

# Daily Market Brief

July 23rd 2024



## FOREIGN EXCHANGE MARKETS

(Sources: Bloomberg / Reuters)

### EURUSD

EUR/USD churned just below 1.0900 as the new trading week kicks things off on a notably light note. Meaningful data remains limited for the first half of the trading week, leaving Fiber traders to shuffle in place as investors await Wednesday's key Purchasing Managers Index (PMI) figures for both the EU and the US.

### GBPUSD

Investors have fully priced in an interest rate cut by the Federal Reserve (Fed) at the September policy meeting, which keeps the US Treasury bond yields depressed. This, in turn, prompts some USD selling and turns out to be a key factor acting as a tailwind for the GBP/USD pair. Apart from this, the diminishing odds of an interest rate cut by the (BoE) in August offer some support to the currency pair.

### USDJPY

The Japanese Yen (JPY) extends its gains for the second successive session on Tuesday, which could be attributed to the increased risk aversion. Traders assess the interest rate decision by the (BoJ) next week, where an interest rate hike might be on the table to support the JPY. Toshimitsu Motegi, a senior official in the ruling party, urged the (BoJ) to more clearly communicate its plan to normalize monetary policy through gradual interest rate hikes, highlighting that excessive Yen declines were adversely affecting the economy.

Fx rates	Last	High	Low	% Daily	% Weekly	% YTD
EUR-USD	1.0889	1.0897	1.0887	-0.02	-0.09	-1.36
GBP-USD	1.2926	1.2936	1.2925	-0.05	-0.37	1.53
USD-JPY	156.36	157.10	156.20	-0.43	1.27	-9.80
USD-CHF	0.8893	0.8906	0.8882	-0.03	0.49	-5.39
Commodities	Last	High	Low	% Daily	% Weekly	% YTD
Gold	2391.83	2403.98	2391.54	-0.20	-3.13	15.94
Silver	28.90	29.30	28.90	-0.76	-7.50	21.47
Crude Oil	78.29	78.59	78.20	-0.14	-1.78	9.74
Bitcoin	66467.35	68193.85	66340.01	-2.47	4.15	56.36
Etherium	3435.06	3491.07	3426.50	-1.58	0.61	50.51
Period	1 M	3 M	12 M			
EURIBOR	3.63	3.70	3.50			
SOFR	5.35	5.28	4.82			
US Fed Fund Rate (Indicator)	5.31					
Notes/Bonds	2 Y	10 Y	30 Y			
US	4.51	4.24	4.46			
BTP - BUND	0.47	1.28	1.68			
GILTS	4.06	4.16	4.67			

## INTERNATIONAL EQUITY MARKETS

(Sources: Bloomberg / Reuters)

### UNITED STATES OF AMERICA

Wall Street's three benchmarks ended higher on Monday as investors returned to megacap growth stocks, helping both the S&P 500 and Nasdaq Composite recover from their worst weekly performance since April. CrowdStrike slips after Friday's global cyber outage.

### EUROPE

European shares closed up on Monday, recouping some of the steep losses clocked last week with technology and financials leading gains, while Ryanair led a rout amongst airlines after reporting a quarterly profit slump. Rentokil jumps after report Philip Jansen in talks to buy firm.

### ASIA

Asian stocks bounced from one-month lows on Tuesday, with Taiwan's market snapping a five-day losing streak as semiconductor shares took a lead from a Wall Street recovery, while sagging commodity prices weighed on the Aussie dollar.

Index	Close	% Daily	% M	YTD	Futures	% Change
DJIA	40415.44	0.32	3.23	7.23	40656.00	-0.09
S&P	5564.41	1.08	1.83	16.66	5601.75	-0.16
Nasdaq	18007.57	1.58	1.80	19.96	19943.50	-0.28
DJ EuroStoxx50	4897.44	1.45	-0.20	8.32	4934.00	0.12
FTSE 100	8198.78	0.53	-0.47	6.02	8190.50	-0.32
CAC 40	7622.02	1.16	-0.09	1.05	7530.80	N/A
DAX	18407.07	1.29	1.34	9.88	18589.00	0.25
IBEX 35	11143.80	0.51	1.01	10.31	11092.70	N/A
FTSE MIB	34615.05	1.17	3.92	14.05	34849.00	N/A
Nikkei	39599.00	0.12	2.72	18.48	39640.00	0.41
Hang Seng	17635.88	-0.22	-2.39	3.23	17600.00	-0.29
DFM General	4179.00	-0.05	4.16	2.94	N/A	N/A
MSCI Tadawoul	12174.76	-0.23	3.79	1.73	N/A	N/A
Leb. Mrkts	Closing Px	High	Low	% Daily	% Weekly	YTD
Solidere A	77.00	77.05	72.00	6.80	10.16	-13.58
Solidere B	77.55	78.05	67.00	10.55	9.23	-13.79

## MUST READ

(Source: Bloomberg/ Forexlive)

### Marks The Spot

Spot ethereum ETFs are expected to begin trading tomorrow, but crypto traders appear to be underestimating the full impact of the highly anticipated launch. Ether has risen some 49% this year amid a wider crypto rally, but its performance has been poor relative to its peers, according to SA analyst Richard Durant. While the SEC approved key requirements from prospective spot ETF issuers such as BlackRock and VanEck, their S-1 filings are yet to be greenlit. If approved, crypto experts see ether rising over 25% and ETF inflows crossing \$20B in the initial months.

### Rate Cut

The People's Bank of China has become the latest central bank to cut interest rates, a move aimed at "strengthening counter-cyclical adjustments to better support the real economy." China's economy has been struggling of late, with the most recent GDP reading missing estimates and June retail sales rising at the slowest pace since December 2022. Over the weekend, the country also unveiled plans to boost finances of indebted local governments by shifting more tax revenue from central coffers, following the ruling Communist Party's.

## MAIN WEEKLY EARNINGS

Company	Ticker	Market Cap	Date	Time	Estimate	Year Ago
Alphabet Inc.	GOOGL US	\$2.21 T	23-Jul-24	After-mkt	1.85	1.44
Tesla Inc.	TSLA US	\$794.8 B	23-Jul-24	After-mkt	0.46	0.78
Visa Inc.	V US	\$492.2 B	23-Jul-24	After-mkt	2.41	2.16
Coca-Cola Compa	KO US	\$280.8 B	23-Jul-24	Pre-mkt	0.80	0.78
Philip Morris	PM US	\$167.1 B	23-Jul-24	Pre-mkt	1.55	1.60

## ECONOMIC CALENDAR

- (23-07-24) EA- Eurogroup Meeting
- (23-07-24) EA- ECB's Lane speech
- (23-07-24) US- Existing Home Sales Change MoM JUN
- (23-07-24) EA- Consumer Confidence JUL preliminar
- (24-07-24) DE- Gfk Consumer Confidence Survey AUG
- (24-07-24) DE- HCOB Composite, Services, Manufacturing PMI JUL preliminar
- (24-07-24) EA- HCOB Composite, Services, Manufacturing PMI JUL preliminar

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