

Daily Market Brief

June 10th 2024



FOREIGN EXCHANGE MARKETS

(Sources: Bloomberg / Reuters)

EUR/USD

EUR/USD tumbled sharply on Friday, receding after US Nonfarm Payrolls climbed well above forecasts and ECB President Lagarde warned that a follow-up rate cut to June's quarter-point rate trim may not be on the cards as many investors hope. The US Unemployment Rate ticked higher to 4.0%, but a still-tight US labor market and rising wages threw a large wrench into broad-market rate cut hopes to wrap up the trading week.

GBP/USD

The GBP/USD pair recovers some lost ground around 1.2725 during the early Asian trading hours on Monday. The upside of GBP/USD might be limited amid the lower bets of the US Fed rate cuts this year after the stronger-than-expected US NFP data. Investors will closely watch the UK employment data for May, which is due on Tuesday. On the US docket, the CPI and Fed interest rate decision this week set to released

USD/JPY

The USD/JPY registered modest gains of 0.66% on Friday after a stronger-than-expected US employment report, which decreased the chances that the US Federal Reserve could ease policy during the year. Therefore, the pair trades at 156.64 after bouncing off lows of 155.12.

Fx rates	Last	High	Low	% Daily	% Weekly	% YTD
EUR-USD	1.0755	1.0809	1.0748	-0.43	-1.37	-2.57
GBP-USD	1.2720	1.2739	1.2706	0.01	-0.69	-0.09
USD-JPY	157.04	157.20	156.52	0.18	-0.61	-10.19
USD-CHF	0.8972	0.8981	0.8954	0.07	-0.17	-6.22
Commodities	Last	High	Low	% Daily	% Weekly	% YTD
Gold	2296.48	2301.37	2289.52	0.12	-2.31	11.32
Silver	29.60	29.61	29.20	1.52	-3.71	24.38
Crude Oil	75.71	75.90	75.23	0.24	2.01	5.20
Bitcoin	69534.13	69818.02	69431.88	-0.21	-2.36	63.58
Etherium	3683.83	3721.59	3679.84	-0.43	-4.67	61.41
Period	1 M	3 M	12 M			
EURIBOR	3.68	3.76	3.70			
SOFR	5.33	5.33	5.07			
US Fed Fund Rate (Indicator)	5.31					
Notes/Bonds	2 Y	10 Y	30 Y			
US	4.88	4.44	4.56			
BTP - BUND	0.51	1.34	1.73			
GILTS	4.40	4.26	4.69			

INTERNATIONAL EQUITY MARKETS

(Sources: Bloomberg / Reuters)

UNITED STATES OF AMERICA

The S&P 500 ended flat on Friday, touching a record-high intraday, despite a stronger-than-expected jobs report. Even with the job gains, the unemployment rate ticked higher to 4%. Now, with the labor market showing continued resilience, Wall Street seems focused on the idea that the economy is strong enough to keep growing without the help of lower interest rates.

EUROPE

European stocks closed lower on Friday, as investors digested fresh U.S. jobs data and the ECB latest interest rate commentary. Germany's economy was seen growing slightly slower than expected this year, fresh data from the Bundesbank showed Friday.

ASIA

Asian markets were mixed on Monday after a jobs report released Friday came in hotter than expected, while the euro fell after French President Emmanuel Macron dissolved the National Assembly following a setback in Sunday's parliamentary election.

Index	Close	% Daily	% M	YTD	Futures	% Change
DJIA	38798.99	-0.22	-1.81	2.94	38849.00	-0.03
S&P	5346.99	-0.11	2.38	12.10	5357.25	0.02
Nasdaq	17133.13	-0.23	4.85	14.13	19044.25	0.02
DJ EuroStoxx50	5051.31	-0.35	-0.66	11.72	5034.00	-0.44
FTSE 100	8245.37	-0.48	-2.23	6.62	8208.00	-0.65
CAC 40	8001.80	-0.48	-2.64	6.08	8001.50	0.00
DAX	18557.27	-0.51	-1.15	10.78	18537.00	-0.25
IBEX 35	11404.90	-0.34	2.70	12.90	11390.80	0.00
FTSE MIB	34660.38	-0.50	0.01	14.20	34716.00	0.00
Nikkei	38683.93	0.86	2.06	16.60	39030.00	0.96
Hang Seng	18366.95	-0.59	-3.15	7.74	18096.00	-0.97
DFM General	3982.25	0.09	-4.57	-1.91	N/A	N/A
MSCI Tadawoul	11855.11	2.55	-3.49	-0.94	N/A	N/A
Leb. Mrkts	Closing Px	High	Low	% Daily	% Weekly	YTD
Solidere A	70.00	70.00	69.60	0.43	-0.07	-21.44
Solidere B	69.75	70.00	69.70	0.00	0.07	-22.46

MUST READ

(Source: Bloomberg/Forexlive)

China's EV Boom Sparks Trade Tensions with US and EU

The United States and the European Union fear the Chinese electric vehicle competition, the founder and CEO of China's EV manufacturing giant BYD said on Friday. "There are many examples of politicians in other countries who are worried about EVs in China," BYD founder, CEO, and chairman Wang Chuanfu said. The Chinese billionaire said that the idea to slap tariffs on Chinese EVs shows that China's electric vehicle industry is strong. While U.S. and European automakers struggle with weaker demand for electric vehicles, China is churning out a growing number of small and cheap EVs that are taking over the domestic car market and other markets in Asia. The EU launched in October 2023 anti-subsidy investigations into EU imports of EVs from China to determine whether the value chains in China benefit from illegal subsidies. The EU probe into the Chinese subsidies is set to conclude by November, but the bloc could impose tariffs as early as July. China, for its part, has threatened a 25% car tariff on EU and U.S. vehicles with big engines, which will hit higher-end European brands such as Mercedes-Benz and BMW the most. Sales of China-made electric cars in Europe went up by 23% over the first four months of the year despite efforts by EU authorities to set up barriers for these imports in a bid to protect local manufacturers. Some 119,300 electric cars manufactured in China were registered in Western Europe, including the UK, between January and April this year, the Financial Times reported earlier this week, citing data compiled by Schmidt Automotive Research. Over half of these, or 54%, were vehicles of Western European brands as well as Teslas and Japanese-brand EVs. The rest were Chinese.

MAIN WEEKLY EARNINGS

Company	Ticker	Market Cap	Date	Time	Estimate	Year Ago
Calavo Growers	CVGW US	\$ 452.3M	10-Jun-24	Aft-mkt	0.17	-0.08
Yext	YEXT US	\$ 643.1M	10-Jun-24	Aft-mkt	0.06	0.08
Oracle Corp	ORCL US	\$ 346.09B	11-Jun-24	Aft-mkt	1.64	1.67
Casey's General SI	CASY US	\$ 12.17B	11-Jun-24	Aft-mkt	1.72	1.49
Broadcom Inc	AVGO US	\$ 651.87B	12-Jun-24	Aft-mkt	10.80	10.32

ECONOMIC CALENDAR

(10-06-24) JP - GDP SA QoQ
 (10-06-24) US - NY Fed 1 Yr Inflation Expectations
 (11-06-24) UK - ILO Unemployment Rate 3Mths
 (11-06-24) UK - Jobless Claims Change
 (12-06-24) DE - CPI YoY / MoM
 (12-06-24) US - MBA Mortgage Applications
 (12-06-24) US - CPI YoY / MoM

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