

Daily Market Brief

August 26th, 2024



FOREIGN EXCHANGE MARKETS

(Sources: Bloomberg / Reuters)

EUR/USD

EUR/USD extends its gains for the second session, trading around 1.1190 during the Asian session on Monday. This upside of the EUR/USD pair is attributed to the lower USD following the dovish speech from the US Fed Chairman Jerome Powell at the Jackson Hole Symposium on Friday. ECB official Olli Rehn stated that the recent slowdown in inflation bolsters the case for a rate cut next month.

GBP/USD

GBP/USD witnessed another blockbuster week, devoid of high-impact economic events from the UK. The underlying positive tone around the major was mainly driven by the sustained weakness in the US Dollar against its major rivals. Traders continued to retain their bearish outlooks on the Greenback, as dovish US Fed expectations heightened in the Jackson Hole Symposium week.

USD/JPY

The JPY continues to strengthen for the second consecutive day as Bank of Japan Governor Kazuo Ueda's hawkish remarks contrast with Federal Reserve Chair Jerome Powell's dovish stance. The USD/JPY pair loses ground due to differing policy outlooks between the two central banks. The US Dollar lost ground following the dovish stance of the Fed Chair Powell at the Jackson Hole Symposium.

Fx rates	Last	High	Low	% Daily	% Weekly	% YTD
EUR-USD	1.1178	1.1202	1.1178	-0.13	0.84	1.26
GBP-USD	1.3199	1.3223	1.3179	-0.11	1.60	3.68
USD-JPY	144.09	144.34	143.45	-0.19	1.74	-2.12
USD-CHF	0.8475	0.8515	0.8456	-0.05	1.81	-0.72
Commodities	Last	High	Low	% Daily	% Weekly	% YTD
Gold	2510.96	2517.03	2508.83	-0.07	0.27	21.72
Silver	29.75	29.93	29.65	-0.22	1.02	25.02
Crude Oil	75.34	75.51	75.04	0.68	2.28	6.14
Bitcoin	63983.32	65030.39	63826.89	-0.41	4.47	50.52
Etherium	2745.05	2794.19	2723.21	-0.95	4.32	20.27
Period	1 M	3 M	12 M			
EURIBOR	3.60	3.53	3.10			
SOFR	5.28	5.08	4.30			
US Fed Fund Rate (Indicator)	5.31					
Notes/Bonds	2 Y	10 Y	30 Y			
US	3.88	3.78	4.08			
BTP - BUND	0.44	1.34	1.77			
GILTS	3.68	3.91	4.45			

INTERNATIONAL EQUITY MARKETS

(Sources: Bloomberg / Reuters)

UNITED STATES OF AMERICA

Stocks took a leg up Friday morning after Powell signaled decreases to interest rates ahead during his speech in Jackson Hole, Wyoming. But Powell did not provide specific information on when, or by how big any cuts to the borrowing cost would be. Tesla and Nvidia jumped more than 4% each.

EUROPE

European stocks closed higher Friday after Federal Reserve Chair Jerome Powell firmly signaled interest rate cuts ahead. In Europe, shares of Nestle fell almost 4%, before paring losses slightly, after the company announced that it was replacing CEO Mark Schneider with company veteran Laurent Freixe following a period of lackluster performance.

ASIA

Asia-Pacific markets were mixed on Monday amid escalating tensions in the Middle East with Israel and Hezbollah trading strikes, while investors assessed dovish comments from U.S. Federal Reserve Chairman Jerome Powell. In Asia, investors will assess medium-term lending rates from China's central bank on Monday, and Singapore's manufacturing numbers for July.

