

Daily Market Brief

September 26th 2024



FOREIGN EXCHANGE MARKETS (Sources: Bloomberg / Reuters)

EURUSD
The EUR/USD pair trades firmer near 1.1140 during the Asian trading hours on Thursday, bolstered by the weaker Greenback broadly. Several US Federal Reserve officials are set to speak on Thursday, including Fed Chair Jerome Powell. Furthermore, the US weekly Initial Jobless Claims, Durable Goods Orders and final US Gross Domestic Product Annualized for the second quarter will be released. Dovish remarks from Fed officials this week might continue to undermine the USD. HSBC analysts expect the ECB to cut rates by 25 bps at every meeting from October through to April next year.

GBPUSD
The GBP/USD pair regains some positive traction during the Asian session on Thursday and reverses part of the overnight sharp retracement slide from the 1.3430 region, or its highest level since March 2022. Bets for another 50 bps Fed rate cut and a positive risk tone undermine the USD. The BoE's relatively hawkish stance remains supportive ahead of Powell's speech.

USDJPY
The Japanese Yen remains subdued against the US Dollar following the Bank of Japan's minutes from its July policy meeting released on Thursday. The JPY faces challenges as traders expect the BoJ to ponder before further rate hikes. The BoJ Meeting Minutes highlighted a consensus among members on the need to remain vigilant regarding inflation risks. Traders await US Gross Domestic Product Annualized for the second quarter, scheduled for Thursday.

Fx rates	Last	High	Low	% Daily	% Weekly	% YTD
EUR-USD	1.1148	1.1148	1.1129	0.13	-0.13	0.99
GBP-USD	1.3347	1.3349	1.3313	0.17	0.47	4.84
USD-JPY	144.78	145.04	144.45	0.02	-1.49	-2.58
USD-CHF	0.8500	0.8509	0.8479	-0.05	-0.26	-1.01
Commodities	Last	High	Low	% Daily	% Weekly	% YTD
Gold	2662.08	2663.49	2655.49	0.20	2.91	29.04
Silver	31.94	31.98	31.76	0.41	3.75	34.23
Crude Oil	68.14	70.01	68.12	-2.22	-4.24	-3.55
Bitcoin	63632.44	63677.56	62662.12	0.23	0.75	49.70
Etherium	2612.36	2615.58	2556.52	1.24	1.80	14.46
Period	1M	3M	6M	12M		
SOFR (\$)	4.86	4.64	4.29	3.77		
ESTR (€)	2.56	3.28	3.04	2.56		
SONIA (£)	4.96	4.83	4.65	4.28		
SARON (F)	0.86	0.82	0.71	0.59		
TONAR (¥)	0.22	0.17	0.12	0.06		

		Rates
U.S. Federal Fund Target Rate		5.00
ECB Main Refinancing Operation Announcement Rate		3.65
ECB Deposit Facility Announcement Rate		3.50
ECB Marginal Lending Facility Announcement Rate		3.90
BOE Official Bank Rate		5.00

INTERNATIONAL EQUITY MARKETS (Sources: Bloomberg / Reuters)

UNITED STATES OF AMERICA
The Dow Jones Industrial Average and S&P 500 slid on Wednesday, retreating from their latest records. Tech was a bright spot in the market. Hewlett Packard Enterprise advanced more than 5% following an upgrade from Barclays, citing strong artificial intelligence data center demand as a positive catalyst. Chip powerhouse Nvidia added 2.2%, bringing its market cap above the \$3 trillion.

EUROPE
European stocks closed slightly lower Wednesday following a choppy session, as a China-fuelled rally lost steam. German software developer SAP tumbled toward the bottom of the Stoxx 600 after Bloomberg reported Tuesday that, among others, the company is under investigation in the U.S. over price-fixing allegations.

ASIA
Asia-Pacific markets rose on Thursday, with markets in the region led by Japan's Nikkei 225 and Chinese markets extending gains. Japan's Nikkei climbed 2.12%, while the broad based Topix was up 1.65%, as the Bank of Japan released minutes of its July meeting.

