Daily Market Brief

January 8th 2025

BANQUE BEMO

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

EUR/USD
The EUR/USD pair is trading near 1.0350, but its potential upside may be limited by expectations of slower interest rate cuts from the Federal Reserve in 2025, with the FOMC Minutes under close scrutiny. Positive US economic data and hawkish Fed comments could support the US Dollar, while anticipated aggressive rate cuts by the European Central Bank may put pressure on the Euro, despite stronger-than-expected inflation data.

GBP/USD
GBP/USD saw a brief rise on Tuesday before reversing and dropping to below 1.2500, as the Pound Sterling struggles to gain traction following a three-month losing streak in 2024. Despite strong UK retail sales data, the pair faces pressure from US economic reports, including PMI results and expectations for continued Fed rate hikes, with traders focusing on ADP jobs data and the upcoming FOMC meeting minutes for further clues.

USD/JPY
The Japanese Yen (JPY) struggles near a multi-month low against the US Dollar, pressured by expectations of widening US-Japan rate differentials and hawkish Fed policies. However, potential Japanese government intervention and concerns over geopolitical risks help limit JPY losses, keeping the USD/JPY pair relatively capped as traders await the FOMC meeting minutes.

Fx rates	Last	High	Low	% Daily	% Weekly	% YTD
EUR-USD	1.0356	1.0358	1.0339	0.15	0.00	0.02
GBP-USD	1.2493	1.2493	1.2473	0.13	-0.19	-0.18
USD-JPY	158.04	158.27	157.91	-0.01	-0.51	-0.53
USD-CHF	0.9093	0.9098	0.9088	-0.04	-0.32	-0.21
Commodities	**Last**	**High**	**Low**	**% Daily**	**% Weekly**	**% YTD**
Gold	2652.24	2652.72	2645.37	0.14	1.06	1.06
Silver	30.13	30.15	29.99	0.28	4.26	4.26
Crude Oil	74.68	74.92	74.51	0.58	4.13	4.13
Bitcoin	95787.78	97251.40	95588.42	-0.72	-2.50	2.21
Etherium	3329.43	3414.84	3314.76	-0.99	-7.86	-0.51

Period	1M	3M	6M	12M
SOFR ($)	4.30	4.29	4.25	4.19
ESTR (€)	2.22	2.67	2.44	2.22
SONIA (£)	4.71	4.60	4.54	4.45
SARON (F)	0.45	0.39	0.28	0.16
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
Stocks fell Tuesday as strong economic data raised questions about the possibility of Federal Reserve rate cuts later this year, leading to a spike in Treasury yields. Declines across major tech stocks also dragged the market lower. Data released Tuesday by the Institute for Supply Management reflected faster-than-expected growth in the U.S. services sector in December, adding to concerns about stickier inflation.

EUROPE
European markets closed higher on Tuesday as investors in the region digested the latest inflation data that showed consumer prices in the euro zone rose to 2.4% in December, up from 2.2% in November.

ASIA
Asia-Pacific markets traded mixed Wednesday, following Wall Street declines after Treasury yields rose and major U.S. tech stocks declined. Shares of South Korean tech giant Samsung Electronics rose 3.61% in choppy trading, shrugging off a worse-than-expected profit forecast for the fourth quarter.

Index	Close	% Daily	% M	YTD	Futures	% Change
DJIA	42528.36	-0.42	-4.74	-0.04	42867.00	-0.27
S&P	5909.03	-1.11	-2.98	0.47	5966.25	-0.91
Nasdaq	19489.68	-1.89	-1.86	0.93	21407.00	-1.56
DJ EuroStoxx50	5011.82	0.50	0.68	2.37	5021.00	0.28
FTSE 100	8245.28	-0.05	-0.76	0.88	8242.50	-0.12
CAC 40	7489.35	0.59	0.84	1.47	7496.50	0.58
DAX	20340.57	0.62	-0.22	2.17	20436.00	0.42
IBEX 35	11811.90	0.03	-2.15	1.87	11780.40	0.04
FTSE MIB	34938.90	0.45	0.55	2.20	35033.00	0.44
Nikkei	40083.30	-0.26	2.28	0.22	39970.00	1.60
Hang Seng	19447.58	-1.00	-3.09	-4.02	19273.00	-2.32
DFM General	5213.93	0.24	7.66	1.31	N/A	N/A
MSCI Tadawoul	12113.29	0.07	1.32	0.64	N/A	N/A

Leb. Mrkts	Closing Px	High	Low	% Daily	% Weekly	YTD
Solidere A	115.20	118.00	115.00	-2.37	5.79	-4.00
Solidere B	118.00	118.00	118.00	0.00	7.37	-1.26

MUST READ *(Source: Bloomberg/ Forexlive)*

Trump announces $20 billion foreign investment to build new U.S. data centers

President-elect Donald Trump announced that Emirati billionaire Hussain Sajwani, founder of DAMAC Properties, plans to invest at least $20 billion in building new data centers across the United States. This investment, which could potentially exceed $20 billion, will initially focus on locations in Texas, Arizona, Oklahoma, Louisiana, Ohio, Illinois, Michigan, and Indiana. Sajwani, a close associate of Trump, attributed his decision to Trump's election victory, expressing excitement over increasing his family's investment in the U.S. Sajwani's commitment is part of a broader trend, with other foreign business leaders also promising significant investments. For example, Softbank CEO Masayoshi Son pledged to invest $100 billion in the U.S. and create 100,000 jobs during Trump's presidency. Trump has actively encouraged foreign investments, offering incentives such as expedited permits for entities committing over $1 billion. This move aligns with Trump's broader strategy to attract foreign businesses to the U.S. economy during his term.

MAIN WEEKLY EARNINGS

Company	Ticker	Market Cap	Date	Time	Estimate	Year Ago
Jefferies Financial	JEF US	$ 16.35B	08-Jan-25	Aft-mkt	0.97	0.30
Walgreens Boots	WBA US	$ 8.35B	10-Jan-25	Pre-mkt	0.38	0.66
Delta Airlines	DAL US	$ 39.48B	10-Jan-25	Pre-mkt	1.76	1.28
Constellation Brai	STZ US	$ 39.67B	10-Jan-25	Pre-mkt	3.31	3.19
Neogen Corporati	NEOG US	$ 2.81B	10-Jan-25	Pre-mkt	0.10	0.11

ECONOMIC CALENDAR

(08-01-25) DE - Factory Orders MoM
(08-01-25) US - ADP Employment Change
(08-01-25) US - Wholesale Inventories MoM
(08-01-25) US - FOMC Minutes Meeting
(09-01-25) DE - Industrial Production SA MoM
(10-01-25) US - Change in Nonfarm Payrolls
(10-01-25) CA - Unemployment Rate

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