

Daily Market Brief

September 10th 2024



FOREIGN EXCHANGE MARKETS

(Sources: Bloomberg / Reuters)

EURUSD

The Euro registered losses of 0.44% on Monday as the shared currency extended its fall after clearing the 1.1100 support level. Expectations that the ECB will slash rates at the September 12 meeting weighed on the EUR/USD, which trades at 1.1036, virtually unchanged as Tuesday's Asian session begins. US CPI report this week could influence Fed rate cut expectations, with 70% odds for a 25 bps cut and 30% for 50 bps.

GBPUSD

GBP/USD extends its losing streak for the third successive day, trading around 1.3060 during the Asian session on Tuesday. The downside of the pair could be attributed to the improved USD, which received support as recent US labor data raised uncertainty over the likelihood of an aggressive interest rate cut by the Fed at its September meeting.

USDJPY

The USD/JPY pair turns positive for the second straight day following an early Asian session dip to the 142.85 region, albeit it lacks bullish conviction. A downward revision of Japan's GDP print and a positive risk tone undermines the safe-haven JPY. Reduced bets for a 50 bps Fed rate cut in September push the USD higher and further lend support.

Fx rates	Last	High	Low	% Daily	% Weekly	% YTD
EUR-USD	1.1038	1.1043	1.1028	0.03	-0.05	-0.01
GBP-USD	1.3079	1.3083	1.3058	0.04	-0.27	2.73
USD-JPY	143.17	143.55	142.86	-0.01	1.61	-1.49
USD-CHF	0.8483	0.8499	0.8482	-0.12	0.24	-0.81
Commodities	Last	High	Low	% Daily	% Weekly	% YTD
Gold	2505.01	2507.73	2500.86	-0.05	0.49	21.43
Silver	28.37	28.42	28.23	0.08	1.14	19.22
Crude Oil	68.48	69.08	68.45	-0.33	-2.64	-3.52
Bitcoin	56899.68	58002.76	56413.24	-0.21	1.47	33.86
Etherium	2347.10	2380.97	2329.95	0.23	-0.85	2.84
Period	1 M		3 M		12 M	
EURIBOR	3.52		3.47		3.03	
SOFR	5.10		4.93		4.00	
US Fed Fund Rate (Indicator)			5.31			
Notes/Bonds	2 Y		10 Y		30 Y	
US	3.67		3.70		4.00	
BTP - BUND	0.49		1.45		1.80	
GILTS	3.89		3.86		4.42	

INTERNATIONAL EQUITY MARKETS

(Sources: Bloomberg / Reuters)

UNITED STATES OF AMERICA

U.S. stocks jumped on Monday after investors bought the dip following Wall Street's worst week of the year, betting that a likely Federal Reserve rate cut later this month would bolster a slowing economy. Technology shares, among the hardest-hit stocks last week, were Monday's top performers. August's CPI & PPI reports are slated for release Wednesday and Thursday morning.

EUROPE

European stocks closed higher on Monday, shrugging off last week's negative sentiment. Travel and leisure stocks led gains, up 2.18%, while banks added 1.17%.

ASIA

Asia-Pacific markets were higher on Tuesday, following gains on Wall Street that saw both the S&P 500 and Nasdaq Composite rebound from their worst week of the year. China's exports grew 8.7% year-on-year in August and imports grew 0.5%, customs data showed, compared to the forecast of 6.5% and 2%, respectively, in a Reuters poll.

