Daily Market Brief

November 25th 2024

BANQUE BEMO

FOREIGN EXCHANGE MARKETS *(Sources: Bloomberg / Reuters)*

EUR/USD
The EUR/USD pair recovers from a two-year low of 1.0332, trading near 1.0480 amid a weaker US Dollar following strong US PMI data, which supports expectations of a slower pace of Federal Reserve rate cuts. However, the Euro remains under pressure from disappointing Eurozone PMI figures, signalling contraction in business activity and increasing market bets on a 50-basis-point rate cut by the European Central Bank.

GBP/USD
The GBP/USD pair opens with a bullish gap, climbing back above the 1.2600 mark, supported by a weaker US Dollar amid falling US Treasury yields and a risk-on rally in global markets. Optimism over easing Middle East tensions, Scott Bessent's nomination as US Treasury Secretary, and reduced expectations of a Bank of England rate cut further bolster the Pound, though USD downside remains limited due to expectations of inflationary policies under President-elect Trump.

USD/JPY
The Japanese Yen pares some gains against the US Dollar amid uncertainty over the Bank of Japan's rate-hike plans and a risk-on market environment, while expectations of US inflation under President-elect Donald Trump boost the USD. However, falling US Treasury yields and upcoming key economic data, including the FOMC minutes and GDP figures, introduce caution and could limit USD/JPY upside.

Fx rates	Last	High	Low	% Daily	% Weekly	% YTD
EUR-USD	1.0475	1.0501	1.0429	0.55	-1.16	-5.11
GBP-USD	1.2593	1.2607	1.2570	0.50	-0.67	-1.08
USD-JPY	154.21	154.51	153.55	-0.37	0.29	-8.54
USD-CHF	0.8907	0.8938	0.8892	-0.36	-0.85	-5.54

Commodities	Last	High	Low	% Daily	% Weekly	% YTD
Gold	2667.10	2721.41	2658.34	-1.81	2.12	29.28
Silver	30.66	31.48	30.52	-2.18	-1.64	28.86
Crude Oil	70.74	71.48	70.57	-0.70	2.27	1.14
Bitcoin	98305.79	98477.48	97005.73	1.30	4.07	131.26
Etherium	3387.60	3394.15	3304.15	1.21	9.98	48.43

Period	1M	3M	6M	12M
SOFR ($)	4.59	4.52	4.44	4.30
ESTR (€)	2.12	2.81	2.48	2.12
SONIA (£)	4.70	4.67	4.57	4.39
SARON (F)	0.75	0.60	0.46	0.28
TONAR (¥)	0.22	0.22	0.17	0.09

	Rates
U.S. Federal Fund Target Rate	4.75
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	4.75

INTERNATIONAL EQUITY MARKETS *(Sources: Bloomberg / Reuters)*

UNITED STATES OF AMERICA
The Dow Jones Industrial Average closed at a new record on Friday, capping off a winning week for stocks. Friday's moves marked a continuation of a trend where investors shift exposure from tech to names in more economically sensitive corners of the market. That can explain why the industrial and consumer discretionary sectors led the S&P 500 higher, while communication services was the worst performer.

EUROPE
European stocks closed higher on Friday, as investors reviewed weak economic indicators from across the region which built expectations for central bank rate cuts. German economy eked out 0.1% growth in Q3 on the previous three months — lower than a preliminary reading of 0.2% for the period.

ASIA
Asia-Pacific markets mostly rose Monday, with investors awaiting a slew of economic data this week including China industrial data and India's third-quarter GDP numbers.

Index	Close	% Daily	% M	YTD	Futures	% Change
DJIA	44296.51	0.97	5.18	17.53	44646.00	1.49
S&P	5969.34	0.35	2.78	25.15	6012.25	0.69
Nasdaq	19003.65	0.16	2.62	26.60	20960.00	0.61
DJ EuroStoxx50	4789.08	0.70	-3.12	5.92	4825.00	1.22
FTSE 100	8262.08	1.38	0.16	6.84	8304.50	1.57
CAC 40	7255.01	0.58	-3.23	-3.82	7298.00	0.96
DAX	19322.59	0.92	-0.72	15.35	19451.00	1.29
IBEX 35	11656.60	0.39	-1.32	15.39	11656.90	0.26
FTSE MIB	33494.83	0.60	-3.68	10.36	33581.00	0.60
Nikkei	38780.14	1.30	2.28	15.89	38740.00	1.84
Hang Seng	19229.97	-0.22	-6.81	12.56	19215.00	-1.90
DFM General	4723.64	0.55	6.04	17.00	N/A	N/A
MSCI Tadawoul	11864.90	0.21	-0.18	-0.56	N/A	N/A

Leb. Mrkts	Closing Px	High	Low	% Daily	% Weekly	YTD
Solidere A	89.90	90.25	89.00	-0.61	-2.34	0.90
Solidere B	89.80	90.00	89.60	-0.88	-2.92	-0.17

MUST READ *(Source: Bloomberg/ Forexlive)*

US GDP is forecast to outperform expectations in 2025

The world's largest economy is forecast to outperform economist expectations again next year, according to Goldman Sachs Research. US GDP is expected to grow 2.5% on a full-year basis, compared with 1.9% for the consensus forecast of economists surveyed by Bloomberg. "Recession fears have diminished, inflation is trending back toward 2%, and the labor market has rebalanced but remains strong," David Mericle, chief US economist in Goldman Sachs Research, writes in the team's report, which is titled "2025 US Economic Outlook: New Policies, Similar Path." Three key policy changes following the Republican sweep in Washington are predicted to affect the economy: Tariff increases on imports from China and on autos may raise the effective tariff rate by 3 to 4 percentage points. Tighter policy may lower net immigration to 750,000 per year, moderately below the pre-pandemic average of 1 million per year. The 2017 tax cuts are expected to be fully extended instead of expiring and there will be modest additional tax cuts. While the expected policy changes are significant, Mericle doesn't anticipate that they will substantially alter the trajectory of the economy or monetary policy. Goldman Sachs Research forecasts the Federal Reserve will continue to cut the funds rate down to a terminal rate of 3.25-3.5% (the policy rate is 4.5% to 4.75% now).

MAIN WEEKLY EARNINGS

Company	Ticker	Market Cap	Date	Time	Estimate	Year Ago
Zoom Video Comi	ZM US	$ 26.43B	25-Nov-24	Aft-mkt	1.30	1.29
Dell Technologies	DELL US	$ 102.05B	26-Nov-24	Aft-mkt	2.05	1.88
Crowdstrike holdi	CRWD US	$ 91.26B	26-Nov-24	Aft-mkt	0.81	0.82
Workday Inc	WDAY US	$ 70.95B	26-Nov-24	Aft-mkt	1.76	1.53
HP Inc	HPQ US	$ 36.75B	26-Nov-24	Aft-mkt	0.83	0.90

ECONOMIC CALENDAR

(26-11-24) US - Conf. Board Consumer Confidence
(26-11-24) US - FOMC Meeting Minutes
(27-11-24) US - GDP Annualized QoQ
(27-11-24) US - PCE Price Index MoM / YoY
(27-11-24) US - Personal Spending
(28-11-24) DE - CPI YoY / MoM
(29-11-24) JP - Industrial Production MoM / YoY

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