Daily Market Brief

January 15th 2025

BANQUE BEMO

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

EUR/USD

EUR/USD remains steady around 1.0300, supported by improved market sentiment following reports of US tariff plans, despite a soft US Producer Price Index (PPI) report. The Euro faces downward pressure as the European Central Bank signals potential further easing, while the US Dollar may regain strength with hawkish expectations for the Federal Reserve's policy outlook.

GBP/USD

The GBP/USD pair is facing some downward pressure amid concerns over stagflation and the UK's fiscal situation, while the release of key CPI data from both the UK and the US could influence future interest rate decisions by the Bank of England and the Federal Reserve. Despite a weaker USD following soft US producer prices, the Fed's hawkish stance continues to support the Greenback, limiting any potential recovery in the GBP/USD pair.

USD/JPY

The Japanese Yen strengthens due to hawkish remarks from Bank of Japan officials and growing inflationary pressures, with expectations of a potential rate hike in the near future. However, the widening US-Japan yield differential and a risk-on sentiment may limit further gains for the JPY and support the USD/JPY pair ahead of upcoming US inflation data.

Fx rates	Last	High	Low	% Daily	% Weekly	% YTD
EUR-USD	1.0296	1.0308	1.0292	-0.12	-0.21	-0.56
GBP-USD	1.2200	1.2218	1.2193	-0.12	-1.32	-2.52
USD-JPY	157.32	158.08	157.20	-0.41	0.65	-0.08
USD-CHF	0.9120	0.9132	0.9118	-0.04	-0.10	-0.50

Commodities	Last	High	Low	% Daily	% Weekly	% YTD
Gold	2682.53	2683.32	2669.45	0.19	0.77	2.21
Silver	29.98	30.00	29.74	0.24	-0.43	3.72
Crude Oil	78.08	78.24	77.38	0.75	6.49	8.87
Bitcoin	96973.51	97675.29	96421.68	0.56	2.49	3.48
Etherium	3223.30	3250.65	3205.01	0.27	-1.29	-3.68

Period	1M	3M	6M	12M
SOFR ($)	4.31	4.31	4.30	4.28
ESTR (€)	2.30	2.65	2.47	2.30
SONIA (£)	4.67	4.59	4.54	4.50
SARON (F)	0.44	0.36	0.26	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 rose on Tuesday as traders weighed a lighter-than-expected producer price index report. Investors are now looking to Wednesday's consumer price index report to gauge whether the Federal Reserve is succeeding at bringing inflation close to its 2% target, which would allow the central bank to ease interest rate policy

EUROPE

European markets gave up earlier gains to close lower Tuesday, as global investors assessed a cooler-than-expected U.S. producer price index. U.K. assets remained under pressure ahead of the country's own CPI release on Wednesday. Gilt yields broadly hovered just above the flatline following their recent spike, while the U.S. dollar and euro both strengthened against sterling.

ASIA

Asia-Pacific markets were mixed Wednesday, following a softer-than-expected inflation data from the U.S. that sent two key Wall Street benchmarks higher overnight.

Index	Close	% Daily	% M	YTD	Futures	% Change
DJIA	42518.28	0.52	-2.99	-0.06	42767.00	0.58
S&P	5842.91	0.11	-3.44	-0.66	5885.25	0.19
Nasdaq	19044.39	-0.23	-4.43	-1.38	20951.75	0.02
DJ EuroStoxx50	4980.47	0.53	0.25	1.73	5003.00	0.66
FTSE 100	8201.54	-0.28	-1.19	0.35	8218.50	-0.13
CAC 40	7423.67	0.20	0.19	0.58	7426.50	0.20
DAX	20271.33	0.69	-0.66	1.82	20405.00	0.68
IBEX 35	11752.10	0.55	0.00	1.35	11753.00	0.60
FTSE MIB	35124.59	0.93	0.68	2.74	35203.00	0.94
Nikkei	38474.30	-0.08	-2.60	-3.63	38480.00	-1.99
Hang Seng	19219.78	0.10	-3.67	-4.09	19272.00	1.93
DFM General	5245.55	-0.03	8.58	1.65	N/A	N/A
MSCI Tadawoul	12172.75	0.52	0.94	1.13	N/A	N/A

Leb. Mrkts	Closing Px	High	Low	% Daily	% Weekly	YTD
Solidere A	126.00	#N/A N/A	#N/A N/A	0.00	9.38	5.00
Solidere B	129.50	#N/A N/A	#N/A N/A	0.00	9.75	8.37

MUST READ *(Source: Bloomberg/ Forexlive)*

Milei Lowers Peso Crawling Peg to 1% After Inflation Stabilizes

Argentina's central bank announced it will reduce the pace of the peso's controlled depreciation to 1% per month starting in February, following recent inflation data. This shift, marking President Javier Milei's first change to the currency policy in over a year, reflects a slowdown in consumer price increases, which have remained near their lowest levels since 2020. Inflation was 2.7% in December, with annual inflation dropping to 117.8% from a peak of nearly 300% last year. Milei had pledged to adjust the currency peg if inflation remained steady through 2024. The policy change is seen as a complementary tool in managing inflation expectations. Milei remains popular due to his success in reducing inflation and stabilizing the exchange rate, but any currency policy change risks stoking inflation and affecting his party's standing. While the market supports many of his economic reforms, some economists argue that the current pegging strategy overvalues the peso, which could lead to crises seen under past governments. Milei plans to move towards a "flexible exchange rate" once currency controls are lifted, with potential considerations for a "dirty float" system, though the parameters remain undefined.

MAIN WEEKLY EARNINGS

Company	Ticker	Market Cap	Date	Time	Estimate	Year Ago
Bank of New York	BK US	$ 55.21B	15-Jan-25	Pre-mkt	1.58	1.28
Blackrock Inc	BLK US	$ 149.17B	15-Jan-25	Pre-mkt	11.53	9.66
JPMorgan Chase	JPM US	$ 696.71B	15-Jan-25	Pre-mkt	4.10	3.97
Citigroup	C US	$ 139.01B	15-Jan-25	Pre-mkt	1.22	0.84
Goldman Sachs	GS US	$ 179.41B	15-Jan-25	Pre-mkt	8.20	5.48

ECONOMIC CALENDAR

(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
(16-01-25) UK - Industrial Production MoM / YoY

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