Daily Market Brief

May 8th 2025

BANQUE BEMO

FOREIGN EXCHANGE MARKETS

(Sources: Bloomberg / Reuters)

EUR/USD

EUR/USD stuck to its middling ways on Wednesday, remaining entrenched near the 1.1300 handle after the Federal Reserve's latest rate call went about as well as traders expected, albeit with a fresh batch of "wait-and-see" warnings from Fed Chair Jerome Powell.

GBP/USD

The GBP/USD drops to near 1.3300 Thursday morning. The US Dollar regains some traction as the Federal Reserve adopts a more cautious tone on monetary policy. Awaiting speculations that the Trump administration may soon announce a trade agreement with the United Kingdom (UK).

USD/JPY

The Japanese Yen (JPY) ticks higher against its American counterpart during the Asian session on Thursday and reverses a part of the previous day's retracement slide from the weekly high.

Fx rates	Last	High	Low	% Daily	% Weekly	% YTD
EUR-USD	1.1302	1.1336	1.1299	0.01	0.11	9.16
GBP-USD	1.3306	1.3356	1.3286	0.11	0.21	6.31
USD-JPY	144.00	144.07	143.45	0.12	0.97	9.17
USD-CHF	0.8252	0.8256	0.8224	0.18	0.55	9.96
Commodities	**Last**	**High**	**Low**	**% Daily**	**% Weekly**	**% YTD**
Gold	3371.31	3414.78	3364.03	0.20	4.08	28.46
Silver	32.78	32.94	32.40	1.01	1.14	13.43
Crude Oil	58.48	58.66	57.74	0.71	-1.28	-16.66
Bitcoin	98912.31	99412.98	96691.73	2.19	2.65	5.55
Etherium	1896.07	1916.21	1796.70	5.43	3.09	-43.34

Period	1M	3M	6M	12M
SOFR ($)	4.34	4.31	4.18	3.92
ESTR (€)	1.70	2.00	1.86	1.70
SONIA (£)	4.22	4.15	4.01	3.81
SARON (₣)	0.15	-0.02	-0.11	-0.22
TONAR (¥)	0.47	0.47	0.36	0.26

	Rates
U.S. Federal Fund Target Rate	4.50
ECB Main Refinancing Operation Announcement Rate	2.4
ECB Deposit Facility Announcement Rate	2.25
ECB Marginal Lending Facility Announcement Rate	2.65
BOE Official Bank Rate	4.50

INTERNATIONAL EQUITY MARKETS

(Sources: Bloomberg / Reuters)

UNITED STATES OF AMERICA

Markets rose in choppy trading after the Federal Reserve signaled that the risks for an economic slowdown and higher prices are increasing. As expected, the Federal Open Market Committee held its benchmark overnight borrowing rate in a range between 4.25% to 4.5%, where it has been since December.

EUROPE

European stocks are set to open in positive territory Thursday as investors await more earnings reports and interest rate decisions from central banks in the region. Monetary policy announcements are due Today from Bank of England who's widely expected to cut interest rates.

ASIA

Asia-Pacific markets traded mixed after the U.S. Federal Reserve expectedly kept rates unchanged. Federal Reserve Chair Jerome Powell warned in his press conference that if the significant tariff hikes already announced remain at current levels, they could lead to a slowdown in economic growth and an uptick in long-term inflation.

Index	Close	% Daily	% M	YTD	Futures	% Change
DJIA	41113.97	0.70	9.21	-3.36	41443.00	0.58
S&P	5631.28	0.43	13.02	-4.26	5693.25	1.28
Nasdaq	17738.16	0.27	16.18	-8.14	20160.50	1.53
DJ EuroStoxx50	5230.19	-0.63	9.56	6.83	5244.00	0.40
FTSE 100	8559.33	-0.44	8.20	4.73	8610.00	0.23
CAC 40	7626.84	-0.91	7.41	3.33	7598.50	-0.86
DAX	23115.96	-0.58	13.98	16.11	23390.00	0.25
IBEX 35	13480.40	-0.37	11.73	16.26	13487.50	-0.21
FTSE MIB	38319.89	-0.62	13.85	12.09	37763.00	-0.64
Nikkei	36779.66	0.42	11.88	-7.42	37060.00	0.68
Hang Seng	22691.88	0.98	13.84	14.22	22740.00	1.40
DFM General	5337.52	-0.29	9.14	3.47	N/A	N/A
MSCI Tadawoul	11398.74	-0.31	0.85	-5.30	N/A	N/A

Leb. Mrkts	Closing Px	High	Low	% Daily	% Weekly	YTD
Solidere A	85.00	90.00	83.10	3.41	-4.28	-29.17
Solidere B	87.10	87.10	87.00	0.11	1.16	-27.11

MUST READ

(Source: Bloomberg/ Forexlive)

Fed Holds Rates Steady Amid Tariff Uncertainty and Inflation Concerns

At its May meeting, the Federal Reserve decided to maintain interest rates in the 4.25% to 4.5% range amid rising concerns about inflation and unemployment. Fed Chair Jerome Powell emphasized that the central bank is not considering preemptive rate cuts, citing persistent inflation and significant uncertainty, particularly around President Trump's unexpectedly aggressive tariff policies. While the economy shows resilience in areas like job growth, weaker indicators such as GDP growth add complexity to the Fed's outlook. Powell acknowledged that the scale and unpredictability of tariffs could slow economic growth and delay the Fed's progress on its dual mandate of stable prices and maximum employment. Despite political pressure, Powell affirmed the Fed's independence, saying decisions are based solely on economic data. He stressed that it is too early to predict whether inflation or employment should take priority, and the current policy is "moderately restrictive," allowing the Fed to remain patient. Ongoing trade negotiations, especially with China, are seen as crucial to shaping the economic outlook. While Powell noted the federal debt's unsustainable path, he refrained from offering fiscal advice. Overall, the Fed is taking a cautious, data-driven approach, closely monitoring the economic impact of tariffs before making any further policy moves.

MAIN WEEKLY EARNINGS

Company	Ticker	Market Cap	Date	Time	Estimate	Year Ago
WARNER BROS DI	WBD	$ 21.18 B	08-May-25	Pre-mkt	-0.17	-4.07
SHOPIFY INC - CLA	SHOP	$ 123.06 B	08-May-25	Pre-mkt	0.26	0.20
COINBASE GLOBA	COIN	$ 50.05 B	08-May-25	Aft-mkt	2.07	4.40
MICROCHIP TECH	MCHP	$ 25.86 B	08-May-25	Aft-mkt	0.10	0.57
PINTEREST INC- C	PINS	$ 18.49 B	08-May-25	Aft-mkt	0.26	0.20

ECONOMIC CALENDAR

(08-05-25) UK - Bank of Englang Bank Rate
(08-05-25) US - Initial Jobless Claims
(08-05-25) US - Wholesale Inventories MoM
(09-05-25) JN - Labor Cash Earnings YoY
(09-05-25) CA - Net Change in Employment / Unemployment Rate
(09-05-25) JN - BoP Current Account Adjusted
(12-05-25) DE - CPI YoY/MoM

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