

Daily Market Brief

January 26 2024



FOREIGN EXCHANGE MARKETS

(Sources: Bloomberg / Reuters)

EUR/USD

EUR/USD holds its position near 1.0850 during the Asian hours on Friday following a backslide in the previous session, which could be attributed to the European Central Bank's (ECB) interest rate decision. US (GDP) data helped the US Dollar (USD) to mark profits on Thursday, which in turn, acts as a headwind for the EUR/USD pair. The European Central Bank (ECB) maintained its interest rates for a third consecutive meeting.

GBP/USD

The GBP/USD pair trades on a flat note above the 1.2700 psychological mark during the early Asian trading hours on Friday. The upbeat US GDP growth numbers boosted the Greenback against its rivals. The markets might turn cautious ahead of the Fed's (Core PCE), due later on Friday. The Bank of England (BoE) is widely anticipated to maintain interest rates steady at 5.25%. The markets anticipate that BoE rate cuts is likely to begin in August.

USD/JPY

USD/JPY trims some of its intraday gains, hovering around 147.60 during the European trading hours on Thursday. However, the USD/JPY pair attempted to recover the losses registered in the previous session after the release of upbeat United States (US) data. Tokyo Consumer Price Index data will be eyed on Friday.

Fx rates	Last	High	Low	% Daily	% Weekly	% YTD
EUR-USD	1.0830	1.0849	1.0828	-0.15	-0.62	-1.89
GBP-USD	1.2697	1.2716	1.2694	-0.09	-0.05	-0.27
USD-JPY	147.77	147.86	147.48	0.07	0.24	-4.55
USD-CHF	0.8679	0.8681	0.8664	0.09	0.06	-3.05
Commodities	Last	High	Low	% Daily	% Weekly	% YTD
Gold	2022.40	2024.25	2019.45	0.08	-0.35	-1.97
Silver	22.90	22.97	22.86	-0.08	1.21	-3.78
Crude Oil	76.81	77.30	76.76	-0.71	4.86	6.92
Bitcoin	39995.09	40195.50	39809.59	0.23	-4.23	-5.91
Etherium	2212.25	2236.53	2209.95	-0.26	-10.51	-3.07
Period	1 M	3 M	12 M			
EURIBOR	3.86	3.93	3.68			
SOFR	5.34	5.32	4.82			
Notes/Bonds	2 Y	10 Y	30 Y			
US	4.28	4.10	4.35			
BTP - BUND	0.49	1.54	1.99			
GILTS	4.39	3.98	4.59			

INTERNATIONAL EQUITY MARKETS

(Sources: Bloomberg / Reuters)

UNITED STATES OF AMERICA

The S&P 500 rose for a sixth straight day, overcoming a slump in Tesla as data indicated continued economic growth. Gross domestic product data showed the U.S. economy grew at a rate of 3.3% in the fourth quarter more than the 2% expectation from economists polled by Dow Jones. IBM jumped more than 9% after the technology company earnings beat expectations.

EUROPE

European markets moved higher Thursday as investors digested the latest monetary policy decision from the European Central Bank and U.S. growth figures. The central bank met market expectations Thursday and held interest rates steady at their current record high. The euro zone deposit rate was kept at 4% for the third straight meeting and the ECB reiterated that it would keep rates high for a "sufficiently long duration" to bring inflation to target.

ASIA

Most Asian stocks retreated on Friday as a stimulus-driven rebound in Chinese shares stalled, while Japan's Nikkei 225 slid further away from 34-year highs as growing bets on a Bank of Japan pivot spurred more profit-taking.

Index	Close	% Daily	% M	YTD	Futures	% Change
DJIA	38049.13	0.64	1.34	0.95	38075.00	-0.34
S&P	4894.16	0.53	2.50	2.61	4903.75	-0.38
Nasdaq	15510.50	0.18	2.89	3.33	17507.50	-0.71
DJ EuroStoxx50	4582.26	0.40	1.34	1.35	4601.00	-0.07
FTSE 100	7529.73	0.03	-2.18	-2.63	7546.50	0.33
CAC 40	7464.20	0.11	-1.38	-1.05	7361.10	N/A
DAX	16906.92	0.10	1.20	0.93	16958.00	-0.35
IBEX 35	9916.60	-0.58	-1.93	-1.84	9839.80	N/A
FTSE MIB	30157.80	-0.60	-0.64	-0.64	30338.00	N/A
Nikkei	35751.07	-1.34	7.34	6.83	35680.00	-1.49
Hang Seng	16211.96	-1.31	-2.09	-6.15	16011.00	-1.11
DFM General	4173.55	-0.28	3.30	2.51	N/A	N/A
MSCI Tadawoul	12161.56	-0.10	2.43	1.62	N/A	N/A

