

Daily Market Brief

December 27th 2023



FOREIGN EXCHANGE MARKETS

(Sources: Bloomberg / Reuters)

EUR/USD

The EUR/USD pair trades near the highest level since August around 1.1040 during the early Asian trading hours on Wednesday. No top-tier economic data will be released this week, and the US Dollar (USD) is likely to remain under pressure due to the lack of any major data that might slow the downward momentum.

GBP/USD

GBP/USD hovers around 1.2720 during the Asian session on Wednesday. The US Dollar (USD) encounters downward pressure against Pound Sterling (GBP) as growing speculations of potential easing by the US Federal Reserve (Fed). The weakening sentiment is intensified by the fall in US Treasury yields, contributing to the factors eroding the strength of the US Dollar. UK Retail Sales showed improvement in November. While UK GDP came in softer in Q3.

USD/JPY

The USD/JPY pair gains ground during the early Asian session on Wednesday. The pair has reached 142.84 following the release of the Bank of Japan's (BoJ) Summary of Opinions. The market is likely to be quiet amid the light trading volume in the last week of 2023. The risk sentiment and the ongoing adjustments in central bank policies are expected to continue influencing currency movements amid the holiday season's thin trading.

Fx rates	Last	High	Low	% Daily	% Weekly	% YTD
EUR-USD	1.1044	1.1045	1.1029	0.02	0.93	3.17
GBP-USD	1.2730	1.2734	1.2716	0.04	0.72	5.35
USD-JPY	142.67	142.85	142.31	0.19	0.63	-8.10
USD-CHF	0.8536	0.8545	0.8529	-0.01	1.07	8.31
Commodities	Last	High	Low	% Daily	% Weekly	% YTD
Gold	2065.41	2068.67	2064.03	-0.12	1.23	13.23
Silver	24.16	24.29	24.14	-0.29	0.43	0.84
Crude Oil	75.51	75.55	75.15	-0.08	2.12	-1.04
Bitcoin	42452.63	42599.68	42131.49	0.26	-2.96	156.67
Etherium	2227.01	2233.28	2212.38	0.15	-3.81	85.68
Period	1 M	3 M	12 M			
EURIBOR	3.87	3.93	3.58			
SOFR	5.36	5.35	4.78			
Notes/Bonds	2 Y	10 Y	30 Y			
US	4.34	3.87	4.02			
BTP - BUND	0.52	1.58	1.98			
GILTS	4.06	3.51	4.07			

INTERNATIONAL EQUITY MARKETS

(Sources: Bloomberg / Reuters)

UNITED STATES OF AMERICA

Wall Street came into the holiday-shortened week with momentum, after the S&P 500 on Friday registered its eighth straight weekly advance and longest streak since 2017. The Dow and Nasdaq Composite also notched an eight-week winning streak. In other news, Intel jumped 5.2% after Israel's government gave the chipmaker a \$3.2 billion grant for a \$25 billion plant in the country's south.

EUROPE

European stocks closed with a whimper on Friday, as softer-than-expected U.S. inflation data offset losses in sportswear makers and China-exposed stocks ahead of the Christmas holiday weekend. Trading volumes were thinner than usual as traders prepared to break for the holiday season. European markets will be shut on Monday for Christmas. Markets were closed for Monday and Tuesday.

ASIA

Asian markets were steady in holiday-thinned trading on Tuesday, with some markets in the region closed for holidays. Shanghai's benchmark led losses in Asia on heavy selling of technology and computer chip-related shares as worries revived over trade tensions with the U.S. and other western countries. Japan's unemployment rate at 2.5% in November, according to government data released on Tuesday.

Index	Close	% Daily	% M	YTD	Futures	% Change
DJIA	37545.33	0.43	6.26	13.27	37901.00	0.02
S&P	4774.75	0.42	4.93	24.36	4827.75	0.06
Nasdaq	15074.57	0.54	5.85	44.03	17093.25	0.06
DJ EuroStoxx50	4521.47	-0.07	3.42	19.19	4583.00	0.57
FTSE 100	7697.51	0.04	2.80	3.30	7775.50	0.56
CAC 40	7568.82	-0.03	3.78	16.92	N/A Real Tim	N/A
DAX	16706.18	0.11	4.22	19.98	16965.00	0.44
IBEX 35	10111.90	0.08	1.74	22.88	N/A Real Tim	N/A
FTSE MIB	30353.29	0.26	3.13	28.04	N/A Real Tim	N/A
Nikkei	33681.24	1.13	0.70	29.07	33600.00	1.14
Hang Seng	16340.41	1.81	-5.26	-15.90	16645.00	1.80
DFM General	4028.88	0.09	0.95	20.87	N/A	N/A
MSCI Tadawoul	11872.63	0.50	7.15	13.31	N/A	N/A

Leb. Mrkts	Closing Px	High	Low	% Daily	% Weekly	YTD
Solidere A	88.20	92.00	86.00	2.44	15.67	44.83
Solidere B	90.75	94.00	86.00	5.10	18.47	50.37

MUST READ

(Source: Bloomberg/ Forexlive)

On currency wars

India's campaign to achieve wider international acceptance for its currency isn't going so well. The country's push to pay for crude-oil imports with rupees have hit a wall, with its trade partners remaining reluctant toward the arrangement, the Press Trust of India, a local newswire, reported, citing the Asian nation's oil ministry. Global oil suppliers have remained resistant toward receiving rupee payments, citing higher transaction costs and foreign-exchange risks related the Asian currency's limited global acceptance, according to the report. No oil imports were settled in rupees during the Indian financial year 2022-2023 that ended in March, the country's oil ministry told a parliamentary committee, the PTI reported. India's push to internationalize the rupee has been seen as part of a wider drive among nations from China to Brazil to reduce their reliance on the dollar in international payments and investments. The movement, known as de-dollarization, gained momentum in recent years as the US leveraged the greenback's global dominance to slap economic sanctions on countries including Russia and Iran. China and Russia also have been pushing to increase the global usage of their own currencies, while the BRICS group of nations have been weighing the possibility of a shared tender. More countries have joined the trend this year — Indonesia recently set up a task force to widen the use of its currency, the rupiah. Last year, India's central bank allowed local importers to open special overseas bank accounts that would enable making rupee payments to their trading partners.

MAIN WEEKLY EARNINGS

Company	Ticker	Market Cap	Date	Time	Estimate	Year Ago
Unifirst Corporati	UNF US	\$3.43 B	03-Jan-24	Pre-mkt	2.33	2.21
Walgreens Boots	WBA US	\$22.99 B	04-Jan-24	Pre-mkt	0.66	1.16
ConAgra Brands	CAG US	\$13.65 B	04-Jan-24	Pre-mkt	0.67	0.81
RPM Internationa	RPM US	\$14.52 B	04-Jan-24	Pre-mkt	1.23	1.10
Commercial Metz	CMC US	\$5.99 B	08-Jan-24	Pre-mkt	1.42	2.24

ECONOMIC CALENDAR

(28-12-23) JP - Industrial Production MoM
(28-12-23) US - Initial Jobless Claims
(28-12-23) US - Pending Home Sales MoM
(29-12-23) UK - Nationwide House PX MoM
(29-12-23) US - MNI Chicago PMI
(02-01-23) FR - HCOB France Manufacturing PMI
(02-01-23) EA - M3 Money Supply YoY

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