

Daily Market Brief

May 30th 2024



FOREIGN EXCHANGE MARKETS

(Sources: Bloomberg / Reuters)

EURUSD

EUR/USD pulled back sharply on Wednesday, falling back to the 1.0800 handle after broad risk appetite evaporated. The pair is trading firmly into technical resistance as investors gear up for a batch of mid-tier European economic indicators on Thursday, followed by an update to US quarterly Gross Domestic Product (GDP) growth. German inflation figures mixed in May, vexing ECB rate cut hopes.

GBPUSD

The GBP/USD pair weakens to 1.2695 during the early Asian session on Thursday. The downtick of the pair is supported by the stronger (USD) amid the higher US yields and lower bets of the (Fed) rate cut in September. In recent weeks, officials delivered a cautious tone on the inflation outlook, prompting traders to lower their bets on an easing cycle this year. Markets are pricing in a 50% chance that the Fed will hold interest rates in September.

USDJPY

The (JPY) snapped recent losses on Thursday, spurred by comments from (BoJ) board member Seiji Adachi on Wednesday. Adachi emphasized the gradual reduction of bond purchases to ensure that long-term yields accurately reflect market signals. Additionally, he suggested that raising interest rates could be appropriate if a weaker JPY leads to increased inflation.

Fx rates	Last	High	Low	% Daily	% Weekly	% YTD
EUR-USD	1.0790	1.0807	1.0788	-0.10	-0.23	-2.26
GBP-USD	1.2688	1.2709	1.2684	-0.10	-0.09	-0.34
USD-JPY	156.94	157.67	156.93	-0.45	-0.01	-10.13
USD-CHF	0.9121	0.9141	0.9120	-0.12	0.24	-7.75
Commodities	Last	High	Low	% Daily	% Weekly	% YTD
Gold	2323.80	2339.91	2322.79	-0.61	-0.23	12.64
Silver	31.23	32.09	31.16	-2.34	3.63	31.23
Crude Oil	79.03	79.42	79.02	-0.25	1.88	9.81
Bitcoin	68070.74	68346.09	67325.09	0.98	-1.49	60.14
Etherium	3777.88	3797.43	3746.81	0.75	0.86	65.53
Period	1 M	3 M	12 M			
EURIBOR	3.76	3.79	3.72			
SOFR	5.33	5.35	5.21			
US Fed Fund Index Benchmark		5.31				
Notes/Bonds	2 Y	10 Y	30 Y			
US	4.97	4.60	4.72			
BTP - BUND	0.50	1.33	1.71			
GILTS	4.56	4.40	4.86			

INTERNATIONAL EQUITY MARKETS

(Sources: Bloomberg / Reuters)

UNITED STATES OF AMERICA

U.S. stocks fell on Wednesday amid further gains in Treasury yields and concern over the timing and scale of possible interest rate cuts from the Federal Reserve. Airlines fall after American Airlines cuts profit forecast. Fed's Beige Book shows continued economic expansion.

EUROPE

European shares declined on Wednesday as worries that global interest rates will stay elevated for longer pushed bond yields higher, with fresh evidence of persistently high inflation in the region's biggest economy only exacerbating such concerns.

ASIA

Asian stocks were a sea of red on Thursday and bonds slid on bets global interest rates would stay higher for longer, as investors looked to key inflation readings at the end of the week for further clues on the future path of monetary policy.

Index	Close	% Daily	% M	YTD	Futures	% Change
DJIA	38441.54	-1.06	1.65	2.00	38175.00	-0.90
S&P	5266.95	-0.74	4.59	10.42	5251.75	-0.61
Nasdaq	16920.58	-0.58	8.06	12.72	18663.75	-0.74
DJ EuroStoxx50	4963.20	-1.33	0.85	9.77	4953.00	-0.40
FTSE 100	8183.07	-0.86	0.48	5.82	8152.50	-0.51
CAC 40	7935.03	-1.52	-0.62	5.19	7938.00	N/A
DAX	18473.29	-1.10	3.02	10.28	18447.00	-0.47
IBEX 35	11145.10	-1.16	2.68	10.32	11165.30	N/A
FTSE MIB	34150.54	-1.47	1.20	12.52	34246.00	N/A
Nikkei	38556.87	-1.53	-1.14	13.46	37980.00	-1.35
Hang Seng	18477.01	-1.37	2.59	6.90	18267.00	-1.16
DFM General	3959.80	-0.68	-4.72	-2.46	N/A	N/A
MSCI Tadawoul	11696.51	0.31	-5.63	-2.26	N/A	N/A
Leb. Mrkts	Closing Px	High	Low	% Daily	% Weekly	YTD
Solidere A	69.50	69.50	69.00	-0.29	-0.71	-22.00
Solidere B	69.05	69.05	69.05	1.40	0.80	-23.24

MUST READ

(Source: Bloomberg/ Forexlive)

Stock market rally puts S&P on track for best May performance since 2009

This may not have been the year to "sell in May." The S&P 500 index is up 4.6% for the month to date, on track for its best May performance since a 5.3% rise in 2009 when the stock market rallied off the worst levels of the financial crisis set on March 9 of that year. The S&P 500 averages a decline of 0.1% usually in May, which noted that May is typically the second worst performing month of the year. That historical performance helps explain the popular Wall Street adage, "Sell in May and go away." The period from May to November is historically the weakest for the market, though analysts and investors have argued that it oversimplifies the phenomenon and probably shouldn't play a major role in driving investment decisions. The Nasdaq Composite posted a second straight record, while the S&P 500 finished 0.3% below its record finish from May 21. The DJIA earlier this month finished above the 40,000 milestone for the first time. Technology stocks were in the driver's seat this month, with the sector's gain of more than 11% leading the way for the S&P 500 on continued optimism over artificial intelligence stocks. The communications services sector, which includes the behemoths benefitting from the AI boom such as Meta Platforms and Alphabet -0.03%, was in second place with a gain of more than 7%. And in one of the more stunning turns of 2024, utilities were up 6.6% through Monday as the traditional defensive play also enjoyed AI-related support. The sector, which is up around 11% for the year, has benefited from surging electricity demand tied in part to the build-out of AI data centers.

MAIN WEEKLY EARNINGS

Company	Ticker	Market Cap	Date	Time	Estimate	Year Ago
Costco Wholesale	COST US	\$360.6 B	30-May-24	After-mkt	3.70	3.43
Royal Bank of Can	RY US	\$148.5 B	30-May-24	Pre-mkt	2.03	1.95
Dell Technologies	DELL US	\$118.5 B	30-May-24	After-mkt	1.00	1.09
Marvell Technolo	MRVL US	\$67.8 B	30-May-24	After-mkt	0.07	0.17
Canadian Imperia	CM US	\$45.2 B	30-May-24	Pre-mkt	1.22	1.25

ECONOMIC CALENDAR

- (30-05-24) CH- SNB's Chairman Jordan speech
- (30-05-24) CH- Gross Domestic Product QoQ, YoY Q1
- (30-05-24) EA- Unemployment Rate APR; Consumer Confidence MAY
- (30-05-24) EA- Business Climate MAY; Economic Sentiment Indicator MAY
- (30-05-24) US- Gross Domestic Product Annualized Q1 preliminar
- (30-05-24) US- Core Personal Consumption Expenditures QoQ Q1 preliminar
- (30-05-24) CA- Current Account Q1

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