

FOREIGN EXCHANGE MARKETS

(Sources: Bloomberg / Reuters)

EUR/USD

The USD extended its recent decline, lending further legs to the risk complex and sponsoring another test of the 1.0870 region by EUR/USD on Monday. Second consecutive daily advance in the pair came amidst further weakness in the Greenback in response to the inactivity on Memorial Day, although always against the backdrop of renewed speculation that the Fed might maintain its restrictive stance longer than expected.

GBP/USD

The pair consolidates its upside around 1.2770 after reaching two-month highs during the early Asian session on Tuesday. The DXY remains under some selling pressure at around 104.60, which provides some support to the major pair. Traders lower their bets on interest rate cuts by the Fed amid strong US data and the Fed's hawkish comments. The BoE might hold rates, boosting the GBP.

USD/JPY

USD/JPY is trading water ahead of Tuesday's Pacific market session, holding ground just below the 157.00 handle as investors await key data that will determine the pace of rate cuts from central banks moving forward. Tuesday will officially kick off the full trading week for the USD/JPY pair. Data remains thin in the early week, and investors will be keeping one eye out for further Fed speak from Fed policymakers.

Fx rates	Last	High	Low	% Daily	% Weekly	% YTD
EUR-USD	1.0875	1.0880	1.0855	0.15	0.19	-1.49
GBP-USD	1.2776	1.2783	1.2769	0.05	0.53	0.35
USD-JPY	156.84	156.95	156.62	-0.03	-0.43	-10.07
USD-CHF	0.9122	0.9141	0.9117	-0.16	-0.13	-7.76
Commodities	Last	High	Low	% Daily	% Weekly	% YTD
Gold	2349.86	2356.40	2349.28	-0.05	-2.94	13.91
Silver	31.67	31.89	31.59	0.11	-0.97	33.08
Crude Oil	78.80	78.95	77.69	1.39	-0.63	9.49
Bitcoin	67936.82	69806.51	67459.41	-2.38	0.27	59.82
Etherium	3853.35	3906.20	3820.09	-0.92	2.58	68.83
Period	1 M		3 M		12 M	
EURIBOR	3.79		3.81		3.73	
SOFR	5.33		5.34		5.20	
US Fed Rate		5.31				
Notes/Bonds	2 Y		10 Y		30 Y	
US	4.94		4.46		4.57	
BTP - BUND	0.49		1.28		1.67	
GILTS	4.50		4.26		4.71	

INTERNATIONAL EQUITY MARKETS

(Sources: Bloomberg / Reuters)

UNITED STATES OF AMERICA

The Nasdaq closed Friday at a fresh record high as gains in chipmaker Nvidia outweighed worries that the Federal Reserve will delay interest rate cuts. The bullish sentiment on the AI giant and other tech names powered the market higher, even as concerns the Fed will not lower rates this summer lingered. U.S. markets were shut for Memorial Day on Monday.

EUROPE

European markets closed slightly higher on Monday as traders searched for direction on a quiet day for markets. U.K. markets are closed for the late May bank holiday. Traders will be eyeing euro zone inflation figures for May due on Friday.

ASIA

Asia-Pacific markets rose Monday as industrial profits in China rose during the first four months of the year, according to official data. China's industrial profits rose 4.3% year on year in the January to April period, data from the National Bureau of Statistics showed.

Index	Close	% Daily	% M	YTD	Futures	% Change
DJIA	39069.59	0.01	2.17	3.66	39190.00	0.08
S&P	5304.72	0.70	4.01	11.21	5328.75	0.14
Nasdaq	16920.79	1.10	6.23	12.72	18922.75	0.25
DJ EuroStoxx50	5059.20	0.47	1.05	11.89	5068.00	0.14
FTSE 100	8317.59	-0.26	2.18	7.56	8342.50	0.11
CAC 40	8132.49	0.46	0.55	7.81	8117.00	0.00
DAX	18774.71	0.44	3.38	12.08	18850.00	0.11
IBEX 35	11325.50	0.71	1.53	12.11	11340.70	0.00
FTSE MIB	34761.97	0.79	1.50	14.53	34865.00	0.00
Nikkei	38900.02	-0.20	2.34	16.01	38830.00	-0.26
Hang Seng	18827.35	0.02	6.68	10.46	18802.00	0.04
DFM General	4027.46	0.37	-2.91	-0.80	N/A	N/A
MSCI Tadawoul	11831.22	-0.16	-3.27	-1.14	N/A	N/A
Leb. Mrkts	Closing Px	High	Low	% Daily	% Weekly	YTD
Solidere A	70.00	70.00	69.50	0.00	1.16	-21.44
Solidere B	68.00	68.00	68.00	-2.86	0.37	-24.40

MUST READ

(Source: Bloomberg / Forexlive)

China defies global copper squeeze with near-record production

The global copper market is gripped by fears of a shortage, which has propelled prices to record levels and sparked a US\$49 billion takeover battle. But in China, the world's biggest producer and consumer of the refined metal, there's more than enough to go around. At the centre of that conundrum are the nation's ever-expanding copper smelters. The industry is maintaining production at near-record levels – defying a scarcity of raw materials – as higher prices unlock more scrap metal for processing. Smelters had pledged to reduce capacity after their fees collapsed because of a supply squeeze on the imports of ore they use as feedstock. The prospect of insufficient copper in China is just one of the pillars supporting a barnstorming rally that took the metal above US\$11,000 a tonne for the first time at the start of last week. But the cuts have not happened and China's faltering economy is not able to absorb the excess. The mismatch between supply and demand has become more glaring in recent days, with prices retreating to just above US\$10,300 a ton. Although that's still a 21 per cent gain for the year, it suggests that as long as China remains oversupplied, copper will struggle to make further headway. The availability of scrap from discarded pots, pipes and wires has risen quickly after copper prices surged, said Liang Kaihui, an analyst with Shanghai Metals Market (SMM). Fabricators have been busy turning that into blister, a semi-processed version of the metal, and feeding it back to smelters, he said, where it's used as a substitute for the overseas ore that's now in short supply. The abundance of scrap is seen in its discount to refined copper, which blew out to 4,615 yuan (US\$60) a tonne last week, the widest in at least eight years, according to SMM.

MAIN WEEKLY EARNINGS

Company	Ticker	Market Cap	Date	Time	Estimate	Year Ago
Abercrombie & Fi	ANF US	\$ 7.66B	29-May-24	Pre-mkt	1.69	0.39
Chewy Inc	CHWY US	\$ 7.21B	29-May-24	Pre-mkt	0.16	0.20
Salesforce Inc	CRM US	\$ 264.46B	29-May-24	Aft-mkt	2.38	1.69
HP Inc	HPQ US	\$ 32.05B	29-May-24	Aft-mkt	0.81	0.80
Dollar General	DG US	\$ 31.90B	30-May-24	Pre-mkt	1.57	2.34

ECONOMIC CALENDAR

(29-05-24) DE - CPI YoY / MoM
(30-05-24) US - GDP Annualized QoQ
(30-05-24) US - Core PCE Price Index QoQ
(30-05-24) US - Initial Jobless Claims
(31-05-24) JP - Jobless Rate
(31-05-24) EA - CPI MoM
(31-05-24) CA - GDP MoM / YoY

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