Daily Market Brief

February 7th 2025

FOREIGN EXCHANGE MARKETS

(Sources: Bloomberg / Reuters)

EUR/USD

The EUR/USD pair is under pressure due to concerns over US trade policy and a risk-off sentiment, with traders awaiting German Industrial Production data and US Nonfarm Payrolls. US trade tensions, ECB interest rate cuts, and hawkish Fed comments all contribute to the uncertainty, with economists predicting a slowdown in US job growth for January.

GBP/USD

The GBP/USD pair struggles to maintain momentum, trading with a slight negative bias as traders await the US Nonfarm Payrolls report. While expectations of a dovish Fed could provide some support, the Bank of England's rate cuts and downgraded growth outlook suggest further downside for the British Pound.

USD/JPY

The Japanese Yen weakens slightly, allowing the USD/JPY pair to rebound, but further JPY depreciation appears limited due to the Bank of Japan's commitment to tightening policy. The narrowing rate differential between the BoJ and other major central banks, along with subdued USD movement, may cap the pair ahead of the US Nonfarm Payrolls report.

Fx rates	Last	High	Low	% Daily	% Weekly	% YTD
EUR-USD	1.0378	1.0391	1.0373	-0.05	0.15	0.23
GBP-USD	1.2430	1.2443	1.2420	-0.04	0.28	-0.69
USD-JPY	151.83	151.89	150.96	0.28	2.21	3.54
USD-CHF	0.9064	0.9068	0.9046	0.15	0.50	0.11

Commodities	Last	High	Low	% Daily	% Weekly	% YTD
Gold	2860.93	2870.62	2855.91	0.16	2.23	9.01
Silver	32.20	32.31	32.13	0.09	2.87	11.42
Crude Oil	71.02	71.04	70.47	0.58	-2.08	-0.32
Bitcoin	96964.20	97890.57	96200.26	0.16	-0.03	3.47
Etherium	2703.06	2740.31	2657.34	-0.24	-7.02	-19.23

Period	1M	3M	6M	12M
SOFR ($)	4.31	4.30	4.25	4.16
ESTR (€)	2.09	2.47	2.29	2.09
SONIA (£)	4.47	4.45	4.34	4.19
SARON (F)	0.43	0.28	0.19	0.12
TONAR (¥)	0.31	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	4.50

INTERNATIONAL EQUITY MARKETS

(Sources: Bloomberg / Reuters)

UNITED STATES OF AMERICA

The S&P 500 climbed for a third straight session on Thursday as investors weighed the latest batch of corporate earnings. Wall Street is now awaiting January's jobs report, which is scheduled for release on Friday at 8:30 a.m. ET.

EUROPE

European markets closed at a record high Thursday amid a flurry of earnings releases and a quarter-point rate cut by the Bank of England. The British pound tumbled 1% against the U.S. dollar — suggesting traders expect a clear path of rate cuts ahead — despite the central bank stressing it would act "carefully" in its future decisions and raising its inflation forecast.

ASIA

Asia-Pacific markets were mixed Friday as investors assessed India's interest rate decision and Japan's household spending data. The Reserve Bank of India has cut its key interest rate for the first time in nearly five years, as cooling inflation has offered room to stimulate the slowing economy.

Index	Close	% Daily	% M	YTD	Futures	% Change
DJIA	44747.63	-0.28	5.22	5.18	44838.00	-0.38
S&P	6083.57	0.36	2.95	3.43	6101.75	0.23
Nasdaq	19791.99	0.51	1.55	2.49	21865.50	0.45
DJ EuroStoxx50	5356.63	1.62	6.88	9.41	5359.00	1.61
FTSE 100	8727.28	1.21	5.85	6.78	8685.00	1.04
CAC 40	8007.62	1.47	6.92	8.49	8008.00	1.30
DAX	21902.42	1.47	7.68	10.01	21986.00	1.57
IBEX 35	12731.00	1.55	7.78	9.80	12759.80	1.71
FTSE MIB	37121.77	1.48	6.25	8.59	37249.00	1.46
Nikkei	38787.02	-0.72	-3.23	-2.78	38840.00	0.26
Hang Seng	20891.62	0.92	8.41	5.10	21118.00	2.31
DFM General	5244.83	-0.09	0.50	1.58	N/A	N/A
MSCI Tadawoul	12433.58	0.15	2.78	3.30	N/A	N/A

Leb. Mrkts	Closing Px	High	Low	% Daily	% Weekly	YTD
Solidere A	112.10	113.00	112.00	1.26	-2.18	-6.58
Solidere B	110.50	110.50	110.50	0.00	-3.16	-7.53

MUST READ

(Source: Bloomberg/ Forexlive)

Bessent says tariffs aimed at bringing manufacturing back to US

US President Donald Trump's tariff plans are largely aimed at bringing manufacturing back to the United States, Treasury Secretary Scott Bessent told Fox Business on Wednesday, singling out medical supplies and shipbuilding as targeted sectors. Bessent said Trump was pursuing different strategies with different tariffs, noting that recent tariff threats against Colombia, Mexico and Canada were aimed at ensuring action by those governments on non-trade issues such as immigration. Those actions were not aimed at raising revenue but effecting change in the targeted countries, he said. Overall, however, he said tariffs were focused on helping re-establish manufacturing in the United States in key sectors, which should boost corporate revenue and ultimately result in declining income from the tariffs themselves. "Tariffs are a means to an end, and I think that end is bringing the manufacturing base back to the U.S.," he said. "In theory, tariffs would be a shrinking ice cube. That you would tariff a country and then as the production comes back to the U.S. the income tax - the corporate revenues and the paid income tax - goes up and the tariff income would go down."

MAIN WEEKLY EARNINGS

Company	Ticker	Market Cap	Date	Time	Estimate	Year Ago
Cboe Global Mark	CBOE US	$ 21.67B	07-Feb-25	Pre-mkt	2.12	2.06
Mcdonald's Corp	MCD US	$ 210.94B	10-Feb-25	Pre-mkt	2.84	2.95
S&P Global Inc	SPGI US	$ 161.06B	11-Feb-25	Pre-mkt	3.43	3.13
Gilead Sciences	GILD US	$ 122.18B	11-Feb-25	Aft-mkt	1.70	1.72
Vertex Pharmace	VRTX US	$ 123.91B	11-Feb-25	Aft-mkt	4.03	4.20

ECONOMIC CALENDAR

(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
(12-02-25) US - CPI MoM / YoY / Ex Food and Energy MoM

CONTACT

Banque BEMO sal
Asset Management Unit

Ashrafieh, Elias Sarkis Ave., BEMO Bldg, 4th Floor
P.O.Box 16-6353 Beirut, Lebanon
Tel: +961 1 325405/6/7/9