

Daily Market Brief

September 9th 2024



FOREIGN EXCHANGE MARKETS

(Sources: Bloomberg / Reuters)

EURUSD

The EUR/USD pair changed course after extending its slide to 1.1025, finding some positive footing mid-week to settle near 1.1100 after peaking at 1.1154 on Friday. The focus remained on macroeconomic data that could affect the upcoming central banks' monetary policy decisions.

GBPUSD

The GBP/USD pair attracts some dip-buying during the Asian session on Monday and climbs back closer to mid-1.3100s in the last hour, though a combination of factors might cap any further gains. US monthly employment details released on Friday suggested that the labor market momentum is slowing more than expected and added to concerns about the health of the US economy hence tempering investors' appetite for riskier assets.

USDJPY

USD/JPY halts its four-day losing streak, trading around 142.90 during the Asian session on Monday. The USD/JPY pair's recovery can be partly attributed to lower-than-expected GDP data from Japan. Robust economic growth, rising wages, and persistent inflation continue to support expectations that the BoJ may further raise interest rates, which could limit the downside for the JPY.

Fx rates	Last	High	Low	% Daily	% Weekly	% YTD
EUR-USD	1.1069	1.1091	1.1068	-0.14	-0.03	0.27
GBP-USD	1.3113	1.3143	1.3113	-0.12	-0.25	3.00
USD-JPY	142.95	143.09	141.96	0.45	2.78	-1.34
USD-CHF	0.8461	0.8464	0.8425	0.37	0.66	-0.56
Commodities	Last	High	Low	% Daily	% Weekly	% YTD
Gold	2487.93	2500.50	2487.34	-0.38	-0.46	20.60
Silver	27.76	28.12	27.70	-0.61	-2.74	16.68
Crude Oil	68.29	68.78	68.02	0.92	-7.15	-3.79
Bitcoin	54670.42	55363.60	54331.62	0.54	-5.81	28.61
Etherium	2287.57	2334.51	2276.05	0.48	-6.82	0.23
Period	1 M		3 M		12 M	
EURIBOR	3.52		3.47		3.03	
SOFR	5.11		4.94		4.05	
US Fed Fund Rate (Indicator)			5.31			
Notes/Bonds	2 Y		10 Y		30 Y	
US	3.69		3.74		4.04	
BTP - BUND	0.49		1.45		1.80	
GILTS	3.95		3.89		4.43	

INTERNATIONAL EQUITY MARKETS

(Sources: Bloomberg / Reuters)

UNITED STATES OF AMERICA

The S&P 500 dropped Friday, notching its worst week since March 2023, as investors assessed the fallout from a weak August jobs report and ditched leading technology stocks. Megacap tech stocks tumbled as investors dumped risk assets amid mounting worries about the health of the U.S. economy.

EUROPE

European stocks closed lower Friday afternoon, paring earlier gains after a weaker than expected U.S. jobs report clouded global sentiment. U.K. employment and wage data and economic growth figures will be released this week, and the next monetary policy meeting for the ECB will take place following its summer break.

ASIA

Asia-Pacific markets fell on Monday, with Japan's Nikkei 225 leading losses in the region, following the weaker-than-expected U.S. jobs report on Friday. Japan's Q2 GDP came in at 2.9% on an annualized basis, less than expected by economists polled by Reuters. A softer GDP growth figure will constrain the Bank of Japan's options to raise rates.