Index	Close	% Daily	% M	YTD	Futures	1W % Change
DJIA	41175.08	1.14	1.44	9.25	41254.00	0.56
S&P	5634.61	1.15	3.21	18.13	5651.50	0.36
Nasdaq	17877.79	1.47	3.00	19.10	19790.75	-0.36
DJ EuroStoxx50	4909.20	0.50	0.96	8.58	4911.00	0.41
FTSE 100	8327.78	0.48	0.51	7.69	8352.50	-0.45
CAC 40	7577.04	0.70	0.79	0.45	7595.50	0.88
DAX	18633.10	0.76	1.17	11.23	18648.00	0.82
IBEX 35	11278.10	1.09	1.00	11.64	11316.30	1.55
FTSE MIB	33650.17	1.02	-0.48	10.87	33754.00	1.11
Nikkei	38364.27	-0.79	1.05	13.74	38060.00	2.34
Hang Seng	17612.10	0.77	4.27	4.11	N/A	N/A
DFM General	4292.67	-0.38	0.29	5.74	N/A	N/A
MSCI Tadawoul	12262.64	0.56	1.97	2.47	N/A	N/A

Leb. Mrkts	Closing Px	High	Low	% Daily	% Weekly	YTD
Solidere A	82.00	82.00	81.00	0.99	3.80	-7.97
Solidere B	81.95	82.00	80.00	2.89	10.74	-8.89

MUST READ

(Source: Bloomberg/ Forexlive)

Oil climbs on Mideast escalation fears, US rate cut expectations

Oil prices extended gains on Monday on fears a major spillover in fighting from the Gaza conflict into the Middle East could disrupt regional oil supplies, while imminent U.S. interest rate cuts lifted the global economic and fuel demand outlook. Brent crude futures climbed 53 cents, or 0.7%, to \$79.55 a barrel by 0425 GMT while U.S. crude futures were at \$75.34 a barrel, up 51 cents, or 0.7%. In one of the biggest clashes in more than 10 months of border warfare, Hezbollah fired hundreds of rockets and drones into Israel on Sunday, as Israel's military said it struck Lebanon with around 100 jets to thwart a larger attack. The clash raises fears the Gaza conflict risks morphing into a regional conflagration drawing in Hezbollah's backer Iran and Israel's main ally the United States. "Geopolitical risk factors will likely influence the oil market significantly," said Kelvin Wong, a senior market analyst at OANDA in Singapore. "Increased odds of a tit-for-tat retaliation attack by Hezbollah and Iran in response to Israel's pre-emptive strike on Hezbollah sites in Southern Lebanon may keep WTI crude supported." Both oil benchmarks gained more than 2% on Friday after U.S. Federal Reserve Chair Jerome Powell endorsed an imminent start to interest rate cuts. "The prospect of easing monetary policy boosted sentiment across the commodity complex," ANZ analysts said in a note, adding it expects the Fed will implement a progressive series of rate cuts. Still, oil prices were down last week as a poor outlook for major economies weighed on fuel demand, the bank added. The U.S. Energy Department said on Friday it bought nearly 2.5 million barrels of oil to help replenish the SPR. The number of operating U.S. oil rigs were unchanged at 483 last week, Baker Hughes said in its weekly report.

MAIN WEEKLY EARNINGS

Company	Ticker	Market Cap	Date	Time	Estimate	Year Ago
PDD Holdings Inc	PDD US	\$ 1.39B	26-Aug-24	Pre-mkt	20.52	10.47
Abercrombie & Fi	ANF US	\$ 8.66B	28-Aug-24	Pre-mkt	1.69	0.39
Netapp Inc	NTAP US	\$ 27.36B	28-Aug-24	Aft-mkt	1.45	1.15
HP Inc	HPQ US	\$ 34.90B	28-Aug-24	Aft-mkt	0.86	0.86
Nvidia Corporatio	NVDA US	\$ 3.18T	28-Aug-24	Aft-mkt	0.65	0.27

ECONOMIC CALENDAR

(26-08-24) US - Durable Goods ORders
(27-08-24) DE - GDP SA QoQ / NSA YoY / WDA YoY
(27-08-24) US - Conf. Board Consumer Confidence
(28-08-24) DE - Gfk Consumer Confidence
(29-08-24) DE - CPI YoY / MoM
(29-08-24) US - GDP Annualized QoQ
(29-08-24) US - Personal Consumption

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