Daily Market Brief

November 26th 2024

FOREIGN EXCHANGE MARKETS *(Sources: Bloomberg / Reuters)*

EUR/USD

EUR/USD is trading around 1.0490, with potential further depreciation due to market concerns over President-elect Trump's tariff plans. Meanwhile, the USD remains subdued by Fed comments, but strong US economic data supports limited downside risks, while the Euro faces pressure from Eurozone economic concerns and increased market expectations for a 50bps rate cut by the ECB.

GBP/USD

The GBP/USD pair dropped to around 1.2500 on Tuesday, nearing its lowest level since May 2024, but managed to recover slightly. Despite a bearish outlook for the British Pound, the US Dollar faces limited upside due to expectations of slow rate cuts by the Federal Reserve and geopolitical risks, while the Bank of England's cautious stance on rate cuts offers some support to the GBP.

USD/JPY

The Japanese Yen pares some gains against the US Dollar amid uncertainty over the Bank of Japan's rate-hike plans and a risk-on market environment, while expectations of US inflation under President-elect Donald Trump boost the USD. However, falling US Treasury yields and upcoming key economic data, including the FOMC minutes and GDP figures, introduce caution and could limit USD/JPY upside.

Fx rates	Last	High	Low	% Daily	% Weekly	% YTD
EUR-USD	1.0477	1.0501	1.0425	-0.17	-1.12	-5.09
GBP-USD	1.2548	1.2574	1.2507	-0.16	-1.06	-1.44
USD-JPY	153.99	154.49	153.55	-0.16	0.44	-8.41
USD-CHF	0.8873	0.8894	0.8855	0.11	-0.55	-5.17

Commodities	Last	High	Low	% Daily	% Weekly	% YTD
Gold	2622.21	2632.25	2605.34	-0.11	-0.37	27.11
Silver	30.26	30.41	29.99	-0.12	-3.04	27.18
Crude Oil	69.03	69.28	68.57	0.13	-0.30	-1.30
Bitcoin	94743.98	94999.32	92623.89	1.10	-3.41	122.89
Etherium	3433.45	3472.09	3365.40	-0.16	2.53	50.44

Period	1M	3M	6M	12M
SOFR ($)	4.59	4.52	4.44	4.33
ESTR (€)	2.15	2.83	2.50	2.15
SONIA (£)	4.70	4.67	4.57	4.39
SARON (F)	0.75	0.61	0.47	0.29
TONAR (¥)	0.22	0.22	0.17	0.09

	Rates
U.S. Federal Fund Target Rate	4.75
ECB Main Refinancing Operation Announcement Rate	3.4
ECB Deposit Facility Announcement Rate	3.25
ECB Marginal Lending Facility Announcement Rate	3.65
BOE Official Bank Rate	4.75

INTERNATIONAL EQUITY MARKETS *(Sources: Bloomberg / Reuters)*

UNITED STATES OF AMERICA

A broad stock rally pushed the Dow Jones Industrial Average, S&P 500 and small-cap focused Russell 2000 index to new records on Monday. Investors bet President-elect Donald Trump's choice for Treasury secretary, Scott Bessent, would help guide the economy without sparking inflation. U.S. markets are dark Thursday due to the Thanksgiving holiday and close early on Friday, so trading volume is likely to be light this week.

EUROPE

European stocks closed slightly higher Monday, buoyed by positive sentiment stateside. Household goods and mining stocks led gains, both adding 1.21%, while oil and gas stocks fell 1%. Bank stocks were also on the move Monday after UniCredit offered to buy Italian lender Banco BPM for roughly 10B euro.

ASIA

Asia-Pacific markets traded mixed Tuesday, breaking ranks with Wall Street that saw U.S. benchmarks notching record highs following President-elect Donald Trump's choice for Treasury secretary.

Index	Close	% Daily	% M	YTD	Futures	% Change
DJIA	44736.57	0.99	6.23	18.70	44841.00	1.04
S&P	5987.37	0.30	3.09	25.53	6007.75	0.38
Nasdaq	19054.84	0.27	2.90	26.94	20907.25	0.31
DJ EuroStoxx50	4799.87	0.23	-2.90	6.16	4773.00	-0.46
FTSE 100	8291.68	0.36	0.52	7.22	8284.00	-0.08
CAC 40	7257.47	0.03	-3.20	-3.79	7269.50	0.05
DAX	19405.20	0.43	-0.30	15.84	19333.00	-0.11
IBEX 35	11711.80	0.47	-0.85	15.93	11757.70	0.86
FTSE MIB	33427.72	-0.20	-3.88	10.13	33509.00	-0.21
Nikkei	38780.14	-0.87	1.39	14.88	38440.00	0.21
Hang Seng	19150.99	0.08	-6.92	12.43	19164.00	-0.21
DFM General	4768.32	0.20	6.67	17.69	N/A	N/A
MSCI Tadawoul	11787.72	-0.65	-0.83	-1.21	N/A	N/A

Leb. Mrkts	Closing Px	High	Low	% Daily	% Weekly	YTD
Solidere A	88.95	96.00	88.10	-1.06	-3.10	-0.17
Solidere B	90.00	90.00	90.00	0.22	-2.70	0.06

MUST READ *(Source: Bloomberg/ Forexlive)*

Trump vows an additional 10% tariff on China, 25% tariffs on Canada and Mexico

President-elect Donald Trump has announced plans to increase tariffs by 10% on all Chinese goods entering the U.S. This follows his proposal to impose a 25% tariff on products from Mexico and Canada, citing illegal immigration and the drug trade, particularly fentanyl, as reasons. Trump accused China of failing to curb the flow of fentanyl, a synthetic opioid responsible for thousands of overdose deaths in the U.S., and promised additional tariffs unless the drug trade is halted. The move threatens to end the regional free trade agreement with Mexico and Canada. China's embassy in the U.S. responded, arguing that bilateral trade cooperation is mutually beneficial and pushing back on Trump's claims, emphasizing ongoing counternarcotics efforts between both countries. In response to the tariffs, Goldman Sachs' Kinger Lau expects China to cut rates, boost fiscal stimulus, and allow its currency to depreciate. Mexico and Canada are the U.S.'s largest trading partners after China, and analysts believe that China will not retaliate aggressively, as the countries share a crucial economic relationship. Following the tariff announcement, the U.S. dollar strengthened against the Mexican peso, Canadian dollar, and Chinese yuan, reflecting market reactions to the uncertainty.

MAIN WEEKLY EARNINGS

Company	Ticker	Market Cap	Date	Time	Estimate	Year Ago
Best Buy Co Inc	BBY US	$ 19.98B	26-Nov-24	Pre-mkt	1.29	1.29
Dell Technologies	DELL US	$ 105.02B	26-Nov-24	Aft-mkt	2.05	1.88
Crowdstrike holdi	CRWD US	$ 89.15B	26-Nov-24	Aft-mkt	0.81	0.82
Workday Inc	WDAY US	$ 71.21B	26-Nov-24	Aft-mkt	1.76	1.53
HP Inc	HPQ US	$ 37.87B	26-Nov-24	Aft-mkt	0.83	0.90

ECONOMIC CALENDAR

(26-11-24) US - Conf. Board Consumer Confidence
(26-11-24) US - FOMC Meeting Minutes
(27-11-24) US - GDP Annualized QoQ
(27-11-24) US - PCE Price Index MoM / YoY
(27-11-24) US - Personal Spending
(28-11-24) DE - CPI YoY / MoM
(29-11-24) JP - Industrial Production MoM / YoY

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