Index	Close	% Daily	% M	YTD	Futures	% Change
DJIA	40829.59	1.20	3.37	8.33	40806.00	-0.18
S&P	5471.05	1.16	2.37	14.70	5469.25	-0.18
Nasdaq	16884.60	1.16	0.83	12.48	18620.50	-0.37
DJ EuroStoxx50	4778.66	0.86	2.21	5.69	4781.00	-0.02
FTSE 100	8270.84	1.09	1.26	6.95	8243.50	-0.44
CAC 40	7425.26	0.99	2.14	-1.56	7421.50	-0.17
DAX	18443.56	0.77	4.07	10.10	18462.00	0.04
IBEX 35	11272.80	0.89	5.96	11.59	11282.60	0.00
FTSE MIB	33590.34	0.90	5.69	10.67	33635.00	0.00
Nikkei	36215.75	0.24	3.65	8.48	36300.00	0.17
Hang Seng	17196.96	0.27	0.90	1.15	17236.00	0.47
DFM General	4359.12	-0.31	3.91	7.37	N/A	N/A
MSCI Tadawoul	11962.90	-0.16	2.54	-0.04	N/A	N/A
Leb. Mrkts	Closing Px	High	Low	% Daily	% Weekly	YTD
Solidere A	88.35	90.75	86.00	8.04	2.83	1.85
Solidere B	85.15	85.15	85.15	-3.46	-0.47	-5.34

MUST READ

(Source: Bloomberg/ Forexlive)

Canada's unemployment rate at 6.6%, call for larger rate cuts

Canada's unemployment rate edged up to 6.6% in August, scaling past a seven-year peak excluding the pandemic years of 2020 and 2021, data showed on Friday, prompting economists to call for larger rate cuts from the central bank. The Bank of Canada this week trimmed its key policy rate by 25 basis points to 4.25%, its third such move in a row and Governor Tiff Macklem said that deeper rate cuts could be implemented if the economy needed support. The economy added a net 22,100 jobs in August, a rebound from a drop last month but fully driven by part-time employment, Statistics Canada said. Analysts polled by Reuters had forecast a jobless rate of 6.5% and net job additions of 25,000 in August. Financial markets trimmed their expectations of a rate cut in October to 93% from 98% before Friday's announcement. Traders are fully pricing in two 25 basis point rates cut by December, with a small minority also factoring in a jumbo 50 basis point cut next month. Canada's unemployment rate has risen by 1.6 percentage points since January 2023, which some economists have called alarming and pressed for deeper rate cuts to prop up growth. The rise in unemployment was largest amongst the youth aged 15 to 24 on a year over year basis and the rate of joblessness this summer amongst them was highest in eight years. Economic growth flattened out in June and is likely to be the same in July. At this rate, it could fall short of the 2.8% growth projected by the BoC for the third quarter, economists have said. "This report highlights the steady build-up of slack in the Canadian economy and specifically in the labor market," Doug Porter, chief economist at BMO Capital Markets said. "Odds of a 50 bps rate cut are building," he said. As GDP growth has lagged population growth in Canada, unemployment has crawled up, stoking fears of a recession. The average hourly wage growth of permanent employees slowed to an annual rate of 4.9% in August from 5.2% in July, the statistics agency said. The wage growth figure, which has been partly responsible for keeping inflation high, is closely watched by the BoC.

MAIN WEEKLY EARNINGS

Company	Ticker	Market Cap	Date	Time	Estimate	Year Ago
OXM Industries	OXM US	\$ 1.28B	11-Sep-24	Aft-mkt	3.04	3.45
Gamestop Corpor	GME US	\$ 10.34B	10-Sep-24	Aft-mkt	-0.09	-0.03
Manchester Unite	MANU US	\$ 2.67B	11-Sep-24	Pre-mkt	-0.50	-0.26
Adobe Inc	ADBE US	\$ 252.68B	12-Sep-24	Aft-mkt	4.53	4.09
Kroger Company	KR US	\$ 37.51B	12-Sep-24	Pre-mkt	0.91	0.96

ECONOMIC CALENDAR

(10-09-24) DE - CPI YoY / MoM
(10-09-24) UK - Jobless Claims Change
(11-09-24) UK - Industrial Production YoY / MoM
(11-09-24) US - CPI / Core CPI MoM / YoY
(12-09-24) JP - PPI YoY / MoM
(12-09-24) EU - ECB Deposit Facility Rate
(13-09-24) JP - Industrial Production MoM / YoY

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