

Daily Market Brief

January 30 2024



FOREIGN EXCHANGE MARKETS

(Sources: Bloomberg / Reuters)

EUR/USD

The EUR/USD pair recovers some lost ground below the mid-1.0800s during the early Asian trading hours on Tuesday. The rebound of the major pair is driven by the modest decline of the US dollar (USD) and lower US Treasury bond yields. Investors await the advanced Q4 (GDP) from Germany and the Eurozone ahead of the Federal Open Market Committee (FOMC) meeting on Wednesday.

GBP/USD

The GBP/USD is under pressure amid a busy week in the economic calendar, with central bank decisions on the line, led by the US Federal Reserve (Fed) and the Bank of England (BoE). The UK economic docket will feature the BoE Consumer Credit report. On the US front, JOLTS Job Openings and the Conference Board (CB) Consumer Confidence would update the status of the economy.

USD/JPY

The initial rise in USD/JPY following above-forecast U.S. GDP figures was tempered by an unexpected increase in jobless claims, highlighting the pair's sensitivity to fluctuating U.S. economic indicators. The speculation around Federal Reserve and Bank of Japan rate decisions remains a pivotal factor, with the market's expectations adapting to the latest economic data and central bank communications.

Fx rates	Last	High	Low	% Daily	% Weekly	% YTD
EUR-USD	1.0822	1.0842	1.0821	-0.10	-0.29	-1.97
GBP-USD	1.2705	1.2721	1.2702	-0.03	0.14	-0.20
USD-JPY	147.30	147.53	147.20	-0.14	0.71	-4.25
USD-CHF	0.8616	0.8628	0.8610	0.03	1.00	-2.34
Commodities	Last	High	Low	% Daily	% Weekly	% YTD
Gold	2034.92	2036.03	2029.38	0.08	0.28	-1.36
Silver	23.20	23.24	23.13	-0.02	3.36	-2.51
Crude Oil	77.27	77.30	76.84	0.64	3.90	7.56
Bitcoin	43281.20	43771.20	43082.79	0.22	8.46	1.82
Etherium	2303.38	2327.61	2302.58	-0.13	3.85	0.92
Period	1 M	3 M	12 M			
EURIBOR	3.87	3.89	3.60			
SOFR	5.33	5.31	4.80			
Notes/Bonds	2 Y	10 Y	30 Y			
US	4.30	4.04	4.28			
BTP - BUND	0.47	1.50	1.94			
GILTS	4.27	3.88	4.51			

INTERNATIONAL EQUITY MARKETS

(Sources: Bloomberg / Reuters)

UNITED STATES OF AMERICA

The S&P 500 rose Monday and headed for a fresh record high as Wall Street looked toward several mega-cap tech earnings reports and the Federal Reserve's rate policy decision. This week marks the busiest slate of the earnings season, with 19% of the S&P 500 reporting earnings. Meanwhile, the Federal Open Market Committee will begin its two-day policy meeting on Tuesday. Investors are nearly certain the central bank will keep rates steady.

EUROPE

European stock markets on Monday closed slightly higher as investors looked ahead to a slew of earnings, data and central bank announcements through the week. Gains came amid some positive fourth-quarter company results, and as the market ramped up bets that the European Central Bank will begin cutting interest rates in April.

ASIA

In Asia-Pacific, markets traded mixed with all attention on Hong Kong's High Court ordering the liquidation of Chinese property developer Evergrande. Shares of the embattled firm halted trading. This week's major events will be China's factory activity figures for January as well as Australia's Q4 inflation figures.

Index	Close	% Daily	% M	YTD	Futures	% Change
DJIA	38333.45	0.59	1.71	1.71	38440.00	-0.12
S&P	4927.93	0.76	3.31	3.31	4952.75	-0.04
Nasdaq	15628.04	1.12	4.11	4.11	17706.75	0.01
DJ EuroStoxx50	4639.36	0.08	2.61	2.61	4675.00	0.36
FTSE 100	7632.74	-0.03	-1.30	-1.30	7660.00	0.51
CAC 40	7640.81	0.09	1.29	1.29	N/A Real Tim	N/A
DAX	16941.71	-0.12	1.13	1.13	17094.00	0.33
IBEX 35	9890.30	-0.47	-2.10	-2.10	N/A Real Tim	N/A
FTSE MIB	30233.61	-0.48	-0.39	-0.39	30383.00	N/A
Nikkei	36065.86	0.11	7.77	7.77	36000.00	-0.11
Hang Seng	16077.24	-2.03	-7.61	-7.61	15777.00	-1.85
DFM General	4170.59	0.13	2.86	2.86	N/A	N/A
MSCI Tadawoul	12252.81	-0.09	2.69	2.38	N/A	N/A

Leb. Mrkts	Closing Px	High	Low	% Daily	% Weekly	YTD
Solidere A	79.15	80.00	78.90	-1.19	6.60	-11.17
Solidere B	76.80	77.00	75.85	-2.48	-1.29	-14.62

MUST READ

(Source: Bloomberg/ Forexlive)

Oil prices fall as traders weigh demand concerns against risk premium

Oil prices fell more than a dollar a barrel on Monday as China's ailing property sector sparked demand worries, causing traders to reassess the supply risk premium from escalating tensions in the Middle East. Brent prices touching their highest since early Nov. after a fuel tanker was hit by a missile in the Red Sea and U.S. troops were attacked in Jordan near the Syrian border. Prices have since retreated as attention shifted to China, where a real estate crisis keeps deepening. "The situation in China is the biggest headwind to the whole market, that is why the market keeps backing off from the war risk premium," said John Kilduff, partner at Again Capital LLC. Market participants were also questioning how much the risk premium should be as oil supplies have not yet been directly affected by the Middle East crisis. "Currently we are seeing a premium of around \$10 a barrel when it should really just be \$3 or \$4 based on true petroleum demand fundamentals," said Gary Cunningham, director at energy advisory firm Tradition Energy. Russia, meanwhile, is likely to cut exports of naphtha, a petrochemical feedstock about a third of its total exports - after fires disrupted operations at Baltic and Black Sea refineries. Another Russian oil facility came under attack on Monday, with Russian authorities indicating they had thwarted a drone attack on the Slavneft-YANOS refinery in the city of Yaroslavl. U.S. crude oil and distillates inventories were expected to have reduced last week while gasoline stocks were seen rising, according to a preliminary Reuters poll.

MAIN WEEKLY EARNINGS

Company	Ticker	Market Cap	Date	Time	Estimate	Year Ago
MSCI Inc	MSCI US	\$ 43.58B	30-Jan-24	Pre-mkt	3.29	2.84
Starbucks Corp	SBUX US	\$ 106.20B	30-Jan-24	Aft-mkt	0.93	0.75
Advanced Micro I	AMD US	\$ 287.28B	30-Jan-24	Aft-mkt	0.77	0.69
Microsoft Corp	MSFT US	\$3.05T	30-Jan-24	Aft-mkt	2.78	2.32
Alphabet Inc	GOOGL US	\$1.93T	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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