Daily Market Brief

June 5th 2025

BANQUE BEMO

FOREIGN EXCHANGE MARKETS (Sources: Bloomberg / Reuters)

EUR/USD

The EUR/USD pair trades with caution, slightly above the key level of 1.1400 during Asian trading hours on Thursday. The major currency pair is expected to remain sideways, with investors awaiting the European Central Bank's (ECB) interest rate decision announcement at 3:15 pm Beirut time. The ECB is almost certain to reduce its key borrowing rates by 25 basis points, a move that will lower the Deposit Facility Rate and Main Refinancing Operations Rate to 2% and 2.15%, respectively.

GBP/USD

GBP/USD caught a bid on Wednesday, paring the previous day's losses and keeping price action on the high side of recent congestion. Bids remain pinned firmly above 1.3500 with key US Nonfarm Payrolls data looming ahead later in the week. US Dollar flows continue to dominate markets this week, with a thin offering from the UK side of the economic data docket until next week's UK labor figures.

USD/JPY

USD/JPY bounces off 142.50 to retake 143.00 in Asian trading on Thursday. The pair catches fresh bids as the Japanese Yen loses ground after Japan's April inflation-adjusted Wages fell for a fourth straight month, casting doubts on further BoJ rate cuts.

Fx rates	Last	High	Low	% Daily	% Weekly	% YTD
EUR-USD	1.1410	1.1435	1.1408	-0.06	0.35	10.20
GBP-USD	1.3544	1.3566	1.3541	-0.07	0.39	8.21
USD-JPY	143.04	143.08	142.53	0.19	0.82	9.90
USD-CHF	0.8191	0.8194	0.8172	0.07	0.48	10.78

Commodities	Last	High	Low	% Daily	% Weekly	% YTD
Gold	3367.09	3384.18	3364.12	-0.17	1.48	28.29
Silver	34.45	34.59	34.43	-0.17	3.38	19.18
Crude Oil	62.58	62.81	62.50	-0.43	2.69	-10.40
Bitcoin	105185.65	105278.15	104604.56	0.49	0.34	12.24
Etherium	2629.11	2634.83	2600.38	0.88	3.38	-21.44

Period	1M	3M	6M	12M
SOFR ($)	4.32	4.32	4.25	4.04
ESTR (€)	1.72	1.91	1.83	1.72
SONIA (£)	4.21	4.19	4.12	3.98
SARON (₣)	0.02	-0.08	-0.16	-0.26
TONAR (¥)	0.47	0.47	0.40	0.29

	Rates
U.S. Federal Fund Target Rate	4.50
ECB Main Refinancing Operation Announcement Rate	2.4
ECB Deposit Facility Announcement Rate	2.25
ECB Marginal Lending Facility Announcement Rate	2.65
BOE Official Bank Rate	4.25

INTERNATIONAL EQUITY MARKETS (Sources: Bloomberg / Reuters)

UNITED STATES OF AMERICA

The Dow Jones Industrial Average slipped on Wednesday after private sector hiring hit its lowest level in more than two years, raising concerns trade policy uncertainty could be weighing on the U.S. economy. President Donald Trump blasted Federal Reserve Chairman Jerome Powell right after those numbers came out, saying "Too Late Powell" should cut rates.

EUROPE

European stock markets rose as the EU trade chief said talks with the U.S. were 'advancing in the right direction'. Investor sentiment was also lifted by easing inflation in the eurozone, boosting hopes that the European Central Bank may begin cutting interest rates.

ASIA

Asia-Pacific markets traded mixed Thursday, after private sector hiring in the U.S. hit its lowest level in over two years, raising concerns that trade policy uncertainty could be weighing on the world's largest economy.

Index	Close	% Daily	% M	YTD	Futures	% Change
DJIA	42427.74	-0.22	2.93	-0.27	42481.00	-0.05
S&P	5970.81	0.01	5.67	1.52	5973.75	-0.13
Nasdaq	19460.49	0.32	9.06	0.78	21728.25	0.11
DJ EuroStoxx50	5405.15	0.55	2.31	10.40	5404.00	0.61
FTSE 100	8801.29	0.16	2.38	7.69	8805.50	0.11
CAC 40	7804.67	0.53	0.99	5.74	7800.00	0.52
DAX	24276.48	0.77	3.99	21.94	24275.00	0.75
IBEX 35	14101.30	-0.19	4.31	21.62	14092.40	-0.16
FTSE MIB	40080.88	0.02	4.17	17.24	40121.00	0.01
Nikkei	37747.45	-0.52	1.95	-5.88	37550.00	0.11
Hang Seng	23654.03	0.42	5.54	18.41	23659.00	1.13
DFM General	5535.93	0.25	4.20	7.31	N/A	N/A
MSCI Tadawoul	11004.53	1.59	-3.16	-8.57	N/A	N/A

Leb. Mrkts	Closing Px	High	Low	% Daily	% Weekly	YTD
Solidere A	85.00	85.00	85.00	-1.28	0.00	-29.17
Solidere B	81.05	81.80	80.65	0.56	0.62	-32.18

MUST READ (Source: Bloomberg/ Forexlive)

Tesla stock slumps as Musk ramps up attacks on Trump's 'big beautifull' bill

Tesla (TSLA) stock fell Wednesday as tensions escalated between CEO Elon Musk and President Trump over a Republican-backed tax bill that threatens to eliminate the $7,500 federal tax credit for electric vehicles, a key incentive Musk is fighting to preserve. Musk had personally lobbied lawmakers, including House Speaker Mike Johnson, to maintain the credit, which directly supports Tesla's core EV business. After those efforts failed, Musk launched a public campaign urging Americans to pressure Congress to reject the bill, warning that unchecked deficit spending would cripple the U.S. economy. This tax credit is crucial to Tesla's pricing strategy and demand, helping keep its electric vehicles competitive with traditional and hybrid models. Losing it would make Teslas significantly more expensive for many buyers, potentially weakening sales further, especially at a time when the company is already facing demand challenges in Europe and the UK. While Australia showed promising sales in May due to a refreshed Model Y, global sales remain under pressure. Tesla's upcoming robotaxi demonstration on June 12 in Austin remains critical to its valuation. Yet competition from Alphabet's Waymo, which is far ahead in deployment, continues to overshadow Tesla's autonomous ambitions. Overall, political fallout and international sales declines are pressuring Tesla's outlook.

MAIN WEEKLY EARNINGS

Company	Ticker	Market Cap	Date	Time	Estimate	Year Ago
BROADCOM INC	AVGO	$ 1227.58 B	05-Jun-25	Aft-mkt	1.57	1.10
LULULEMON ATH	LULU	$ 40.27 B	05-Jun-25	Aft-mkt	2.60	2.54
DOCUSIGN INC	DOCU	$ 19.00 B	05-Jun-25	Aft-mkt	0.82	0.82
VICTORIA'S SECRE	VSCO	$ 1.63 B	05-Jun-25	Bef-mkt	0.03	0.12
MANCHESTER UN	MANU	$ 2.36 B	06-Jun-25	Bef-mkt	-0.26	-0.33

ECONOMIC CALENDAR

(05-06-25) EC - ECB Deposit Facility Rate / Main Refinancing Rate / Marginal Lending Facility
(05-06-25) US - Trade Balance
(05-06-25) US - Initial Jobless Claims
(06-06-25) EC - GDP SA YoY/QoQ
(06-06-25) US - Change in Nonfarm Payrolls
(06-06-25) US - Unemployment Rate
(09-06-25) US - Wholesale Inventories MoM

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