Daily Market Brief

December 30th 2024

BANQUE BEMO

FOREIGN EXCHANGE MARKETS (Sources: Bloomberg / Reuters)

EUR/USD
EUR/USD extends gains for the third consecutive day, trading around 1.0430, supported by comments from ECB's Robert Holzmann, who suggested that future interest rate cuts could be delayed due to rising inflation. However, the pair's upside may be limited as the US Federal Reserve's hawkish stance and expectations of tax cuts and inflationary pressures under President-elect Trump could strengthen the USD in the near term.

GBP/USD
GBP/USD extends its recovery to around 1.2580, supported by the Bank of England's divided stance on future rate cuts amid a slowing economy. However, rising US Treasury yields, expectations of inflationary policies under President-elect Trump, and the BoE's cautious approach to rate cuts could strengthen the USD and weigh on the GBP in the near term.

USD/JPY
The Japanese Yen remains stronger against the US Dollar on expectations that the Bank of Japan may raise interest rates in January following recent inflation data. Despite a slight improvement in Japan's manufacturing PMI, the Nikkei 225 declines due to a dip in US futures and concerns over rising Treasury yields and slower interest rate cuts.

Fx rates	Last	High	Low	% Daily	% Weekly	% YTD
EUR-USD	1.0428	1.0434	1.0418	0.02	0.22	-5.53
GBP-USD	1.2586	1.2589	1.2560	0.06	0.40	-1.14
USD-JPY	157.93	158.07	157.64	0.04	-0.48	-10.69
USD-CHF	0.9018	0.9021	0.9008	-0.02	-0.35	-6.70

Commodities	Last	High	Low	% Daily	% Weekly	% YTD
Gold	2619.13	2628.14	2618.45	-0.09	-0.14	26.96
Silver	29.43	29.53	29.33	0.15	-0.31	23.67
Crude Oil	70.54	70.75	70.12	-0.08	1.55	1.35
Bitcoin	93584.79	94050.06	92858.68	0.41	-4.92	120.16
Etherium	3416.18	3430.49	3323.12	2.14	-1.41	49.68

Period	1M	3M	6M	12M
SOFR ($)	4.36	4.33	4.28	4.24
ESTR (€)	2.13	2.68	2.39	2.13
SONIA (£)	4.71	4.63	4.58	4.49
SARON (F)	0.44	0.40	0.24	0.08
TONAR (¥)	0.22	0.22	0.20	0.12

	Rates
U.S. Federal Fund Target Rate	4.50
ECB Main Refinancing Operation Announcement Rate	3.15
ECB Deposit Facility Announcement Rate	3.00
ECB Marginal Lending Facility Announcement Rate	3.40
BOE Official Bank Rate	4.75

INTERNATIONAL EQUITY MARKETS (Sources: Bloomberg / Reuters)

UNITED STATES OF AMERICA
Stocks declined on Friday, led by technology names, but major indexes still posted a positive holiday week. A rise in Treasury yields this week may have pressured equities. The yield on the benchmark 10-year Treasury rose more than 4 basis points Friday to 4.627% after the rate hit its highest level since May in the previous session.

EUROPE
European stocks closed higher on Friday, as regional markets reopened following a closure for the Christmas holiday. Most sectors and major bourses in positive territory.

ASIA
Asia-Pacific markets were mixed on the penultimate trading day of this year, after Wall Street declined on Friday. Japan's factory activity contracted at a slower rate in December. The au Jibun Bank Japan Manufacturing Purchasing Managers' Index climbed to 49.6 in December, coming in slightly above November's reading of 49.0; the figure remained below the 50 threshold that separates expansion from contraction.

Index	Close	% Daily	% M	YTD	Futures	% Change
DJIA	42992.21	-0.77	-4.27	14.07	43253.00	-1.04
S&P	5970.84	-1.11	-1.02	25.18	6015.00	-1.33
Nasdaq	19722.03	-1.49	2.62	31.38	21661.25	-1.59
DJ EuroStoxx50	4898.88	0.84	1.97	8.35	4910.00	0.78
FTSE 100	8149.78	0.16	-1.66	5.39	8142.50	-0.16
CAC 40	7355.37	1.00	1.66	-2.49	7362.50	0.99
DAX	19984.32	0.68	1.82	19.30	20110.00	0.49
IBEX 35	11531.60	0.50	-0.94	14.15	11505.20	0.46
FTSE MIB	34160.97	1.25	2.23	12.55	34278.00	1.20
Nikkei	40281.16	-0.96	4.41	19.22	39990.00	1.27
Hang Seng	20090.46	0.09	3.52	17.95	20044.00	-0.43
DFM General	5129.64	0.61	6.47	27.12	N/A	N/A
MSCI Tadawoul	11892.75	0.28	2.16	-0.33	N/A	N/A

Leb. Mrkts	Closing Px	High	Low	% Daily	% Weekly	YTD
Solidere A	111.80	112.00	106.10	2.66	13.97	25.48
Solidere B	114.90	115.00	107.10	4.55	15.89	27.74

MUST READ (Source: Bloomberg/ Forexlive)

Treasury Secretary Janet Yellen says U.S. could hit debt limit in weeks
Treasury Secretary Janet Yellen announced that the U.S. Treasury will begin taking "extraordinary measures" as early as January 14 to prevent the nation from breaching its debt ceiling. These accounting maneuvers are necessary because the statutory debt ceiling is expected to be hit between January 14 and 23. The measures are intended to avoid default, but once they are exhausted, the government risks default unless Congress and the president agree to raise the borrowing limit. Yellen urged Congress to act to protect the nation's credit. This announcement follows President Biden signing a bill to avert a government shutdown, which did not include a debt ceiling suspension or increase. The debt ceiling, set at $31.4 trillion, was suspended until January 1, 2025, under the Fiscal Responsibility Act. Yellen also noted that due to a scheduled redemption of securities on January 2, the debt may temporarily decrease, delaying the need for extraordinary measures until January 14. The federal debt currently stands at $36 trillion, and with rising inflation, debt service is expected to surpass national security spending in the coming year. Republicans, who will control the White House and Congress in 2025, are expected to push for extending tax cuts and other priorities, but debates over funding continue.

MAIN WEEKLY EARNINGS

Company	Ticker	Market Cap	Date	Time	Estimate	Year Ago
Resources Conne	RGP US	$ 281.49M	02-Jan-25	Aft-mkt	0.02	0.09
Lifecore Biomedic	LFCR US	$ 268.10M	02-Jan-25	Aft-mkt	-0.31	0.39
Radius Recycling I	RDUS US	$ 428.81M	03-Jan-25	Pre-mkt	-0.43	0.00
Commercial Meta	CMC US	$ 5.71B	06-Jan-25	Pre-mkt	0.82	1.63
RPM Internationa	RPM US	$ 15.98B	07-Jan-25	Pre-mkt	1.34	1.22

ECONOMIC CALENDAR

(30-12-24) US - MNI Chicago PMI
(30-12-24) US - Dallas Fed Manf. Activity
(02-01-25) DE - HCOB Germany Manufacturing PMI
(02-01-25) UK - S&P Global UK Manufacturing PMI
(02-01-25) US - S&P Global UK Manufacturing PMI
(03-01-25) DE - Unemployment Change (000's)
(03-01-25) US - ISM Manufacturing

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