

# Daily Market Brief

September 4th, 2024



## FOREIGN EXCHANGE MARKETS

(Sources: Bloomberg / Reuters)

### EUR/USD

EUR/USD trades marginally higher in the 1.1060s on Monday, as the EUR strengthens against the USD on the back of still-high probabilities the Fed could implement a sharp cut in interest rates at their September meeting. This, in turn, weighs on the USD because lower interest rates make it less attractive to foreign investors, lowering capital inflows.

### GBP/USD

The GBP exhibits a subdued performance slightly above the crucial support of 1.3100 against the USD in Tuesday's American session. The GBP/USD pair edges lower as the US Dollar grips gains near an almost two-week high, with investors' attention turning to the US Nonfarm Payrolls data for August, releasing this Friday. Investors see the BoE keeping interest rates steady at 5% this month.

### USD/JPY

The JPY continues to strengthen against the USD following the release of the Jibun Bank Services PMI data on Wednesday. The index was revised to 53.7 in August from an initial estimate of 54.0. Although this marks the seventh consecutive month of expansion in the service sector, the latest figure remains unchanged from July.

| Fx rates                     | Last     | High     | Low      | % Daily | % Weekly | % YTD |
|------------------------------|----------|----------|----------|---------|----------|-------|
| EUR-USD                      | 1.1055   | 1.1060   | 1.1039   | 0.11    | -0.58    | 0.14  |
| GBP-USD                      | 1.3110   | 1.3119   | 1.3102   | -0.03   | -0.61    | 2.98  |
| USD-JPY                      | 145.21   | 145.57   | 144.89   | -0.19   | -0.43    | -2.87 |
| USD-CHF                      | 0.8482   | 0.8507   | 0.8477   | -0.25   | -0.71    | -0.80 |
| Commodities                  | Last     | High     | Low      | % Daily | % Weekly | % YTD |
| Gold                         | 2492.91  | 2496.95  | 2491.42  | 0.00    | -0.47    | 20.84 |
| Silver                       | 27.93    | 28.08    | 27.88    | -0.42   | -4.10    | 17.38 |
| Crude Oil                    | 70.01    | 70.41    | 69.72    | -0.47   | -7.31    | -1.37 |
| Bitcoin                      | 56268.52 | 58220.38 | 55633.76 | -3.34   | -4.70    | 32.37 |
| Etherium                     | 2367.88  | 2469.40  | 2310.65  | -3.85   | -5.98    | 3.75  |
| Period                       | 1 M      | 3 M      | 12 M     |         |          |       |
| EURIBOR                      | 3.59     | 3.47     | 3.07     |         |          |       |
| SOFR                         | 5.17     | 5.01     | 4.23     |         |          |       |
| US Fed Fund Rate (Indicator) | 5.31     |          |          |         |          |       |
| Notes/Bonds                  | 2 Y      | 10 Y     | 30 Y     |         |          |       |
| US                           | 3.85     | 3.82     | 4.11     |         |          |       |
| BTP - BUND                   | 0.50     | 1.47     | 1.81     |         |          |       |
| GILTS                        | 4.08     | 3.99     | 4.51     |         |          |       |

## INTERNATIONAL EQUITY MARKETS

(Sources: Bloomberg / Reuters)

### UNITED STATES OF AMERICA

The market initially took a leg down Tuesday morning after two readings of manufacturing production showed signs of weakness. S&P Global's showed a decline from July to August, while the Institute for Supply Management's came in under the level anticipated by economists polled by Dow Jones. This data reignited concerns around slowing growth within the U.S. economy, which helped drive a closely watched sell-off early last month.

### EUROPE

European stocks closed lower Tuesday, continuing a lackluster start to September trading. Mining stocks shed 3.28% and tech stocks lost 2.23%, while food and beverages were a rare outlier, adding 0.09%.

### ASIA

Asia-Pacific markets plunged on Wednesday, led by Japan's Nikkei 225 after U.S. tech stocks sold off and weak U.S. economic data sparked recession fears. Japan's Nikkei 225 was down 3.19%, leading losses in Asia, while the broad based Topix was down 2.79%.

