Daily Market Brief

February 5th 2025

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

EUR/USD

The EUR/USD pair remains range-bound near 1.0375-1.0380 despite a solid recovery earlier in the week, with mixed economic signals influencing the market. While the US labor market slowdown supports expectations of Fed easing, concerns over potential EU tariffs and the ECB's dovish stance limit further upside for the Euro, leaving traders cautious ahead of key economic reports, including Friday's Nonfarm Payrolls.

GBP/USD

The GBP/USD pair is consolidating near a one-week high below 1.2500, supported by continued US Dollar weakness amid expectations of Fed easing, but concerns about US-China trade tensions and the upcoming Bank of England meeting limit further upside. The global risk sentiment is positive, bolstered by optimism from President Trump's tariff delay, which helps keep the USD under pressure, while the downside for GBP/USD remains cushioned by this broader market sentiment.

USD/JPY

The Japanese Yen (JPY) maintains strong intraday gains, bolstered by data showing rising real wages in Japan, which supports expectations of a Bank of Japan interest rate hike. While concerns about potential US tariffs on Japan and a risk-on market sentiment temper JPY strength, the overall fundamental outlook favors JPY bulls, limiting any recovery for the USD/JPY pair.

Fx rates	Last	High	Low	% Daily	% Weekly	% YTD
EUR-USD	1.0385	1.0394	1.0370	0.06	-0.35	0.30
GBP-USD	1.2478	1.2490	1.2464	-0.02	0.21	-0.30
USD-JPY	153.24	154.46	153.10	-0.72	1.29	2.58
USD-CHF	0.9049	0.9059	0.9044	-0.03	0.21	0.28
Commodities	**Last**	**High**	**Low**	**% Daily**	**% Weekly**	**% YTD**
Gold	2860.61	2861.93	2839.76	0.63	3.67	9.00
Silver	32.28	32.36	31.95	0.35	4.64	11.69
Crude Oil	72.65	72.97	72.36	-0.07	0.04	1.96
Bitcoin	97672.01	98953.95	96185.32	1.18	-4.35	4.22
Etherium	2744.15	2788.29	2634.76	3.94	-17.30	-18.00

Period	1M	3M	6M	12M
SOFR ($)	4.31	4.30	4.26	4.19
ESTR (€)	2.09	2.49	2.30	2.09
SONIA (£)	4.49	4.46	4.36	4.22
SARON (F)	0.43	0.30	0.21	0.11
TONAR (¥)	0.25	0.25	0.24	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

S&P 500 futures fell Tuesday night after Google-parent Alphabet posted disappointing revenue, following a positive session for the major averages. Earnings season continues Wednesday, with Walt Disney and Uber Technologies reporting results before the open. Investors are anticipating the ADP private payrolls report, international trade data, and the ISM Services Index.

EUROPE

European stock markets closed higher Tuesday after U.S. President Donald Trump's decision overnight to delay tariffs on Canada and Mexico raised hopes that Europe could also avoid duties.

ASIA

Asia-Pacific markets mostly rose Wednesday after Wall Street rose overnight, shrugging off Trump tariffs and China's retaliatory measures. All eyes are on China, which resumed trading after the Lunar New Year holidays and as the Chinese government announced tariffs on U.S. imports in retaliation to duties on its exports.

Index	Close	% Daily	% M	YTD	Futures	% Change
DJIA	44556.04	0.30	4.27	4.73	44571.00	0.01
S&P	6037.88	0.72	1.61	2.66	6030.75	0.14
Nasdaq	19654.02	1.35	0.16	1.78	21516.25	0.52
DJ EuroStoxx50	5264.59	0.89	8.07	7.53	5257.00	0.69
FTSE 100	8570.77	-0.15	4.22	4.87	8526.00	-0.34
CAC 40	7906.40	0.66	8.57	7.12	7918.00	0.64
DAX	21505.70	0.36	8.04	8.02	21517.00	0.10
IBEX 35	12372.80	1.37	6.19	6.71	12404.80	1.44
FTSE MIB	36719.35	1.38	7.59	7.41	36855.00	1.37
Nikkei	38798.37	0.09	-2.66	-2.66	38760.00	0.41
Hang Seng	20789.96	-1.05	4.10	2.55	20621.00	1.47
DFM General	5219.08	0.17	1.98	1.35	N/A	N/A
MSCI Tadawoul	12433.93	0.46	3.02	3.30	N/A	N/A

Leb. Mrkts	Closing Px	High	Low	% Daily	% Weekly	YTD
Solidere A	110.40	114.50	110.10	-0.63	-2.13	-8.00
Solidere B	110.00	110.00	110.00	0.00	-2.65	-7.95

MUST READ *(Source: Bloomberg/ Forexlive)*

US gold magnet: banks fly bullion from Asia-focused hubs to benefit from premium

Global bullion banks are capitalizing on a profitable arbitrage opportunity created by a significant premium in U.S. gold futures over spot prices. Traditionally, gold flows eastward from the West to meet high demand in China and India, the world's top consumers. However, recent concerns over potential U.S. import tariffs under President Trump have pushed U.S. Comex futures prices above spot prices, making it lucrative to import gold into the U.S. from trading hubs like Dubai and Hong Kong. With demand in Asia weakening due to soaring gold prices, banks are seizing this opportunity to transport gold to the U.S. for delivery at Comex, where prices have soared. Since November, Comex gold inventories have surged nearly 80%, with supplies coming from London, Switzerland, and Asian hubs. The premium on Comex futures has reached around $40, while Asian markets like India and China are seeing discounts. The cost of transporting gold from Asia to the U.S. is minimal compared to the profit made from Comex premiums. Even gold stored in India's tax-free zones is being rerouted to the U.S. to take advantage of this market shift, making the U.S. the current global gold magnet.

MAIN WEEKLY EARNINGS

Company	Ticker	Market Cap	Date	Time	Estimate	Year Ago
Walt Disney Comp	DIS US	$ 204.90B	05-Feb-25	Pre-mkt	1.14	0.82
Boston Scientific (	BSX US	$ 152.60B	05-Feb-25	Pre-mkt	0.66	0.55
ARM Holdings PL(	ARM US	$ 163.59B	05-Feb-25	Aft-mkt	0.34	0.29
Qualcomm Incorp	QCOM US	$ 191.28B	05-Feb-25	Aft-mkt	2.97	2.75
Microstrategy Inc	MSTR US	$ 87.52B	05-Feb-25	Aft-mkt	0.06	0.56

ECONOMIC CALENDAR

(05-02-25) FR - Industrial Production MoM / YoY
(05-02-25) US - ADP Employment Change
(05-02-25) US - S&P Global US Services / Composite PMI
(05-02-25) US - ISM Services Index
(06-02-25) UK - Bank of England Bank Rate
(07-02-25) CA - Unemployment Rate
(07-02-25) US - Change in Nonfarm Payrolls

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