

Daily Market Brief

August 13th, 2024



FOREIGN EXCHANGE MARKETS

(Sources: Bloomberg / Reuters)

EUR/USD

EUR/USD continued to churn chart paper just south of 1.0950 as markets settle in for the wait to Wednesday's key US CPI inflation print. US PPI business-level inflation figures are on the docket for Tuesday, and markets are hoping for a continued easing in structural inflation pressures. Core PPI for the year ended in July is forecast to ease to 2.7% from the previous 3.0%. EU GDP growth figures also on the docket this week.

GBP/USD

GBP/USD continued to flatten out on Monday, trading in place and testing key technical levels as markets buckle down for the wait to a midweek inflation data outing. US PPI business-level inflation figures are due on Tuesday. On the UK side, an easy Monday gives way to a packed economic release calendar, with UK unemployment claims on Tuesday and UK CPI inflation slated for Wednesday.

USD/JPY

The JPY extends its losses against the USD on Tuesday. The safe-haven flows might limit the downside for the Yen, which could be attributed to rising geopolitical tensions in the Middle East. CME's FedWatch Tool suggests odds of a 50 basis points cut by the Fed in September have dropped to 50%.

Fx rates	Last	High	Low	% Daily	% Weekly	% YTD
EUR-USD	1.0938	1.0941	1.0929	0.06	0.06	-0.91
GBP-USD	1.2777	1.2782	1.2762	0.05	0.68	0.36
USD-JPY	147.77	147.82	146.92	0.38	-2.32	-4.55
USD-CHF	0.8675	0.8679	0.8647	0.27	-1.84	-3.01
Commodities	Last	High	Low	% Daily	% Weekly	% YTD
Gold	2462.55	2476.96	2458.57	-0.42	3.00	19.37
Silver	27.68	28.05	27.63	-1.07	2.57	16.32
Crude Oil	79.54	79.76	79.31	-0.65	8.66	11.49
Bitcoin	59348.38	59929.40	58575.94	0.84	-0.32	39.62
Etherium	2661.13	2750.48	2643.56	-0.76	3.51	16.60
Period	1 M	3 M	12 M			
EURIBOR	3.62	3.56	3.18			
SOFR	5.34	5.12	4.35			
US Fed Fund Rate (Indicator)	5.31					
Notes/Bonds	2 Y	10 Y	30 Y			
US	4.01	3.91	4.20			
BTP - BUND	0.50	1.42	1.83			
GILTS	3.64	3.92	4.49			

INTERNATIONAL EQUITY MARKETS

(Sources: Bloomberg / Reuters)

UNITED STATES OF AMERICA

Stocks seesawed Monday but managed to maintain the momentum from late last week as investors braced for key inflation data. Wednesday's consumer price index report for July will be a pivotal clue as to the health of the U.S. economy. Wall Street is watching for the July producer price index report on Tuesday.

EUROPE

European stocks on Monday closed mixed, with U.S. and U.K. inflation data set to dominate focus in the coming days. U.K. inflation data is due on Wednesday, the first print since the Bank of England cut interest rates by 25 basis points. After two months at 2%, economists polled by Reuters expect the headline rate to tick higher, to 2.3%.

ASIA

Japan's major indexes rose sharply on Tuesday as trading in the country's stocks resumed after a holiday, while the broader Asia-Pacific market was mixed. Japan's producer price index rose 3% in July from a year earlier, climbing at a faster pace compared to 2.9% in June.

Index	Close	% Daily	% M	YTD	Futures	1W % Change
DJIA	39357.01	-0.36	-1.61	4.42	39543.00	1.02
S&P	5344.39	0.00	-4.83	12.05	5380.50	2.18
Nasdaq	16780.61	0.21	-8.79	11.79	18704.00	2.90
DJ EuroStoxx50	4671.88	-0.07	-7.36	3.33	4701.00	2.46
FTSE 100	8210.25	0.52	-0.52	6.17	8236.00	2.78
CAC 40	7250.67	-0.26	-6.13	-3.88	7254.50	1.62
DAX	17726.47	0.02	-5.45	5.82	17826.00	2.42
IBEX 35	10646.20	0.07	-5.37	5.39	10629.50	2.30
FTSE MIB	31928.32	0.46	-7.67	5.19	32065.00	2.59
Nikkei	35025.00	2.91	-12.49	7.71	36020.00	5.20
Hang Seng	17111.65	0.08	-6.39	0.46	N/A	N/A
DFM General	4201.27	0.15	2.37	3.48	N/A	N/A
MSCI Tadawoul	11740.66	-0.26	-0.44	-1.89	N/A	N/A
Leb. Mrkts	Closing Px	High	Low	% Daily	% Weekly	YTD
Solidere A	74.05	78.00	74.00	-1.33	-7.90	-16.89
Solidere B	73.65	74.00	73.55	-3.98	-8.62	-18.12

MUST READ

(Source: Bloomberg / Forexlive)

Japan's wholesale inflation quickens to fastest in nearly a year

Japan's wholesale inflation accelerated in July, with the pace of year-on-year growth the fastest in 11 months, data showed on Tuesday, as a weak yen pushed up commodity import bills that were already high. The corporate goods price index, which measures the price companies charge each other for goods and services, rose 3% in July from a year earlier, Bank of Japan data showed, matching a median market forecast. The index, at 123.1, hit a record high for the eighth straight month. It accelerated from June's 2.9% increase. Inflation data will be scrutinised by the central bank, which raised interest rates on July 31 to levels unseen in 15 years and signalled its readiness to hike borrowing costs further. The yen-based import price index climbed 10.8% in July from a year earlier, accelerating from a revised 10.6% rise in June, and reflecting the yen's weakness and rising raw materials prices.

MAIN WEEKLY EARNINGS

Company	Ticker	Market Cap	Date	Time	Estimate	Year Ago
Home Depot Inc	HD US	\$ 342.91B	13-Aug-24	Pre-mkt	4.56	4.65
NU Holdings LTD	NU US	\$ 59.76B	13-Aug-24	Aft-mkt	0.09	0.05
Sea Limited - ADR	SE US	\$ 38.30B	13-Aug-24	Pre-mkt	0.42	0.54
Cisco Systems Inc	CSCO US	\$ 180.73B	14-Aug-24	Aft-mkt	0.85	1.14
Ali Baba Group - S	BABA US	\$ 195.66B	15-Aug-24	Pre-mkt	15.64	17.37

ECONOMIC CALENDAR

(13-08-24) JP - PPI MoM / PPI YoY
(13-08-24) UK - Jobless Claims Change
(14-08-24) UK - CPI MoM / YoY
(14-08-24) FR - CPI MoM / YoY
(13-08-24) US - July PPI Inflation data
(14-08-24) US - July CPI Inflation data
(15-08-24) US - NY Fed Manufacturing Index

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

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