| Index          | Close    | % Daily | % M  | YTD   | Futures  | 1W % Change |
|----------------|----------|---------|------|-------|----------|-------------|
| DJIA           | 40936.93 | -1.51   | 3.02 | 8.62  | 40891.00 | -0.70       |
| S&P            | 5528.93  | -2.12   | 3.41 | 15.91 | 5515.75  | -1.70       |
| Nasdaq         | 17136.30 | -3.26   | 2.15 | 14.16 | 18886.50 | -2.76       |
| DJ EuroStoxx50 | 4912.52  | -1.22   | 5.90 | 8.65  | 4859.00  | -1.38       |
| FTSE 100       | 8298.46  | -0.78   | 1.51 | 7.31  | 8238.50  | -1.46       |
| CAC 40         | 7575.10  | -0.93   | 4.46 | 0.42  | 7519.50  | -1.02       |
| DAX            | 18747.11 | -0.97   | 6.15 | 11.91 | 18580.00 | -1.38       |
| IBEX 35        | 11279.20 | -1.02   | 5.68 | 11.65 | 11293.00 | -0.72       |
| FTSE MIB       | 33863.43 | -1.33   | 5.76 | 11.57 | 33936.00 | -0.12       |
| Nikkei         | 38686.31 | -4.39   | 3.00 | 10.53 | 37010.00 | -3.60       |
| Hang Seng      | 17651.49 | -1.17   | 2.95 | 2.33  | 17648.00 | -0.34       |
| DFM General    | 4369.83  | 0.30    | 3.13 | 7.64  | N/A      | N/A         |
| MSCI Tadawoul  | 12180.37 | 0.11    | 3.62 | 1.78  | N/A      | N/A         |

| Leb. Mrkts | Closing Px | High  | Low   | % Daily | % Weekly | YTD   |
|------------|------------|-------|-------|---------|----------|-------|
| Solidere A | 88.65      | 90.00 | 87.00 | 0.45    | 6.42     | -0.51 |
| Solidere B | 87.20      | 88.00 | 84.00 | 1.93    | 6.80     | -3.06 |

## MUST READ

(Source: Bloomberg/ Forexlive)

### Weak manufacturing measures raise specter of economic slowdown

U.S. factories remained in slowdown mode in August, fueling fears about where the economy is headed, according to separate manufacturing gauges. The Institute for Supply Management monthly survey of purchasing managers showed that just 47.2% reported expansion during the month, below the 50% breakeven point for activity. Though that was slightly above the 46.8% recorded for July, it was below the Dow Jones consensus call for 47.9%. It was a weaker-than-expected reading last month that sent markets further into a tailspin, ultimately costing the S&P 500 about 8.5% before recovering most of the losses. Stocks added to declines following the latest ISM release on Tuesday, with the Dow Jones Industrial Average off nearly 500 points. Another weak economic reading raises the probability the Federal Reserve will be cutting interest rates by at least a quarter percentage point later this month. Following the ISM report, traders raised the odds of a more aggressive half-point reduction to 39%, according to the CME Group's FedWatch measure. With the survey, the employment index edged higher to 46% while inventories jumped to 50.3%. Regarding inflation, the prices index nudged higher to 54%, possibly giving the Fed some pause when deciding on the extent of the fully priced-in rate cut. The ISM results were backed up by another PMI reading from S&P, which showed a decrease to 47.9 in August from 49.6 in July. The S&P employment index showed a decline for the first time this year, while the input cost measure climbed to a 16-month high, another sign that inflation remains present if well off its mid-2022 highs.

## MAIN WEEKLY EARNINGS

| Company            | Ticker  | Market Cap | Date      | Time    | Estimate | Year Ago |
|--------------------|---------|------------|-----------|---------|----------|----------|
| Hewlett Packard E  | HPE US  | \$ 24.77B  | 04-Sep-24 | Aft-mkt | 0.47     | 0.49     |
| Dick's Sporting Gc | DKS US  | \$ 18.92B  | 04-Sep-24 | Pre-mkt | 3.85     | 2.82     |
| Docusign Inc       | DOCU US | \$ 11.86B  | 05-Sep-24 | Aft-mkt | 0.80     | 0.72     |
| Broadcomm Inc      | AVGO US | \$ 711.22B | 05-Sep-24 | Aft-mkt | 1.22     | 1.05     |
| Nio Inc            | NIO US  | \$ 8.66B   | 05-Sep-24 | Pre-mkt | -8.88    | -10.87   |

## ECONOMIC CALENDAR

(04-09-24) CA - Bank of Canada Rate Decision  
(04-09-24) US - Jolts Job Openings  
(04-09-24) US - Durable Goods Orders  
(04-09-24) JP - Jibun Bank Japan PMI Composite  
(04-09-24) EA - HCOB Eurozone Services PMI / Composite PMI  
(05-09-24) US - ADP Employment Change  
(05-09-24) US - ISM Services Index

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