

Daily Market Brief

January 29 2024



FOREIGN EXCHANGE MARKETS

(Sources: Bloomberg / Reuters)

EUR/USD

The EUR/USD pair trades weaker during the Asian trading hours on Monday. The downtick of the major pair is supported by renewed US Dollar (USD) demand amid rising geopolitical tension in the Middle East. Investors will focus on the Federal Open Market Committee (FOMC) meeting on Wednesday.

GBP/USD

The GBP/USD pair ticks higher following an Asian session dip on Monday, albeit lacks follow-through and remains confined in a familiar range held over the past two weeks or so. Spot prices nearly unchanged for the day as traders await a fresh catalyst before positioning for a firm near-term trajectory. Focus remains glued to the outcome of the highly-anticipated two-day FOMC monetary policy meeting starting on Tuesday amid the uncertainty over the timing of the first interest rate cut.

USD/JPY

On Monday, the Bank of Japan will be in focus. The markets expect the Bank of Japan to exit negative interest rates in 2024. However, the timing of a pivot from negative rates remains unclear. Last week, softer-than-expected inflation numbers for Tokyo reduced pressure on the BoJ to make a near-term move. The outcome of wage negotiations in March could be a signal for the BoJ and the markets.

Fx rates	Last	High	Low	% Daily	% Weekly	% YTD
EUR-USD	1.0845	1.0858	1.0839	-0.07	-0.35	-1.76
GBP-USD	1.2706	1.2708	1.2691	0.02	-0.02	-0.20
USD-JPY	147.95	148.34	147.90	-0.14	0.10	-4.67
USD-CHF	0.8636	0.8656	0.8628	-0.07	0.64	-2.57
Commodities	Last	High	Low	% Daily	% Weekly	% YTD
Gold	2027.73	2028.65	2019.34	0.46	0.30	-1.71
Silver	22.92	22.98	22.80	0.53	3.74	-3.67
Crude Oil	78.27	79.29	78.05	0.33	4.70	8.95
Bitcoin	42161.97	42487.51	41626.00	0.45	6.03	-0.81
Etherium	2267.34	2277.59	2244.82	0.19	2.32	-0.66
Period	1 M	3 M	12 M			
EURIBOR	3.87	3.89	3.60			
SOFR	5.34	5.32	4.80			
Notes/Bonds	2 Y	10 Y	30 Y			
US	4.34	4.12	4.35			
BTP - BUND	0.47	1.52	1.97			
GILTS	4.35	3.96	4.59			

INTERNATIONAL EQUITY MARKETS

(Sources: Bloomberg / Reuters)

UNITED STATES OF AMERICA

The S&P 500 closed slightly lower Friday, but clinched weekly gains as the latest economic data added to a positive picture of the economy. Stocks got a boost this week from encouraging economic data. Friday's PCE print came a day after GDP data revealed higher-than-expected economic growth in the fourth quarter.

EUROPE

European stocks closed at a two-year high Friday as investors digested the European Central Bank's latest decision, fresh economic data and fourth-quarter earnings. The ECB indicated Thursday that domestic inflationary pressures are easing and price rises are moving in the right direction. U.K. consumers are their most confident since January 2022, buoyed by falling inflation, new survey data showed Friday. The sentiment was echoed in France but not in Germany.

ASIA

Asia-Pacific markets mostly declined Friday as electric vehicle stocks in the region dropped for a second day, while investors also digested inflation data from Tokyo. CSI 300 dropped 0.27% after property stocks got a boost from Beijing's plans to boost liquidity in the beleaguered sector. January inflation reading from Tokyo came in

Index	Close	% Daily	% M	YTD	Futures	% Change
DJIA	38109.43	0.16	1.11	1.11	38210.00	-0.13
S&P	4890.97	-0.07	2.54	2.54	4914.00	-0.05
Nasdaq	15455.36	-0.36	2.96	2.96	17543.25	0.09
DJ EuroStoxx50	4635.47	1.16	2.52	2.52	4648.00	-0.15
FTSE 100	7635.09	1.40	-1.27	-1.27	7623.50	-0.10
CAC 40	7634.14	2.28	1.21	1.21	N/A Real Tim	N/A
DAX	16961.39	0.32	1.25	1.25	17012.00	-0.29
IBEX 35	9936.60	0.20	-1.64	-1.64	N/A Real Tim	N/A
FTSE MIB	30379.33	0.73	0.09	0.09	30551.00	N/A
Nikkei	36026.94	0.77	7.66	7.66	36040.00	1.01
Hang Seng	15952.23	0.92	-5.56	-5.56	16117.00	1.05
DFM General	4163.33	-0.15	2.39	2.39	N/A	N/A
MSCI Tadawoul	12264.17	0.84	2.78	2.48	N/A	N/A

Leb. Mrkts	Closing Px	High	Low	% Daily	% Weekly	YTD
Solidere A	80.10	84.00	80.00	-2.61	5.88	-10.10
Solidere B	78.75	78.75	78.75	0.00	0.77	-12.45

MUST READ

(Source: Bloomberg/ Forexlive)

Traders are more anxious about the 2024 election

A key indicator shows that Wall Street is the most anxious it's been before any election in the last decade. The Cboe Volatility Index, known as the stock market's "fear gauge," began trading October futures earlier this week. Those contracts, which include the November 5 election date, are trading at a wide gap to September futures, Bloomberg data finds. The price difference is now wider than it was in late January in the 2016 and 2020 election cycles, with October futures 3.3 points higher than the September contracts. The 2024 election, which is increasingly looking like a Trump-Biden rematch after the former President's wins in Iowa and New Hampshire, is now less than 10 months away. And the CBOE volatility contracts shed light on how much risk traders are perceiving in those coming months. Like any year, the stock market fluctuates, but some technical analysts have observed patterns in the election cycle. Mark Newton from Fundstrat has said the months from March to August and then November to year-end will perform the best, as they historically have done in election years. Bank of America technical strategist Stephen Suttmeier, meanwhile, said August is likely to be the strongest month after a lackluster January to May. Developments in the election are also stirring up other parts of the market, and after Trump's victory at the Iowa caucuses, a Truth Social-linked SPAC skyrocketed 239%. What comes after the election might matter even more, one strategist said.

MAIN WEEKLY EARNINGS

Company	Ticker	Market Cap	Date	Time	Estimate	Year Ago
MSCI Inc	MSCI US	\$ 43.44B	30-Jan-24	Pre-mkt	3.29	2.84
Pfizer Inc	PFE US	\$ 155.11B	30-Jan-24	Pre-mkt	-0.21	1.14
Advanced Micro I	AMD US	\$ 286.35B	30-Jan-24	Aft-mkt	0.77	0.69
Microsoft Corp	MSFT US	\$ 3.00T	30-Jan-24	Aft-mkt	2.78	2.32
Alphabet Inc	GOOGL US	\$ 1.91T	30-Jan-24	Aft-mkt	1.72	1.05

ECONOMIC CALENDAR

(30-01-24) JP - Jobless Rate
(30-01-24) FR - GDP QoQ
(30-01-24) UK - Mortgage Approvals
(30-01-24) EA - GDP SA QoQ / GDP SA YoY
(30-01-24) US - Conf. Board Consumer Confidence
(31-01-24) JP - Industrial Production MoM
(31-01-24) FR - CPI YoY

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