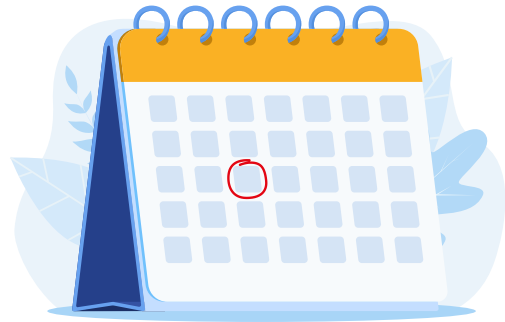


WEEKLY OUTLOOK

29.01.2024-02.02.2024



It's set to be a busy week in markets with the Federal Reserve's first meeting for 2024. The macroeconomic announcements for this week also include earnings of tech companies, macro data from China and the latest US jobs report.

The January jobs report on Friday expected to have added 177,000 new jobs slightly lower from the prior month. A stronger than expected report could drive the central bank to keep rates higher for longer.

With US stock market officially in a bull market, the earnings this week of the five biggest companies of Nasdaq (GOOGL, MSFT, AAPL, AMZN, META) will determine whether the index can maintain its bullish momentum.

The Fed it is expected to keep interest rates unchanged this Wednesday with investors looking closely the inflation rates to determine if fed will start to cut rates sooner or later. Investors expect the Fed's first rate cut the upcoming May after statements from Fed officials suggested that interest rate cuts may not be as aggressive as expected. In any case traders will be closely watching Fed Chair Powell press conference for any possible insights about macro and inflation data.

The upcoming Wednesday China is set to release the official purchasing managers' index (PMI). Market expects a soft number for the second largest economy. Chinese economy expanded by 5.2% in 2023 but struggling to gain momentum after the pandemic era. Last Wednesday China's central bank made a 50- basis point cut to bank reserves, after a housing downturn and deflation signs. The Central bank of China send a strong signal that is ready to support with stimulus a weaker growth.

The Bank of England is expected to keep interest rates unchanged at 5.25% this Thursday. The bank has underlined that will increase interest rates many times if cannot control inflation which remains in the highest level since 1982. Britain's economy remains robust, but wage growth remains low. The BoE raised interest

rates 14 times the last two years. In any case traders expect a more dovish tone by BoE this week.

The S&P 500 has made multiple new all – time highs. The index met a tiny correction in the first week of the year but then the markets pushed higher despite expectations of March rate cuts by Fed continuing to fall. Traders seem confident to see strength in US data despite high interest rates and expect that we have reached peak in hiking rates.

Gold prices find some support from escalating geopolitical tensions in the Middle East. A drone attack on the US base in Jordan killed three US soldiers. The US officially blames Iran for the attack while President Joe Biden supports that US shall respond to the attack. The gold price continues to consolidate only one breath away from all time highs.

EUR/USD experience downward pressure due the risk – off mood. However, the bigger picture for EUR/USD remains in a range bound direction. Many times, European central bank has supported that will cut interest rates only when inflation meets the 2% goal.

Monday 29 January 2024

Time CET (GMT+1)	Cur.	Event	Forecast	Previous
15:30	USD	Dallas Fed Mfg Business Index	-	-9.3%
23:30	JPY	Unemployment Rate	2.5%	2.5%

Tuesday 30 January 2024

Time CET	Cur.	Event	Forecast	Previous
02:30	AUD	Retail Sales m/m	-	2.0%
17:00	USD	CB Consumer Confidence	-	110.7
17:00	USD	JOLTS Job Openings	-	8.79M

Wednesday 31 January 2024

Time CET	Cur.	Event	Forecast	Previous
02:30	AUD	CPI	1.2%	1.2%
03:30	CNY	Manufacturing PMI	-	49.0
15:15	USD	ADP Non-Farm Employment Change	-	164K
15:30	CAD	GDP m/m	-	0.0%
21:00	USD	Federal Funds Rate	-	5.50%

Thursday 01 February 2024

Time CET	Cur.	Event	Forecast	Previous
14:00	GBP	Official Bank Rate	5.25%	5.25%
17:30	USD	Unemployment Claims	-	214K
17:00	USD	ISM Manufacturing PMI	-	47.4

Friday 02 February 2024

Time CET	Cur.	Event	Forecast	Previous
15:30	USD	Non-Farm Employment Change	-	216K
17:00	USD	Revised UoM Consumer Sentiment	-	78.8