Daily Market Brief

August 18th 2025

BANQUE BEMO

FOREIGN EXCHANGE MARKETS

(Sources: Bloomberg / Reuters)

EUR/USD

EUR/USD moves little after two days of losses as the US Dollar (USD) experiences a technical recovery, trading around 1.1700 during the Asian hours on Thursday. Traders await Eurozone Gross Domestic Product (GDP) data for the second quarter due later in the day. Focus will shift toward the US Producer Price Index (PPI) data and weekly Initial Jobless Claims later in the North American session.

GBP/USD

The GBP/USD pair trades on a flat note around 1.3575 during the Asian trading hours on Thursday. Traders prefer to wait on the sidelines ahead of the key data from both the United Kingdom (UK) and the United States (US). The preliminary reading of UK Gross Domestic Product (GDP) for the second quarter (Q2) will be published later on Thursday, followed by US Producer Price Index (PPI) data for July.

USD/JPY

The Japanese Yen (JPY) prolongs its uptrend against a broadly weaker US Dollar (USD) for the third straight day and jumps to over a three-week high during the Asian session on Thursday. The Bank of Japan (BoJ) revised its inflation forecast in July and left the door open for an imminent interest rate hike by the end of this year, which continues to underpin the JPY.

Fx rates	Last	High	Low	% Daily	% Weekly	% YTD
EUR-USD	1.1704	1.1715	1.1699	-0.01	0.33	13.04
GBP-USD	1.3576	1.3592	1.3571	0.00	0.98	8.47
USD-JPY	146.47	147.42	146.34	-0.62	0.46	7.33
USD-CHF	0.8054	0.8058	0.8041	0.00	0.15	12.66
Commodities	**Last**	**High**	**Low**	**% Daily**	**% Weekly**	**% YTD**
Gold	3361.38	3374.78	3355.67	0.16	-1.03	28.08
Silver	38.59	38.74	38.50	0.21	0.83	33.51
Crude Oil	62.92	63.00	62.70	0.43	-1.50	-9.01
Bitcoin	122997.16	124514.59	122371.69	0.04	5.31	31.25
Etherium	4745.84	4787.40	4708.07	0.56	10.61	41.82

Period	1M	3M	6M	12M
SOFR ($)	4.37	4.23	4.07	3.84
ESTR (€)	1.82	1.91	1.88	1.82
SONIA (£)	3.97	3.97	3.92	3.81
SARON (₣)	-0.06	-0.09	-0.13	-0.19
TONAR (¥)	0.47	0.47	0.47	0.36

	Rates
U.S. Federal Fund Target Rate	4.50
ECB Main Refinancing Operation Announcement Rate	2.15
ECB Deposit Facility Announcement Rate	2.00
ECB Marginal Lending Facility Announcement Rate	2.40
BOE Official Bank Rate	4.00

INTERNATIONAL EQUITY MARKETS

(Sources: Bloomberg / Reuters)

UNITED STATES OF AMERICA

Stocks rose Wednesday, adding to their recent momentum as expectations for lower U.S. Federal Reserve rates continue driving the major indexes to all-time highs. The strong second-quarter earnings season has also been a key market catalyst so far, set to ramp back up next week with a slew of major retail names on the docket.

EUROPE

European markets had ended the day higher on Wednesday, with the pan-European Stoxx 600 index rising 0.55% after the S&P 500 and Nasdaq Composite rallied to new records Tuesday. Investors are gearing up for GDP readings from the U.K. and the E.U. due today, as well as more inflation data in the U.S. to assess the state of the economies.

ASIA

Asia-Pacific markets traded mixed Thursday as investors bet on a rate cut by the U.S. Federal Reserve next month. Investors are also watching Australian markets after the country's unemployment rate eased to 4.2% on a seasonally-adjusted basis in July, in line with estimates of economists.

