Daily Market Brief

October 31st 2024

BANQUE BEMO

FOREIGN EXCHANGE MARKETS *(Sources: Bloomberg / Reuters)*

EUR/USD
The EUR/USD pair is experiencing a pullback after reaching a recent high of 1.0870 due to renewed demand for the US Dollar, supported by strong US macroeconomic data that suggests less aggressive Federal Reserve policy easing. Meanwhile, Eurozone inflation data and unexpected growth in Germany have tempered expectations for significant rate cuts by the European Central Bank, which may stabilize the euro as traders await further US economic indicators.

GBP/USD
The GBP/USD pair continues to decline, trading around 1.2950 due to a strong US Dollar and market caution ahead of the closely contested US presidential election. Factors impacting the pound include a recent UK budget featuring significant tax increases and upcoming US economic data releases, while traders are also focused on a keynote speech from a Bank of England official regarding emerging technologies.

USD/JPY
The Japanese Yen attracts some buyers after the Bank of Japan announced its decision earlier this Thursday and drags the USD/JPY pair back below the 153.00 mark in the last hour. Any meaningful JPY appreciation, however, still seems elusive. Traders now look to the BoJ's post-meeting presser ahead of the US PCE Price Index.

Fx rates	Last	High	Low	% Daily	% Weekly	% YTD
EUR-USD	1.0853	1.0860	1.0844	-0.03	0.23	-1.68
GBP-USD	1.2975	1.2978	1.2943	0.10	0.00	1.92
USD-JPY	152.23	153.59	152.06	-0.78	-0.26	-7.35
USD-CHF	0.8647	0.8670	0.8645	-0.23	0.12	-2.69
Commodities	**Last**	**High**	**Low**	**% Daily**	**% Weekly**	**% YTD**
Gold	2780.37	2790.10	2780.27	-0.26	1.62	34.77
Silver	33.68	33.90	33.52	-0.28	-0.01	41.55
Crude Oil	69.03	69.12	68.77	0.61	-1.65	-1.81
Bitcoin	72201.77	72920.10	72019.51	-0.87	7.48	69.85
Etherium	2637.35	2685.43	2632.85	-1.54	6.03	15.56

Period	1M	3M	6M	12M
SOFR ($)	4.67	4.57	4.42	4.17
ESTR (€)	2.40	3.02	2.75	2.40
SONIA (£)	4.79	4.69	4.52	4.26
SARON (F)	0.94	0.75	0.62	0.45
TONAR (¥)	0.22	0.22	0.15	0.08

	Rates
U.S. Federal Fund Target Rate	5.00
ECB Main Refinancing Operation Announcement Rate	3.4
ECB Deposit Facility Announcement Rate	3.25
ECB Marginal Lending Facility Announcement Rate	3.65
BOE Official Bank Rate	5.00

INTERNATIONAL EQUITY MARKETS *(Sources: Bloomberg / Reuters)*

UNITED STATES OF AMERICA
Stocks slipped on Wednesday as investors digested a deluge of earnings reports and looked toward more results from megacap technology companies. The U.S. economy grew at a slower-than-expected rate in the third quarter, according to gross domestic product figures. GDP rose at an annualized rate of 2.8%, while economists surveyed by Dow Jones had been looking for an increase of 3.1%.

EUROPE
Flash data published Wednesday showed that the euro zone economy grew 0.4% in the third quarter of 2024, above the 0.2% rise expected by economists polled by Reuters.

ASIA
Asia-Pacific markets slipped Thursday as investors look to the Bank of Japan's rate decision, as well as key business activity figures from China. The BOJ held its benchmark policy rate at 0.25%, unchanged from the previous meeting. In China, the country's manufacturing purchasing managers index flipped into expansion territory for the first time since April.

Index	Close	% Daily	% M	YTD	Futures	% Change
DJIA	42141.54	-0.22	-0.45	11.81	42204.00	-0.57
S&P	5813.67	-0.33	0.89	21.88	5814.75	-0.96
Nasdaq	18607.93	-0.56	2.30	23.96	20360.00	-1.63
DJ EuroStoxx50	4885.75	-1.30	-2.29	8.06	4875.00	-1.79
FTSE 100	8159.63	-0.73	-0.94	5.51	8157.00	-1.05
CAC 40	7428.36	-1.10	-2.72	-1.52	7440.50	-1.12
DAX	19257.34	-1.13	-0.35	14.96	19276.00	-1.57
IBEX 35	11715.00	-0.68	-1.37	15.97	11701.50	-0.60
FTSE MIB	34502.70	-1.21	1.11	13.68	34220.00	-1.24
Nikkei	39081.25	-0.50	3.06	16.79	39060.00	0.23
Hang Seng	20380.64	0.14	-3.43	19.72	20400.00	-1.87
DFM General	4604.52	0.66	2.92	14.17	N/A	N/A
MSCI Tadawoul	12018.81	-0.36	-1.70	0.43	N/A	N/A

Leb. Mrkts	Closing Px	High	Low	% Daily	% Weekly	YTD
Solidere A	96.30	98.50	95.00	0.63	-0.36	8.08
Solidere B	96.00	96.00	96.00	1.00	-0.05	6.73

MUST READ *(Source: Bloomberg/ Forexlive)*

Super Micro Computer shares tank as auditor resigns

Super Micro Computer announced on Wednesday that Ernst & Young (EY) has resigned as its auditor, leading to a more than 30% drop in its share price and raising concerns about the company's accounting practices. The resignation followed EY's worries regarding Super Micro's governance and internal controls over financial reporting, which were highlighted after Hindenburg Research disclosed a short position and alleged accounting manipulation. Super Micro revealed that EY could no longer rely on management's representations, prompting the firm to distance itself from the company's financial statements. In response, Super Micro expressed disagreement with EY's decision and stated that it does not expect any resolution of the raised issues to necessitate restatements of its quarterly reports for fiscal 2024 or earlier periods. Despite being a major beneficiary of the generative AI boom, with its market value soaring from $4.4 billion at the start of 2023 to a peak of $67 billion in March, the company has faced recent declines in its stock price. Nathan Anderson, founder of Hindenburg Research, remarked on the strength of EY's resignation letter, indicating the severity of the situation. Overall, this development has deepened investor worries regarding Super Micro's financial integrity amid ongoing scrutiny of its accounting practices.

MAIN WEEKLY EARNINGS

Company	Ticker	Market Cap	Date	Time	Estimate	Year Ago
Eaton Plc	ETN US	$ 136.47B	31-Oct-24	Pre-mkt	2.79	2.47
Mastercard Inc	MA US	$ 474.57B	31-Oct-24	Pre-mkt	3.73	3.39
Apple Inc	AAPL US	$ 3.50T	31-Oct-24	Aft-mkt	1.60	1.46
Amazon Inc	AMZN US	$ 2.02T	31-Oct-24	Aft-mkt	1.57	1.40
Intel Corp	INTC US	$ 95.36B	31-Oct-24	Aft-mkt	-0.03	0.41

ECONOMIC CALENDAR

(31-10-24) JP - Industrial Production MoM / YoY
(31-10-24) FR - CPI MoM / YoY
(31-10-24) EA - CPI MoM
(31-10-24) EA - Unemployment rate
(31-10-24) CA - GDP YoY / MoM
(31-10-24) US - MNI Chicago PMI
(01-11-24) UK - S&P Global UK Manufacturing PMI

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