Daily Market Brief

January 9th 2025

BANQUE BEMO

FOREIGN EXCHANGE MARKETS

(Sources: Bloomberg / Reuters)

EUR/USD

The EUR/USD pair continues to decline, trading around 1.0310 due to weak German Factory Orders and expectations of aggressive European Central Bank rate cuts. The Euro faces additional pressure from disappointing economic data and the US Federal Reserve's hawkish stance, while upcoming Eurozone retail sales and Fedspeak will be closely watched.

GBP/USD

GBP/USD dropped nearly 1% on Wednesday, falling below 1.2350 as traders remain cautious due to a lack of meaningful UK economic data and broader market focus on the US Dollar. The pair's movement is influenced by a slower-than-expected ADP employment report, the Fed's concerns over potential trade policy impacts, and a reduced outlook for rate cuts in 2025.

USD/JPY

The Japanese Yen (JPY) recedes from earlier gains as USD/JPY rebounds, supported by strong wage growth and inflation data that raise expectations for Bank of Japan (BoJ) tightening, though timing remains uncertain. The widening US-Japan rate differential, potential market intervention by Japanese authorities, and a cautious market mood provide mixed influences on the pair, while a pullback in US Treasury yields keeps the US Dollar on the defensive.

Fx rates	Last	High	Low	% Daily	% Weekly	% YTD
EUR-USD	1.0303	1.0321	1.0297	-0.15	0.37	-0.49
GBP-USD	1.2311	1.2367	1.2303	-0.42	-0.56	-1.64
USD-JPY	158.15	158.40	157.76	-0.13	-0.41	-0.60
USD-CHF	0.9117	0.9117	0.9098	0.07	0.07	-0.47

Commodities	Last	High	Low	% Daily	% Weekly	% YTD
Gold	2665.27	2665.73	2655.63	0.12	0.28	1.55
Silver	30.17	30.19	30.03	0.22	2.04	4.39
Crude Oil	73.43	73.47	72.84	0.15	0.41	2.38
Bitcoin	94067.06	95348.57	93468.92	-0.41	-4.36	0.38
Etherium	3316.28	3356.63	3298.01	0.54	-9.35	-0.90

Period	1M	3M	6M	12M
SOFR ($)	4.30	4.29	4.26	4.21
ESTR (€)	2.22	2.66	2.45	2.22
SONIA (£)	4.70	4.60	4.53	4.44
SARON (F)	0.44	0.38	0.26	0.14
TONAR (¥)	0.22	0.22	0.21	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 posted a modest gain on Wednesday as traders assessed the potential for future Federal Reserve rate cuts amid persistent inflationary pressures. Minutes released from the Fed's December meeting reflected that nearly all committee participants found that upside risks to the inflation outlook had increased, adding to investors' concerns that there may be fewer rate cuts than expected this year. Investors are now awaiting Friday's December payrolls.

EUROPE

European markets closed lower on Wednesday, with the Stoxx 600 index falling 0.27% after a decline in regional economic sentiment, as indicated by the European Commission's preliminary data. This downturn was driven by drops in economic and consumer confidence, along with an unexpected fall in German industrial orders.

ASIA

Asia-Pacific markets tumbled Thursday in a choppy session as investors fretted the Federal Reserve could delay policy easing due to inflation worries, while China's entrenched consumer disinflation further dented sentiment.

Index	Close	% Daily	% M	YTD	Futures	% Change
DJIA	42635.20	0.25	-3.64	0.21	42833.00	0.07
S&P	5918.25	0.16	-1.93	0.62	5948.75	-0.09
Nasdaq	19478.88	-0.06	-1.06	0.87	21316.00	-0.20
DJ EuroStoxx50	4996.39	-0.31	0.22	2.05	5005.00	-0.60
FTSE 100	8251.03	0.07	-1.21	0.95	8269.00	0.23
CAC 40	7452.42	-0.49	-0.37	0.97	7458.50	-0.51
DAX	20329.94	-0.05	-0.08	2.11	20454.00	-0.14
IBEX 35	11798.10	-0.12	-1.78	1.75	11753.80	-0.23
FTSE MIB	35108.74	0.49	1.59	2.70	35201.00	0.48
Nikkei	39981.06	-0.94	1.14	-0.73	39530.00	-1.18
Hang Seng	19279.84	0.06	-5.50	-3.84	19305.00	-0.95
DFM General	5209.33	0.27	7.74	1.26	N/A	N/A
MSCI Tadawoul	12088.74	-0.20	-0.07	0.43	N/A	N/A

Leb. Mrkts	Closing Px	High	Low	% Daily	% Weekly	YTD
Solidere A	108.50	116.90	105.00	-5.82	-2.95	-9.58
Solidere B	108.10	118.00	105.00	-8.39	-5.92	-9.54

MUST READ

(Source: Bloomberg/ Forexlive)

Biden to Further Limit Nvidia AI Chip Exports in Final Push

The Biden administration plans to implement additional export restrictions on artificial intelligence (AI) chips, particularly targeting countries like China and Russia, in a final effort to limit the access of adversaries to advanced technology. This round of regulations seeks to control the sale of AI chips used in data centers, with the goal of keeping AI development within friendly nations and ensuring global alignment with American standards. The new rules would establish three tiers of restrictions: close allies would maintain largely unrestricted access to chips, adversarial nations would be blocked, and the majority of the world would face limited access based on total computing power. Countries wishing to bypass these limits could earn higher caps by meeting US security and human rights standards, designated as a "validated end user." The plan could be announced as early as Friday. This move follows years of curbs on chip exports to China and Russia and aims to prevent adversaries from using intermediaries in other regions. Nvidia, a leading AI chipmaker, opposed the proposal, arguing that it could harm economic growth and US leadership, as AI is integral to global business and accelerating computing. Shares of Nvidia fell after the news broke, though the company had seen significant gains in recent years.

MAIN WEEKLY EARNINGS

Company	Ticker	Market Cap	Date	Time	Estimate	Year Ago
Neogen Corporati	NEOG US	$ 2.83B	10-Jan-25	Pre-mkt	0.10	0.11
Walgreens Boots	WBA US	$7.96B	10-Jan-25	Pre-mkt	0.38	0.66
Delta Airlines	DAL US	$ 39.63B	10-Jan-25	Pre-mkt	1.76	1.28
Constellation Brai	STZ US	$ 39.81B	10-Jan-25	Pre-mkt	3.31	3.19
WD-40 CO	WDFC US	$ 3.23B	10-Jan-25	Aft-mkt	1.29	1.28

ECONOMIC CALENDAR

(09-01-25) DE - Industrial Production SA MoM
(10-01-25) US - Change in Nonfarm Payrolls
(10-01-25) CA - Unemployment Rate
(10-01-25) US - Unemployment Rate
(10-01-25) US - University of Michigan Sentiment
(13-01-25) US - NY Fed 1-Year Inflation Expectations
(14-01-25) US - PPI Final Demand MoM

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