Daily Market Brief

February 3rd 2025

BANQUE BEMO

FOREIGN EXCHANGE MARKETS *(Sources: Bloomberg / Reuters)*

EUR/USD

The EUR/USD pair dropped to a three-week low due to a surge in the US Dollar, triggered by President Trump's imposition of tariffs on Canada, Mexico, and China, signaling the start of a global trade war. This, coupled with the European Central Bank's dovish stance and the Federal Reserve's more hawkish approach, suggests that the EUR/USD pair remains vulnerable to further downside movement.

GBP/USD

The GBP/USD pair continues to fall, driven by a stronger US Dollar following President Trump's tariff announcements against China, Canada, and Mexico, and the Fed's hawkish stance on monetary policy. Meanwhile, the Pound faces further pressure as markets anticipate a potential interest rate cut by the Bank of England amid slowing inflation and rising wage growth.

USD/JPY

The Japanese Yen remains under pressure against the US Dollar despite expectations of further tightening by the Bank of Japan, fueled by rising core inflation in Tokyo and discussions on potential rate hikes. However, concerns over the economic impact of US tariffs and broad US Dollar strength limit the Yen's gains, keeping the USD/JPY pair biased to the upside.

Fx rates	Last	High	Low	% Daily	% Weekly	% YTD
EUR-USD	1.0245	1.0308	1.0141	-1.13	-2.35	-1.05
GBP-USD	1.2286	1.2393	1.2249	-0.88	-1.70	-1.84
USD-JPY	155.39	155.89	154.67	0.13	-0.57	1.16
USD-CHF	0.9161	0.9195	0.9073	0.57	-1.54	-0.95
Commodities	**Last**	**High**	**Low**	**% Daily**	**% Weekly**	**% YTD**
Gold	2786.63	2804.20	2772.23	-0.42	1.67	6.18
Silver	31.10	31.46	30.69	-0.64	2.93	7.62
Crude Oil	73.89	75.18	73.48	1.88	0.98	3.71
Bitcoin	93872.76	97992.76	91304.57	-3.22	-9.52	0.17
Etherium	2525.83	2935.38	2135.85	-13.11	-19.58	-24.52

Period	1M	3M	6M	12M
SOFR ($)	4.31	4.30	4.25	4.16
ESTR (€)	2.14	2.51	2.33	2.14
SONIA (£)	4.52	4.48	4.39	4.26
SARON (F)	0.44	0.31	0.22	0.13
TONAR (¥)	0.25	0.24	0.23	0.15

	Rates
U.S. Federal Fund Target Rate	4.50
ECB Main Refinancing Operation Announcement Rate	2.9
ECB Deposit Facility Announcement Rate	2.75
ECB Marginal Lending Facility Announcement Rate	3.15
BOE Official Bank Rate	4.75

INTERNATIONAL EQUITY MARKETS *(Sources: Bloomberg / Reuters)*

UNITED STATES OF AMERICA

Stock futures tumbled Sunday night to kick off a new trading month, as investors weighed new U.S. tariffs on goods from key trade partners and their potential impact on the economy and corporate profits. Traders are also looking ahead to the biggest week for fourth-quarter earnings, which have become increasingly important in determining the state of the market as tariff concerns ramp and artificial intelligence stocks remain under scrutiny.

EUROPE

European markets are expected to open sharply lower Monday after U.S. President Donald Trump imposed trade tariffs on several countries and threatened to do the same with the European Union and U.K. Earnings in Europe come from Julius Baer on Monday, while data releases include the latest euro zone inflation data.

ASIA

Asia-Pacific markets traded lower Monday after U.S. President Donald Trump levied tariffs on Canada, Mexico and China over the weekend.

Index	Close	% Daily	% M	YTD	Futures	% Change
DJIA	44544.66	-0.75	4.24	4.70	44025.00	-2.28
S&P	6040.53	-0.50	1.65	2.70	5951.00	-2.42
Nasdaq	19627.44	-0.28	0.03	1.64	21069.00	-2.56
DJ EuroStoxx50	5286.87	0.09	8.53	7.98	5159.00	-2.62
FTSE 100	8673.96	0.31	5.47	6.13	8541.50	-1.11
CAC 40	7950.17	0.11	9.17	7.72	7964.00	0.10
DAX	21732.05	0.02	9.17	9.16	21333.00	-2.33
IBEX 35	12368.90	-0.41	6.16	6.67	12393.30	-0.43
FTSE MIB	36471.75	0.12	6.87	6.69	36622.00	0.10
Nikkei	39572.49	-2.66	-3.45	-3.45	38530.00	-2.26
Hang Seng	20225.11	-0.57	1.76	0.24	20174.00	-0.75
DFM General	5180.37	-0.63	0.41	-0.21	N/A	N/A
MSCI Tadawoul	12409.87	-0.05	2.54	3.10	N/A	N/A

Leb. Mrkts	Closing Px	High	Low	% Daily	% Weekly	YTD
Solidere A	113.30	114.50	110.20	-1.13	-1.05	-5.58
Solidere B	110.70	115.40	109.60	-2.98	-3.74	-7.36

MUST READ *(Source: Bloomberg/ Forexlive)*

JPMorgan Plans $4 Billion US Gold Delivery Amid Tariff Fears

JPMorgan Chase & Co. plans to deliver over $4 billion worth of gold bullion in February, following a surge in gold prices and fears of potential import tariffs under U.S. President Donald Trump. The bank, the world's largest bullion dealer, is one of several institutions that announced deliveries against expiring futures contracts on the CME Group's Comex. These deliveries, totaling 3 million troy ounces of gold, mark the second-largest on record. As prices for gold futures on Comex have risen above London spot prices, an arbitrage opportunity has emerged, prompting banks to fly bullion into the U.S., with silver also being airfreighted for the first time. Typically, only a small portion of gold traded on Comex goes to physical delivery, with most positions closed or rolled over. However, since the U.S. election, physical inventories in Comex depositories have increased significantly. It remains unclear if JPMorgan and others are delivering bullion to exploit arbitrage opportunities or exit short positions, as both possibilities exist. JPMorgan's deliveries, accounting for nearly half of the total, are scheduled for February 3, with other major banks like Deutsche Bank, Morgan Stanley, and Goldman Sachs handling the remainder.

MAIN WEEKLY EARNINGS

Company	Ticker	Market Cap	Date	Time	Estimate	Year Ago
Tyson Foods Inc	TSN US	$ 19.72B	03-Feb-25	Pre-mkt	0.91	0.69
IDEXX Laboratorie	IDXX US	$ 34.56B	03-Feb-25	Pre-mkt	2.41	2.32
Palantir Technolo	PLTR US	$ 187.91B	03-Feb-25	Aft-mkt	0.11	0.08
NXP Semiconduct	NXPI US	$ 53B	03-Feb-25	Aft-mkt	3.15	3.71
Paypal Holdings Ir	PYPL US	$ 88.80B	04-Feb-25	Pre-mkt	1.14	1.48

ECONOMIC CALENDAR

(03-02-25) EC - CPI Estimate YoY / CPI MoM
(03-02-25) US - ISM Manufacturing
(03-02-25) CA - S&P Global Canada Manufacturing PMI
(03-02-25) US - S&P Global US Manufacturing PMI
(04-02-25) US - JOLTS Job Openings
(04-02-25) US - Factory Orders
(05-02-25) FR - Industrial Production MoM / YoY

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