B	25-Oct-24	Pre-mkt	0.88	0.86
Aon PLC	AON US	$ 77.52B	25-Oct-24	Pre-mkt	2.45	2.23
On Semiconducto	ON US	$ 30.02B	28-Oct-24	Pre-mkt	0.97	1.39
Ford Motor Co	F US	$ 44.68B	28-Oct-24	Aft-mkt	0.49	0.39
Waste Manageme	WM US	$ 83.84B	28-Oct-24	Aft-mkt	1.88	1.63

ECONOMIC CALENDAR

(25-10-24) US - Durable Goods Orders
(25-10-24) US - University Of Michigan Sentiment
(28-10-24) US - Dallas Fed Manf. Activity
(29-10-24) JP - Jobless Rate
(29-10-24) US - JOLTS Job Openings
(29-10-24) US - Conf. Board Consumer Confidence
(30-10-24) FR - GDP QoQ / YoY

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