# Daily Market Brief

February 6th 2025

BANQUE BEMO

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

**EUR/USD**

EUR/USD drops after two days of gains, hovering around 1.0390 as traders await Eurozone Retail Sales data. The Euro remains under pressure amid expectations of continued ECB policy easing, while the US Dollar stabilizes after a three-day decline, with traders anticipating the upcoming US Nonfarm Payrolls report to influence Federal Reserve policy.

**GBP/USD**

GBP/USD halts its three-day winning streak, trading around 1.2490, as the Pound faces downward pressure ahead of an expected 25 basis point rate cut by the Bank of England. The US Dollar remains steady after a recent decline, with traders awaiting the US Nonfarm Payrolls data to influence Federal Reserve policy.

**USD/JPY**

The Japanese Yen (JPY) pares some intraday gains against the US Dollar, allowing USD/JPY to rebound, but expectations for ongoing Bank of Japan rate hikes limit significant JPY depreciation. The narrowing interest rate differential between Japan and the US, combined with concerns about US trade tariffs on Japan and a modest USD rebound, contributes to a cautious outlook for the currency pair, with traders awaiting US jobless claims data for further direction.

| Fx rates | Last | High | Low | % Daily | % Weekly | % YTD |
|---|---|---|---|---|---|---|
| EUR-USD | 1.0389 | 1.0405 | 1.0385 | -0.13 | -0.02 | 0.34 |
| GBP-USD | 1.2485 | 1.2510 | 1.2483 | -0.16 | 0.53 | -0.25 |
| USD-JPY | 152.57 | 152.75 | 151.82 | -0.03 | 1.13 | 3.03 |
| USD-CHF | 0.9031 | 0.9032 | 0.9008 | 0.16 | 0.73 | 0.48 |
| **Commodities** | **Last** | **High** | **Low** | **% Daily** | **% Weekly** | **% YTD** |
| Gold | 2859.98 | 2873.34 | 2859.12 | -0.25 | 2.34 | 8.97 |
| Silver | 32.20 | 32.42 | 32.19 | -0.35 | 1.91 | 11.41 |
| Crude Oil | 71.30 | 71.39 | 71.04 | 0.38 | -1.97 | 0.07 |
| Bitcoin | 98277.07 | 98462.51 | 96183.89 | 1.38 | -2.88 | 4.87 |
| Etherium | 2841.61 | 2851.68 | 2739.55 | 1.95 | -9.78 | -15.09 |

| Period | 1M | 3M | 6M | 12M |
|---|---|---|---|---|
| SOFR ($) | 4.31 | 4.30 | 4.26 | 4.19 |
| ESTR (€) | 2.10 | 2.48 | 2.30 | 2.10 |
| SONIA (£) | 4.48 | 4.45 | 4.36 | 4.23 |
| SARON (F) | 0.43 | 0.29 | 0.23 | 0.14 |
| TONAR (¥) | 0.30 | 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**

Stocks rallied on Wednesday, pushing the major averages higher for the second day in a row, as investors looked past the trade turmoil that weighed on the market earlier in the week. Nvidia jumped more than 5% after server maker Super Micro Computer announced full production availability of its artificial intelligence data center with Nvidia's Blackwell platform.

**EUROPE**

European markets traded higher on Wednesday as earnings beats drove stock gains across various sectors. Banco Santander topped Stoxx 600 gains, up 8.3%, after the Spanish lender reported record quarterly profit. French oil major TotalEnergies also beat forecasts despite its 21% drop in full-year adjusted net income. Shares closed up 1.7%.