Index	Close	% Daily	% M	YTD	Futures	% Change
DJIA	40345.41	-1.01	2.15	7.05	40515.00	0.26
S&P	5408.42	-1.73	1.20	13.39	5438.50	0.35
Nasdaq	16690.83	-2.55	-0.33	11.19	18551.75	0.50
DJ EuroStoxx50	4738.06	-1.60	1.34	4.79	4759.00	0.42
FTSE 100	8181.47	-0.73	0.16	5.80	8225.50	0.50
CAC 40	7352.30	-1.07	1.14	-2.53	7374.50	0.18
DAX	18301.90	-1.48	3.27	9.25	18371.00	0.35
IBEX 35	11173.00	-0.89	5.02	10.60	11175.40	0.00
FTSE MIB	33291.39	-1.17	4.75	9.69	33342.00	0.00
Nikkei	36391.47	-0.47	3.42	8.24	36210.00	-0.39
Hang Seng	17444.30	-1.84	2.86	0.45	17115.00	-1.89
DFM General	4372.87	0.04	4.24	7.71	N/A	N/A
MSCI Tadawoul	11982.30	-0.97	2.70	0.12	N/A	N/A
Leb. Mrkts	Closing Px	High	Low	% Daily	% Weekly	YTD
Solidere A	84.00	90.90	83.00	-6.72	-0.18	-5.72
Solidere B	88.20	88.90	87.05	1.55	3.76	-1.95

MUST READ

(Source: Bloomberg/ Forexlive)

China's consumer prices rise in August, PPI stuck in deflation

China's consumer inflation accelerated in August to the fastest pace in half a year but the uptick was due more to higher food costs from weather disruptions than a recovery in domestic demand as producer price deflation worsened. A sputtering start in the second half is mounting pressure on the world's second-largest economy to roll out more policies amid a prolonged housing downturn, persistent joblessness, debt woes and rising trade tensions. The CPI rose 0.6% from a year earlier last month, versus a 0.5% rise in July, data from the National Bureau of Statistics showed on Monday, but less than a 0.7% increase forecast in a Reuters poll of economists. Extreme weather this summer from deadly floods to scorching heat has pushed up farm produce prices, contributing to faster inflation. China's affected crops due to various natural disasters totalled 1.46 million hectares in August, state media reported on Monday. Food prices jumped 2.8% on year in August from an unchanged outcome in July, while non-food inflation was 0.2%, easing from 0.7% in July. Core inflation, excluding volatile food and fuel prices, was 0.3% in August - the lowest in nearly three and a half years - down from 0.4% in July. The consumer inflation gauge was up 0.4% month-on-month, compared with a 0.5% increase in July and missing economists' expectations of a 0.5% gain. China's yuan dipped against the dollar on Monday as long-dated yields hit record lows after monthly inflation data added to economic worries and calls for fresh easing. China stocks ended morning trade lower. In unusually strong comments, China's ex-central bank governor Yi Gang urged efforts to fight deflationary pressure at the Bund Summit in Shanghai last week. The PPI in August slid 1.8% from a year earlier, the largest fall in four months. That was worse than a 0.8% decline in July and below a forecast 1.4% fall. Faltering economic activity has prompted global brokerages to scale back their China 2024 growth forecasts to below the official target of around 5%. China has room to lower the amount of cash banks must set aside as reserves, a central bank official said on Thursday.

MAIN WEEKLY EARNINGS

Company	Ticker	Market Cap	Date	Time	Estimate	Year Ago
Oracle Corporate	ORCL US	\$ 390.81B	09-Sep-24	Aft-mkt	1.33	1.19
Gamestop Corpor	GME US	\$ 10.20B	10-Sep-24	Aft-mkt	-0.09	-0.03
OXM Industries	OXM US	\$ 1.31B	11-Sep-24	Aft-mkt	3.04	3.45
Adobe Inc	ADBE US	\$ 249.82B	12-Sep-24	Aft-mkt	4.53	4.09
Kroger Company	KR US	\$ 37.73B	12-Sep-24	Pre-mkt	0.91	0.96

ECONOMIC CALENDAR

(09-09-24) JP - GDP SA QoQ
(09-09-24) JP - BoP Current Account Balance
(09-09-24) US - NY Fed 1-Yr Inflation Expectations
(09-09-24) US - Consumer Credit
(10-09-24) DE - CPI YoY / MoM
(10-09-24) UK - Jobless Claims Change
(11-09-24) UK - Industrial Production YoY / MoM

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.