Daily Market Brief

August 5th 2026

FOREIGN EXCHANGE MARKETS
(Sources: Bloomberg / Reuters)

EUR/USD
The EUR/USD pair trades with mild losses near 1.1530 during the Asian trading hours on Wednesday. Uncertainty surrounding US-Iran talks weighs on riskier assets such as the Euro (EUR) against the US Dollar (USD). The US ADP Employment data and ISM Services Purchasing Managers Index (PMI) report are due later on Wednesday. All eyes will be on the US July jobs release on Friday. The Fars news agency reported that Iran on Tuesday rejected US Treasury Secretary Scott Bessent's and US President Donald Trump's claim that the Strait of Hormuz will open tomorrow under a new deal.

GBP/USD
GBP/USD edges lower after registering modest gains in the previous day, trading around 1.3450 during the Asian hours on Wednesday. The currency pair came under selling pressure as the US Dollar (USD) gained momentum, bolstered by a rebound in the benchmark 10-year US Treasury yield, which had dipped toward 4.61% on Tuesday. That initial slide in yields was driven by falling energy prices, which helped cool inflation fears and tempered expectations of a hawkish response from the Federal Reserve (Fed). However, the Greenback may face further challenges due to easing safe-haven demand amid building diplomatic momentum around a potential agreement to reopen the Strait of Hormuz.

USD/JPY
The USD/JPY pair struggles to capitalize on this week's solid bounce from the 155.25-155.20 area, or the lowest level since early May, and edges lower during the Asian session on Wednesday. Spot prices, however, lack follow-through selling and hold just above mid-157.00s amid mixed cues. Government data released earlier today showed that real wages in Japan grew for the sixth consecutive month, by 1.6% in June, and backs the case for more interest rate hikes by the Bank of Japan (BoJ). Adding to this, Minutes from the BoJ's June 15-16 meeting revealed that the board voted 7-1 to raise the policy rate by 25 basis points (bps) to around 1.0%, or the highest level since 1995, amid the upside risk to inflation. This, along with the recent US-Japan joint intervention, offers some support to the Japanese Yen (JPY) and acts as a headwind for the Japanese Yen (JPY).

Fx rates	Last	High	Low	% Daily	% Weekly	% YTD
EUR-USD	1.1534	1.1541	1.1527	0.03	0.58	-1.80
GBP-USD	1.3455	1.3460	1.3444	0.02	0.64	-0.15
USD-JPY	157.64	157.81	157.31	-0.07	3.66	-0.59
USD-CHF	0.8083	0.8096	0.8074	-0.10	0.67	-1.94
Commodities	**Last**	**High**	**Low**	**% Daily**	**% Weekly**	**% YTD**
Gold	4138.46	4142.28	4065.55	1.48	1.74	-4.19
Silver	60.90	60.94	59.40	2.25	5.49	-15.02
Crude Oil	75.16	76.06	74.24	-0.81	-11.01	31.84
Bitcoin	64412.53	64480.23	63903.70	0.18	2.41	-26.51
Etherium	1873.49	1879.95	1860.08	-0.10	0.69	-37.08

Period	1M	3M	6M	12M
SOFR ($)	3.65	3.76	3.90	4.09
ESTR (€)	2.55	2.31	2.41	2.55
SONIA (£)	3.74	3.77	3.88	4.06
SARON (₣)	-0.05	-0.05	-0.03	0.02
TONAR (¥)	0.96	0.84	0.79	0.66

	Rates
U.S. Federal Fund Target Rate	3.75
ECB Main Refinancing Operation Announcement Rate	2.4
ECB Deposit Facility Announcement Rate	2.25
ECB Marginal Lending Facility Announcement Rate	2.65
BOE Official Bank Rate	3.75

INTERNATIONAL EQUITY MARKETS
(Sources: Bloomberg / Reuters)

UNITED STATES OF AMERICA
Stocks had a banner day Tuesday, with the S&P 500 and Dow Jones Industrial Average scaling to fresh record highs, thanks to strong earnings and another decline in oil prices driven by hope that the Strait of Hormuz could be reopened. The broad market index gained 1.79% and hit a fresh high for the first time since June, closing at 7,736.52. The Nasdaq Composite popped 2.59% to close at 26,584.99, as Palantir Technologies rallied 29%. The Dow surged 907.47 points, or 1.71%, to end at 54,085.88. The 30-stock index was led by more than 5% rise in Caterpillar, surpassing its intraday record from last month.

