



Market Insights – Weekly Market Update & Indicative Deposit Rates for January 15th 2024

Indicative deposit rates as of January 15th, 2024

	USD	GBP	EUR	CAD
1w	4.74%	4.22%	3.27%	4.63%
1m	4.76%	4.22%	3.27%	4.49%
2m	4.74%	4.20%	3.28%	4.77%
3m	4.68%	4.21%	3.27%	4.70%
6m	4.46%	4.16%	3.10%	4.48%

Global Indices as of January 15th, 2024

Indices	Value	Change	Indices	Value	Change
GBP	1.2753	0.17%	US PRIME	8.5	0.00%
EUR	1.0951	-0.80%	WTI	72.68	1.44%
CAD	1.3410	-1.25%	DOW	37592.98	-0.26%
CHF	0.8523	-1.28%	NASDAQ	14972.76	-0.26%
GOLD	2049.06	-0.67%	S&P FUT	4816.50	-0.07%

Global Central Banks next meeting dates:

US Federal Reserve	January 31st, 2024	Bank of England	February 1st, 2024
Bank of Canada	January 24th, 2024	European Central Bank	January 25th, 2024

Key Themes:

- Last week, US regulators for the first time approved exchange-traded funds that invest directly in Bitcoin, a move heralded as a landmark event for the roughly \$1.7 trillion digital-asset sector that will broaden access to the largest cryptocurrency on Wall Street and beyond. The Securities and Exchange Commission authorized funds from industry heavyweights BlackRock, Invesco and Fidelity to smaller competitors, including Valkyrie, to begin trading Thursday.
- The S&P 500 overcame big declines in airline stocks and shares of companies that rely on discretionary spending Friday to inch closer to a new all-time high. The benchmark stock index ended Friday less than 0.1% higher, within 0.3% of a record high that has stood for more than two years. The tech-heavy Nasdaq Composite also added less than 0.1%. The Dow Jones Industrial Average declined 0.3%, or 118 points. Each index ended the week higher, after declining in the first week of January. Many analysts believe the market's January performance sets the tone for the rest of the year. So far, the mood among investors is muted despite stocks' march toward new highs.

Key Economic Statistics:

- The US and UK launched about 70 airstrikes on Houthi targets in Yemen early on Friday in a bid to stop the Iran-backed group's shipping attacks in the Red Sea. The Houthis appeared undeterred, vowing to continue targeting commercial vessels and saying they would expand their campaign "very soon." They said all US and UK interests are now legitimate targets. Oil prices rose more than 4%, with Brent climbing above \$80 a barrel for the first time since late December.
- Prices paid to US producers extended their retreat in December, prompting traders to increase bets on how aggressively the Federal Reserve will cut interest rates this year. The producer price index for final demand decreased 0.1% for a third straight month — the longest streak since 2020 — while the so-called core PPI that excludes food and energy was little changed for a third month, Labor Department data showed Friday. On an annual basis, the core gauge rose 1.8%, the smallest advance since the end of 2020. Stock futures pared losses while the two-year Treasury yield dropped to the lowest level since May. Traders boosted bets that the Fed will begin cutting interest rates in March.

This week:

- After the big fourth-quarter rally in US stocks, investors are about to find out what companies have to show for it in their earnings scorecards. Not much is baked into expectations, so there's room for an upside surprise. Analysts project that S&P 500 Index members will see fourth-quarter profits grow 1.1% on average from a year earlier, which would be the smallest positive figure since before the pandemic, data compiled by Bloomberg Intelligence show. The equities benchmark surged 11% last quarter, the best performance since 2020. Friday kicked off the announcement cycle, with JPMorgan Chase & Co., Bank of America Corp., Wells Fargo & Co. and Citigroup Inc. reporting.
- Data due on Wednesday will likely show China's gross domestic product expanded 5.2% for the entirety of last year, even as the economy probably lost some steam in the fourth quarter. Retail sales and industrial output are also seen growing in December from a year earlier against a low base of comparison — in late 2022, the country was dealing with a massive Covid-19 outbreak. The start of the year has brought mixed news. Figures on Friday showed China's consumer prices falling in December for a third month, their longest deflation streak since 2009. Exports, though, are showing signs of stabilization despite having dropped throughout 2023, a first since 2016.

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