

Daily Market Brief

March 27th 2023



FOREIGN EXCHANGE MARKETS

(Sources: Bloomberg / Forexlive)

EURUSD

The EUR/USD pair is displaying a back-and-forth action below 1.0800 in the Tokyo session. The major currency pair has turned sideways following the footprints of the subdued US Dollar Index (DXY), which is struggling to extend upside despite upbeat preliminary S&P Global PMI and expansion of financial support for mid-size United States banks.

GBPUSD

GBP/USD begins the week on a positive footing, renewing its intraday high near 1.2250 while extending the previous two-week uptrend, as fears of US recession join positive headlines from the UK. However, the cautious mood ahead of this week's key data/events seems to test the Cable pair buyers.

USDJPY

USD/JPY pleases bears for the fourth consecutive day even as markets remain inactive during early Monday. The Yen pair's latest weakness could be linked to the traders' rush towards the Japanese Yen (JPY) in search of risk safety, as well as looming fears surrounding the banking industry in the US and Europe. It's worth noting that the recent divergence between the market's bias about the next moves of the Federal Reserve (Fed) and the Bank of Japan (BoJ) also seems to weigh on the quote of late.

Fx rates	Last	High	Low	% Daily	% Weekly	% YTD
EUR-USD	1.0774	1.0784	1.0745	0.13	0.49	0.64
GBP-USD	1.2255	1.2256	1.2213	0.18	-0.19	1.42
USD-JPY	131.31	131.35	130.41	0.44	0.01	-0.14
USD-CHF	0.9175	0.9200	0.9175	-0.25	1.26	0.76
Commodities	Last	High	Low	% Daily	% Weekly	% YTD
Gold	1968.64	1978.83	1966.70	-0.48	-0.52	7.93
Silver	23.04	23.25	22.95	-0.81	2.20	-3.82
Crude Oil	70.11	70.18	69.13	1.23	3.38	-12.85
Bitcoin	27823.95	28159.51	27698.04	0.06	1.58	68.23
Etherium	1754.55	1784.13	1748.36	-0.41	0.97	46.29
Period	1 M	3 M	12 M			
USD LIBOR *	4.83	5.10	4.81			
EURIBOR	2.93	3.03	3.53			
* USD LIBOR rates will be discontinued after June 30, 2023 and will be replaced by SOFR						
Notes/Bonds	2 Y	10 Y	30 Y			
US	3.89	3.41	3.65			
BTP - BUND	0.48	1.84	2.00			
GILTS	3.26	3.33	3.81			

INTERNATIONAL EQUITY MARKETS

(Sources: Bloomberg / Reuters)

UNITED STATES OF AMERICA

U.S. stocks closed higher on Friday, marking the end of a tumultuous week as Federal Reserve officials calmed investor fears over a potential liquidity crisis in the banking sector. U.S.-listed shares of Deutsche Bank slide. Activision surges as regulators drop concerns on Microsoft deal.

EUROPE

A steep sell-off in banking stocks hit European indexes on Friday as worries about the stability of the financial sector intensified, with Deutsche Bank tumbling as cost of insuring the German bank's debt against the risk of default jumped to a more than four-year high.

ASIA

China and Hong Kong stocks fell on Friday, as elevated Sino-U.S. geopolitical tensions dented investor sentiment after U.S. lawmakers on Thursday accused TikTok of serving harmful content as they pushed to ban the app.

Index	Close	% Daily	% M	YTD	Futures	% Change
DJIA	32237.53	0.41	-1.98	-2.74	32618.00	0.55
S&P	3970.99	0.56	-0.28	3.42	4022.25	0.51
Nasdaq	11823.96	0.31	3.11	12.97	12926.00	0.27
DJ EuroStoxx50	4130.62	-1.82	-2.76	8.88	4118.00	1.23
FTSE 100	7405.45	-1.26	-6.67	-0.62	7476.50	1.05
CAC 40	7015.10	1.28	-2.62	9.75	7116.00	N/A
DAX	14957.23	1.19	-1.60	8.70	15274.00	1.22
IBEX 35	8792.50	-1.98	-5.60	6.85	8854.00	N/A
FTSE MIB	25892.18	-2.23	-5.66	9.22	25780.00	N/A
Nikkei	27476.87	0.33	0.19	5.30	27270.00	0.33
Hang Seng	19915.68	-1.10	-1.24	-0.43	19711.00	-0.94
DFM General	3349.48	0.08	-1.92	0.49	N/A	N/A
MSCI Tadawoul	10459.36	0.12	4.65	-0.18	N/A	N/A
Leb. Mkts	Closing Px	High	Low	% Daily	% Weekly	YTD
Solidere A	85.60	87.00	84.20	0.00	-9.89	40.56
Solidere B	84.50	85.00	83.00	0.00	-11.80	40.02

MUST READ

(Source: Bloomberg/ Forexlive)

Hikes will trigger a downturn of greater magnitude than the Great Recession:

As the Fed enters its final moments on its discussion over interest rates, economists on "Mornings with Maria" signaled that their verdict could trigger a recession like 2007-08, except at a greater "speed and magnitude." It's not going to be confined to real estate, it's not going to be confined to the banks, it's not going to be confined to corporate credit," Macro Mavens president Stephanie Pomboy said. "This is really like 2007, 2008 all over again, except I think it's going to [evolve] even faster than it did then because of the speed and magnitude of the Fed's rate hikes. "There's a serious problem of the financial institutions because of the Fed policies, and also because of fiscal policy," former Reagan administration economist Art Laffer added. "I think there are a lot of cracks in the system, and I think we're just beginning the financial problems because you're going to see this pop up in all sorts of other areas because of leverage and because of a very sharp rise in interest rates. Honestly, what we're seeing here is not just the banking sector issue. The everything bubble has now burst, and that's going to hit, as to quote the movie, everything everywhere all at once." While Laffer disagreed with The Bear Traps Report's Larry McDonald's forecast of pulling back on rate hikes by July 4, the policy expert reiterated Pomboy's argument.

MAIN WEEKLY EARNINGS

(Source: Nasdaq)

Company	Ticker	Market Cap	Date	Time	Estimate	Year Ago
Micron Technolog	MU US	\$62.1 B	28-Mar-23	After-mkt	-0.77	2.05
lululemon athletic	LULU US	\$40.3 B	28-Mar-23	After-mkt	4.25	3.37
Walgreens boots	WBA US	\$31.1 B	28-Mar-23	Pre-mkt	1.10	1.59
Cintas Corporatio	CTAS US	\$44.4 B	29-Mar-23	Pre-mkt	3.01	2.69
Paychex, Inc	PAYX US	\$39.8 B	29-Mar-23	Pre-mkt	1.24	1.15

ECONOMIC CALENDER

(Source: Forexlive)

(27-03-23) DE- IFO - Expectations, Current Assessment, Business Climate MAR
(28-03-23) US- S&P/Case-Shiller Home Price Indices YoY JAN
(28-03-23) US- Housing Price Index MoM JAN; Consumer Confidence MAR
(29-03-23) CH- ZEW Survey - Expectations MAR; SNB Quarterly Bulletin Q1
(29-03-23) US- Pending Home Sales MoM FEB
(29-03-23) CA- BoC's Gravelle speech
(30-03-23) EA- Economic Bulletin; Consumer Confidence MAR; Business Climate MAR

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