

# Daily Market Brief

July 26th 2023



## FOREIGN EXCHANGE MARKETS

(Sources: Bloomberg / Forexlive)

### EURUSD

The EUR/USD pair extends its downside and edges lower to the 1.1040 mark in the early Asian session. The major pair trades on a negative note for six consecutive days on Wednesday as concerns about an economic slowdown in the Eurozone emerged. The Euro remains under pressure following the downbeat economic data released.

### GBPUSD

The GBP/USD pair oscillates around the 1.2875–1.2905 region in a narrow trading band heading into the European trading hours. The major pair struggles to gain as traders prefer to wait on the sidelines ahead of the Federal Open Market Committee's (FOMC) meeting scheduled later in the day. GBP/USD currently trades at 1.2901, down 0.01% for the day.

### USDJPY

USD/JPY picks up bids to print the first daily gains of the week as markets brace for the monetary policy announcements from the Federal Reserve (Fed) and the Bank of Japan (BoJ) with mixed feelings. That said, the Yen pair prints mild gains around 141.10 by the press time.

| Fx rates                                                                                | Last     | High     | Low      | % Daily | % Weekly | % YTD |
|-----------------------------------------------------------------------------------------|----------|----------|----------|---------|----------|-------|
| EUR-USD                                                                                 | 1.1068   | 1.1069   | 1.1038   | 0.12    | -1.19    | 3.39  |
| GBP-USD                                                                                 | 1.2902   | 1.2904   | 1.2876   | 0.00    | -0.29    | 6.78  |
| USD-JPY                                                                                 | 140.82   | 141.19   | 140.82   | -0.06   | -0.83    | -6.89 |
| USD-CHF                                                                                 | 0.8622   | 0.8661   | 0.8622   | -0.16   | -0.41    | 7.23  |
| Commodities                                                                             | Last     | High     | Low      | % Daily | % Weekly | % YTD |
| Gold                                                                                    | 1968.96  | 1969.03  | 1962.10  | 0.20    | -0.39    | 7.95  |
| Silver                                                                                  | 24.67    | 24.70    | 24.56    | -0.09   | -1.90    | 2.97  |
| Crude Oil                                                                               | 79.23    | 79.43    | 79.09    | -0.50   | 5.23     | 0.48  |
| Bitcoin                                                                                 | 29260.43 | 29401.67 | 29105.25 | 0.11    | -2.09    | 76.91 |
| Etherium                                                                                | 1857.98  | 1866.49  | 1851.75  | -0.22   | -1.95    | 54.91 |
| Period                                                                                  | 1 M      | 3 M      | 12 M     |         |          |       |
| USD LIBOR *                                                                             | 5.42     | 5.61     | 6.04     |         |          |       |
| EURIBOR                                                                                 | 3.48     | 3.72     | 4.16     |         |          |       |
| * USD LIBOR rates will be discontinued after June 30, 2023 and will be replaced by SOFR |          |          |          |         |          |       |
| Notes/Bonds                                                                             | 2 Y      | 10 Y     | 30 Y     |         |          |       |
| US                                                                                      | 4.86     | 3.89     | 3.93     |         |          |       |
| BTP - BUND                                                                              | 0.66     | 1.64     | 2.00     |         |          |       |
| GILTS                                                                                   | 4.97     | 4.27     | 4.43     |         |          |       |

## INTERNATIONAL EQUITY MARKETS

(Sources: Bloomberg / Reuters)

### UNITED STATES OF AMERICA

The tech-heavy Nasdaq closed higher on Tuesday, leading gains on Wall Street amid investor excitement about artificial intelligence before earnings reports from megacap technology companies Alphabet and Microsoft after the bell. Both Microsoft and Alphabet have launched an array of AI products since OpenAI, backed by Microsoft, released ChatGPT in late 2022.

### EUROPE

Shares in European mining and basic resources companies jumped in early dealings on Tuesday after a rally in copper and metals prices following pledges by China to step up support for its economy.

