

Daily Market Brief

September 27th 2024



FOREIGN EXCHANGE MARKETS (Sources: Bloomberg / Reuters)

EURUSD
EUR/USD retraces its recent gains registered in the previous session, trading around 1.1170 during the Asian session on Friday. The US Dollar receives support as traders adopt caution ahead of the US Personal Consumption Expenditures Price Index data for August. The Fed's preferred inflation indicator is scheduled to be released later in the North American session. Fed Governor Lisa Cook has expressed support for last week's 50 basis point rate cut, pointing to heightened "downside risks" to employment. Traders await speeches from ECB's Philip Lane and Piero Cipollone scheduled later in the day.

GBPUSD
Spot prices slide below the 1.3400 mark in the last hour amid a modest US Dollar uptick, though any meaningful corrective decline still seems elusive. Bets for another oversized Fed rate cut in November should cap gains for the buck. A relatively hawkish BoE expectations should contribute to limiting losses for the pair.

USDJPY
The USD/JPY pair attracts some buyers to near 145.20 on Friday during the early Asian session. The pair gains ground near three-week highs after the Tokyo CPI. The attention will shift to the US Personal Consumption Expenditures Price Index for August, which is due later on Friday. Tokyo CPI rose 2.2% YoY in September vs. a 2.6% rise prior. The US August core PCE data will be closely monitored.

Fx rates	Last	High	Low	% Daily	% Weekly	% YTD
EUR-USD	1.1161	1.1180	1.1159	-0.14	-0.01	1.11
GBP-USD	1.3381	1.3418	1.3375	-0.25	0.45	5.11
USD-JPY	146.32	146.49	144.76	1.03	-1.69	-3.61
USD-CHF	0.8487	0.8493	0.8458	0.29	0.15	-0.86
Commodities	Last	High	Low	% Daily	% Weekly	% YTD
Gold	2665.81	2674.02	2662.43	-0.25	1.68	29.22
Silver	31.74	32.07	31.59	-0.88	1.80	33.38
Crude Oil	67.55	67.65	67.06	-0.18	-4.86	-4.39
Bitcoin	65450.62	65482.24	64654.19	1.19	3.54	53.97
Etherium	2660.10	2664.09	2615.94	1.07	3.37	16.55
Period	1M	3M	6M	12M		
SOFR (\$)	4.85	4.60	4.25	3.74		
ESTR (€)	2.54	3.26	3.00	2.54		
SONIA (£)	4.96	4.82	4.64	4.26		
SARON (F)	0.95	0.87	0.75	0.58		
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
Stocks rose Thursday, with the S&P 500 hitting a new record, following the release of upbeat U.S. economic data. A slate of fresh data supported a solid economy, easing fears that perhaps the Federal Reserve is cutting rates aggressively because of a potential slowdown.

EUROPE
European stocks closed higher on Thursday, spurred on by overnight gains in Asia-Pacific markets. Household goods led gains, closing up around 4.6%, while mining and tech stocks added 4.3% and 3%, respectively. The Swiss National Bank on Thursday cut interest rates by a quarter point, bringing its key interest rate down to 1.0%.

ASIA
Chinese markets are set for their best week in almost 16 years as the mainland's CSI 300 is poised for a nearly 15% rally this week, powered by the central bank announcing and releasing economic stimulus measures. Tokyo's headline inflation rate eased to 2.2%, down from August's 2.6%.

Index	Close	% Daily	% M	YTD	Futures	% Change
DJIA	42175.11	0.62	2.24	11.90	42569.00	0.03
S&P	5745.37	0.40	2.13	20.45	5805.00	0.00
Nasdaq	18190.29	0.60	2.45	21.18	20319.75	-0.14
DJ EuroStoxx50	5032.59	2.35	2.73	11.31	5063.00	0.16
FTSE 100	8284.91	0.20	-0.73	7.13	8348.00	0.15
CAC 40	7742.09	2.33	2.33	2.64	7795.00	0.00
DAX	19238.36	1.69	2.98	14.84	19423.00	0.18
IBEX 35	11953.20	1.36	5.53	18.32	11937.00	0.00
FTSE MIB	34409.34	1.68	1.87	13.37	34347.00	0.00
Nikkei	38925.63	1.73	3.43	18.34	39650.00	2.53
Hang Seng	19924.58	2.30	14.04	19.57	20422.00	2.00
DFM General	4526.61	0.84	4.22	11.50	N/A	N/A
MSCI Tadawoul	12374.30	0.25	1.58	3.40	N/A	N/A
Leb. Mrkts	Closing Px	High	Low	% Daily	% Weekly	YTD
Solidere A	90.00	90.00	89.90	0.73	1.35	1.01
Solidere B	89.95	90.00	89.90	2.80	3.69	0.00

MUST READ (Source: Bloomberg/ Forexlive)

UBS lifts its forecast for gold prices
UBS has raised its gold price forecasts, anticipating further gains in the precious metal over the next year. The bank now expects gold to reach \$2,750 per ounce by the end of 2024, up from its previous forecast of \$2,600. By mid-2025, UBS projects prices to rise further to \$2,850 per ounce, and to \$2,900 per ounce by the third quarter of 2025. This year, gold has surged by 29%, consistently breaking records, UBS noted. On September 24, the metal hit an all-time high of \$2,670 per ounce, driven by concerns over economic growth, geopolitical tensions, and a weakening U.S. dollar. It has broken that level today. UBS pointed out that historically, gold tends to rally by up to 10% in the six months following the first Federal Reserve rate cut, and the metal's current upward momentum suggests even more gains are likely. "We see even higher prices over the next 6-12 months, driven by greater investment demand alongside a drop in U.S. real rates, a seasonal recovery in jewelry consumption, and ongoing central bank purchases," UBS analysts stated. The bank also mentioned that despite the rapid rise in prices, pullbacks this year have been "shallow and brief," forcing investors to chase the market higher. With the U.S. election approaching, UBS sees increased uncertainty, which could further fuel demand for gold as a safe haven asset. Additionally, the bank observed that while Swiss gold export data indicates slower demand from China, this is likely due to quota limitations rather than a drop in underlying demand. UBS continues to recommend a 5% allocation to gold within a balanced USD portfolio, citing the metal's hedging qualities. It also expressed a positive view on select gold miners as a tactical investment opportunity.

MAIN WEEKLY EARNINGS

Company	Ticker	Market Cap	Date	Time	Estimate	Year Ago
Carnival Corporat	CCL US	\$ 23.45B	29-Sep-24	Pre-mkt	1.17	0.86
Paychex Inc	PAYX US	\$ 47.84B	30-Sep-24	Pre-mkt	1.14	1.14
Nike Inc	NKE US	\$ 134.04B	01-Oct-24	After-mkt	0.52	0.94
RPM Internationa	RPM US	\$ 15.96B	02-Oct-24	Pre-mkt	1.75	1.64
Levi Strauss & Co	LEVI US	\$ 8.53B	02-Oct-24	After-mkt	0.32	0.28

ECONOMIC CALENDAR

(27-09-24) FR - CPI MoM / YoY
(27-09-24) DE - Unemployment Change (000's)
(27-09-24) CA - GDP MoM / YoY
(27-09-24) US - Personal Income / Personal Spending
(27-09-24) US - Wholesale Inventories MoM
(27-09-24) US - University of Mich. Sentiment
(30-09-24) JP - Industrial Production MoM / YoY

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