Daily Market Brief

January 10th 2025

BANQUE BEMO

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

EUR/USD

The EUR/USD pair is under slight selling pressure as the US Dollar strengthens due to the Federal Reserve's cautious stance on interest rate cuts, with traders awaiting the US Nonfarm Payrolls report. Hawkish remarks from Fed officials and weaker Eurozone economic data, including retail sales and inflation figures, suggest the USD may continue to outperform the EUR in the near term.

GBP/USD

GBP/USD remains weak, hovering around 1.2300, as concerns about the UK's fiscal and inflation outlook continue to pressure the British Pound. Despite rising UK bond yields, investor fears of inflation and fiscal instability persist, while the US Dollar benefits from hawkish Federal Reserve comments and uncertainties surrounding the incoming Trump administration.

USD/JPY

The Japanese Yen weakens further, approaching a multi-month low against the US Dollar, as weak household spending data and widening US-Japan bond yield differentials dampen confidence in the Yen. The hawkish shift by the Federal Reserve and a strong USD contribute to the Yen's decline, with traders waiting for the US Nonfarm Payrolls report later Friday before making further moves.

Fx rates	Last	High	Low	% Daily	% Weekly	% YTD
EUR-USD	1.0283	1.0304	1.0281	-0.17	-0.24	-0.69
GBP-USD	1.2271	1.2312	1.2270	-0.30	-1.22	-1.96
USD-JPY	158.37	158.43	157.94	0.15	-0.70	-0.74
USD-CHF	0.9129	0.9131	0.9115	0.09	-0.48	-0.60

Commodities	Last	High	Low	% Daily	% Weekly	% YTD
Gold	2677.99	2678.33	2666.96	0.40	1.43	2.04
Silver	30.28	30.32	30.08	0.49	2.22	4.77
Crude Oil	74.34	74.39	74.02	0.57	0.51	3.65
Bitcoin	94197.29	94244.68	91650.51	2.27	-4.35	0.52
Etherium	3274.84	3281.00	3189.60	2.08	-10.18	-2.14

Period	1M	3M	6M	12M
SOFR ($)	4.30	4.29	4.25	4.19
ESTR (€)	2.24	2.65	2.44	2.24
SONIA (£)	4.69	4.59	4.53	4.44
SARON (F)	0.44	0.37	0.26	0.14
TONAR (¥)	0.22	0.22	0.21	0.13

	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

U.S. stock futures fell on Friday morning as investors anxiously await the release of new economic data on Friday. The moves come as Wall Street is gearing up for December's nonfarm payrolls reading, which is scheduled to come out at 8:30 a.m. ET on Friday. The New York Stock Exchange was closed on Thursday to take part in a national day of mourning for late former President Jimmy Carter.

EUROPE

European stocks closed higher on Thursday as global markets focused on the inflation outlook. The majority of major bourses and sectors also closed in the green, with mining stocks leading gains, up 1.47%, while retail fell 0.84%.

ASIA

Asia-Pacific markets mostly fell Friday, with investors assessing November pay and household spending out from Japan. The People's Bank of China announced it it would suspend treasury bond purchases temporarily, Reuters reported. This was due to the bonds being in short supply, with the PBOC adding it would resume bond buying depending on supply and demand in the government bond market.

Index	Close	% Daily	% M	YTD	Futures	% Change
DJIA	42635.20	0.25	-3.64	0.21	42805.00	-0.17
S&P	5918.25	0.16	-1.93	0.62	5937.75	-0.35
Nasdaq	19478.88	-0.06	-1.06	0.87	21244.75	-0.53
DJ EuroStoxx50	5017.91	0.43	1.34	2.49	5026.00	0.30
FTSE 100	8319.69	0.83	0.47	1.79	8318.00	0.81
CAC 40	7490.28	0.51	1.29	1.48	7495.50	0.50
DAX	20317.10	-0.06	-0.06	2.05	20427.00	-0.13
IBEX 35	11899.30	0.86	-0.55	2.62	11867.70	0.97
FTSE MIB	35315.51	0.59	2.29	3.30	35406.00	0.58
Nikkei	39605.09	-1.05	-0.45	-1.77	39250.00	-1.78
Hang Seng	19240.89	-0.90	-6.12	-4.94	19088.00	-1.13
DFM General	5229.34	0.09	9.18	1.47	N/A	N/A
MSCI Tadawoul	12097.75	0.07	-0.01	0.51	N/A	N/A

Leb. Mrkts	Closing Px	High	Low	% Daily	% Weekly	YTD
Solidere A	119.00	120.00	105.20	9.68	-0.83	-0.83
Solidere B	109.60	118.00	108.00	1.39	-8.28	-8.28

MUST READ *(Source: Bloomberg/ Forexlive)*

Oil in Longest Run of Weekly Gains Since July as Market Tightens

Oil prices are on track for a third consecutive weekly gain, the best streak since July, driven by signs of market tightness, including declining U.S. crude stockpiles. Brent crude surpassed $77 per barrel, up about 1% this week, while West Texas Intermediate was near $74. Inventories at the Cushing, Oklahoma hub have fallen to their lowest level since 2014. While concerns about weakening demand from China persist, with consumer inflation nearing zero, oil prices have been buoyed by colder weather, which has increased demand for heating fuels, reduced Russian shipments, and the drawdown in U.S. inventories. Additionally, the potential impact of President-elect Donald Trump's return to office is raising fears over Iranian oil supplies and the possibility of a trade war disrupting energy flows. Analysts note that market conditions are tightening, with the Brent prompt spread widening to 70 cents a barrel, signaling a bullish trend. However, oil prices appear hesitant to rise significantly beyond $75 due to uncertainties about future supply dynamics. Trump's anticipated policies, including increased drilling on federal lands and potential tariffs on Canadian imports, are contributing to market jitters. Despite these concerns, oil prices have found support amid the supply disruptions and weather-driven demand.

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 Bra	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

(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
(15-01-25) UK - CPI MoM / YoY

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