

FOREIGN EXCHANGE MARKETS

(Sources: Bloomberg / Reuters)

EUR/USD

The EUR/USD pair consolidates its losses around 1.0815 during the early Asian session on Wednesday. The major pair edges lower amid risk-aversion and weaker-than-expected preliminary GDP for Q2 from Germany. Traders prefer to wait on the sidelines ahead of the Fed Interest Rate Decision on Wednesday. The Fed is likely to hold rates steady at its July meeting on Wednesday.

GBP/USD

The GBP/USD pair remains on the defensive near 1.2840 during the early Asian trading hours on Wednesday. The markets might turn cautious ahead of the Fed Interest Rate Decision on Wednesday, followed by the BoE policy meeting on Thursday. The GBP weakens amid the speculation that the BoE would begin cutting rates from the August meeting.

USD/JPY

The Bank of Japan raised its key interest rate Wednesday to about 0.25% from zero to about 0.1%, acting to curb the yen's slide against the U.S. dollar. The move was widely expected, and the yen gained sharply against the dollar ahead of Wednesday's decision, trading at 152.75. But the dollar rebounded slightly after the decision, to 153.17 yen.

Fx rates	Last	High	Low	% Daily	% Weekly	% YTD
EUR-USD	1.0823	1.0830	1.0812	0.07	-0.16	-1.96
GBP-USD	1.2843	1.2853	1.2830	0.05	-0.50	0.88
USD-JPY	152.83	153.88	151.64	0.04	0.69	-7.71
USD-CHF	0.8819	0.8837	0.8807	-0.09	0.36	-4.59
Commodities	Last	High	Low	% Daily	% Weekly	% YTD
Gold	2417.58	2422.20	2403.96	0.28	0.83	17.19
Silver	28.56	28.70	28.25	0.62	-1.20	20.03
Crude Oil	76.07	76.23	75.18	1.79	-1.96	6.63
Bitcoin	66130.23	66403.20	65485.87	-0.07	-1.95	55.57
Etherium	3298.40	3305.87	3262.45	0.53	1.34	44.52
Period	1 M	3 M	12 M			
EURIBOR	3.60	3.64	3.43			
SOFR	5.34	5.25	4.74			
US Fed Fund Rate (Indicator)	5.31					
Notes/Bonds	2 Y	10 Y	30 Y			
US	4.36	4.14	4.40			
BTP - BUND	0.47	1.36	1.76			
GILTS	3.88	4.04	4.60			

INTERNATIONAL EQUITY MARKETS

(Sources: Bloomberg / Reuters)

UNITED STATES OF AMERICA

The S&P 500 fell Tuesday, dragged lower by declines in megacap tech stocks, as investors braced for quarterly reports from names in that cohort. Traders also set their eyes on Washington as the Federal Reserve began its latest policy meeting. Nvidia shares pulled back by 7%, while Microsoft shed about 0.9%. Tech-related giants Amazon, Netflix and Meta Platforms also declined.

EUROPE

European markets on Tuesday closed higher as earnings continued to dominate stock action and investors braced for central bank decisions in the U.S. and U.K. German inflation unexpectedly rose, with the preliminary CPI for July coming in at 2.3% on an annual basis, slightly above 2.2% expected for July.

ASIA

Asian stocks rose on Wednesday and the yen was volatile after the Bank of Japan raised interest rates. The BOJ also laid out a detailed plan for quantitative tightening to pare monthly bond buying in stages, to about 3 trillion yen by January-March 2026, as it raised its overnight call rate target to 0.25% from zero to 0.1%.

Index	Close	% Daily	% M	YTD	Futures	1W % Change
DJIA	40743.33	0.50	4.15	8.10	40967.00	2.13
S&P	5436.44	-0.50	-0.44	13.98	5510.50	0.69
Nasdaq	17147.42	-1.28	-3.30	14.23	19197.75	-0.05
DJ EuroStoxx50	4841.00	0.53	-1.08	7.07	4912.00	0.51
FTSE 100	8274.41	-0.22	1.35	7.00	8340.50	2.24
CAC 40	7474.94	0.42	-0.06	-0.90	7555.50	-0.58
DAX	18411.18	0.49	0.96	9.91	18641.00	0.78
IBEX 35	11202.60	0.76	2.37	10.89	11235.90	0.09
FTSE MIB	33908.02	0.79	2.27	11.72	34109.00	-1.67
Nikkei	38525.95	0.66	-2.02	15.89	38800.00	-0.89
Hang Seng	17002.91	2.10	-2.03	1.83	17028.00	-1.84
DFM General	4284.01	-0.57	6.30	5.52	N/A	N/A
MSCI Tadawoul	12064.65	-0.47	3.30	0.81	N/A	N/A
Leb. Mrkts	Closing Px	High	Low	% Daily	% Weekly	YTD
Solidere A	82.45	82.50	80.25	1.17	2.87	-7.46
Solidere B	80.65	83.00	80.05	-1.53	4.00	-10.34

MUST READ

(Source: Bloomberg/ Forexlive)

German economy unexpectedly shrinks, inflation moves higher

The German economy unexpectedly contracted in the second quarter after skirting a recession at the beginning of the year and July's inflation rose, showing the continuing struggles of the euro zone's biggest economy. Germany's gross domestic product contracted by 0.1% in the second quarter compared with the previous three-month period, preliminary data from the statistics office showed today. Analysts polled by Reuters had forecast a 0.1% quarter-on-quarter increase in adjusted terms, following 0.2% economic growth in the first quarter. Germany was the worst performing major economy last year, with gross domestic product contracting by 0.3%, and it came close to recession at the start of 2024 - buffeted by a combination of cyclical and structural headwinds. In the second quarter, Germany was a laggard among its peers again, and the divergence in terms of growth has widened - while the German economy contracted, France and Spain did better than expected and Italy held its ground. The euro zone's economy grew 0.3% in the three months to June, data showed today. Analysts polled by Reuters had forecast no change to the inflation rate, after consumer prices rose by 2.5% on the year in June, based on data harmonised to compare with other European Union countries. Euro zone inflation figures due tomorrow will shed light on the case for a rate cut by the ECB in September, with the market expecting one more cut by the end of the year. In Germany, inflation looks stuck above 2%, analysts say. Core inflation was at 2.9% in July, unchanged from the previous month. This is primarily due to the continued strong inflation in services, which remained unchanged at 3.9% in July, as prices are still pushed up by high wage increases.

MAIN WEEKLY EARNINGS

Company	Ticker	Market Cap	Date	Time	Estimate	Year Ago
Meta Platform Inc	META US	\$ 1.18T	31-Jul-24	Aft-mkt	4.83	2.98
Qualcomm Inc	QCOM US	\$ 186.31B	31-Jul-24	Aft-mkt	2.24	1.87
ARM Holdings	ARM US	\$ 139.32B	31-Jul-24	Aft-mkt	0.34	0.24
Boeing Co	BA US	\$ 114.71B	31-Jul-24	Pre-mkt	-1.82	-0.82
Mastercard	MA US	\$ 415.97B	31-Jul-24	Pre-mkt	3.52	2.89

ECONOMIC CALENDAR

(31-07-24) JP - Retail Sales YoY
(31-07-24) FR - CPI MoM / YoY
(31-07-24) EA - CPI MoM
(31-07-24) US - ADP Employment Change
(31-07-24) CA - GDP YoY / MoM
(31-07-24) US - FOMC Rate Decision
(01-08-24) UK - Bank of England Bank Rate

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