

Daily Market Brief

June 28th 2024



FOREIGN EXCHANGE MARKETS

(Sources: Bloomberg / Reuters)

EUR/USD

EUR/USD found a thin bid on Thursday, but the pair continues to grind into the midrange near the 1.0700 handle as half-hearted bidders shuffle their feet ahead of Friday's key US inflation print. European economic data has been strictly mid-tier in the back half of the trading week, leaving markets to turn an eye towards US PCE inflation, due during Friday's upcoming US market window.

GBP/USD

The GBP/USD pair extends the overnight late pullback from the 1.2670 region and trades with a mild negative bias during the Asian session on Friday. The GBP continues to be undermined by rising bets for a rate cut by the BoE in August. Apart from this, some repositioning trade ahead of the crucial US inflation data lifts the USD to a fresh two-month high, which, in turn, is seen as another factor exerting some downward pressure on the GBP/USD pair

USD/JPY

USD/JPY trades around 161.00, the highest level since 1986, during the Asian session on Friday. The CPI inflation in Tokyo rose to 2.3% year-over-year in June, up from the previous period's 2.2%. Core Tokyo CPI inflation, which excludes volatile food prices, also increased during the same period, reaching 2.1% YoY compared to the previous 1.9%, surpassing the median market forecast of 2.0% YoY. The USD gains ground due to higher yields on US Treasury bonds.

Fx rates	Last	High	Low	% Daily	% Weekly	% YTD
EUR-USD	1.0690	1.0711	1.0685	-0.13	-0.03	-3.16
GBP-USD	1.2632	1.2647	1.2622	-0.06	-0.10	-0.78
USD-JPY	160.96	161.27	160.65	0.12	-0.72	-12.38
USD-CHF	0.8997	0.9000	0.8981	0.11	-0.64	-6.48
Commodities	Last	High	Low	% Daily	% Weekly	% YTD
Gold	2327.05	2328.37	2319.14	-0.03	0.22	12.80
Silver	29.17	29.17	28.78	0.69	-1.29	22.59
Crude Oil	82.31	82.34	81.84	0.70	1.96	14.81
Bitcoin	61503.50	62158.60	61388.05	0.14	-3.46	44.69
Etherium	3448.20	3483.98	3432.86	0.26	0.42	51.08
Period	1 M	3 M	12 M			
EURIBOR	3.65	3.72	3.58			
SOFR	5.34	5.33	5.05			
US Fed Fund Rate (Indicator)	5.31					
Notes/Bonds	2 Y	10 Y	30 Y			
US	4.72	4.30	4.45			
BTP - BUND	0.71	1.58	1.93			
GILTS	4.24	4.13	4.61			

INTERNATIONAL EQUITY MARKETS

(Sources: Bloomberg / Reuters)

UNITED STATES OF AMERICA

The S&P 500 eked out a narrow gain on Thursday as Wall Street looked ahead to fresh inflation data for clues as to when the Federal Reserve will begin to lower interest rates. Traders await the release of May's core personal consumption expenditures price index, which is the Fed's preferred measure of inflation.

EUROPE

European stocks closed lower Thursday as investors faced global inflation worries. Data releases in Europe Thursday included Italy's latest consumer and business confidence numbers, which showed a monthly improvement, and Spanish retail sales, which declined by 0.6%.

ASIA

Asia-Pacific markets fell on Thursday, as the Japanese yen weakened to a near 38-year low late Wednesday, hitting 160.82 against the U.S. dollar, according to FactSet data. Japan's year-on-year retail sales growth for May came in at 3%, higher than the market forecast of 2%, according to a Reuters poll of economists. This compares with a revised 2% growth in April.

Index	Close	% Daily	% M	YTD	Futures	1Y % Change
DJIA	39164.06	0.09	0.80	3.91	39534.00	11.20
S&P	5482.87	0.09	3.33	14.95	5556.50	20.77
Nasdaq	17858.68	0.30	4.93	18.97	20104.25	26.80
DJ EuroStoxx50	4902.60	-0.27	-2.54	8.43	4949.00	12.04
FTSE 100	8179.68	-0.55	-0.90	5.77	8237.50	6.38
CAC 40	7530.72	-1.03	-6.54	-0.17	7544.50	-5.20
DAX	18210.55	0.30	-2.50	8.71	18405.00	9.83
IBEX 35	10951.50	-0.72	-2.88	8.41	10897.60	0.83
FTSE MIB	33186.89	-1.06	-4.25	9.34	33406.00	18.69
Nikkei	39341.54	0.41	1.67	18.05	39510.00	21.53
Hang Seng	17716.47	0.63	-5.27	4.58	17733.00	-8.38
DFM General	4008.96	0.07	0.55	-1.25	N/A	N/A
MSCI Tadawoul	11729.62	0.63	0.60	-1.99	N/A	N/A
Leb. Mrkts	Closing Px	High	Low	% Daily	% Weekly	YTD
Solidere A	69.30	69.50	69.00	-0.93	-0.79	-22.22
Solidere B	69.00	69.05	69.00	-0.36	-1.43	-23.29

MUST READ

(Source: Bloomberg/ Forexlive)

Pending U.S. home sales fall to an all-time low in May

Pending home sales fell in May to an all-time low, as U.S. home buyers grappled with elevated mortgage rates and rising home prices. Pending home sales fell 2.1% in May from the previous month, according to the monthly index released Thursday by the National Association of Realtors (NAR). Pending home sales reflect transactions where the contract has been signed for an existing-home sale, but the sale has not yet closed. Economists view it as an indicator for the direction of existing-home sales in subsequent months. Contract signings fell to a record low, the NAR said, since it began tracking sales data since 2001. Sales also fell for the second month in a row. The sales pace fell short of expectations on Wall Street. Economists were expecting pending home sales to fall 0.4% in May. Transactions were down 6.6% from a year ago. The NAR also laid out its forecast for the housing market in the months ahead. It expects the 30-year mortgage rate to remain over 6% this year, as well as in 2025, despite a potential rate cut by the Federal Reserve. It also expects existing-home sales to be 4.26 million in 2024 and 4.92 million in 2025. And home prices are expected to continue to climb, NAR said. It expects the median existing-home price to rise to an annual high of \$405,300 in 2024 and to \$412,000 in 2025. The spring home-buying season has been tough for the real-estate industry. Sales of homes have been muted, the key drivers being lower-than-normal housing inventory and home prices setting new record highs, both of which are making it tough for home buyers. To be sure, inventory showed signs of growing in May, which could impact sales moving forward.

MAIN WEEKLY EARNINGS

Company	Ticker	Market Cap	Date	Time	Estimate	Year Ago
Cineverse Corp	CNVF US	\$ 11.2M	01-Jul-24	Aft-mkt	-0.28	-0.46
MSC Industrial Dir	MSM US	\$ 4.39B	02-Jul-24	Pre-mkt	1.34	1.45
Radius Recycling I	RDUS US	\$ 409.7M	02-Jul-24	Pre-mkt	-1.10	0.14
Simulations Plus II	SLP US	\$ 956.9M	02-Jul-24	Aft-mkt	0.15	0.20
Constellation Brar	STZ US	\$ 46.67B	03-Jul-24	Pre-mkt	3.47	2.91

ECONOMIC CALENDAR

(28-06-24) US - PCE Price Index YoY
(27-06-24) UK - GDP QoQ / YoY
(28-06-24) US - U. Of Michigan Sentiment
(01-07-24) UK - Mortgage Approvals
(01-07-24) DE - CPI YoY / QoQ
(01-07-24) US - ISM Manufacturing
(02-07-24) EA - CPI MoM / CPI Core 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.