

Daily Market Brief

August 9th 2023



FOREIGN EXCHANGE MARKETS

(Sources: Bloomberg / Forexlive)

EURUSD

EUR/USD stays defensive around 1.0960 as bears take a breather after a two-day losing streak amid Wednesday's sluggish Asian session. The Euro pair dropped the most in a week the previous day after news from Italy joined the broad risk aversion to weigh on the major currency pair. However, the cautious mood ahead of China inflation and recent headlines taming pessimism seem to prod sellers of the major currency pair.

GBPUSD

GBP/USD stays depressed near 1.2745 as it fades the previous day's corrective bounce off the lowest level in a month amid early Wednesday in Asia. In doing so, the Cable pair portrays the market's cautious mood ahead of the top-tier China data. However, fears emanating from China's banking and realty sector join the rating downgrade from Moody's and Fitch to spoil the sentiment and fuel the US Dollar.

USDJPY

USD/JPY remains on the back foot around 143.00 heading into Wednesday's European session. It's worth noting, however, that the market's inaction could be witnessed in the Yen pair's latest momentum even if the USD pares previous gains amid a shift in the sentiment. Also likely to have prod the risk-barometer pair could be the market's preparations for the top-tier inflation clues from Japan and the US.

Fx rates	Last	High	Low	% Daily	% Weekly	% YTD
EUR-USD	1.0975	1.0979	1.0952	0.17	0.34	2.52
GBP-USD	1.2764	1.2768	1.2733	0.13	0.42	5.64
USD-JPY	143.13	143.41	143.09	-0.17	0.13	-8.39
USD-CHF	0.8742	0.8764	0.8737	-0.16	0.38	5.75
Commodities	Last	High	Low	% Daily	% Weekly	% YTD
Gold	1931.76	1932.18	1924.30	0.34	-0.14	5.91
Silver	22.90	22.94	22.73	0.54	-3.42	-4.38
Crude Oil	82.70	82.88	82.68	-0.27	4.04	4.88
Bitcoin	29743.00	30204.82	29661.38	-0.80	2.78	79.83
Etherium	1857.45	1875.15	1852.36	-0.32	2.02	54.87
Period	1 M	3 M	12 M			
USD LIBOR *	5.43	5.63	6.04			
EURIBOR	3.64	3.75	4.06			
SOFR	5.31	5.37	5.32			
Notes/Bonds	2 Y	10 Y	30 Y			
US	4.74	4.00	4.17			
BTP - BUND	0.70	1.66	2.00			
GILTS	4.95	4.39	4.58			

INTERNATIONAL EQUITY MARKETS

(Sources: Bloomberg / Reuters)

UNITED STATES OF AMERICA

All three major Wall Street benchmarks finished lower on Tuesday in a broad sell-off after the downgrading of several lenders by credit rating agency Moody's reignited fears about the health of U.S. banks and the economy.

EUROPE

Germany is first up to bat today with its consumer price index, hitting off a week of big inflation data drops around the globe, while market participants are also keeping an ear out for more U.S. Federal Reserve speakers taking the podium on Tuesday.

ASIA

Japan's Nikkei share average slid on Wednesday, tracking Wall Street's losses and as index heavyweights SoftBank Group and Daikin Industries fell, while traders awaited U.S. inflation data to gauge the Federal Reserve's monetary policy path.

