

Daily Market Brief

July 28th 2023



FOREIGN EXCHANGE MARKETS

(Sources: Bloomberg / Forexlive)

EURUSD

The EUR/USD pair consolidates the overnight sharp fall to a two-and-half-week low and oscillates in a narrow trading band, just below the 1.1000 psychological mark through the Asian session on Friday. The US Dollar (USD) manages to preserve the previous day's strong move up to its highest level since July 11 and remains well supported by the upbeat US macro data, which increased the likelihood of more interest rate hikes by the (Fed). The shared currency, on the other hand, is weighed down by the fact that the ECB did not provide any explicit forward guidance about upcoming moves, raising the possibility of a potential pause in September.

GBPUSD

The GBP/USD pair remains depressed for the second successive day on Friday and touches a nearly three-week low, around the 1.2765 region during the Asian session. The US Dollar (USD) builds on the previous day's strong rally from a one-week low and climbs to its highest level since July 10, which, in turn, is seen as a key factor exerting some pressure on the GBP/USD pair.

USDJPY

The USD/JPY demonstrates wild spikes after the (BoJ) allows more flexibility in Japanese Government Bonds yields but as usual, keeps interest rates unchanged.

Fx rates	Last	High	Low	% Daily	% Weekly	% YTD
EUR-USD	1.0984	1.0988	1.0949	0.05	-1.26	2.61
GBP-USD	1.2793	1.2808	1.2763	-0.02	-0.47	5.88
USD-JPY	139.26	141.07	138.07	-0.16	1.77	-5.85
USD-CHF	0.8692	0.8700	0.8678	0.01	-0.39	6.36
Commodities	Last	High	Low	% Daily	% Weekly	% YTD
Gold	1951.72	1956.81	1945.52	0.29	-0.52	7.00
Silver	24.23	24.26	24.11	0.39	-1.56	1.14
Crude Oil	79.90	79.94	79.50	-0.24	3.67	1.33
Bitcoin	29184.66	29294.79	29138.37	0.14	-3.19	76.45
Etherium	1859.20	1865.13	1855.01	0.03	-1.79	55.01
Period	1 M	3 M	12 M			
USD LIBOR *	5.43	5.63	6.04			
EURIBOR	3.55	3.71	4.11			
* USD LIBOR rates discontinued after June 30, 2023 and replaced by SOFR						
Notes/Bonds	2 Y	10 Y	30 Y			
US	4.90	4.02	4.06			
BTP - BUND	0.61	1.49	1.82			
GILTS	5.04	4.31	4.45			

INTERNATIONAL EQUITY MARKETS

(Sources: Bloomberg / Reuters)

UNITED STATES OF AMERICA

U.S. stocks ended lower on Thursday after news that the Bank of Japan will allow long-term interest rates to rise sent U.S. yields higher, snapping the longest winning streak for the Dow since 1987.

EUROPE

Eurozone blue-chip shares rallied to their highest in more than 15 years on Thursday as investors anticipated the European Central Bank was close to the end of its tightening cycle. ECB raises rates by 25 bps to 23-year high. Barclays down after warning on UK business.

ASIA

China stocks jumped on Friday and are on course for the best week since last November, after the country's top leaders pledged in the top Politburo meeting to roll out further policy support to aid economic recovery.

Index	Close	% Daily	% M	YTD	Futures	% Change
DJIA	35282.72	-0.67	4.22	6.44	35501.00	0.20
S&P	4537.41	-0.64	3.67	18.18	4576.75	0.27
Nasdaq	14050.11	-0.55	3.37	34.24	15632.75	0.41
DJ EuroStoxx50	4447.44	2.33	2.36	17.23	4460.00	-0.20
FTSE 100	7692.76	0.21	2.56	3.23	7673.00	-0.25
CAC 40	7465.24	2.05	2.46	15.32	7413.20	N/A
DAX	16406.03	1.70	2.87	17.83	16469.00	-0.12
IBEX 35	9694.70	0.98	2.25	17.81	9531.00	N/A
FTSE MIB	29597.81	2.13	7.09	24.85	29730.00	N/A
Nikkei	32891.16	-0.40	-1.31	25.54	32710.00	-0.64
Hang Seng	19639.11	1.34	3.81	0.61	19782.00	0.56
DFM General	4029.24	0.06	6.32	20.85	N/A	N/A
MSCI Tadawoul	11847.72	-0.49	3.39	13.07	N/A	N/A
Leb. Mrkts	Closing Px	High	Low	% Daily	% Weekly	YTD
Solidere A	80.00	82.50	79.00	0.63	6.60	31.36
Solidere B	80.00	80.00	79.00	0.00	7.02	32.56

MUST READ

(Source: Bloomberg/ Forexlive)

The 'AI gold rush' makes today's stock market look more like the early days of the internet boom than the peak of the dot-com bubble

There is an "AI gold rush" getting underway in the stock market, and it doesn't look like it's going to end any time soon. That's according to Wedbush analyst Dan Ives, who told clients in a Thursday note that the stock market today looks more like it did during the early stages of the internet boom than when the dot-com bubble popped. Backing up Ives' view is solid second-quarter earnings for much of the mega-cap tech stocks that have reported results so far. Alphabet, Microsoft, and Meta Platforms all reported earnings results that beat analyst estimates, and all three offered solid outlooks as AI technologies begin to have an impact. "Big tech earnings has been a flex the muscles moment for the bulls and the fundamental growth stories are now inflecting into [the] second half of 2023 and 2024 with an improving backdrop and the AI Revolution just starting to kick in," Ives said. He said the AI party is just getting started in the technology sector, and that should help boost Microsoft to a \$3 trillion valuation over the next year, representing potential upside of 19% from current levels. Meanwhile, Alphabet should see more tailwinds in 2024 as digital advertising rebounds and the company releases more AI features for its Cloud unit. "Talked the talk, now big tech [is] walking the walk," Ives said. These positive inflection points for big tech earnings are happening at a time when the Fed is at or near its end of hiking interest rates, and as a possible recession appears further out than most expected at the start of this year.

MAIN WEEKLY EARNINGS

(Source: Nasdaq)

Company	Ticker	Market Cap	Date	Time	Estimate	Year Ago
Exxon Mobil	XOM US	\$424.8 B	28-Jul-23	Pre-mkt	2.00	4.14
Procter & Gamble	PG US	\$362.8 B	28-Jul-23	Pre-mkt	1.32	1.21
Chevron Corporat	CVX US	\$305.6 B	28-Jul-23	Pre-mkt	2.95	5.82
Astrazeneca PLC	AZN US	\$215.1 B	28-Jul-23	Pre-mkt	0.98	0.86
Sanofi	SNY US	\$134.9 B	28-Jul-23	Pre-mkt	0.88	0.92

ECONOMIC CALENDAR

(Source: Forexlive)

(28-07-23) JP- Tokyo Consumer Price Index YoY JUL; BoJ Interest Rate Decision
(28-07-23) JP- BoJ Monetary Policy Statement report; BoJ Press Conference
(28-07-23) DE- Gross Domestic Product YoY, QoQ Q2 preliminar
(28-07-23) EA- Consumer Confidence; Business Climate
(28-07-23) DE- Consumer Price Index JUL preliminar
(28-07-23) DE- Harmonized Index of Consumer Prices JUL preliminar
(28-07-23) US- Core Personal Consumption Expenditures - Price Index JUN

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