

Daily Market Brief

November 28th 2023



FOREIGN EXCHANGE MARKETS

(Sources: Bloomberg / Reuters)

EUR/USD

The EUR/USD pair trades with a positive bias for the fourth straight day and climbs to its highest level since August 11 during the Asian session on Tuesday. Dovish Fed expectations drag the USD to a near three-month low and lend support to the major. Traders now look to the German GfK Consumer Climate and the US Consumer Confidence Index. The focus will remain glued to the Eurozone consumer inflation figures and the US PCE Price Index.

GBP/USD

In the Asian session on Tuesday, the GBP/USD pair maintains its upward trajectory, trading around 1.2630. The Pound Sterling (GBP) remains robust against the US Dollar (USD) for the fourth successive day, reflecting the UK economy's resilience in the face of tightening measures by the Bank of England (BoE).

USD/JPY

USD/JPY remains under selling pressure near 148.45 amid the softer USD and lower yields. USD continues to lose steam as the markets believe that the Fed is done with the interest rate hiking cycle. The speculation that the BOJ may soon be forced to abandon its negative interest rate policy is growing. Traders will focus on the US Housing Price Index, the S&P/Case-Shiller Home Price Indices, and CB Consumer Confidence.

Fx rates	Last	High	Low	% Daily	% Weekly	% YTD
EUR-USD	1.0946	1.0963	1.0945	-0.07	0.32	2.25
GBP-USD	1.2624	1.2642	1.2622	-0.02	0.68	4.48
USD-JPY	148.31	148.70	147.98	-0.26	0.05	-11.59
USD-CHF	0.8803	0.8808	0.8796	0.00	0.39	5.02
Commodities	Last	High	Low	% Daily	% Weekly	% YTD
Gold	2016.64	2018.10	2013.28	0.12	0.92	10.56
Silver	24.63	24.74	24.55	-0.06	3.72	2.84
Crude Oil	75.04	75.36	74.70	0.24	-3.58	-2.28
Bitcoin	37100.00	37345.52	36883.57	0.18	-0.41	124.31
Etherium	2012.92	2040.31	1995.32	-0.13	-2.71	67.83
Period	1 M	3 M	12 M			
USD LIBOR *	5.46	5.65	6.04			
EURIBOR	3.81	3.94	4.06			
SOFR	5.35	5.39	5.27			
Notes/Bonds	2 Y	10 Y	30 Y			
US	4.86	4.38	4.52			
BTP - BUND	0.55	1.74	2.01			
GILTS	4.64	4.21	4.67			

INTERNATIONAL EQUITY MARKETS

(Sources: Bloomberg / Reuters)

UNITED STATES OF AMERICA

Stocks fell on Monday, as traders took a breather after the major averages posted a four-week winning streak. Despite warnings from some U.S. retailers that consumer spending is weakening, Black Friday e-commerce spending jumped 7.5% from a year earlier. Some e-commerce stocks rose on Cyber Monday, with shares of Amazon and Shopify advancing 0.7% and 4.9%, respectively.

EUROPE

European shares slipped on Monday, hurt by weakness in healthcare stocks, while real estate stocks limited losses as they were supported by sharp gains in UK property portal Rightmove. European Central Bank President Christine Lagarde said euro zone inflation pressures are easing as expected, but wage growth is still strong and the outlook is especially uncertain, so the ECB's fight to contain price growth is not yet done.

ASIA

Asia-Pacific markets were mixed on Tuesday, a day after the region saw all its major indexes end the day in negative territory. In Australia, the S&P/ASX 200 gained ahead of its October inflation readings on Wednesday.

Index	Close	% Daily	% M	YTD	Futures	% Change
DJIA	35333.47	-0.16	8.99	6.60	35392.00	0.06
S&P	4550.43	-0.20	10.52	18.52	4562.50	0.03
Nasdaq	14241.02	-0.07	12.64	36.06	16001.75	-0.04
DJ EuroStoxx50	4354.41	-0.40	8.47	14.78	4362.00	-0.09
FTSE 100	7460.70	-0.37	2.32	0.12	7478.50	-0.06
CAC 40	7265.49	-0.37	6.92	12.23	N/A Real Tim	N/A
DAX	15966.37	-0.39	8.71	14.67	16003.00	-0.09
IBEX 35	9936.10	-0.03	11.41	20.74	N/A Real Tim	N/A
FTSE MIB	29342.29	-0.31	7.53	23.77	29412.00	N/A
Nikkei	33408.39	-0.12	7.80	28.03	33380.00	-0.18
Hang Seng	17525.06	-0.76	-0.04	-12.08	17402.00	-0.92
DFM General	3994.59	0.09	5.59	19.85	N/A	N/A
MSCI Tadawoul	11080.74	-0.09	6.45	5.75	N/A	N/A
Leb. Mrkts	Closing Px	High	Low	% Daily	% Weekly	YTD
Solidere A	69.65	70.00	69.00	0.36	2.43	14.37
Solidere B	69.60	70.00	69.40	3.88	5.06	15.33

MUST READ

(Source: Bloomberg/ Forexlive)

On rising corporate bankruptcies and debt defaults

There's a wave of corporate defaults and bankruptcies that could be coming as high interest rates batter US companies. Experts warn it could raise the odds of a recession as high interest rates take their toll on businesses and consumers alike. 516 companies have filed for bankruptcy as of the end of September, according to S&P Global. That number already surpasses the total number of bankruptcy filings recorded in 2021 and 2022. US corporate debt defaults have also been on the rise. This year has seen 127 corporate defaults as of the end of October, according to a separate S&P Global report, 13% more compared to the five-year average. Charles Schwab director and fixed income strategist Collin Martin estimates that borrowing costs for some firms doubled or nearly tripled in 2023 compared to previous years, taking a heavy toll on corporate balance sheets. This is especially tough for so-called zombie firms, which are companies that don't have the cash on hand to service their debt. Many zombie companies managed to survive in an ultra-low interest rate environment, when the cost of borrowing was close to zero and firms could keep rolling over and refinancing debt with relative ease. The US could see defaults and bankruptcies peak sometime by the end of the first quarter of 2024, Charles Schwab estimates. And that rise of corporate defaults and bankruptcies between now and then adds to the list of headwinds that could knock the US economy into a recession.

MAIN WEEKLY EARNINGS

Company	Ticker	Market Cap	Date	Time	Estimate	Year Ago
Citi Trends Inc	CTRN US	\$219M	28-Nov-23	Pre-mkt	-0.13	-0.60
Anavex Life Scien	AVXL US	\$549M	28-Nov-23	Aft-mkt	-0.16	-0.14
Hewlett Packard I	HPE US	\$20.31B	28-Nov-23	Aft-mkt	0.49	0.57
Leslie's Inc	LESL US	\$1.10B	28-Nov-23	Aft-mkt	0.17	0.35
Foot Locker Inc	FL US	\$2.20B	29-Nov-23	Pre-mkt	0.23	1.27

ECONOMIC CALENDAR

(28-11-23) DE - GfK Consumer confidence
(28-11-23) EA - M3 Money Supply YoY
(28-11-23) US - Conf. Board Consumer Confidence
(29-11-23) UK - Mortgage Approvals
(29-11-23) US - MBA Mortgage Applications
(29-11-23) DE - CPI MoM / YoY
(29-11-23) US - GDP Annualized QoQ

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

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