

Daily Market Brief

March 29th 2023



FOREIGN EXCHANGE MARKETS

(Sources: Bloomberg / Forexlive)

EURUSD

EUR/USD witnesses headwinds at the weekly top as Euro traders remain cautious ahead of the key German clues. Adding strength to the pullback moves could be firmer yields and a rebound in US Dollar amid mixed sentiment. That said, the Euro pair eases to 1.0835, printing mild losses during early Wednesday, as it snaps a two-day winning streak.

GBPUSD

The GBP/USD pair has shown a recovery move after a gradual correction to near 1.2320 in the Asian session. The is aiming to recapture the immediate resistance of 1.2350 as the US Dollar Index (DXY) has retreated after a rebound to near 102.60. Bearish bets have resumed for the (DXY) amid easing fears of the U.S. banking crisis and rising odds of a steady stance on interest rates by the (Fed) ahead.

USDJPY

The USD/JPY pair is hovering near its weekly high at 131.75 in the early European session. The asset is expected to extend its upside journey towards 132.00 amid renewed fears of the continuation of ultra-loose monetary policy by the Bank of Japan (BoJ).

Fx rates	Last	High	Low	% Daily	% Weekly	% YTD
EUR-USD	1.0828	1.0850	1.0823	-0.16	-0.26	1.15
GBP-USD	1.2322	1.2343	1.2309	-0.16	0.44	1.98
USD-JPY	131.77	132.03	130.76	0.67	-0.25	-0.49
USD-CHF	0.9215	0.9223	0.9193	0.17	-0.44	0.33
Commodities	Last	High	Low	% Daily	% Weekly	% YTD
Gold	1961.98	1974.51	1960.30	-0.59	-0.41	7.56
Silver	23.11	23.37	23.06	-0.97	0.51	-3.54
Crude Oil	73.78	73.96	73.51	0.79	4.06	-8.29
Bitcoin	28087.78	28152.14	27118.12	2.83	1.70	69.82
Etherium	1809.44	1817.62	1762.16	1.95	3.37	50.87
Period	1 M	3 M	12 M			
USD LIBOR *	4.85	5.14	5.06			
EURIBOR	2.90	3.01	3.47			
* USD LIBOR rates will be discontinued after June 30, 2023 and will be replaced by SOFR						
Notes/Bonds	2 Y	10 Y	30 Y			
US	4.07	3.56	3.76			
BTP - BUND	0.50	1.85	2.01			
GILTS	3.36	3.46	3.86			

INTERNATIONAL EQUITY MARKETS

(Sources: Bloomberg / Reuters)

UNITED STATES OF AMERICA

U.S. stocks ended slightly lower on Tuesday as investors weighed comments from a top U.S. regulator on struggling banks and sold shares of technology-related names after their recent strong run. Alibaba shares jump. Consumer confidence rose unexpectedly in March.

EUROPE

European stocks were flat on Tuesday after struggling for direction amid lingering fears of a deeper crisis brought on by the collapse of Credit Suisse and two U.S. banks. Real estate stocks hit 5-1/2-month lows. Energy stocks lead gains.

ASIA

Japanese shares rose on Wednesday, as investors snapped up stocks set to go ex-dividend this week and market heavyweight SoftBank Group jumped on Alibaba Group's split-up plans.

Index	Close	% Daily	% M	YTD	Futures	% Change
DJIA	32394.25	-0.12	-0.80	-2.27	32739.00	0.47
S&P	3971.27	-0.16	0.03	3.43	4027.00	0.64
Nasdaq	11716.08	-0.45	2.27	11.94	12812.00	0.63
DJ EuroStoxx50	4168.21	0.09	-1.66	9.87	4136.00	0.56
FTSE 100	7484.25	0.17	-4.98	0.44	7498.50	0.19
CAC 40	7088.34	0.14	-2.47	9.49	7141.50	N/A
DAX	15142.02	0.09	-1.45	8.75	15367.00	0.44
IBEX 35	8944.30	0.43	-4.79	8.69	8936.00	N/A
FTSE MIB	26329.46	0.47	-4.18	11.06	26040.00	N/A
Nikkei	27883.78	1.33	1.60	6.86	27590.00	1.10
Hang Seng	19784.65	1.79	1.79	1.81	20146.00	1.86
DFM General	3384.41	0.33	-1.23	1.78	N/A	N/A
MSCI Tadawoul	10468.08	0.04	3.62	-0.10	N/A	N/A
Leb. Mkts	Closing Px	High	Low	% Daily	% Weekly	YTD
Solidere A	86.10	95.00	86.10	0.00	0.70	41.38
Solidere B	89.90	90.00	84.40	0.00	-0.06	48.96

MUST READ

(Source: Bloomberg/ Forexlive)

Commercial real estate is the next shoe to drop for regional banks and market

The next domino to fall in the ongoing banking crisis could be commercial real estate loans, according to a note from Bank of America. A potential credit crunch in the sector, sparked by a wave of upcoming refinancings of commercial real estate loans at much higher interest rates than in the past, could send stocks spiraling and the economy into a recession. "Commercial real estate [is] widely seen as next shoe to drop as lending standards for CRE loans to tighten further," Bank of America's Michael Hartnett said. What's not helping is the fact that occupancy rates in offices across the country are still far from their pre-pandemic levels. According to Hartnett, office occupancy rates are still less than 50% as work-from-home trends persists. At the same time, growth in national rent levels peaked over a year ago and has been steadily falling according to data from Zillow, which means of the office buildings that are collecting rent, it's likely less than what it was in the past. The weakness in commercial real estate is evidenced in current market prices for stocks and debt tied to the sector. The iShares CMBS ETF, which tracks a portfolio of bonds backed by commercial mortgages, is trading well below the lows seen at the height of the COVID-19 pandemic in March 2020, and is just 6% above its lowest levels since the inception of the fund in 2012. Meanwhile, shares of office REITs are trading at multi-year lows, with Boston Properties Group trading at its lowest level since 2009, down about 68% from its record high reached right before the pandemic began.

MAIN WEEKLY EARNINGS

(Source: Nasdaq)

Company	Ticker	Market Cap	Date	Time	Estimate	Year Ago
Cintas Corporation	CTAS US	\$44.4 B	29-Mar-23	Pre-mkt	3.01	2.69
Paychex, Inc	PAYX US	\$39.8 B	29-Mar-23	Pre-mkt	1.24	1.15
Acuity Brands	AYI US	\$6.1 B	04-Apr-23	Pre-mkt	2.28	2.35
Constellation Brar	STZ US	\$40.9 B	06-Apr-23	Pre-mkt	1.87	2.37
Levi Strauss & Co	LEVI US	\$6.9 B	06-Apr-23	After-mkt	0.32	0.46

ECONOMIC CALENDER

(Source: Forexlive)

(29-03-23) DE- Gfk Consumer Confidence Survey APR
(29-03-23) CH- ZEW Survey - Expectations MAR; SNB Quarterly Bulletin Q1 report
(30-03-23) CH- KOF Leading Indicator MAR
(30-03-23) EA- Economic Bulletin; Consumer Confidence MAR; Business Climate MAR
(30-03-23) DE- Harmonized Index of Consumer Prices YoY MAR preliminar
(30-03-23) US- Gross Domestic Product Annualized Q4
(30-03-23) US- Personal Consumption Expenditures Prices QoQ Q4

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