

FOREIGN EXCHANGE MARKETS

(Sources: Bloomberg / Reuters)

EUR/USD

EUR/USD trades around 1.0860 during the Asian session on Friday, extending its gains after rebounding from a two-week low of 1.0825 recorded on Wednesday. This upside of the pair is attributed to the weakening of the USD ahead of the release of the US PCE Price Index for June. The USD may limit its downside as stronger US economic data have reduced rate cut expectations for September. The Euro may face challenges as the near-term ECB's policy uncertain outlook .

GBP/USD

GBP/USD floundered on Thursday, chalking in a third straight trading day in the red and declining below 1.2860 as market expectations of a BoE rate cut next week weigh down the Pound Sterling. Markets see roughly-even odds of a BoE rate cut.

USD/JPY

The JPY extends its upward trend against the USD for the fourth straight session. This strength in the Yen is likely due to traders unwinding carry trades ahead of the BoJ policy meeting next week. Traders unwind their carry trades ahead of the BoJ policy meeting next week. The US Dollar may appreciate as recent US PMI data allows the Fed to maintain its restrictive policy.

Fx rates	Last	High	Low	% Daily	% Weekly	% YTD
EUR-USD	1.0855	1.0861	1.0844	0.08	-0.25	-1.67
GBP-USD	1.2860	1.2866	1.2851	0.07	-0.42	1.01
USD-JPY	153.59	154.14	153.40	-0.23	2.53	-8.17
USD-CHF	0.8811	0.8817	0.8803	-0.07	0.89	-4.51
Commodities	Last	High	Low	% Daily	% Weekly	% YTD
Gold	2373.72	2379.38	2355.91	0.39	-1.13	15.06
Silver	27.86	28.07	27.62	0.03	-4.67	17.07
Crude Oil	78.34	78.60	78.18	0.08	-0.38	9.81
Bitcoin	66937.13	67457.07	65206.96	2.55	-1.19	57.47
Etherium	3266.23	3269.15	3153.34	3.57	-6.65	43.11
Period	1 M		3 M		12 M	
EURIBOR	3.60		3.70		3.53	
SOFR	5.35		5.26		4.77	
US Fed Fund Rate (Indicator)			5.31			
Notes/Bonds	2 Y		10 Y		30 Y	
US	4.43		4.24		4.49	
BTP - BUND	0.61		1.36		1.77	
GILTS	3.95		4.13		4.67	

INTERNATIONAL EQUITY MARKETS

(Sources: Bloomberg / Reuters)

UNITED STATES OF AMERICA

The S&P 500 and Nasdaq Composite dropped on Thursday, building on the previous session's losses as investors continued to dump some of 2024's leading technology stocks. Investors assessed a second-quarter GDP report that showed the economy grow 2.8%, much more than expected. Economists surveyed by Dow Jones had anticipated growth of 2.1%.

EUROPE

European markets closed lower Thursday, with a flurry of corporate earnings and a selloff on Wall Street in focus. After European banks' turn in the spotlight on Wednesday, investors are now assessing results from companies including Nestle, carmaker Renault, and Swiss health-care firm Roche.

ASIA

Japan's Nikkei 225 marked its seventh straight day of losses to plunge 3.28%, leading declines among Asian indexes as the region saw a broad sell-off after Wall Street tumbled overnight. The yen also marked a fourth-straight day of strengthening against the U.S. dollar.

Index	Close	% Daily	% M	YTD	Futures	1W % Change
DJIA	39935.07	0.20	2.06	5.96	40306.00	-0.63
S&P	5399.22	-0.51	-1.44	13.20	5460.50	-1.67
Nasdaq	17181.72	-0.93	-3.50	14.46	19069.00	-3.26
DJ EuroStoxx50	4811.28	-1.04	-2.13	6.41	4835.00	-0.31
FTSE 100	8186.35	0.40	-0.47	5.86	8208.50	0.67
CAC 40	7427.02	-1.15	-2.39	-1.54	7530.80	0.00
DAX	18298.72	-0.48	0.79	9.24	18361.00	0.41
IBEX 35	11145.60	-0.58	1.04	10.33	11092.70	0.00
FTSE MIB	33771.07	-2.03	0.68	11.27	33975.00	-1.07
Nikkei	37869.51	-0.12	-4.65	13.03	37820.00	-5.54
Hang Seng	17004.97	0.14	-5.87	-0.11	17026.00	-2.37
DFM General	4237.65	0.21	5.78	4.38	N/A	N/A
MSCI Tadawoul	12026.21	-0.62	3.17	0.49	N/A	N/A
Leb. Mrkts	Closing Px	High	Low	% Daily	% Weekly	YTD
Solidere A	84.40	85.00	80.00	3.18	15.78	-5.27
Solidere B	81.45	82.00	80.00	5.03	16.11	-9.45

MUST READ

(Source: Bloomberg/ Forexlive)

Yen set for strongest week in 3 months as carry trades unwind

The yen was poised for its strongest week in nearly three months on Friday as traders unwound long-held bets against the frail currency ahead of crucial U.S. inflation data that could cement rate cut expectations. The yen has dominated the currency markets this month, surging to a near three-month high of 151.945 per dollar on Thursday after starting the month languishing at a 38-year low of 161.96 per dollar. On Friday, the yen was last at 153.66, set for a 2.5% rise for the week, its biggest weekly gain since late April-early May, as a global stocks sell-off also drove investors towards safe assets, including the yen. The large move follows suspected interventions by Tokyo in early July that wrong-footed traders and led to an unwinding of profitable carry trades, in which traders borrow the yen at low rates to invest in dollar-priced assets for higher returns. Investor attention on Friday will focus on U.S. personal consumption expenditure data, the Federal Reserve's favoured measure of inflation. The PCE data is expected to come in at 0.1% on a monthly basis. The Bank of Japan may raise rates next week, with markets pricing in a 64% chance of a 10 bps hike. Data on Friday showed core inflation in Japan's capital accelerated for a third straight month in July, keeping alive expectations of a near-term interest rate hike. "The pressure on the Bank of Japan to tighten policy has reduced," said Ben Bennett, Asia-Pacific investment strategist at Legal and General Investment Management. "But they're still expected to announce details of their balance sheet reduction, which is some form of quantitative tightening of course."

MAIN WEEKLY EARNINGS

Company	Ticker	Market Cap	Date	Time	Estimate	Year Ago
3M	MMM US	\$ 57.21B	26-Jul-24	Pre-mkt	1.68	2.17
Aon PLC	AON US	\$ 65.00B	26-Jul-24	Pre-mkt	3.10	2.76
Colgate Palmolive	CL US	\$ 79.16B	26-Jul-24	Pre-mkt	0.87	0.77
Wisdom Tree	WT US	\$ 1.66B	26-Jul-24	Pre-mkt	0.14	0.09
Charter Communi	CHTR US	\$ 50.84B	26-Jul-24	Pre-mkt	7.94	8.05

ECONOMIC CALENDAR

(26-07-24) JP - Tokyo CPI YoY
(26-07-24) US - Personal Income / Personal Spending
(26-07-24) US - U. of Mich. Sentiment
(30-07-24) FR - GDP QoQ
(30-07-24) DE - GDP SA QoQ
(30-07-24) DE - CPI YoY / MoM
(30-07-24) US - JOLTS Job Openings

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.