

Daily Market Brief

February 27th 2024



FOREIGN EXCHANGE MARKETS

(Sources: Bloomberg / Reuters)

EUR/USD

EUR/USD saw a thin start to a hectic week on the economic calendar as markets eased into Monday action. EUR/USD rose around a quarter of a percent on Monday as technicals remain crimped ahead of a slew of price inflation and growth figures due on both sides of the pond. Tuesday kicks things off with US Durable Goods Orders, and Wednesday delivers EU Consumer Confidence and US GDP figures midweek.

GBP/USD

The GBP/USD pair extends the rally below the 1.2700 psychological barrier during the early Asian session on Tuesday. The FOMC minutes indicated that the Fed had reaffirmed a data-driven approach, leading to a more dovish outlook, which weighs on the US Dollar (USD) and creates a tailwind for the pair.

USD/JPY

The USD/JPY pair marches toward the crucial resistance of 151.00 in the early New York session. The asset holds strength amid uncertainty ahead of a data-packed week. The Fed is widely anticipated to keep interest rates unchanged in March and May policy meetings. Investors await the US core PCE inflation and Japan's inflation data.

Fx rates	Last	High	Low	% Daily	% Weekly	% YTD
EUR-USD	1.0850	1.0855	1.0846	-0.01	0.39	-1.71
GBP-USD	1.2683	1.2688	1.2674	-0.02	0.48	-0.38
USD-JPY	150.48	150.71	150.41	-0.15	-0.31	-6.27
USD-CHF	0.8797	0.8807	0.8792	-0.03	0.25	-4.35
Commodities	Last	High	Low	% Daily	% Weekly	% YTD
Gold	2034.83	2034.85	2030.73	0.18	0.51	-1.36
Silver	22.59	22.59	22.48	0.30	-1.81	-5.08
Crude Oil	77.77	77.81	77.48	0.24	0.95	8.00
Bitcoin	56349.48	57039.04	54482.21	3.10	9.10	32.56
Etherium	3234.70	3271.01	3167.05	1.53	8.37	41.73
Period	1 M		3 M		12 M	
EURIBOR	3.85		3.93		3.74	
SOFR	5.33		5.34		5.07	
Notes/Bonds	2 Y		10 Y		30 Y	
US	4.71		4.28		4.40	
BTP - BUND	0.53		1.45		1.88	
GILTS	4.31		4.16		4.64	

INTERNATIONAL EQUITY MARKETS

(Sources: Bloomberg / Reuters)

UNITED STATES OF AMERICA

Stocks were flat Monday after key stock benchmarks reached record highs and investors awaited inflation data slated for release later this week. Investors are now watching whether the AI momentum can last as economic and inflation risks linger. With that in mind, they're also looking ahead to the monthly PCE price index, the Fed's favored inflation gauge due out Thursday.

EUROPE

European markets closed lower on Monday, as global investors looked ahead to more inflation data out this week. Sectors were broadly negative, with mining down 2.1% and utilities 1.2% lower. In stock movements, Denmark's Zealand Pharma soared 35% to an all-time high after reporting strong trial results from a drug with uses in the booming weight-loss market.

ASIA

Japan's Nikkei 225 index hit a fresh high Monday as traders returned from a long weekend, while China markets snapped a nine-day winning streak. Investors await a slew of economic data expected this week including China's manufacturing purchasing managers' index.

Index	Close	% Daily	% M	YTD	Futures	% Change
DJIA	39069.23	-0.16	2.52	3.66	39097.00	-0.04
S&P	5069.53	-0.38	3.65	6.28	5075.75	-0.07
Nasdaq	15976.25	-0.13	3.37	6.43	17943.25	-0.18
DJ EuroStoxx50	4864.29	-0.17	4.94	7.58	4865.00	-0.18
FTSE 100	7684.30	-0.29	0.64	-0.63	7654.00	-0.18
CAC 40	7929.82	-0.46	3.87	5.13	N/A Real Tim	N/A
DAX	17423.23	0.02	2.72	4.01	17434.00	-0.21
IBEX 35	10138.40	0.08	2.03	0.36	N/A Real Tim	N/A
FTSE MIB	32557.81	-0.44	7.17	7.27	32652.00	N/A
Nikkei	39239.52	0.01	9.76	17.26	39270.00	0.10
Hang Seng	16634.74	-0.13	4.15	-2.54	16608.00	-0.14
DFM General	4223.25	0.50	1.94	4.54	N/A	N/A
MSCI Tadawoul	12531.76	-0.58	3.04	4.72	N/A	N/A

Leb. Mrkts	Closing Px	High	Low	% Daily	% Weekly	YTD
Solidere A	74.35	75.00	73.50	-1.33	-12.37	-16.55
Solidere B	74.30	75.00	72.00	-2.49	-11.55	-17.40

MUST READ

(Source: Bloomberg/ Forexlive)

Nvidia bets dominate US options market as AI fervor grows

Investors' fervor for all things AI-related is leaving its mark on the U.S. options market, as traders pile in to derivatives bets to gain exposure to the red-hot investing theme. Options on artificial-intelligence darling Nvidia, opens new tab accounted for 25 cents of every dollar of premium - the price of contracts - traded in U.S. single-stock options over the past month, nearly \$3 billion in options premium traded in the chipmaker's options every day on average, a Reuters analysis of Trade Alert data showed. During several recent sessions, Nvidia surpassed Tesla, opens new tab as the option market's most heavily traded name for the day. Nvidia briefly hit \$2 trillion in market value for the first time on Friday - two days after it released quarterly earnings - riding on insatiable demand for its chips which feature prominently in the generative AI craze. Nvidia recently became the third-largest U.S.-listed company as measured in market capitalization. Its shares command a weighting of 4.5% in the S&P 500, opens new tab, giving them an outsized influence on the broader index's moves. The stock's options have drawn a range of bets, including ones guarding against a drop in the stock toward \$350 by March and others that would bear fruit if the stock extended its meteoric rise toward \$900 and higher in coming months. A host of other AI names has also drawn heavy options volume, including Super Micro Computer, opens new tab and Arm Holdings. Nvidia's shares are up about 60% year-to-date, while those of Super Micro Computer have risen 200% & Arm's have gained 77%.

MAIN WEEKLY EARNINGS

Company	Ticker	Market Cap	Date	Time	Estimate	Year Ago
Macy's Inc	M US	\$ 5.29B	27-Feb-24	Pre-mkt	-0.25	-0.54
Devon Energy	DEVN US	\$ 28.08B	27-Feb-24	Aft-mkt	1.40	1.66
EBAY INC	EBAY US	\$ 22.77B	27-Feb-24	Aft-mkt	1.03	1.07
Salesforce Inc	CRM US	\$ 290.78B	28-Feb-24	Aft-mkt	2.27	1.22
HP Inc	HPQ US	\$ 28.18B	28-Feb-24	Aft-mkt	0.81	0.75

ECONOMIC CALENDAR

(27-02-24) JP - Natl CPI YoY
(27-02-24) EA - M3 Money Supply YoY
(27-02-24) US - Durable Goods Orders
(27-02-24) US - Conf. Board Consumer Confidence
(28-02-24) IT - Consumer Confidence Index
(28-02-24) US - MBA Mortgage Applications
(28-02-24) US - GDP Annualized QoQ

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