Daily Market Brief

January 14th 2025

BANQUE BEMO

FOREIGN EXCHANGE MARKETS (Sources: Bloomberg / Reuters)

EUR/USD

EUR/USD declined to a 26-month low on Monday, driven by weak European economic data and expectations of further ECB interest rate cuts. Meanwhile, U.S. economic data this week, including PPI, CPI, and retail sales, are anticipated to show slight increases, supporting the dollar's strength.

GBP/USD

GBP/USD ended its five-day losing streak, rebounding from a 15-month low, as investor confidence rose due to reports about Trump's economic team considering a phased approach to import tariffs. However, concerns over stagflation in the UK and rising bond yields limit the Pound's upside, while the US Dollar remains strong on solid labor data and hawkish Federal Reserve expectations.

USD/JPY

The Japanese Yen (JPY) weakened on Tuesday, snapping a three-day winning streak, due to uncertainty over the Bank of Japan's rate hike timeline and a risk-on mood fueled by reports of gradual tariff increases under President-elect Trump. The USD/JPY pair faces resistance near 158.00 as a hawkish Federal Reserve and easing concerns about US trade tariffs prevent significant movement.

Fx rates	Last	High	Low	% Daily	% Weekly	% YTD
EUR-USD	1.0247	1.0278	1.0239	0.02	-0.90	-1.03
GBP-USD	1.2207	1.2250	1.2192	0.04	-2.16	-2.47
USD-JPY	157.62	158.02	157.12	0.09	0.27	-0.27
USD-CHF	0.9159	0.9175	0.9152	-0.12	-0.68	-0.93

Commodities	Last	High	Low	% Daily	% Weekly	% YTD
Gold	2668.77	2675.33	2662.65	0.21	0.76	1.69
Silver	29.67	29.76	29.56	0.20	-1.26	2.67
Crude Oil	78.36	78.87	78.26	-0.58	5.54	9.26
Bitcoin	94868.43	95444.51	94152.39	0.74	3.00	1.23
Etherium	3181.30	3185.96	3112.76	2.15	-0.83	-4.94

Period	1M	3M	6M	12M
SOFR ($)	4.31	4.30	4.28	4.24
ESTR (€)	2.28	2.65	2.46	2.28
SONIA (£)	4.69	4.59	4.53	4.48
SARON (F)	0.44	0.38	0.28	0.17
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

The Dow Jones Industrial Average climbed Monday, outperforming the market, while the Nasdaq Composite slipped as traders continued to sell off major tech stocks that have powered the bull market. The 10-year Treasury yield on Monday touched the highest level since November 2023, ending the day at 4.79%.

EUROPE

All major European stock markets fell on Monday amid rising government bond yields and a surging U.S. dollar. Investors in the region will continue to keep an eye on euro zone and U.K. government bond yields after yields climbed to fresh multi-month highs last week.

ASIA

Asia-Pacific markets mostly rose Tuesday after a mixed session on Wall Street that saw the Dow soar and the Nasdaq slip as investors rotated out of tech stocks. Investors will continue monitoring India's rupee after it weakened to a record low against the U.S. dollar.

Index	Close	% Daily	% M	YTD	Futures	% Change
DJIA	42297.12	0.86	-3.49	-0.58	42593.00	1.03
S&P	5836.22	0.16	-3.55	-0.77	5892.75	0.45
Nasdaq	19088.10	-0.38	-4.21	-1.15	21045.75	0.15
DJ EuroStoxx50	4954.21	-0.46	-0.28	1.19	5007.00	0.24
FTSE 100	8224.19	-0.29	-0.92	0.63	8232.00	-0.28
CAC 40	7408.64	-0.30	-0.01	0.38	7412.00	-0.30
DAX	20132.85	-0.41	-1.34	1.12	20375.00	0.12
IBEX 35	11688.20	-0.28	-0.54	0.80	11682.40	-0.36
FTSE MIB	34799.27	-0.83	-0.26	1.79	34874.00	-0.85
Nikkei	39190.40	-1.83	-2.52	-3.56	38420.00	-2.11
Hang Seng	18874.14	1.88	-3.72	-4.15	19261.00	0.74
DFM General	5232.50	0.14	8.50	1.58	N/A	N/A
MSCI Tadawoul	12109.94	-0.14	0.09	0.61	N/A	N/A

Leb. Mrkts	Closing Px	High	Low	% Daily	% Weekly	YTD
Solidere A	126.00	126.00	126.00	0.00	6.78	5.00
Solidere B	129.50	129.50	129.50	3.60	9.75	8.37

MUST READ (Source: Bloomberg/ Forexlive)

Oil Holds Near Five-Month High as Global Supply Risks Intensify

Oil prices have remained near five-month highs, driven by fears of supply disruptions caused by US sanctions on Russia and potential trade tariffs under the incoming Trump administration. Brent crude held steady around $81 per barrel, while WTI was close to $79, following a surge of over 5% in the previous sessions. The US imposed its toughest sanctions on Russia's oil industry, targeting exporters, insurance firms, and over 150 tankers, with 10 European nations also calling for stricter measures. In Canada, Premier Danielle Smith warned that the US may impose tariffs on oil imports from Alberta once Trump takes office, potentially affecting over half of US crude imports. Despite uncertainty over the full impact of US sanctions on Russia, crude prices have been buoyed by these risks, along with falling US stockpiles and increased demand due to colder weather. The sanctions may cause disruptions, particularly in global tanker availability, as seen with higher tanker rates and China's increased oil purchases from the UAE and Oman. Brent's prompt spread has surged, indicating tightening market conditions. Analysts suggest oil prices could rise further, with WTI potentially reaching $85, though rising non-OPEC+ production and slower Chinese demand may limit further gains.

MAIN WEEKLY EARNINGS

Company	Ticker	Market Cap	Date	Time	Estimate	Year Ago
Bank of New York	BK US	$ 55.34B	15-Jan-25	Pre-mkt	1.58	1.28
Blackrock Inc	BLK US	$ 147.91B	15-Jan-25	Pre-mkt	11.53	9.66
JPMorgan Chase	JPM US	$ 687.53B	15-Jan-25	Pre-mkt	4.10	3.97
Citigroup	C US	$ 137.63B	15-Jan-25	Pre-mkt	1.22	0.84
Goldman Sachs	GS US	$ 176.72B	15-Jan-25	Pre-mkt	8.20	5.48

ECONOMIC CALENDAR

(14-01-25) US - PPI Final Demand MoM
(15-01-25) UK - CPI MoM / YoY
(15-01-25) FR - CPI EU Harmonized MoM / YoY
(15-01-25) US - Empire Manufacturing
(15-01-25) US - CPI MoM / YoY / Core CPI
(16-01-25) JP - PPI YoY / MoM
(16-01-25) DE - CPI MoM / YoY

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