**ASIA**

Asia-Pacific markets traded mostly higher Thursday, tracking gains on Wall Street as investors shrug off a week of trade turmoil and a slew of disappointing U.S. tech earnings.

| Index | Close | % Daily | % M | YTD | Futures | % Change |
|---|---|---|---|---|---|---|
| DJIA | 44873.28 | 0.71 | 5.07 | 5.47 | 45084.00 | 0.87 |
| S&P | 6061.48 | 0.39 | 1.44 | 3.06 | 6099.25 | 0.60 |
| Nasdaq | 19692.33 | 0.19 | -0.87 | 1.98 | 21811.25 | 0.66 |
| DJ EuroStoxx50 | 5271.12 | 0.12 | 5.70 | 7.66 | 5302.00 | 0.44 |
| FTSE 100 | 8623.29 | 0.61 | 4.53 | 5.51 | 8652.50 | 1.16 |
| CAC 40 | 7891.68 | -0.19 | 5.99 | 6.92 | 7902.50 | -0.20 |
| DAX | 21585.93 | 0.37 | 6.78 | 8.42 | 21761.00 | 0.70 |
| IBEX 35 | 12536.70 | 1.32 | 6.17 | 8.12 | 12544.90 | 1.13 |
| FTSE MIB | 36581.48 | -0.38 | 5.18 | 7.01 | 36713.00 | -0.39 |
| Nikkei | 38831.48 | 0.61 | -0.61 | -2.08 | 39060.00 | 0.75 |
| Hang Seng | 20597.09 | 0.99 | 5.65 | 3.70 | 20851.00 | 0.07 |
| DFM General | 5218.93 | 0.70 | 1.25 | 1.88 | N/A | N/A |
| MSCI Tadawoul | 12414.40 | -0.16 | 2.56 | 3.14 | N/A | N/A |

| Leb. Mrkts | Closing Px | High | Low | % Daily | % Weekly | YTD |
|---|---|---|---|---|---|---|
| Solidere A | 110.70 | 114.00 | 110.00 | 0.27 | -3.06 | -7.75 |
| Solidere B | 110.50 | 110.50 | 110.50 | 0.45 | -3.16 | -7.53 |

## MUST READ *(Source: Bloomberg/ Forexlive)*

**The Yen Is Back in Favor as Currency Traders Shun the Dollar**

This week, a shift in the currency markets saw hedge funds exit their dollar trades and turn to the Japanese yen, making it the most-traded currency against the dollar. Interest surged after better-than-expected Japanese wage data suggested the Bank of Japan (BOJ) may continue raising interest rates. As a result, yen trading volume nearly doubled compared to previous highs. The BOJ's rate hike last month and the expectation of another in July helped boost the yen. This was further supported by a statement from BOJ board member Naoki Tamura, who indicated that the central bank may lift its benchmark rate to 1% by March 2026. As the yen strengthens, the dollar weakens, driven by falling US Treasury yields and weaker service-sector data. The dollar's weakness has prompted traders to unwind their dollar long positions, contributing to the yen's gains. Treasury Secretary Scott Bessent emphasized that the Trump administration aims to reduce borrowing costs by focusing on 10-year Treasury yields, not the Federal Reserve's short-term rates. The yen's appeal is rising as the dollar's dominance in the markets wanes, with traders eyeing further developments in Japan's monetary policy.

## MAIN WEEKLY EARNINGS

| Company | Ticker | Market Cap | Date | Time | Estimate | Year Ago |
|---|---|---|---|---|---|---|
| Eli Lilly and Comp | LLY US | $ 799.49B | 06-Feb-25 | Pre-mkt | 5.06 | 2.49 |
| Philip Morris Inte | PM US | $ 203.65B | 06-Feb-25 | Pre-mkt | 1.49 | 1.36 |
| Honeywell Interna | HON US | $ 144.58B | 06-Feb-25 | Pre-mkt | 2.33 | 2.60 |
| Fortinet Inc | FTNT US | $ 80.53B | 06-Feb-25 | Aft-mkt | 0.61 | 0.51 |
| Amazon.com Inc | AMZN US | $ 2.48T | 06-Feb-25 | Aft-mkt | 1.87 | 1.60 |

## ECONOMIC CALENDAR

**(06-02-25) UK** - Bank of England Bank Rate
**(07-02-25) CA** - Unemployment Rate
**(07-02-25) US** - Change in Nonfarm Payrolls
**(07-02-25) US** - Unemployment Rate
**(07-02-25) US** - U. of Michigan Sentiment
**(10-02-25) US** - NY Fed 1-Yr Inflation Expectations
**(11-02-25) US** - NFIB Small Business Optimism


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