Leb. Mrkts	Closing Px	High	Low	% Daily	% Weekly	YTD
Solidere A	82.25	85.00	74.45	11.22	6.61	-7.69
Solidere B	78.75	85.00	72.00	6.42	0.83	-12.45

MUST READ

(Source: Bloomberg/ Forexlive)

Estimated \$150M in losses of Suez Canal revenues

Red Sea tensions and disruptions caused by Yemen's Houthi attacks, which have led shipping companies to divert cargo from Egypt's Suez Canal, cost the country around \$150 million in canal revenues, according to Bloomberg's Chief Emerging Markets Economist Ziad Daoud. However, the economist emphasized that the \$150 million loss is negligible when compared to Egypt's annual \$400 billion revenue and the Suez Canal's reported revenues of \$8.8 billion for FY2022/2023. Posting on his personal X account, Daoud shared a data set released by PortWatch, the International Monetary Fund's (IMF) platform monitoring disruptions in maritime trade flows, which indicated a steep fall in the canal's 7-day moving average for December. He added that trade volume through the Suez Canal fell close to 44 percent year-on-year. Traffic through the Suez Canal has dropped by 30 percent since the start of 2024, revealed Suez Canal Authority (SCA) Chairman Osama Rabie last week, leading to a 40 percent decline in FX revenues between January 1-11. Shipping companies continue to select alternative routes to their destinations as Houthi attacks target Israel-linked vessels near the strategic Bab Al-Mandeb Strait in the Red Sea. Shipping conglomerate Maersk recently announced another set of route changes redirecting cargo via the Cape of Good Hope. Container transportation company Hapag-Lloyd made a similar statement on Monday. It also shared that it is preparing to introduce land routes through Saudi Arabia to minimize the impact of disruptions to clients.

MAIN WEEKLY EARNINGS

Company	Ticker	Market Cap	Date	Time	Estimate	Year Ago
MSCI Inc	MSCI US	\$ 43.88B	30-Jan-24	Pre-mkt	3.29	2.84
Pfizer Inc	PFE US	\$ 155.11B	30-Jan-24	Pre-mkt	-0.21	1.14
Advanced Micro I	AMD US	\$ 291.32B	30-Jan-24	Aft-mkt	0.77	0.69
Microsoft Corp	MSFT US	\$ 3.00T	30-Jan-24	Aft-mkt	2.78	2.32
Alphabet Inc	GOOGL US	\$ 1.91T	30-Jan-24	Aft-mkt	1.72	1.05

ECONOMIC CALENDAR

(26-01-24) JP - Tokyo CPI YoY
(26-01-24) US - M3 Money Supply YoY
(26-01-24) US - Personal Income/ Personal Spending
(30-01-24) JP - Jobless Rate
(30-01-24) FR - GDP QoQ
(30-01-24) UK- Mortgage Approvals
(30-01-24) EA - GDP SA QoQ / GDP SA YoY

CONTACT

Banque BEMO sal
Asset Management Unit

Ashrafieh, Elias Sarkis Ave., BEMO Bldg, 4th Floor
P.O.Box 16-6353 Beirut, Lebanon
Tel: +961 1 325405/6/7/9

Disclaimer: This report is published for information purposes only. The information herein has been compiled from, or based upon sources we believe to be reliable, but we do not guarantee or accept responsibility for its completeness and accuracy. This document should not be construed as a solicitation to take part in any investment, or as constituting any representation or warranty on our part. The investment risks described herein are not purported to be exhaustive, any person considering an investment should seek independent advice on the suitability or otherwise of the particular investment. Investment, Capital Market and Treasury products are subject to Investment risk, including possible loss of principal amount invested. Past performance is not indicative of future results: prices can go up or down. Investors investing in investments and/or treasury products denominated in foreign (non-local) currency should be aware of the risk of exchange rate fluctuations that may cause loss of principal when foreign currency is converted to the investor's home currency. Client understands that it is his/her responsibility to seek legal and/or tax advice regarding the legal and tax consequences of his/her investment transactions. The consequences of any action taken on the basis of information contained herein are solely the responsibility of the recipient.