Index	Close	% Daily	% M	YTD	Futures	% Change
DJIA	41914.75	-0.70	1.63	11.21	42405.00	0.31
S&P	5722.26	-0.19	1.88	19.97	5813.00	0.60
Nasdaq	18082.21	0.04	2.01	20.46	20403.25	1.05
DJ EuroStoxx50	4916.89	-0.48	0.41	8.75	4983.00	0.77
FTSE 100	8268.70	-0.17	-0.71	6.92	8356.50	0.46
CAC 40	7565.62	-0.50	-0.33	0.30	7619.00	0.00
DAX	18918.50	-0.41	1.62	12.94	19191.00	0.53
IBEX 35	11792.60	-0.38	4.68	16.73	11781.00	0.00
FTSE MIB	33840.54	-0.12	0.70	11.50	33775.00	0.00
Nikkei	37870.26	2.57	1.93	16.08	38600.00	2.55
Hang Seng	19129.10	2.81	10.49	15.36	19669.00	2.44
DFM General	4488.69	0.61	3.79	10.56	N/A	N/A
MSCI Tadawoul	12343.72	0.61	0.67	3.14	N/A	N/A

Leb. Mrkts	Closing Px	High	Low	% Daily	% Weekly	YTD
Solidere A	89.35	90.00	87.50	-2.46	0.34	0.28
Solidere B	87.50	87.50	87.50	-3.26	2.88	-2.72

MUST READ (Source: Bloomberg/ Forexlive)

Fed may have to cut aggressively as individuals finding jobs hard to get is rising
The Federal Reserve may need to implement more aggressive rate cuts as recent data reveals a concerning trend in the labor market, according to Citi analysts in a note Wednesday. The bank said the percentage of individuals finding "jobs hard to get" is increasing, signaling that the rise in unemployment is not merely a sign of a growing labor supply but an indication of weak hiring conditions. Citi notes that this trend, observed in the Conference Board survey, is reminiscent of the conditions in September 2001, a period when the U.S. economy was already in recession. The rising difficulty in finding employment "confirms that the rise in the unemployment rate is not good news about labor supply" but rather a reflection of a softening job market. This situation suggests that a "hard landing" could be imminent, making further aggressive rate cuts from the Fed more likely, says the bank. They explain that the data underscores the broader trend of weakening labor demand. Citi forecasts a modest addition of 70,000 new jobs in the upcoming payrolls report for September, down from earlier robust figures."We have been surprised that job growth has not slowed more in sectors where activity has pulled back substantially, like construction, leisure/hospitality, and government," wrote the bank. If this trend continues, Citi anticipates an increase in the unemployment rate to around 4.3%, with risks pushing it potentially to 4.4% if the labor force participation rate does not decline as expected. "We continue to expect a 50bp rate cut in November with risks asymmetrically skewed to more dovish policy (more 50bp rate cuts or a 75bp rate cut)," adds the bank.

MAIN WEEKLY EARNINGS

Company	Ticker	Market Cap	Date	Time	Estimate	Year Ago
Carmax Inc	KMX US	\$ 11.63B	26-Sep-24	Pre-mkt	0.85	0.75
Costco Wholesale	COST US	\$ 402.73B	26-Sep-24	After-mkt	5.07	4.86
Carnival Corporat	CCL US	\$ 22.65B	29-Sep-24	Pre-mkt	1.17	0.86
Paychex Inc	PAYX US	\$ 47.65B	30-Sep-24	Pre-mkt	1.14	1.14
Nike Inc	NKE US	\$ 131.94B	01-Oct-24	After-mkt	0.52	0.94

ECONOMIC CALENDAR

(26-09-24) DE - GfK Consumer Confidence
(26-09-24) US - GDP Annualized QoQ
(26-09-24) US - Durable Goods Orders
(26-09-24) US - Initial Jobless Claims
(27-09-24) JP - Tokyo CPI YoY / Ex-Fresh Food YoY
(27-09-24) FR - CPI MoM / YoY
(27-09-24) DE - Unemployment Change (000's)

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