Daily Market Brief

October 7th 2025

BANQUE BEMO

FOREIGN EXCHANGE MARKETS

(Sources: Bloomberg / Reuters)

EUR/USD

The EUR/USD pair loses ground around 1.1705 during the Asian trading hours on Tuesday. The Euro (EUR) softens against the US Dollar (USD) after France's new Prime Minister Sebastien Lecornu and his government resigned on Monday, hours after announcing his cabinet line-up. The German August Factory Orders and French Trade Balance data are due later on Tuesday.

GBP/USD

GBP/USD loses ground after two days of gains, trading around 1.3470 during the Asian hours on Tuesday. However, the pair may regain its ground as the Pound Sterling (GBP) could gain ground, driven by the market caution regarding the Bank of England’s (BoE) policy stance amid sticky inflationary pressures and cooling labor market conditions.

USD/JPY

The Japanese Yen (JPY) remains on the back foot against a mildly positive US Dollar (USD) and languishes near its lowest level since early August, touched during the Asian session on Tuesday. An unexpected result from Japan’s leadership contest sets the country on course for more expansionary fiscal policies, which could further complicate the Bank of Japan's (BoJ) task. In fact, traders have started pricing out the possibility of an interest rate hike by the BoJ later this month, which turns out to be a key factor behind the JPY's relative underperformance.

Fx rates	Last	High	Low	% Daily	% Weekly	% YTD
EUR-USD	1.1691	1.1716	1.1690	-0.17	-0.37	12.91
GBP-USD	1.3462	1.3487	1.3462	-0.17	0.12	7.56
USD-JPY	150.49	150.62	150.24	0.09	-1.72	4.46
USD-CHF	0.7961	0.7961	0.7948	0.14	0.04	13.98

Commodities	Last	High	Low	% Daily	% Weekly	% YTD
Gold	3964.50	3977.44	3956.02	0.09	2.73	51.06
Silver	48.55	48.65	48.26	0.08	4.09	67.99
Crude Oil	61.76	61.94	61.65	0.11	-0.98	-9.84
Bitcoin	124482.33	125314.59	124184.16	-0.62	3.12	32.83
Etherium	4710.67	4720.59	4666.73	0.43	4.82	40.76

Period	1M	3M	6M	12M
SOFR ($)	4.10	3.94	3.79	3.58
ESTR (€)	1.89	1.93	1.91	1.89
SONIA (£)	3.97	3.97	3.93	3.85
SARON (₣)	-0.04	-0.05	-0.06	-0.08
TONAR (¥)	0.47	0.47	0.47	0.40

	Rates
U.S. Federal Fund Target Rate	4.25
ECB Main Refinancing Operation Announcement Rate	2.15
ECB Deposit Facility Announcement Rate	2.00
ECB Marginal Lending Facility Announcement Rate	2.40
BOE Official Bank Rate	4.00

INTERNATIONAL EQUITY MARKETS

(Sources: Bloomberg / Reuters)

UNITED STATES OF AMERICA

The S&P 500 and Nasdaq Composite closed at record highs on Monday, driven by optimism over increased mergers and acquisitions. A major boost came from AMD shares surging nearly 24% after the company struck a deal with Sam Altman’s AI leader, which could result in ChatGPT gaining a 10% stake in AMD.

EUROPE

European stocks were mixed on Monday as markets reacted to the shock resignation of France’s Prime Minister Sebastien Lecornu. French banks were among those leading the losses, with Societe Generale, BNP Paribas and Credit Agricole all down more than 3% when markets closed.

ASIA

Japan’s Nikkei 225 hit a record high Tuesday for the second straight session, lifted by a tech rally on Wall Street after a massive deal between OpenAI and AMD — seen as one of the most direct challenges yet to chipmaker giant Nvidia.

Index	Close	% Daily	% M	YTD	Futures	% Change
DJIA	46694.97	-0.14	2.85	9.76	46890.00	-0.17
S&P	6740.28	0.36	3.99	14.60	6785.50	0.30
Nasdaq	22941.67	0.71	5.72	18.80	25183.75	0.74
DJ EuroStoxx50	5628.72	-0.41	5.84	14.97	5643.00	-0.46
FTSE 100	9479.14	-0.13	2.94	15.98	9519.50	-0.14
CAC 40	7971.78	-1.36	3.87	8.01	7973.50	-1.39
DAX	24378.29	0.00	3.31	22.45	24550.00	0.11
IBEX 35	15556.70	-0.18	4.75	34.17	15586.00	-0.20
FTSE MIB	43146.13	-0.26	3.70	26.21	42901.00	-0.28
Nikkei	47944.76	0.40	11.89	20.65	48150.00	4.92
Hang Seng	26957.77	-0.67	5.16	34.39	27165.00	-0.06
DFM General	5908.05	-0.16	-1.36	14.53		
MSCI Tadawoul	11605.20	0.66	9.55	-3.58		

Leb. Mrkts	Closing Px	High	Low	% Daily	% Weekly	YTD
Solidere A	76.75	77.30	76.00	-2.23	-9.60	-36.04
Solidere B	78.50	78.50	78.50	0.00	-5.65	-34.31
EuroBonds	20.875 / 21.500					

MUST READ

(Source: Bloomberg/ Forexlive)

Lagarde Sees 2026 Recovery, Calls for Stronger Euro and EU Reforms

European Central Bank (ECB) President Christine Lagarde stated that inflation in the euro area is nearing the ECB’s 2% target and forecasted economic improvement starting in 2026. While she acknowledged that sluggish exports—due to high tariffs, a strong euro, and global competition—will hinder growth through 2025, she expects these headwinds to ease next year. Lagarde emphasized that underlying inflation pressures are stabilizing and wage growth is set to moderate, indicating a positive economic trajectory. Despite lingering uncertainties, most ECB policymakers, including Lagarde, signaled caution on further interest rate cuts beyond the current 2% deposit rate. She maintained the ECB’s stance of data-driven decision-making and said the disinflationary phase is largely over. Lagarde also stressed the euro's potential to become a global anchor of trust amid geopolitical shifts and U.S. protectionism. To strengthen the euro’s global role, she called for bold EU reforms and endorsed proposals for joint EU debt issuance, particularly for public goods like defense. However, this remains contentious among member states. Lagarde concluded that Europe must move from discussion to action in strengthening its economic and monetary foundations to ensure resilience and global influence.

MAIN WEEKLY EARNINGS

Company	Ticker	Market Cap	Date	Time	Estimate	Year Ago
MCCORMICK & C(	MKC	$ 18.33 B	7-Oct-25	Bef-Mkt	0.82	0.83
DELTA AIR LINES I	DAL	$ 38.04 B	9-Oct-25	Bef-Mkt	1.55	1.50
PEPSICO INC	PEP	$ 191.26 B	9-Oct-25	Bef-Mkt	2.27	2.31
LEVI STRAUSS & C	LEVI	$ 9.61 B	9-Oct-25	Aft-Mkt	0.31	0.33
FASTENAL CO	FAST	$ 54.83 B	13-Oct-25	Bef-Mkt	0.30	0.26

ECONOMIC CALENDAR

(07-10-25) US - Trade Balance
(09-10-25) US - Initial Jobless Claims
(09-10-25) US - Wholesale Inventories MoM
(10-10-25) CA - Net Change in Employment / Unemployment Rate
(10-10-25) US - University of Michigan Sentiment
(10-10-25) US - Federal Budget Balance
(14-10-25) UK - ILO Unemployment Rate

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