

Daily Market Brief

November 30th 2023



FOREIGN EXCHANGE MARKETS

(Sources: Bloomberg / Reuters)

EUR/USD

The EUR/USD pair struggles to gain ground above 1.1000 during the early Asian trading hours on Thursday. The weaker-than-expected German and Spain inflation data weighed on the Euro (EUR). Investors await the Italian, French, and Eurozone inflation data on Thursday for fresh impetus. On an annual basis, HICP inflation eased to 2.3% YoY versus 3.0% prior.

GBP/USD

GBP trades in a positive territory for the third consecutive week under 1.2700. US economy grew to 5.2% in Q3 from the previous reading of 4.9%, above the market consensus of 5.0%. BoE Governor Bailey said the central bank will do what it takes to bring inflation down to its 2% target. US Core PCE inflation data will be closely monitored by traders.

USD/JPY

The Japanese Yen (JPY) remains on the front foot against its American counterpart for the fifth successive day on Thursday amid expectations of an imminent shift in the Bank of Japan's (BoJ) policy stance. Even Wednesday's less hawkish remarks by BoJ board member Seiji Adachi, saying that the economy is yet to reach a stage where the central bank could debate an exit from ultra-easy monetary policy, did little to dent the underlying bullish sentiment surrounding the JPY.

Fx rates	Last	High	Low	% Daily	% Weekly	% YTD
EUR-USD	1.0979	1.0984	1.0965	0.09	0.68	2.56
GBP-USD	1.2707	1.2707	1.2690	0.09	1.38	5.16
USD-JPY	146.90	147.24	146.85	-0.23	1.81	-10.74
USD-CHF	0.8722	0.8746	0.8717	-0.19	1.38	6.00
Commodities	Last	High	Low	% Daily	% Weekly	% YTD
Gold	2044.63	2047.23	2041.48	0.02	2.63	12.09
Silver	25.08	25.09	24.93	0.24	5.92	4.70
Crude Oil	78.29	78.39	77.46	0.55	1.54	1.95
Bitcoin	37832.54	38150.06	37702.15	0.25	0.05	128.74
Etherium	2034.10	2044.12	2022.86	0.25	-2.44	69.60
Period	1 M	3 M	12 M			
USD LIBOR *	5.46	5.65	6.04			
EURIBOR	3.85	3.96	4.02			
SOFR	5.34	5.38	5.21			
Notes/Bonds	2 Y	10 Y	30 Y			
US	4.66	4.28	4.46			
BTP - BUND	0.57	1.74	2.04			
GILTS	4.57	4.10	4.60			

INTERNATIONAL EQUITY MARKETS

(Sources: Bloomberg / Reuters)

UNITED STATES OF AMERICA

The S&P 500 and the Dow Jones Industrial Average ended Wednesday near the flat line, but the major averages remain on track for their biggest monthly gain in 2023. Because of November's comeback, the major market benchmarks are approaching their 2023 highs reached over the summer. On Wednesday, General Motors shares popped about 9.4% after the company announced a \$10 billion buyback and raised its dividend.

EUROPE

European stocks closed higher on Wednesday, as regional markets regained positive momentum and investors assessed comments from U.S. Federal Reserve board members. Germany's blue chip DAX index maintained gains of more than 1%, after figures released in the afternoon showed German inflation on an EU-harmonized basis slowed to 2.3% in November, more than the 2.6% forecast.

ASIA

Asia-Pacific markets fell as investors assessed economic data from the region. China's factory activity shrank for a second straight month in November, while non-manufacturing activity hit yet another new low for the year.

Index	Close	% Daily	% M	YTD	Futures	% Change
DJIA	35430.42	0.04	7.19	6.89	35624.00	0.38
S&P	4550.58	-0.09	8.51	18.52	4567.00	0.17
Nasdaq	14258.49	-0.16	10.95	36.23	16064.00	0.24
DJ EuroStoxx50	4370.53	0.52	7.62	15.21	4388.00	0.23
FTSE 100	7423.46	-0.43	1.39	-0.38	7459.00	0.20
CAC 40	7267.64	0.24	5.55	12.26	7274.00	N/A
DAX	16166.45	1.09	9.16	16.11	16241.00	0.29
IBEX 35	10062.60	0.59	11.59	22.28	10073.90	N/A
FTSE MIB	29688.45	1.06	7.02	25.23	29730.00	N/A
Nikkei	33486.89	0.50	8.52	28.33	33500.00	0.69
Hang Seng	16993.44	0.14	-0.55	-13.97	17012.00	0.00
DFM General	3999.58	0.00	3.16	19.89	N/A	N/A
MSCI Tadawoul	11103.05	0.02	3.86	5.96	N/A	N/A
Leb. Mrkts	Closing Px	High	Low	% Daily	% Weekly	YTD
Solidere A	68.95	69.00	68.95	0.00	-1.22	13.22
Solidere B	67.55	68.00	67.50	2.35	-0.88	11.93

MUST READ

(Source: Bloomberg/ Forexlive)

Ackman says the US economy faces a real risk of a 'hard landing'

Bill Ackman expects the US Federal Reserve to cut rates as early as the first quarter of next year. "I think there's a risk of a hard landing if the Fed doesn't start cutting rates pretty soon," said Ackman, founder of hedge fund Pershing Square with \$16 billion in assets under management. The Fed has raised interest rates 11 times since March 2022 in an effort to cool soaring inflation. Inflation hit a 3.2% increase in October, compared to October 2022. That's still above the Fed's 2% inflation target. The Fed funds rate target rate is now in the 5.25% to 5.5% range, which is "very high" when inflation trends below 3%, Ackman told Rubenstein, cofounder and co-chairman at the private equity giant Carlyle Group. "What's happening is the real rate of interest, which is what impacts the economy, keeps increasing as inflation declines," Ackman added. While major central banks like the Fed and the European Central Bank are keeping rates steady right now, there are bets that they, too, will start to hike rates in the months ahead. "There's been a huge subsidy in terms of low-interest rates, and most companies fix their rates or their debt at very low rates, and certainly real estate investors did the same," said Ackman, referring to much lower interest rates before the Fed's current rate hike cycle. "That works until it doesn't work."

MAIN WEEKLY EARNINGS

Company	Ticker	Market Cap	Date	Time	Estimate	Year Ago
Kroger Co	KR US	\$31.71B	30-Nov-23	Pre-mkt	0.91	0.88
Marvell Technolo	MRVL US	\$48.23B	30-Nov-23	Aft-mkt	0.40	0.57
Dell Technologies	DELL US	\$53.87B	30-Nov-23	Aft-mkt	1.46	2.01
Tilly's Inc	TLYS US	\$259.2M	30-Nov-23	Aft-mkt	-0.03	0.01
Ambarella Inc	AMBA US	\$2.29B	30-Nov-23	Aft-mkt	-0.39	0.23

ECONOMIC CALENDAR

(30-11-23) JP - Industrial Production MoM
(30-11-23) FR - CPI YoY/ MoM
(30-11-23) DE - Unemployment Change (000's)
(30-11-23) EA - CPI MoM
(30-11-23) CA - Quarterly GDP Annualized / GDP MoM
(30-11-23) US - Initial Jobless Claims
(30-11-23) US - Personal Income/ Personal Spending

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