### ASIA

China and Hong Kong stocks retreated on Wednesday after the previous day's rally, as investors remained skeptical on the strength of stimulus despite Beijing's call for providing more support to the economy and boosting demand.

| Index          | Close      | % Daily | % M   | YTD     | Futures  | % Change |
|----------------|------------|---------|-------|---------|----------|----------|
| DJIA           | 35438.07   | 0.08    | 5.11  | 6.91    | 35593.00 | -0.03    |
| S&P            | 4567.46    | 0.28    | 5.51  | 18.96   | 4598.25  | 0.04     |
| Nasdaq         | 14144.56   | 0.61    | 6.06  | 35.14   | 15658.50 | -0.11    |
| DJ EuroStoxx50 | 4391.30    | 0.19    | 2.59  | 15.75   | 4395.00  | -0.36    |
| FTSE 100       | 7691.80    | 0.17    | 3.20  | 3.22    | 7673.00  | -0.15    |
| CAC 40         | 7415.45    | -0.16   | 3.22  | 14.55   | 7413.20  | N/A      |
| DAX            | 16211.59   | 0.13    | 2.52  | 16.43   | 16300.00 | 0.01     |
| IBEX 35        | 9519.20    | -0.25   | 2.64  | 15.68   | 9531.00  | N/A      |
| FTSE MIB       | 28966.41   | 0.20    | 6.33  | 22.19   | 29175.00 | N/A      |
| Nikkei         | 32682.51   | -0.04   | -0.09 | 25.19   | 32610.00 | -0.06    |
| Hang Seng      | 19434.40   | -0.46   | 2.93  | -2.21   | 19380.00 | -0.59    |
| DFM General    | 4014.86    | 0.04    | 5.92  | 20.39   | N/A      | N/A      |
| MSCI Tadawoul  | 11882.68   | 0.68    | 3.70  | 13.40   | N/A      | N/A      |
| Leb. Mrkts     | Closing Px | High    | Low   | % Daily | % Weekly | YTD      |
| Solidere A     | 79.50      | 80.00   | 74.00 | 4.06    | 8.90     | 30.54    |
| Solidere B     | 78.00      | 78.50   | 75.00 | 1.96    | 8.33     | 29.25    |

## MUST READ

(Source: Bloomberg/ Forexlive)

### Microsoft results top expectations thanks to cloud growth, profits jump 20%

Microsoft reported revenue of \$56.2 billion for its fiscal fourth quarter, an 8% increase from the corresponding period last fiscal year, exceeding Wall Street's expectations of \$55.47 billion. Profits rose 20% to \$20.1 billion. Earnings per share were \$2.69, up 21%, beating expectations of \$2.55 per share. The company said its overarching Microsoft Cloud offerings drove much of the growth, with quarterly revenue of \$30.3 billion, marking a 21% increase year-over-year. The Intelligent Cloud segment saw a revenue growth of 15%, amounting to \$24 billion, largely due to an increase in Azure and other cloud services revenue. The company's More Personal Computing segment posted a 4% decline in revenue, mainly from decreases in Windows sales to computer makers and devices revenue. The report comes amid a flurry of AI product development at the company. Microsoft is incorporating new forms of artificial intelligence "copilots" across its software and cloud services. They include homegrown technologies and those licensed from its partner, ChatGPT maker OpenAI, in which Microsoft has invested billions of dollars. Microsoft's pricing news for Microsoft 365 Copilot sent its shares soaring to a new record last week. However, the product still available only as a preview for now, not yet commercially available. For now, the company's results don't reflect much revenue impact from artificial intelligence, said James Ambrose, Microsoft director of investor relations, in a call with GeekWire shortly after the results were released. "We're still early in our journey,".

## MAIN WEEKLY EARNINGS

(Source: Nasdaq)

| Company           | Ticker  | Market Cap | Date      | Time      | Estimate | Year Ago |
|-------------------|---------|------------|-----------|-----------|----------|----------|
| Meta Platforms    | META US | \$747.3 B  | 26-Jul-23 | After-mkt | 2.87     | 2.46     |
| Coca-Cola Compa   | KO US   | \$270.1 B  | 26-Jul-23 | Pre-mkt   | 0.72     | 0.70     |
| Union Pacific Cor | UNP US  | \$132.2 B  | 26-Jul-23 | Pre-mkt   | 2.75     | 2.93     |
| Boeing Company    | BA US   | \$129.8 B  | 26-Jul-23 | Pre-mkt   | -0.99    | -0.37    |
| AT&T Inc          | T US    | \$106.8 B  | 26-Jul-23 | Pre-mkt   | 0.60     | 0.65     |

## ECONOMIC CALENDAR

(Source: Forexlive)

(26-07-23) CH- ZEW Survey - Expectations JUL

(26-07-23) US- Fed's Monetary Policy Statement; Fed Interest Rate Decision

(26-07-23) US- FOMC Press Conference; New Home Sales Change MoM JUN

(27-07-23) EA- ECB Rate On Main Refinancing Operations

(27-07-23) EA- ECB Rate On Deposit Facility

(27-07-23) EA- ECB Monetary Policy Decision Statement

(27-07-23) US- Gross Domestic Product Annualized Q2 preliminar

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