

Daily Market Brief

August 27th, 2024



FOREIGN EXCHANGE MARKETS

(Sources: Bloomberg / Reuters)

EUR/USD

EUR/USD recovers its recent losses from the previous session, trading around 1.1170 during the Asian hours on Tuesday. The market optimism prevails after concluding a three-day trip to the Middle East, US Air Force General C.Q. Brown told Reuters early Tuesday that concerns about an imminent broader conflict in the region have diminished. Traders await the German GfK Consumer Confidence Survey and GDP data scheduled for release on Tuesday.

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 lose ground against the USD for the second consecutive day on Tuesday. However, the downside of the JPY could be restrained due to the hawkish mood surrounding the BoJ. US Fed Chair Powell signaled a rate cut soon, which puts downward pressure on the US Dollar.

Fx rates	Last	High	Low	% Daily	% Weekly	% YTD
EUR-USD	1.1171	1.1172	1.1158	0.09	0.37	1.20
GBP-USD	1.3205	1.3205	1.3180	0.13	1.31	3.72
USD-JPY	144.69	144.97	144.24	0.11	0.39	-2.52
USD-CHF	0.8472	0.8479	0.8464	-0.01	0.80	-0.68
Commodities	Last	High	Low	% Daily	% Weekly	% YTD
Gold	2515.34	2518.26	2505.94	-0.11	0.05	21.93
Silver	30.06	30.08	29.77	0.52	2.10	26.32
Crude Oil	77.45	77.45	76.85	0.04	5.85	9.12
Bitcoin	63062.15	63448.51	62671.57	-0.61	3.92	48.35
Etherium	2694.52	2700.14	2667.75	0.19	2.63	18.06
Period	1 M		3 M		12 M	
EURIBOR	3.60		3.53		3.10	
SOFR	5.25		5.06		4.26	
US Fed Fund Rate (Indicator)			5.31			
Notes/Bonds	2 Y		10 Y		30 Y	
US	3.94		3.83		4.11	
BTP - BUND	0.48		1.35		1.77	
GILTS	3.68		3.91		4.45	

INTERNATIONAL EQUITY MARKETS

(Sources: Bloomberg / Reuters)

UNITED STATES OF AMERICA

The Dow Jones Industrial Average closed at a record high on Monday as investors tried to move on from a steep sell-off earlier this month. Traders also appeared to be rotating out of tech and into other areas of the market. Nvidia closed down 2.3% ahead of its earnings report due Wednesday afternoon, an event traders are harping on as key to the market and the artificial intelligence enthusiasm that has driven this bull market.

EUROPE

European stocks closed in mixed territory Monday, as traders digested rising tensions in the Middle East following strikes by both Israel and Hezbollah over the weekend. U.K. markets were closed Monday for a national bank holiday. Later in the week, euro zone inflation data is due to be released Friday.

ASIA

Asia-Pacific markets largely fell on Tuesday, tracking losses in the S&P 500 and the Nasdaq overnight, while investors assessed industrial profit data out of China. China's industrial profits from January to July climbed 3.6% year on year, compared to a 3.5% growth between January and June.

Index	Close	% Daily	% M	YTD	Futures	1W % Change
DJIA	41240.52	0.16	1.60	9.42	41328.00	0.92
S&P	5616.84	-0.32	2.89	17.76	5637.00	0.31
Nasdaq	17725.77	-0.85	2.12	18.08	19607.50	-1.02
DJ EuroStoxx50	4896.69	-0.25	0.70	8.30	4916.00	0.90
FTSE 100	8327.78	0.48	0.51	7.69	8375.00	0.96
CAC 40	7590.37	0.18	0.97	0.63	7622.00	1.45
DAX	18617.02	-0.09	1.08	11.14	18689.00	1.48
IBEX 35	11265.50	-0.11	0.89	11.52	11302.00	1.72
FTSE MIB	33604.80	-0.13	-0.61	10.72	33740.00	1.64
Nikkei	38110.22	0.47	1.65	14.42	38280.00	0.53
Hang Seng	17798.73	0.33	4.91	4.75	17877.00	1.96
DFM General	4324.75	-0.06	0.98	6.46	N/A	N/A
MSCI Tadawoul	12261.18	-0.01	1.95	2.45	N/A	N/A