Index	Close	% Daily	% M	YTD	Futures	% Change
DJIA	35314.49	-0.45	4.68	6.54	35389.00	-0.02
S&P	4499.38	-0.42	2.28	17.19	4522.50	0.09
Nasdaq	13884.32	-0.79	1.64	32.66	15382.75	0.19
DJ EuroStoxx50	4288.85	-1.12	1.23	13.05	4343.00	0.91
FTSE 100	7527.42	-0.36	3.73	1.02	7545.00	0.49
CAC 40	7269.47	-0.69	2.22	12.29	7278.00	N/A
DAX	15774.93	-1.10	1.10	13.30	15939.00	0.69
IBEX 35	9301.80	-0.61	0.57	13.04	9304.50	N/A
FTSE MIB	27942.25	-2.12	0.59	17.87	28087.00	N/A
Nikkei	32377.29	-0.36	-0.40	23.63	32240.00	-0.15
Hang Seng	19184.17	-0.02	4.44	-3.04	19176.00	0.18
DFM General	4077.73	-0.04	2.91	22.23	N/A	N/A
MSCI Tadawoul	11244.27	-0.25	-3.14	7.31	N/A	N/A
Leb. Mrkts	Closing Px	High	Low	% Daily	% Weekly	YTD
Solidere A	80.40	81.00	80.15	-0.74	0.37	32.02
Solidere B	83.05	85.00	80.20	-0.54	3.81	37.61

MUST READ

(Source: Bloomberg/ Forexlive)

Hedge funds lose \$6bn betting against cruise lines and hotels

Hedge funds have lost more than \$6bn this year betting against cruise lines and hotels after underestimating the resilience of US consumers. Cruise lines Royal Caribbean and Carnival are two of the 10 most heavily shorted companies in the S&P 500 but have confounded short sellers' expectations by more than doubling in value so far this year. Short sellers - typically hedge funds aim to make money by selling borrowed stock and buying it back at a lower price when the shares decline. The sharp rally in cruise lines and other holiday accommodations, however, has left them sitting on \$6.4bn of mark-to-market losses, according to data from S3 Partners. Carnival, Royal Caribbean and smaller rival Norwegian accounted for \$2.9bn of the losses. Large short positions in Airbnb, which has rallied 70 per cent year to date, and Booking.com, which is up 44 per cent, have also inflicted big losses. Many US investors started the year expecting an impending recession, encouraging them to avoid sectors that would be exposed to a downturn in consumer spending. However, economic growth has remained resilient in the face of higher interest rates, boosting confidence about the chances of a "soft landing" bringing down inflation without causing a recession.

MAIN WEEKLY EARNINGS

(Source: Nasdaq)

Company	Ticker	Market Cap	Date	Time	Estimate	Year Ago
Walt Disney Com	DIS US	\$157.7 B	09-Aug-23	After-mkt	0.99	1.09
Sony Group Corp	SONY US	\$113.7 B	09-Aug-23	Pre-mkt	0.94	1.35
Roblox Corporatic	RLX US	\$22.8 B	09-Aug-23	Pre-mkt	-0.46	-0.30
Alibaba Group Ho	BABA US	\$247.7 B	10-Aug-23	Pre-mkt	1.65	1.40
Brookfield Corpor	BN US	\$54.3 B	10-Aug-23	Pre-mkt	N/A	0.34

ECONOMIC CALENDAR

(Source: Forexlive)

(10-08-23) EA- Economic Bulletin

(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; Fed's Bostic, Harker speech

(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

CONTACT

Banque BEMO sal
Asset Management Unit

Ashrafieh, Elias Sarkis Ave., BEMO Bldg, 4th Floor
P.O.Box 16-6353 Beirut, Lebanon
Tel: +961 1 325405/6/7/9

Disclaimer: This report is published for information purposes only. The information herein has been compiled from, or based upon sources we believe to be reliable, but we do not guarantee or accept responsibility for its completeness and accuracy. This document should not be construed as a solicitation to take part in any investment, or as constituting any representation or warranty on our part. The investment risks described herein are not purported to be exhaustive, any person considering an investment should seek independent advice on the suitability or otherwise of the particular investment. Investment, Capital Market and Treasury products are subject to investment risk, including possible loss of principal amount invested. Past performance is not indicative of future results: prices can go up or down. Investors investing in investments and/or treasury products denominated in foreign (non-local) currency should be aware of the risk of exchange rate fluctuations that may cause loss of principal when foreign currency is converted to the investor's home currency. Client understands that it is his/her responsibility to seek legal and/or tax advice regarding the legal and tax consequences of his/her investment transactions. The consequences of any action taken on the basis of information contained herein are solely the responsibility of the recipient.