

Daily Market Brief

August 3rd 2023



FOREIGN EXCHANGE MARKETS

(Sources: Bloomberg / Forexlive)

EURUSD

EUR/USD seesaws around 1.0940-50 during the early hours of Thursday's Asia session after declining to the lowest level in a month by posting a three-day downtrend in the last. In doing so, the Euro pair portrays the market's cautious mood ahead of a slew of data from the Eurozone and the US. It's worth noting that the risk aversion wave joins upbeat Treasury bond yields and an empty plate to offer from the bloc to underpin the US Dollar's rally the previous day, which in turn dragged the Euro towards the lowest level since early July.

GBPUSD

The GBP/USD pair enters a bearish consolidation phase during the Asian session on Thursday and oscillates in a narrow range just above a nearly one-month low, around the 1.2680 region touched the previous day. Spot prices currently trade around the 1.2700 mark as traders seem reluctant to place aggressive bets and prefer to wait for the latest monetary policy update from the (BoE), due later today.

USDJPY

USD/JPY prints mild losses around 143.20 as Japanese authorities take measures to defend the currency during early Thursday. In doing so, the Yen pair also takes clues from the market's cautious optimism and the US Dollar's retreat ahead of multiple US statistics.

Fx rates	Last	High	Low	% Daily	% Weekly	% YTD
EUR-USD	1.0932	1.0949	1.0919	-0.05	-0.43	2.12
GBP-USD	1.2704	1.2728	1.2693	-0.06	-0.72	5.14
USD-JPY	143.64	143.89	143.17	0.22	-2.90	-8.72
USD-CHF	0.8783	0.8795	0.8767	0.09	-1.05	5.26
Commodities	Last	High	Low	% Daily	% Weekly	% YTD
Gold	1933.96	1938.93	1933.05	-0.03	-0.62	6.03
Silver	23.63	23.84	23.58	-0.38	-2.11	-1.37
Crude Oil	79.56	79.96	79.48	0.09	-0.66	0.90
Bitcoin	29122.50	29254.66	29054.34	0.01	-0.80	76.08
Etherium	1837.47	1845.04	1833.34	-0.22	-2.47	53.20
Period	1 M	3 M	12 M			
USD LIBOR *	5.43	5.63	6.04			
EURIBOR	3.58	3.72	4.08			
SOFR	5.32	5.37	5.38			
Notes/Bonds	2 Y	10 Y	30 Y			
US	4.90	4.13	4.24			
BTP - BUND	0.64	1.65	2.02			
GILTS	5.00	4.40	4.55			

INTERNATIONAL EQUITY MARKETS

(Sources: Bloomberg / Reuters)

UNITED STATES OF AMERICA

Wall Street finished lower on Wednesday, with the S&P 500 and Nasdaq Composite down for a second straight day as investors took profits on five months of gains a day after rating agency Fitch cut the U.S. government's credit rating.

EUROPE

European shares tumbled to two-week lows on Wednesday, with broad-based losses as investors fled riskier assets after a surprise downgrade of the U.S. credit rating by Fitch. Siemens Healthineers tumbles on profit drop. JDE Peet's down on cutting profit target.

ASIA

China and Hong Kong stocks were roughly flat on Thursday even as China's services activity expanded at a faster pace in July, while Hong Kong's private sector activity contracted for the first time in the year.

Index	Close	% Daily	% M	YTD	Futures	% Change
DJIA	35282.52	-0.98	2.51	6.44	35433.00	0.09
S&P	4513.39	-1.38	1.30	17.55	4537.50	0.01
Nasdaq	13973.45	-2.17	1.13	33.51	15460.00	-0.07
DJ EuroStoxx50	4336.50	-1.61	-1.40	14.31	4348.00	-0.05
FTSE 100	7561.63	-1.36	0.46	1.47	7537.00	0.06
CAC 40	7312.84	-1.26	-1.00	12.96	N/A Real Tim	N/A
DAX	16020.02	-1.36	-0.38	15.06	16075.00	-0.04
IBEX 35	9328.70	-1.83	-3.28	13.36	N/A Real Tim	N/A
FTSE MIB	28974.54	-1.30	1.85	22.22	29102.00	N/A
Nikkei	32707.69	-1.29	-4.35	23.72	32270.00	-1.07
Hang Seng	19517.38	0.46	1.56	-0.88	19633.00	0.51
DFM General	4083.71	0.16	5.29	22.41	N/A	N/A
MSCI Tadawoul	11478.28	-1.36	-0.58	9.54	N/A	N/A
Leb. Mkts	Closing Px	High	Low	% Daily	% Weekly	YTD
Solidere A	80.20	82.30	80.00	-2.31	0.88	31.69
Solidere B	80.05	80.10	80.00	0.06	0.06	32.64

MUST READ

(Source: Bloomberg/ Forexlive)

Bolivia Using China's Yuan for Trade, Challenging Dominance of U.S. Dollar

Bolivia is now using the yuan to pay for imports and exports, becoming the latest country in South America to regularly use the Chinese currency in a small but growing challenge to the hegemony of the U.S. dollar for international financial transactions in the region. Between May and July of this year, Bolivia conducted financial operations amounting to 278 million Chinese yuan (\$38.7 million), which accounts for 10% of its foreign trade during that period, Economy Minister said. "We're already using the yuan. It's a reality and a good start," Montenegro said during a news conference. "Banana, zinc, and wood manufacturing exporters are conducting transactions in yuan, as well as importers of vehicles and capital goods." These electronic transactions are carried out through the state-owned Banco Unión. "The amount being used in yuan is still relatively small, but it will increase over time," Montenegro said. With these transactions, Bolivia joins other countries in South America, most notably Brazil and Argentina, which are using the yuan. The three countries are ruled by leftist or left-leaning governments. In Latin America and the Caribbean, the use of the yuan is growing especially "in those countries that are looking to establish stronger ties with China, that view themselves as in some way politically aligned on this particular objective on decreasing their overall reliance on the dollar and on the U.S. in general," said Margaret Myers, director of the Asia & Latin America Program at the Washington-based Inter-American Dialogue.

MAIN WEEKLY EARNINGS

(Source: Nasdaq)

Company	Ticker	Market Cap	Date	Time	Estimate	Year Ago
Apple Inc,	AAPL US	\$3.1 T	03-Aug-23	After-mkt	1.19	1.20
Amazon.com, Inc	AMZN US	1.3 T	03-Aug-23	After-mkt	0.34	0.10
Airbnb, Inc	ABNB US	\$97.3 B	03-Aug-23	After-mkt	0.77	0.56
Regeneron Pharm	REGN US	\$81.4 B	03-Aug-23	Pre-mkt	8.48	9.77
Moderna, Inc	MRNA US	\$44.8 B	03-Aug-23	Pre-mkt	-3.84	5.24

ECONOMIC CALENDAR

(Source: Forexlive)

(03-08-23) CH- Consumer Price Index JUL

(03-08-23) DE- HCOB Composite, Services PMI JUL

(03-08-23) EA- HCOB Composite, Services PMI JUL; Producer Price Index JUN

(03-08-23) GB- BoE Asset Purchase Facility; Monetary Policy Summary

(03-08-23) GB- BoE Interest Rate Decision; BoE Minutes

(03-08-23) GB- BoE's Governor Bailey speech

(03-08-23) US- ISM Services PMI JUL

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