Daily Market Brief

January 7th 2025

FOREIGN EXCHANGE MARKETS

(Sources: Bloomberg / Reuters)

EUR/USD

EUR/USD has continued its upward trend for the third consecutive session, supported by a weak US Dollar and stronger-than-expected European data, including German inflation and PMI figures. The US Dollar remains under pressure amid tariff policy concerns, while the Euro gains traction from expectations of more cautious ECB actions and robust economic indicators from the Eurozone.

GBP/USD

GBP/USD has risen for the third consecutive day, supported by a weaker US Dollar, while markets await key US economic data and developments on President-elect Trump's tariff strategy. The UK saw a strong rebound in December retail sales, but overall retail performance in the fourth quarter remained weak, with modest year-on-year growth despite the positive December results.

USD/JPY

The Japanese Yen (JPY) has rebounded against the US Dollar, supported by concerns over potential Japanese government intervention and geopolitical risks, despite ongoing doubts about the timing of future rate hikes by the Bank of Japan. Meanwhile, the US Dollar remains subdued below its recent two-year high, with the widening US-Japan yield differential and the Fed's hawkish stance acting as a potential headwind for JPY strength.

Fx rates	Last	High	Low	% Daily	% Weekly	% YTD
EUR-USD	1.0399	1.0404	1.0376	0.09	0.43	0.43
GBP-USD	1.2540	1.2546	1.2504	0.16	0.19	0.19
USD-JPY	157.76	158.42	157.51	0.09	-0.36	-0.36
USD-CHF	0.9037	0.9060	0.9032	-0.10	0.41	0.41

Commodities	Last	High	Low	% Daily	% Weekly	% YTD
Gold	2641.26	2646.79	2633.03	0.18	1.33	0.64
Silver	30.08	30.18	29.88	0.42	3.91	4.08
Crude Oil	73.47	73.54	73.18	-0.12	3.49	2.44
Bitcoin	101967.51	102733.20	101568.84	0.30	4.99	8.81
Etherium	3676.16	3701.98	3660.04	0.19	6.51	9.85

Period	1M	3M	6M	12M
SOFR ($)	4.31	4.29	4.24	4.18
ESTR (€)	2.23	2.67	2.44	2.23
SONIA (£)	4.71	4.61	4.54	4.44
SARON (F)	0.44	0.40	0.29	0.18
TONAR (¥)	0.22	0.22	0.20	0.12

	Rates
U.S. Federal Fund Target Rate	4.50
ECB Main Refinancing Operation Announcement Rate	3.15
ECB Deposit Facility Announcement Rate	3.00
ECB Marginal Lending Facility Announcement Rate	3.40
BOE Official Bank Rate	4.75

INTERNATIONAL EQUITY MARKETS

(Sources: Bloomberg / Reuters)

UNITED STATES OF AMERICA

The S&P 500 climbed alongside the Nasdaq Composite on Monday for back-to-back wins, as Wall Street rebounded from a losing week and chipmakers surged. Investors began another shortened trading week with lingering concerns about the Federal Reserve’s interest rate projections. The 10-year Treasury yield rose to top 4.6% ahead of important economic reports out later this week.

EUROPE

European markets closed higher on Monday afternoon, having fallen from earlier highs after U.S. President-elect Donald Trump dismissed a media report that his tariff plan may not be as extreme as feared. On the data front in Europe, German inflation rose to a higher-than-expected 2.9% in December, statistics office Destatis said. Analysts polled by Reuters expected a 2.6% reading.

ASIA

Asia-Pacific markets rose Tuesday, following an overnight rally in technology shares on Wall Street that saw the S&P500 and Nasdaq Composite post back-to-back gains.

Index	Close	% Daily	% M	YTD	Futures	% Change
DJIA	42706.56	-0.06	-4.34	0.38	42958.00	-0.14
S&P	5975.38	0.55	-1.89	1.59	6014.50	0.40
Nasdaq	19864.98	1.24	0.03	2.87	21710.75	0.87
DJ EuroStoxx50	4986.64	2.36	0.18	1.85	4976.00	1.86
FTSE 100	8249.66	0.31	-0.71	0.94	8205.50	-0.42
CAC 40	7445.69	2.24	0.25	0.88	7423.50	1.82
DAX	20216.19	1.56	-0.83	1.54	20260.00	1.10
IBEX 35	11808.20	1.34	-2.19	1.84	11775.50	1.30
FTSE MIB	34780.81	1.91	0.09	1.74	34880.00	1.93
Nikkei	40083.30	1.97	2.54	0.47	40000.00	0.25
Hang Seng	19688.29	-1.83	-2.70	-3.64	19360.00	-2.00
DFM General	5190.70	0.31	7.26	0.93	N/A	N/A
MSCI Tadawoul	12104.69	0.29	1.45	0.57	N/A	N/A

Leb. Mrkts	Closing Px	High	Low	% Daily	% Weekly	YTD
Solidere A	118.00	118.00	104.00	10.28	12.38	-1.67
Solidere B	118.00	118.00	104.30	7.37	8.46	-1.26

MUST READ

(Source: Bloomberg/ Forexlive)

Biden to ban offshore oil, gas drilling in vast areas ahead of Trump term

President Joe Biden has announced a ban on new offshore oil and gas development along most U.S. coastlines, using his authority under the Outer Continental Shelf Lands Act. The ban will affect 625 million acres, covering federal waters off the East and West coasts, the eastern Gulf of Mexico, and parts of Alaska's northern Bering Sea. While the move is largely symbolic and won't impact ongoing drilling operations, it aligns with Biden’s climate change agenda and goal to conserve 30% of U.S. lands and waters by 2030. Biden cited the risks of drilling, including public health and economic dangers, referencing the 2010 Deepwater Horizon disaster. However, this decision faces challenges from President-elect Donald Trump, who has vowed to reverse Biden's policies and increase domestic energy production. The 70-year-old Lands Act prevents presidents from overturning previous bans, meaning any reversal would likely require congressional action. Environmental groups praised the move, while the oil and gas industry criticized it, arguing it would harm U.S. energy security. Coastal states have historically opposed offshore drilling due to its potential impact on tourism. Despite opposition, the ban reflects broader efforts to reduce reliance on offshore oil and gas in favor of land-based energy sources.

MAIN WEEKLY EARNINGS

Company	Ticker	Market Cap	Date	Time	Estimate	Year Ago
RPM Internationa	RPM US	$ 15.50B	07-Jan-25	Pre-mkt	1.34	1.22
Jefferies Financial	JEF US	$ 16.71B	08-Jan-25	Aft-mkt	0.97	0.30
Walgreens Boots	WBA US	$ 8.20B	10-Jan-25	Pre-mkt	0.38	0.66
Delta Airlines	DAL US	$ 38.74B	10-Jan-25	Pre-mkt	1.76	1.28
Constellation Brai	STZ US	$ 40.48B	10-Jan-25	Pre-mkt	3.31	3.19

ECONOMIC CALENDAR

(07-01-25) FR - CPI YoY / MoM
(07-01-25) EC - CPI MoM / CPI Core YoY / Unemployment Rate
(07-01-25) US - JOLTS Job Openings
(07-01-25) US - ISM Services Index
(08-01-25) DE - Factory Orders MoM
(08-01-25) US - ADP Employment Change
(08-01-25) US - Wholesale Inventories MoM

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