Daily Market Brief

December 31st 2024

BANQUE BEMO

FOREIGN EXCHANGE MARKETS

(Sources: Bloomberg / Reuters)

EUR/USD

The EUR/USD pair rebounded on Tuesday, supported by a weaker US Dollar due to falling Treasury yields, but faces challenges from a more cautious Federal Reserve stance on rate cuts and ongoing geopolitical risks. Additionally, the European Central Bank's dovish policy outlook, including further rate cuts, pressures the Euro and the EUR/USD pair.

GBP/USD

GBP/USD retraced its recent losses on Tuesday, trading around 1.2550, supported by a weaker US Dollar due to falling Treasury yields. However, the British Pound faces challenges from a cautious Federal Reserve outlook on rate cuts in 2025, heightened geopolitical risks, and increased market expectations for a dovish stance from the Bank of England.

USD/JPY

USD/JPY dropped 0.7% on Monday, falling below the 157.00 level as markets slow ahead of the New Year's holiday closures. The Bank of Japan continues to struggle with a two-year decline in the Japanese Yen, having reversed its negative-rate policy in March 2024 and allowed a modest rate increase, but it remains uncertain when further rate hikes will occur, with a data-dependent approach guiding future decisions.

Fx rates	Last	High	Low	% Daily	% Weekly	% YTD
EUR-USD	1.0401	1.0415	1.0397	-0.06	0.02	-5.78
GBP-USD	1.2545	1.2560	1.2536	-0.04	0.05	-1.46
USD-JPY	156.29	157.07	156.14	-0.35	0.58	-9.76
USD-CHF	0.9038	0.9051	0.9025	0.01	-0.40	-6.90
Commodities	**Last**	**High**	**Low**	**% Daily**	**% Weekly**	**% YTD**
Gold	2606.90	2611.66	2602.70	0.02	-0.22	26.37
Silver	28.88	29.03	28.80	-0.23	-2.59	21.39
Crude Oil	71.69	71.72	71.08	0.99	3.54	3.00
Bitcoin	92568.17	92887.70	91817.87	0.71	-3.27	117.77
Etherium	3344.19	3364.68	3311.01	0.90	0.32	46.53

Period	1M	3M	6M	12M
SOFR ($)	4.34	4.31	4.26	4.21
ESTR (€)	2.12	2.67	2.39	2.12
SONIA (£)	4.71	4.63	4.58	4.49
SARON (F)	0.44	0.39	0.23	0.10
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 moved lower Monday in one of the final trading sessions of 2024, as a banner year for investors appears to be ending on a sour note. The upcoming days are a light period for economic data. The Chicago purchasing managers index for December did miss expectations on Monday, coming in at 36.9. Economists surveyed by Dow Jones were expecting a reading of 42.2

EUROPE

European stocks look set to round out the year with moderate gains. The Stoxx 600 is up around 5.5% so far this year — however, it's a far cry from the U.S. S&P 500 index, which has gained around 25% over the course of 2024.

ASIA

Asia-Pacific markets fell Tuesday as China's manufacturing growth missed expectations, but the country's benchmark CSI 300 was on course to close the year higher, ending three years of losses. China's PMI for December came in at 50.1, missing expectations, signaling that Beijing's stimulus measures were not sufficient to meaningfully boost the country's ailing economy.

Index	Close	% Daily	% M	YTD	Futures	% Change
DJIA	42573.73	-0.97	-5.20	12.96	42895.00	-1.06
S&P	5906.94	-1.07	-2.08	23.84	5951.25	-1.28
Nasdaq	19486.79	-1.19	1.40	29.81	21379.50	-1.48
DJ EuroStoxx50	4869.28	-0.60	1.35	7.69	4881.00	-0.65
FTSE 100	8121.01	-0.35	-2.01	5.01	8117.00	-0.47
CAC 40	7313.56	-0.57	1.08	-3.04	7319.00	-0.59
DAX	19909.14	-0.38	-0.12	18.85	20052.00	-0.25
IBEX 35	11536.80	0.05	-0.90	14.20	11514.60	0.08
FTSE MIB	34186.18	0.07	2.31	12.63	34300.00	0.06
Nikkei	39894.54	-0.96	2.06	19.22	39450.00	-1.94
Hang Seng	20041.42	0.09	3.28	17.67	20039.00	-0.17
DFM General	5153.24	0.02	6.33	26.96	N/A	N/A
MSCI Tadawoul	12000.92	0.91	3.09	0.58	N/A	N/A

Leb. Mrkts	Closing Px	High	Low	% Daily	% Weekly	YTD
Solidere A	120.00	120.00	106.10	7.33	20.42	34.68
Solidere B	119.50	120.00	106.10	4.00	17.73	32.85

MUST READ

(Source: Bloomberg/ Forexlive)

Dollar share of global currency reserves at 29-year low — IMF

The share of the US dollar in global foreign exchange reserves has dropped to its lowest level in nearly 30 years, now at 57.4%, according to the IMF. This represents a decline of 0.85% from July to September 2024. The decline reflects global diversification efforts as countries increasingly move away from the dollar. In particular, the euro's share rose to 20.02%, while the Japanese yen gained ground, reaching 5.82%. The Chinese yuan also saw its share increase to 2.17%, breaking a nine-quarter decline. Despite these shifts, the dollar remains the dominant reserve currency, with the euro in second place. The dollar's dominance has been undermined by concerns over rising US debt and sanctions imposed by the US, particularly on Russia. After sanctions related to the Ukraine conflict, Russia and its BRICS partners have significantly reduced their reliance on the dollar, now using national currencies in 65% of trade settlements. These actions have led other countries to reconsider their dependence on the dollar, spurring efforts to find alternatives. Russian President Putin has criticized the US for weaponizing the dollar through sanctions, warning that this could push more nations to seek alternative currencies.

MAIN WEEKLY EARNINGS

Company	Ticker	Market Cap	Date	Time	Estimate	Year Ago
Resources Connec	RGP US	$ 281.49M	02-Jan-25	Aft-mkt	0.02	0.09
Lifecore Biomedic	LFCR US	$ 273.26M	02-Jan-25	Aft-mkt	-0.31	0.39
Radius Recycling I	RDUS US	$ 422.33M	03-Jan-25	Pre-mkt	-0.43	0.00
Commercial Meta	CMC US	$ 5.61B	06-Jan-25	Pre-mkt	0.82	1.63
RPM Internationa	RPM US	$ 15.85B	07-Jan-25	Pre-mkt	1.34	1.22

ECONOMIC CALENDAR

(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
(06-01-25) UK - S&P Global UK Services/ Composite UK
(06-01-25) DE - CPI YoY / MoM

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