Daily Market Brief

May 12th 2025

BANQUE BEMO

FOREIGN EXCHANGE MARKETS (Sources: Bloomberg / Reuters)

EUR/USD

The EUR/USD pair kicks off the new week on a weaker note amid a modest US Dollar (USD) uptick, bolstered by the optimism over a US-China trade deal. Spot prices, however, manage to hold above the 1.1200 mark and a one-month low touched last Thursday as traders await the US-China joint statement for more details about the agreement.

GBP/USD

The GBP/USD pair starts the week weaker, giving up part of Friday's modest gains and trading around 1.3275, down 0.20%, as the US Dollar strengthens. The USD is bolstered by a newly announced US-China trade deal and the Federal Reserve's recent hawkish pause, both of which ease recession fears and support further dollar gains.

USD/JPY

The Japanese Yen (JPY) remains on the back foot against its American counterpart through the Asian session on Monday as the latest optimism over the US-China trade deal continues to undermine safe-haven assets.

Fx rates	Last	High	Low	% Daily	% Weekly	% YTD
EUR-USD	1.1228	1.1244	1.1186	-0.20	-0.77	8.44
GBP-USD	1.3286	1.3306	1.3253	-0.15	-0.08	6.15
USD-JPY	145.91	146.28	145.70	0.37	-1.51	7.74
USD-CHF	0.8341	0.8353	0.8294	0.34	-1.43	8.79

Commodities	Last	High	Low	% Daily	% Weekly	% YTD
Gold	3277.85	3301.25	3259.03	-1.42	-1.69	24.89
Silver	32.90	32.91	32.49	0.55	1.29	13.85
Crude Oil	61.45	61.52	61.02	0.70	7.56	-12.43
Bitcoin	103972.61	105029.89	103588.95	-0.31	7.42	10.95
Etherium	2514.95	2548.70	2484.50	0.18	39.84	-24.85

Period	1M	3M	6M	12M
SOFR ($)	4.33	4.31	4.21	3.96
ESTR (€)	1.74	2.00	1.87	1.74
SONIA (£)	4.22	4.19	4.08	3.90
SARON (₣)	0.17	0.00	-0.08	-0.16
TONAR (¥)	0.47	0.47	0.37	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	4.25

INTERNATIONAL EQUITY MARKETS (Sources: Bloomberg / Reuters)

UNITED STATES OF AMERICA

U.S. stock futures jumped early Monday after the Trump administration announced a "trade deal" with China following negotiations over the weekend in Switzerland. Treasury Secretary Scott Bessent described the two days of trade talks with Chinese officials in Geneva as "productive," with details to be shared in a Monday morning briefing.

EUROPE

European markets are expected to start the new trading week on a positive note following the White House's announcement that it had reached a "trade deal" with China, despite few details being known about the agreement.

ASIA

Asia-Pacific markets rose Monday after the White House announced a "trade deal" with China without providing specifics. Indian stocks led gains in the region after a fragile ceasefire with Pakistan held over the weekend. The arch rivals were involved in intense firing — the worst in nearly three decades — with both sides exchanging fire with missiles and drones.

Index	Close	% Daily	% M	YTD	Futures	% Change
DJIA	41249.38	-0.29	2.58	-3.04	41766.00	1.10
S&P	5659.91	-0.07	5.53	-3.77	5759.50	1.35
Nasdaq	17928.92	0.00	7.20	-7.16	20528.75	1.91
DJ EuroStoxx50	5309.74	0.39	10.91	8.45	5336.00	1.35
FTSE 100	8554.80	0.27	7.42	4.67	8579.00	0.48
CAC 40	7743.75	0.64	8.99	4.92	7716.50	0.63
DAX	23499.32	0.63	15.34	18.03	23787.00	1.29
IBEX 35	13554.10	0.48	10.32	16.90	13549.50	0.49
FTSE MIB	39369.99	1.02	15.70	15.16	38808.00	1.02
Nikkei	37503.33	0.24	11.93	-5.77	37640.00	1.29
Hang Seng	22867.74	0.93	10.35	15.05	23054.00	1.07
DFM General	5312.55	-0.03	6.98	2.98	N/A	N/A
MSCI Tadawoul	11346.59	-0.15	-1.36	-5.73	N/A	N/A

Leb. Mrkts	Closing Px	High	Low	% Daily	% Weekly	YTD
Solidere A	83.55	86.25	83.15	-3.58	-2.11	-30.38
Solidere B	84.00	89.60	82.00	-3.56	-3.45	-29.71

MUST READ (Source: Bloomberg/ Forexlive)

Hedge funds re-enter Chinese equities on trade talk optimism, Morgan Stanley says

U.S.-based hedge funds increased bullish positions in Chinese stocks last week amid optimism over progress in U.S.-China trade talks, according to Morgan Stanley. The MSCI China Index and China's CSI 300 rose by 2.4% and 1.9%, respectively, reflecting investor confidence ahead of key trade negotiations in Geneva. Hedge funds re-entered Chinese markets by purchasing both U.S.-listed Chinese shares and domestic A-shares, contrasting with reduced positions in other Asian markets such as Thailand, Hong Kong, India, and Australia. Positive remarks from both U.S. and Chinese officials following the Geneva talks further lifted market sentiment, although investors await concrete details of any preliminary deal. Before the talks, President Trump indicated a willingness to ease tensions, proposing an 80% tariff on Chinese goods—down from the earlier 145%, marking his first specific reduction target. Chinese equities had previously plunged in response to the high tariffs but have rebounded, with major indices like CSI 300 and the Hang Seng Index nearing pre-tariff levels from early April. Despite the recent optimism, hedge fund exposure to China remains well below historical peaks. For many investors, China is still a tactical play. M&G Investments has recently increased its China exposure, citing attractive risk-reward ratios and undervalued equity prices.

MAIN WEEKLY EARNINGS

Company	Ticker	Market Cap	Date	Time	Estimate	Year Ago
NRG ENERGY INC	NRG	$ 24.30 B	12-May-25	Bef-mkt	1.51	2.31
HERTZ GLOBAL HI	HTZ	$ 2.07 B	12-May-25	Aft-mkt	-0.99	-1.28
MONDAY.COM LT	MNDY	$ 14.13 B	12-May-25	Bef-mkt	0.70	0.61
UNDER ARMOUR	UAA	$ 2.45 B	13-May-25	Bef-mkt	-0.08	0.11
JD.COM INC-ADR	JD	$ 49.21 B	13-May-25	Bef-mkt	6.73	5.65

ECONOMIC CALENDAR

(12-05-25) DE - CPI YoY/MoM
(13-05-25) UK - Unemployment Rate 3 mth
(13-05-25) US - CPI YoY/MoM
(14-05-25) JN - PPI YoY/MoM
(14-05-25) AU - Wage Price Index YoY/QoQ
(14-05-25) AU - Unemployment Rate
(15-05-25) UK - GDP YoY/QoQ

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