

Daily Market Brief

December 12th 2024



FOREIGN EXCHANGE MARKETS

(Sources: Bloomberg / Reuters)

EUR/USD

The EUR/USD pair has edged higher during the Asian session, recovering from a four-day losing streak, as traders await the European Central Bank's upcoming interest rate decision. Market focus is on potential ECB rate cuts and forward guidance, while subdued US Dollar action and ongoing concerns over US economic policies continue to influence the currency pair's near-term outlook.

GBP/USD

The GBP/USD pair recovers its recent losses as the US Dollar weakens, despite higher US Treasury yields, with the focus shifting to the upcoming Federal Reserve rate cut. Meanwhile, the UK benefits from strong housing market data and expectations that the Bank of England will maintain interest rates, boosting confidence in the British Pound.

USD/JPY

The Japanese Yen weakens, lifting the USD/JPY pair to a two-week high, as traders discount the possibility of a Bank of Japan rate hike and US Treasury yields rise. While JPY bears are cautious ahead of the BoJ's policy meeting, expectations of a more cautious Federal Reserve support the USD, favoring further gains for the USD/JPY pair.

Fx rates	Last	High	Low	% Daily	% Weekly	% YTD
EUR-USD	1.0510	1.0510	1.0493	0.13	-0.72	-4.79
GBP-USD	1.2768	1.2772	1.2747	0.13	0.07	0.29
USD-JPY	152.49	152.77	151.96	0.03	-1.57	-7.51
USD-CHF	0.8836	0.8845	0.8829	-0.07	-0.58	-4.78
Commodities	Last	High	Low	% Daily	% Weekly	% YTD
Gold	2716.29	2726.24	2698.62	-0.07	3.22	31.67
Silver	32.13	32.19	31.83	0.73	2.63	35.04
Crude Oil	70.37	70.53	70.15	0.11	3.03	0.61
Bitcoin	100639.25	101954.42	100423.73	-0.96	0.67	136.75
Etherium	3930.66	3949.42	3800.03	2.57	-1.95	72.22
Period	1M	3M	6M	12M		
SOFR (\$)	4.44	4.40	4.29	4.15		
ESTR (€)	2.10	2.80	2.46	2.10		
SONIA (£)	4.70	4.64	4.53	4.34		
SARON (F)	0.61	0.61	0.47	0.29		
TONAR (¥)	0.22	0.22	0.18	0.11		

Rates

U.S. Federal Fund Target Rate	4.75
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	4.75

INTERNATIONAL EQUITY MARKETS

(Sources: Bloomberg / Reuters)

UNITED STATES OF AMERICA

The Nasdaq Composite surged Wednesday after November's inflation report met economists' projections, clearing the way for the Federal Reserve to cut interest rates again at its December meeting next week. Alphabet gained for a second day on the heels of Google making a breakthrough in quantum computing with its new chip.

EUROPE

European markets closed higher on Wednesday, as traders digested corporate updates and the latest U.S. inflation data. Media stocks led the gains up 1.4%, while retail stocks fell 1.7%.

ASIA

Asia-Pacific markets were mostly higher Wednesday, following gains on Wall Street that saw the Nasdaq Composite surge to record highs after November's inflation report met expectations. Traders in Asia assessed jobs data from Australia, which showed the country's unemployment rate fell to an 8-month low of 3.9% in November, dropping from 4.1% the month prior.

Index	Close	% Daily	% M	YTD	Futures	% Change
DJIA	44148.56	-0.22	0.54	17.14	44112.00	-0.50
S&P	6084.19	0.82	1.67	27.56	6084.25	0.63
Nasdaq	20034.89	1.77	3.91	33.46	21760.25	1.67
DJ EuroStoxx50	4959.35	0.15	4.52	9.69	4968.00	0.16
FTSE 100	8301.62	0.26	3.44	7.35	8318.50	0.33
CAC 40	7423.40	0.39	2.72	-1.59	7431.50	0.37
DAX	20399.16	0.34	7.17	21.77	20391.00	0.07
IBEX 35	11789.30	-1.47	3.57	16.70	11788.70	-1.52
FTSE MIB	34731.31	0.60	3.35	14.43	34769.00	0.59
Nikkei	39372.23	1.21	1.20	19.08	39880.00	1.27
Hang Seng	20155.05	1.63	3.21	20.16	20546.00	0.54
DFM General	4795.32	-0.03	1.96	18.08	N/A	N/A
MSCI Tadawoul	12149.19	-0.36	0.84	1.82	N/A	N/A

Leb. Mrkts	Closing Px	High	Low	% Daily	% Weekly	YTD
Solidere A	92.50	92.50	92.50	3.87	1.54	3.82
Solidere B	90.00	90.00	90.00	0.00	-0.22	0.06

MUST READ

(Source: Bloomberg / Forexlive)

Tesla Shares to Record High, Up 69% Since Trump's Election Victory

Tesla's shares surged to a record high on Wednesday, reaching \$424.77, surpassing their previous peak from November 2021. The increase is largely attributed to a post-election rally and renewed investor enthusiasm following Donald Trump's election victory. Tesla's stock has gained 71% this year, with almost all gains occurring after the election. November saw a 38% rally, marking Tesla's best monthly performance since January 2023. Elon Musk's support for Trump, including his \$277 million investment in pro-Trump campaigns and his involvement in swing-state voter registration, has positively impacted Tesla's stock. Musk, now leading Trump's "Department of Government Efficiency," could influence federal budgets and regulations, including pushing for a federal approval process for autonomous vehicles. Despite a rocky start to 2024, where Tesla shares dropped 29%, the company's performance improved. Tesla reported an 8% increase in third-quarter revenue, slightly missing estimates but exceeding profit expectations. Musk's optimistic forecast for vehicle growth, driven by lower costs and autonomy, further boosted investor confidence. Analysts, including those from Goldman Sachs, Morgan Stanley, and Bank of America, have raised their price targets and ratings on Tesla, citing strong prospects in AI and other areas.

MAIN WEEKLY EARNINGS

Company	Ticker	Market Cap	Date	Time	Estimate	Year Ago
Costco Wholesale	CO US	\$ 440.72B	12-Dec-24	Aft-mkt	3.81	3.58
Broadcom Inc	AVGO US	\$ 855.65B	12-Dec-24	Aft-mkt	1.39	1.11
Ciena Corporatior	CIEN US	\$ 10.57B	12-Dec-24	Pre-mkt	0.66	0.75
RH	RH US	\$ 7.37B	12-Dec-24	Aft-mkt	2.66	-0.42
Heico Corporatior	HEI US	\$ 30.94B	17-Dec-24	Aft-mkt	0.96	0.74

ECONOMIC CALENDAR

- (12-12-24) EC - ECB Deposit Facility Rate / ECB Refinancing Rate / ECB Marginal Lending Facility
- (12-12-24) US - Initial Jobless Claims
- (13-12-24) JP - Industrial Production MoM / YoY
- (13-12-24) UK - Industrial Production MoM
- (13-12-24) FR - CPI MoM / YoY
- (16-12-24) EC - HCOB Eurozone Composite / Manufacturing / Services PMI
- (16-12-24) US - Empire Manufacturing

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