Index	Close	% Daily	% M	YTD	Futures	% Change
DJIA	44922.27	1.04	1.04	5.59	44981.00	-0.02
S&P	6466.58	0.32	3.16	9.95	6478.25	0.23
Nasdaq	21713.14	0.14	5.20	12.44	23901.50	-0.05
DJ EuroStoxx50	5388.25	0.98	0.32	10.05	5396.00	0.92
FTSE 100	9165.23	0.19	1.86	12.14	9169.00	0.23
CAC 40	7804.97	0.66	-0.04	5.75	7806.50	0.65
DAX	24185.59	0.67	0.10	21.48	24194.00	0.50
IBEX 35	15019.90	1.08	7.01	29.54	15024.80	0.95
FTSE MIB	42186.37	0.60	4.98	23.40	42284.00	0.60
Nikkei	43274.67	-1.44	8.09	6.91	42710.00	0.16
Hang Seng	25613.67	-0.04	5.79	27.64	25514.00	2.81
DFM General	6091.45	-0.44	4.01	18.08		
MSCI Tadawoul	10763.45	-0.06	-4.01	-10.58		

Leb. Mrkts	Closing Px	High	Low	% Daily	% Weekly	YTD
Solidere A	83.25	83.25	83.25	0.00	-0.95	-30.63
Solidere B	83.00	83.00	83.00	0.00	0.61	-30.54
EuroBonds	19.35 / 20.10					

MUST READ

(Source: Bloomberg/ Forexlive)

Some Fed Officials Urge Patience Amid Market's Rate-Cute Euphoria

Federal Reserve Presidents Austan Goolsbee (Chicago) and Raphael Bostic (Atlanta) expressed caution about cutting interest rates, citing uncertainty around the inflationary impact of tariffs. Goolsbee compared tariffs to "throwing dirt in the air," warning they could lead to stagflation—simultaneously rising inflation and falling employment—making it difficult for the Fed to fulfill its dual mandate. He noted concern over recent data showing core inflation, which excludes food and energy, rose 0.3% in July—the highest in six months—and 3.1% year-over-year, driven by higher goods and services prices. While services aren't directly affected by tariffs, sustained increases across various sectors would be troubling. Bostic emphasized that, despite slower job growth, the 4.2% unemployment rate remains historically low, suggesting inflation risks still outweigh those related to employment. July's labor data showed just 73,000 new jobs and major downward revisions to previous months, lowering the three-month average to 35,000. Bostic said this shift could alter the Fed's risk balance and reduce its ability to remain patient. Although markets are expecting a rate cut in September, both officials indicated that upcoming data will be critical to the Fed's decision. Goolsbee stressed that transitional periods like this are the hardest for central banks to navigate effectively.

MAIN WEEKLY EARNINGS

Company	Ticker	Market Cap	Date	Time	Estimate	Year Ago
JD.COM INC-ADR	JD US	$ 47.25 B	14-Aug-25	Bef-Mkt	0.55	1.29
DEERE & CO	DE US	$ 139.08 B	14-Aug-25	Bef-Mkt	4.70	6.29
APPLIED MATERIA	AMAT US	$ 152.50 B	14-Aug-25	Aft-Mkt	2.36	2.12
NU HOLDINGS LTI	NU US	$ 59.61 B	14-Aug-25	Aft-Mkt	0.13	0.10
PALO ALTO NETW	PANW US	$ 117.93 B	18-Aug-25	Aft-Mkt	0.89	0.76

ECONOMIC CALENDAR

(14-08-25) UK - GDP YoY/QoQ
(14-08-25) UK - Industrial/Manufacturing Production YoY/MoM
(14-08-25) EC - GDP SA YoY/QoQ
(14-08-25) US - PPI Final Demand YoY/MoM
(14-08-25) US - Initial Jobless Claims
(15-08-25) JN - GDP SA / GDP Annualized SA QoQ
(15-08-25) US - Retail Sales Advance MoM

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