

Daily Market Brief

September 21st 2023



FOREIGN EXCHANGE MARKETS

(Sources: Bloomberg / Forexlive)

EURUSD

EUR/USD continues the losing streak for the third successive day, trading lower around 1.0640 during the Asian session on Thursday. As anticipated, the US (Fed) opted to keep the existing benchmark policy rates unchanged at 5.5% during the meeting held on Wednesday. Fed projected an additional rate hike in 2023, which reinforces the downward pressure on the EUR/USD pair. Moreover, in its monetary policy statement, the (FOMC) has revealed its expectation for slightly elevated inflation compared to its previous forecasts.

GBPUSD

GBP/USD expands losses on the second successive day, trading lower around 1.2320 during the Asian session on Thursday. US Federal Reserve's (Fed) hawkish stance exerts downward pressure on the pair.

USDJPY

The USD/JPY pair pulls back after hitting a fresh YTD peak, around the 148.45 region during the Asian session this Thursday, albeit lacks follow-through and manages to hold above the daily trough. Spot prices currently trade around the 148.25 area, down less than 0.10% for the day, and seem poised to appreciate further. The positive outlook for the pair is reinforced by the underlying bullish sentiment surrounding the (USD), bolstered by the Federal Reserve's (Fed) hawkish outlook.

Fx rates	Last	High	Low	% Daily	% Weekly	% YTD
EUR-USD	1.0634	1.0665	1.0617	-0.25	-0.08	-0.66
GBP-USD	1.2317	1.2351	1.2305	-0.22	-0.74	1.94
USD-JPY	148.37	148.46	148.19	0.02	-0.61	-11.63
USD-CHF	0.8999	0.9009	0.8981	0.14	-0.48	2.73
Commodities	Last	High	Low	% Daily	% Weekly	% YTD
Gold	1928.32	1931.63	1924.27	-0.10	0.92	5.72
Silver	23.18	23.24	23.03	-0.23	2.36	-3.21
Crude Oil	89.00	89.38	88.86	-0.74	-0.68	14.38
Bitcoin	27078.26	27239.10	26945.50	-0.06	2.03	63.72
Etherium	1624.21	1629.90	1614.02	-0.03	-0.67	35.42
Period	1 M	3 M	12 M			
USD LIBOR *	5.44	5.66	6.04			
EURIBOR	3.89	3.93	4.22			
SOFR	5.32	5.40	5.46			
Notes/Bonds	2 Y	10 Y	30 Y			
US	5.18	4.43	4.46			
BTP - BUND	0.63	1.75	2.09			
GILTS	4.85	4.22	4.63			

INTERNATIONAL EQUITY MARKETS

(Sources: Bloomberg / Reuters)

UNITED STATES OF AMERICA

U.S. stocks slumped on Wednesday after the U.S. Federal Reserve held key interest rates unchanged as widely expected, and revised economic projections higher with warnings that the battle against inflation was far from over. Klaviyo pares initial surge in debut.

EUROPE

European shares rose in a broad-based rally on Wednesday as government bond yields across the continent fell, while investors eyed the U.S. Federal Reserve's verdict on monetary policy tightening later in the day. Surprise fall in UK inflation adds to bets on BoE rate hike pause.

ASIA

China and Hong Kong stocks slipped on Thursday as risk sentiment took a blow after the U.S. Federal Reserve's hawkish policy statements signalled another rate hike by year-end and much tighter monetary policy through 2024 than previously expected.

Index	Close	% Daily	% M	YTD	Futures	% Change
DJIA	34440.88	-0.22	-0.07	3.90	34660.00	-0.20
S&P	4402.20	-0.94	0.06	14.66	4433.50	-0.33
Nasdaq	13469.13	-1.53	-0.21	28.69	15089.00	-0.44
DJ EuroStoxx50	4275.98	0.78	1.21	12.72	4266.00	-1.02
FTSE 100	7731.65	0.93	6.53	3.76	7724.50	-0.88
CAC 40	7330.79	0.67	1.84	13.24	7284.50	N/A
DAX	15781.59	0.75	1.14	13.34	15793.00	-0.95
IBEX 35	9645.80	1.24	4.13	17.22	9671.40	N/A
FTSE MIB	29229.30	1.64	4.44	23.29	29312.00	N/A
Nikkei	33023.78	-1.30	3.26	24.91	32410.00	-1.55
Hang Seng	17885.60	-1.20	0.27	-10.67	17672.00	-1.49
DFM General	4138.40	1.56	2.09	24.05	N/A	N/A
MSCI Tadawoul	11061.50	-0.08	-3.04	5.56	N/A	N/A
Leb. Mrkts	Closing Px	High	Low	% Daily	% Weekly	YTD
Solidere A	75.10	77.95	74.95	-1.89	1.49	23.32
Solidere B	77.15	78.00	73.10	-1.78	1.58	27.84

MUST READ

(Source: Bloomberg/ Forexlive)

FOMC holds interest rates steady, signals one more hike likely

The Fed held its key interest rate steady Wednesday but signaled another hike is likely this year amid still elevated inflation and a sturdy economy. And the central bank also forecast fewer rate cuts next year than previously expected as it keeps rates higher for longer to stamp out inflation. The latest decision leaves the benchmark short-term rate at a 22-year high of 5.25% to 5.5%. It marks just the second meeting at which the Fed hasn't raised its federal funds rate since it began its hiking campaign in March 2022. Fed policymakers estimate they'll nudge up the federal funds rate by another quarter percentage point this year to a range of 5.5% to 5.75% in 2023, similar to their median forecast in June. Financial markets and many economists don't buy it. They expect the Fed to stand pat the rest of the year because of signs the job market and inflation are cooling. By next year, Fed officials predict they'll cut the rate to 5% to 5.25%, higher than the 4.5% to 4.75% they projected in June as they expect the economy to remain resilient and inflation to drift down just gradually. That means officials likely will start trimming rates later in 2024 than they had predicted. In a statement after a two-day meeting, the Fed repeated that "in determining the extent of additional (rate increases) that may be appropriate" to lower inflation to the Fed's 2% goal, it will assess the lags with which its rate hikes affect the economy, inflation and economic and financial developments.

MAIN WEEKLY EARNINGS

Company	Ticker	Market Cap	Date	Time	Estimate	Year Ago
Micron Technolog	MU US	\$77.3 B	27-Sep-23	After-mkt	-1.33	1.36
Paychex, Inc	PAYX US	\$41.8 B	27-Sep-23	Pre-mkt	1.12	1.03
Accenture plc	ACN US	\$200.2 B	28-Sep-23	Pre-mkt	2.64	2.60
Nike, Inc	NKE US	\$144.7 B	28-Sep-23	After-mkt	0.73	0.93
Jabil Inc.	JBL US	\$14.2 B	28-Sep-23	Pre-mkt	2.22	2.25

ECONOMIC CALENDAR

(21-09-23) CH- SNB Interest Rate Decision; SNB Monetary Policy Assessment
(21-09-23) DE- German Buba President Nagel speech
(21-09-23) GB- BoE Interest Rate Decision; Monetary Policy Summary
(21-09-23) EA- ECB's President Lagarde speech
(22-09-23) JP- BoJ Interest Rate Decision; BoJ Monetary Policy Statement
(22-09-23) GB- Retail Sales AUG; Retail Sales ex-Fuel AUG
(22-09-23) US- S&P Global Manufacturing, Services, Composite PMI SEP preliminar

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