EUROPE
European markets closed higher on Tuesday, August 4, 2026, lifted by optimism over potential U.S.-Iran talks to reopen the Strait of Hormuz. The pan-European Stoxx 600 climbed 0.73%, while major regional indexes like Germany's DAX gained 0.77% and the U.K.'s FTSE 100 added 0.2%, alongside solid corporate results including a profit beat from HSBC.

Asia
South Korea's Kospi led gains, rising over 4%, while the small-cap Kosdaq advanced 2%. Japan's Nikkei 225 rose 3.1%, and the Topix added 1.57%. Australia's benchmark S&P/ASX 200 was 0.13% higher. Hong Kong's Hang Seng Index slid 0.4%, while mainland China's CSI 300 was little changed. Oil prices fell, with West Texas Intermediate crude futures dropping by 5.7% to settle at $75.17 per barrel.

Index	Close	% Daily	% M	YTD	Futures	% Change
DJIA	54085.88	1.71	2.24	12.53	54488.00	0.39
S&P	7736.52	1.79	3.38	13.02	7799.00	0.38
Nasdaq	26584.99	2.59	2.91	14.38	29979.25	0.27
DJ EuroStoxx50	6486.70	0.94	1.15	12.01	6537.00	0.38
FTSE 100	10879.38	0.20	1.88	9.55	10907.00	0.23
CAC 40	8666.63	0.61	1.86	6.35	8678.50	0.61
DAX	26202.35	0.77	1.64	6.99	26469.00	0.56
IBEX 35	20023.60	0.21	0.86	15.69	20084.20	0.36
FTSE MIB	53540.50	1.26	1.37	19.13	53719.00	1.26
Nikkei	63957.53	3.45	-5.14	31.43	66290.00	3.58
Hang Seng	25852.92	-0.02	10.69	0.84	25907.00	0.10
DFM General	5986.07	1.83	-1.21	-1.01		
MSCI Tadawoul	10858.14	0.32	0.55	3.50		

Leb. Mrkts	Closing Px	High	Low	% Daily	% Weekly	YTD
Solidere A	70.25	71.50	70.00	-4.42	1.08	-16.37
Solidere B	75.90	76.75	72.00	8.43	12.95	-8.22
EuroBonds	26.25 / 27.25					

MUST READ
(Source: Bloomberg/ Forexlive)

SpaceX's AI Splurge Puts a Damper on Debut Earnings After IPO

SpaceX's shares fell about 7% after the company revealed significantly higher-than-expected spending on artificial intelligence, overshadowing a strong first quarterly earnings report since its record-breaking IPO. The company reported $7.8 billion in revenue, exceeding analysts' estimate of $6.81 billion, while posting a loss of 9 cents per share, better than the expected 24-cent loss. However, capital expenditures surged to nearly $18.4 billion in the second quarter, reflecting aggressive investment in AI and raising concerns among investors. CEO Elon Musk remained optimistic, forecasting that SpaceX could achieve a $100 billion annual revenue run rate by the end of the year, far above analysts' projection of $38.6 billion for 2026. He also highlighted ambitious plans to expand AI capabilities, develop space-based data centers, and rapidly increase Starship launches. Despite a mostly successful recent Starship test flight, analysts questioned whether Musk's timeline was overly optimistic. Starlink, SpaceX's only profitable business, reached 12 million subscribers, slightly below expectations, while the company announced plans to compete directly with major U.S. mobile carriers. SpaceX also reported AI operating losses that were smaller than expected and disclosed billions in cloud-services contracts. Although investors remain cautious due to heavy spending and post-IPO volatility, many analysts continue to support the company based on Musk's long-term vision and record of innovation.

MAIN WEEKLY EARNINGS

Company	Ticker	Market Cap	Date	Time	Estimate	Year Ago
ELI LILLY & CO	LLY	$ 1050.68 B	5-Aug-26	Bef-mkt	6.00	6.31
SANDISK CORP	SNDK	$ 211.42 B	5-Aug-26	Aft-mkt	34.37	0.29
WALT DISNEY CO/	DIS	$ 170.49 B	5-Aug-26	Bef-mkt	1.86	1.61
COEUR MINING II	CDE	$ 16.77 B	5-Aug-26	Aft-mkt	0.27	0.20
UBER TECHNOLO(	UBER	$ 146.54 B	5-Aug-26	Bef-mkt	0.81	0.64

ECONOMIC CALENDAR

(05-08-26) UK - S&P Global UK Services PMI
(05-08-26) US - MBA Mortgage Applications
(05-08-26) US - ADP Employment Change
(05-08-26) US - ISM Services Index
(06-08-26) AU - Trade Balance
(06-08-26) US - Initial Jobless Claims
(06-08-26) US - Wholesale Inventories MoM

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