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News Wrap

- Dollar bears turn to seasonality bias for momentum
- US Jobless Claims fall by 24,000, indicating the robustness of the labor market
- Quantitative Insight on Qualcomm’s Value
- Salesforce.com.Inc Earnings Soar with AI Focus
- Rupee ‘s range-bound stance until big surprises unfolds

Global Indices	30-11-2023	15-12-2023	% chg
Dow Jones	35,950.89	34,991.21	2.74
S&P 500	4,567.80	4,502.88	1.44
Nasdaq 100	15,947.87	15,817.18	0.83
Dollar Index	103.50	104.39	-0.86
Rupee spot	83.40	83.15	0.30

Source: Bloomberg

Performance of leading US Equity Stocks (NYSE) (\$)

	Last Price	1 Day %chg	15 Day %chg	1 Month %chg	1 Year %chg	2 Year %chg
Apple	191.24	0.68	2.60	7.70	29.38	16.78
Amazon	147.03	0.64	2.42	6.49	56.20	-14.45
Alphabet	131.86	-0.51	-0.55	3.43	31.28	-7.77
Tesla	238.83	-0.52	11.26	9.30	22.56	-33.94
Meta	324.82	-0.71	-1.20	4.49	163.03	4.65
Microsoft	374.51	-1.16	1.31	7.52	46.86	13.66
Netflix	465.74	-1.74	4.14	9.66	45.36	-24.45
Walmart	154.34	-0.87	-7.13	-6.75	0.73	13.93

Source: Bloomberg, Last price as on 1st December, 2023



Briefings

Dollar bears turn to seasonality bias for momentum

It’s been a memorable month for the markets. Traders bet that central banks will cut interest rates sooner than later, with contrarian views cantered on the magnitude of the easing and the timing. Year-end proximity supports trend followers and those short the dollar can now look to seasonality patterns as another tailwind for their exposure. The Fed is seen as the front-runner in policy easing and the Bloomberg Dollar Spot Index is set for its worst month in a year and its second worst since 2018.

We are building up to the Federal Reserve’s 13 December FOMC meeting, where the widely held view is that the central bank will leave its policy rate unchanged at 5.25-5.5% and will remove the final rate hike it had pencilled into its forecasts. Whether it chooses to formally signal we are at the peak for the policy rate is uncertain – but the market is convinced, with more than 100bp of rate cuts now priced for 2024. Next week’s data highlight will be the November jobs report.

US Jobless Claims fall by 24,000, indicating the robustness of the labor market

On Wednesday 22nd November, the Labor Department announced a decrease in jobless claims by 24,000 to 209,000. The prior week had seen the highest total since August at 233,000. The four-week moving average, which evens out week-to-week fluctuations, declined by 750 to reach 220,000.

In the week ending November 11, a total of 1.84 million Americans were receiving unemployment benefits, marking a decrease of 22,000 from the previous week. Since March 2022, the Federal Reserve has increased its benchmark interest rate 11 times in an effort to moderate economic growth and curb inflation, which reached its highest level in four decades last year. Despite expectations of an economic downturn this year, both the job market and overall economic growth have proven to be surprisingly robust.



Quantitative Insight on Qualcomm's Value

Qualcomm, Inc. (NASDAQ: QCOM) has witnessed a stock price increase of 0.60 compared to the previous close of 128.70. Notably, the company has achieved a 4.23% gain in its stock price over the last five trading days. The industry has experienced notable advancements, particularly in the demand for substantial computing power driven by the ascent of artificial intelligence (AI) applications. In the past week, Qualcomm, Inc. (QCOM) has demonstrated a 4.23% improvement in stock performance, with increases of 16.35% in the past month and 16.98% in the past quarter. The weekly volatility ratio stands at 1.53%, while the volatility levels for the preceding 30 days are recorded at 2.32% for QCOM.

Salesforcecom.Inc Earnings Soar with AI Focus

Salesforce recorded a net income of \$1.22 billion, with diluted earnings per share at \$1.25, marking a significant YoY increase. Revenue, fueled by subscription and support services, rose by 11.2% to \$8.72 billion. The company's focus on AI led to a unified cloud platform, while workforce adjustments, including a 10% reduction early in 2023, were followed by plans to hire over 3,000 for AI development. To cut costs, Salesforce is offering top tools for self-service purchases on Amazon Web Services. These strategic moves boosted Salesforce shares by 52% in the past year as of Nov. 29, recovering from a more than 50% decline between Nov. 2021 and late 2022.