Leb. Mrkts	Closing Px	High	Low	% Daily	% Weekly	YTD
Solidere A	82.90	83.00	81.75	1.10	6.28	-6.96
Solidere B	81.95	81.95	81.95	0.00	9.19	-8.89

MUST READ

(Source: Bloomberg/ Forexlive)

Canada hits China-made electric cars with 100% tariff

Canada says it will impose a 100% tariff on imports of China-made electric vehicles (EV) after similar announcements by the US and European Union. The country also plans to impose a 25% duty on Chinese steel and aluminium. Canada and its Western allies accuse China of subsidising its EV industry, giving its car makers an unfair advantage. China has called the move "trade protectionism" which "violates World Trade Organization rules". "We are transforming Canada's automotive sector to be a global leader in building the vehicles of tomorrow, but actors like China have chosen to give themselves an unfair advantage in the global marketplace", said Canadian Prime Minister Justin Trudeau. Canada's duties on Chinese EVs are due to come into effect on 1 October, while those on steel and aluminium will be implemented from 15 October. "The rapid development of China's electric vehicle industry is a result of persistent technological innovation, well-established industrial and supply chains, and full market competition," said a statement from China's embassy in Canada. "Its competitiveness is gained through utilising its comparative advantages and following market principles, rather than relying on government subsidies." China is Canada's second-largest trading partner, behind the US. In May, the US said it would quadruple its tariffs on imports of Chinese EVs to 100%. That was followed by the EU, which announced plans to impose duties on China-made EVs of up to 36.3%. Canada's tariffs on Chinese EVs will include those made by Tesla at its Shanghai factory. Chinese car brands are still not a common sight in Canada but some, like BYD, have taken steps to enter the country's market. China is the world's largest manufacturer of EVs and its car makers have quickly gained a significant share of the global market. Canada has struck deals worth billions of dollars with major European car makers, as it tries to become a key part of the global EV industry.

MAIN WEEKLY EARNINGS

Company	Ticker	Market Cap	Date	Time	Estimate	Year Ago
Netapp Inc	NTAP US	\$ 27.24B	28-Aug-24	Aft-mkt	1.45	1.15
HP Inc	HPQ US	\$ 34.80B	28-Aug-24	Aft-mkt	0.86	0.86
Nvidia Corporatio	NVDA US	\$ 3.11T	28-Aug-24	Aft-mkt	0.65	0.27
Salesforce Inc	CRM US	\$ 257.06B	28-Aug-24	Aft-mkt	2.35	2.12
CrowdStrike Holdi	CRWD US	\$ 64.70B	28-Aug-24	Aft-mkt	0.97	0.74

ECONOMIC CALENDAR

(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
(30-08-24) JP - Tokyo CPI YoY / CPI Ex Fresh Good YoY

CONTACT

Banque BEMO sal
Asset Management Unit

Ashrafieh, Elias Sarkis Ave., BEMO Bldg, 4th Floor
P.O.Box 16-6353 Beirut, Lebanon
Tel: +961 1 325405/6/7/9

Disclaimer: This report is published for information purposes only. The information herein has been compiled from, or based upon sources we believe to be reliable, but we do not guarantee or accept responsibility for its completeness and accuracy. This document should not be construed as a solicitation to take part in any investment, or as constituting any representation or warranty on our part. The investment risks described herein are not purported to be exhaustive, any person considering an investment should seek independent advice on the suitability or otherwise of the particular investment. Investment, Capital Market and Treasury products are subject to investment risk, including possible loss of principal amount invested. Past performance is not indicative of future results: prices can go up or down. Investors investing in investments and/or treasury products denominated in foreign (non-local) currency should be aware of the risk of exchange rate fluctuations that may cause loss of principal when foreign currency is converted to the investor's home currency. Client understands that it is his/her responsibility to seek legal and/or tax advice regarding the legal and tax consequences of his/her investment transactions. The consequences of any action taken on the basis of information contained herein are solely the responsibility of the recipient.