

Daily Market Brief

August 7th 2023



FOREIGN EXCHANGE MARKETS

(Sources: Bloomberg / Forexlive)

EURUSD

EUR/USD begins the key inflation week on a back foot, after rising in the last two consecutive days, as sellers attack the 1.1000 psychological magnet during the early hours of Monday's Asian session. In doing so, the Euro pair retreats from a three-week-old falling resistance line amid fears of the European Central Bank's (ECB) peak rates, as well as hawkish concerns about the (Fed) as the key US inflation data loom.

GBPUSD

GBP/USD justifies the market's fears about UK employment and growth conditions as it retreats to 1.2745 amid Monday's session, following a three-week downtrend. In doing so, the Cable pair also justifies hawkish bias about the (Fed), as well as the (BoE) failure to please optimists despite fueling interest rates to multi-year highs. Furthermore, a cautious mood ahead of the first readings of the UK's second quarter (GDP) and the US inflation numbers also keep the Sterling sellers hopeful.

USDJPY

USD/JPY renews its intraday high near 142.00 as it tracks the recovery in the US Treasury bond yields during early Monday. In doing so, the Yen pair ignores hawkish signals flashed by the Summary of Opinions for (BoJ) monetary policy meeting held in July. The reason could be linked to the US Dollar's rebound amid the cautious mood ahead of this week's US (CPI) and (PPI) for July.

Fx rates	Last	High	Low	% Daily	% Weekly	% YTD
EUR-USD	1.0994	1.1019	1.0991	-0.11	-0.03	2.70
GBP-USD	1.2731	1.2765	1.2728	-0.14	-0.81	5.36
USD-JPY	142.08	142.30	141.52	0.23	0.15	-7.71
USD-CHF	0.8747	0.8754	0.8713	0.25	-0.32	5.69
Commodities	Last	High	Low	% Daily	% Weekly	% YTD
Gold	1938.52	1946.80	1937.44	-0.23	-1.35	6.28
Silver	23.51	23.68	23.50	-0.55	-5.01	-1.87
Crude Oil	82.79	83.30	82.66	-0.04	1.21	5.00
Bitcoin	29098.78	29182.03	28980.20	0.01	-0.07	75.94
Etherium	1837.90	1843.82	1823.55	0.45	-0.19	53.24
Period	1 M	3 M	12 M			
USD LIBOR *	5.43	5.63	6.04			
EURIBOR	3.62	3.74	4.05			
SOFR	5.32	5.37	5.36			
Notes/Bonds	2 Y	10 Y	30 Y			
US	4.81	4.06	4.20			
BTP - BUND	0.65	1.65	2.03			
GILTS	4.92	4.38	4.57			

INTERNATIONAL EQUITY MARKETS

(Sources: Bloomberg / Reuters)

UNITED STATES OF AMERICA

Wall Street closed lower on Friday after a report of slowing U.S. labor market growth, and all three major indexes posted weekly losses as investors braced for more possible downside surprises a day after disappointing earnings from Apple.

EUROPE

European stocks steadied on Friday, after a three-day selloff, as some upbeat earnings as well as U.S. jobs data highlighting resilience in the world's largest economy outweighed jitters around slowing euro zone growth.

ASIA

China and Hong Kong stocks started the week on a weak footing, as the absence of forceful stimulus measures from Beijing sparked concerns that deflationary pressures will continue to sap the vigour of the flagging economy.

Index	Close	% Daily	% M	YTD	Futures	% Change
DJIA	35065.62	-0.43	3.94	5.79	35239.00	0.24
S&P	4478.03	-0.53	1.80	16.63	4514.50	0.37
Nasdaq	13909.24	-0.36	1.82	32.89	15432.50	0.53
DJ EuroStoxx50	4332.91	0.66	2.27	14.22	4337.00	-0.34
FTSE 100	7564.37	0.47	4.24	1.51	7521.50	-0.40
CAC 40	7315.07	0.75	2.86	13.00	7325.50	N/A
DAX	15951.86	0.37	2.23	14.57	15959.00	-0.42
IBEX 35	9368.40	0.66	1.29	13.84	9386.80	N/A
FTSE MIB	28586.37	-0.41	2.91	20.58	28755.00	N/A
Nikkei	32192.75	0.06	-0.54	23.45	32200.00	0.12
Hang Seng	19539.46	-0.27	6.11	-1.49	19521.00	-0.07
DFM General	4083.18	0.79	3.05	22.39	N/A	N/A
MSCI Tadawoul	11351.48	-0.21	-2.12	8.33	N/A	N/A
Leb. Mrkts	Closing Px	High	Low	% Daily	% Weekly	YTD
Solidere A	79.75	80.00	79.00	-0.56	-0.31	30.95
Solidere B	80.50	81.00	73.05	0.56	0.63	33.39

MUST READ

(Source: Bloomberg/ Forexlive)

The Week Ahead

The pace of earnings slows down in the week ahead, although powerhouse reports and potentially sector-rattling updates are due from Skyworks Solutions (SKWKS), United Parcel Service (UPS), Disney (DIS), and Alibaba (BABA). So far, just under 80% of S&P 500 firms have beaten Q2 consensus EPS estimates, while only 59% of firms have beaten revenue expectations. That current percentage of revenue beats is the lowest level in three years. The economic calendar features fresh updates on inflation, with the July Consumer Price Index report due out on August 10 and the Producer Price Index report set to be released on August 11. The bond market could also be in the spotlight next week, with the auctions of three- and 10-year notes and 30-year bonds going off at higher amounts than originally forecast and yields generally on the rise. Wayfair (NYSE:W) and Kellogg (NYSE:K) hold key investors events, while the Def Con hacker convention will give AI systems a serious test on vulnerabilities.

MAIN WEEKLY EARNINGS

(Source: Nasdaq)

Company	Ticker	Market Cap	Date	Time	Estimate	Year Ago
KKR & Co. Inc	KKR US	\$51.4 B	07-Aug-23	Pre-mkt	0.58	0.64
Palantir Technolo	PLTR US	42.3 \$	07-Aug-23	After-mkt	0.01	-0.09
BioNTech SE	BNTX US	\$25.8 B	07-Aug-23	Pre-mkt	-0.75	7.31
Tyson Foods, Inc.	TSN US	\$19.6 B	07-Aug-23	Pre-mkt	0.34	1.94
Lucid Group	LCID US	\$13.3 B	07-Aug-23	After-mkt	-0.35	-0.33

ECONOMIC CALENDAR

(Source: Forexlive)

(08-08-23) DE- Harmonized Index of Consumer Prices JUL
(10-08-23) US- Initial Jobless Claims AUG
(10-08-23) US- Consumer Price Index JUL; Consumer Price ex Food & Energy JUL
(10-08-23) US- Monthly Budget Statement JUL
(11-08-23) GB- Gross Domestic Product QoQ, YoY Q2 preliminar
(11-08-23) GB- Manufacturing Production JUN; Industrial Production JUN
(11-08-23) US- Producer Price Index ex Food & Energy JUL

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