Rupee 's Range-bound stance until big surprises unfolds

The relatively weak performance of Rupee seems perplexing given a favorable global as well as domestic backdrop. A softer dollar, lower oil prices, reversal in FPI outflows, easing domestic inflation amidst strong domestic growth momentum, all favor a stronger rupee. While a record trade deficit in Oct'23 can at the margin be detrimental for the rupee, the increase in trade deficit is likely to be a one-off.

The rupee's underperformance can be explained by a strong demand of dollars by importers in the last few weeks. This has put pressure on USDINR. Timely and efficient intervention by the RBI in the forex market has ensured orderly movement in the exchange rate, preventing it from falling further. We expect Rupee to be in range of 83 – 83.50 levels of this current month.

Key economic indicators to watch out

Economic Calendar				
Date	Time	Event	Forecast	Previous
12-06-2023	18:45	ADP Employment Change	120k	113k
12-07-2023	19:00	Initial Jobless Claims	222k	218k
12-08-2023	19:00	Change in Nonfarm Payrolls	180k	150k
12-08-2023	20:30	U. of Mich. Sentiment	62	61.3
12-12-2023	20:30	CPI MoM	0.10%	0.00%
12-12-2023	19:00	CPI YoY	3.10%	3.20%
12-14-2023	19:00	Initial Jobless Claims	--	--
12-14-2023	19:00	Retail Sales Advance MoM	-0.10%	-0.10%
12-14-2023	00:30	FOMC Rate Decision (Upper Bound)	5.50%	5.50%
12-15-2023	20:15	S&P Global US Manufacturing PMI	--	49.4

The update and data points are compiled from Bloomberg , NSE IFSC website along with other media reports



NSE IFSC Receipts - Top 50 US Stocks*

NAME	Close Price as on 01-12-2023
DR REDDY	69.58
APPLE	191.24
ABBVIE INC	143.41
ABBOTT LABORATORIES	104.88
ADOBE INC	612.47
AMAZON	147.03
BROADCOM INC	930
BANK OF AMERICA CORPORATION	30.96
BERKSHIRE HATHAWAY INC NEW	357.07
COMCAST CORPORATION	42.21
COSTCO WHOLESALE CORPOARTION	596.25
SALESFORCECOM INC	260
CISCO SYSTEMS INC	48.47
CHEVRON CORPORATION	144.81
DANAHER CORPORATION	223.48
WALT DISNEY COMPANY	92.58
META PLATFORMS INC	342.82
ALPHABET INC	133.32
HOME DEPOT INC	319.62
INTEL CORPORATION	43.74
JOHNSON & JOHNSON	158.38
JP MORGAN CHASE & COMPANY	156.84
COCA-COLA COMPANY	58.64
ELI LILLY AND COMPANY	584.04
LOWE'S COMPANIES INC	203.92
MASTERCARD INCORPORATED	414.36
MCDONALD'S CORPORATION	285.96
MERCK & COMPANY INC	103.46
MORGAN STANLEY	80.89
MICROSOFT CORPORATION	374.51
NETFLIX	465.74
NIKE	113.48
NVIDIA CORPORATION	467.65
ORACLE CORPOARTION	117.16
PEPSICO INC	168.69
PFIZER INC	28.91
PROCTER & GAMBLE COMPANY	152.66
PHILIP MORRIS INTERNATIONAL INC	94.05
PAYPAL HOLDINGS INC	59.65
QUALCOMM INCORPORATED	129.67
CHARLES SCHWAB	63.16
AT&T INC	16.76
THERMO FISHER SCIENTIFIC INC	496.13
TESLA	238.83
TEXAS INSTRUMENTS INCORPORATED	155.21
UNITEDHEALTH GROUP INCORPORATED	547.16
VISA INC	256.45
VERIZON COMMUNICATIONS INC	38.58
WELLS FARGO & COMPANY	45.02
WALMART INC	154.34
EXXON MOBIL CORPORATION	102.99

*Un-sponsored Depository Receipts

Data Sourced from NSE IFSC website- Bhavcopy

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