Daily Market Brief

May 16th 2025

BANQUE BEMO

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

EUR/USD

EUR/USD has recovered its daily losses, trading around 1.1200 during the Asian hours on Friday. The pair receives support as the US Dollar (USD) weakens following the recent economic data released on Thursday. The US Producer Price Index rose 2.4% year-over-year in April, falling of the market expectation of 2.5%. The Euro (EUR) may come under pressure as European Central Bank (ECB) officials continue to signal room for further interest rate cuts amid weakening inflationary trends.

GBP/USD

The GBP/USD pair edges higher to around 1.3310 during the Asian trading hours on Friday. The Greenback weakens against the Pound Sterling (GBP) as downside surprises in the US economic data this week raise bets of more Federal Reserve (Fed) rate cuts this year. Traders will keep an eye for more US economic data due later on Friday.

USD/JPY

The Japanese Yen (JPY) remains on the front foot against its American counterpart for the fourth straight day on Friday and hits a fresh weekly high during the Asian session. The JPY move higher is sponsored by the growing acceptance that the Bank of Japan (BoJ) will hike interest rates again in 2025, which helps offset Japan's weaker-than-expected Q1 GDP print.

Fx rates	Last	High	Low	% Daily	% Weekly	% YTD
EUR-USD	1.1212	1.1214	1.1182	0.22	-0.34	8.29
GBP-USD	1.3326	1.3328	1.3299	0.16	0.15	6.47
USD-JPY	145.21	145.72	144.97	-0.32	0.11	8.26
USD-CHF	0.8340	0.8365	0.8328	-0.23	-0.32	8.80

Commodities	Last	High	Low	% Daily	% Weekly	% YTD
Gold	3221.05	3252.19	3206.62	-0.59	-3.13	22.73
Silver	32.47	32.69	32.35	-0.53	-0.79	12.33
Crude Oil	61.88	62.34	61.52	0.42	1.41	-11.81
Bitcoin	104029.68	104464.93	102758.59	0.55	-0.26	11.01
Etherium	2578.71	2589.58	2512.75	1.62	2.72	-22.94

Period	1M	3M	6M	12M
SOFR ($)	4.33	4.33	4.26	4.06
ESTR (€)	1.80	1.99	1.90	1.80
SONIA (£)	4.22	4.20	4.11	3.96
SARON (₣)	0.18	-0.01	-0.08	-0.15
TONAR (¥)	0.47	0.47	0.37	0.27

	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

Markets closed higher yesterday, supported by easing U.S.-China trade tensions and falling Treasury yields. Investor confidence improved after talks appeared to reduce short-term economic risks. Economic data was mixed, with a drop in wholesale prices and soft industrial output offset by steady retail sales.

EUROPE

Shaking off a negative start, European stock markets pulled into the green on Thursday afternoon to close broadly higher, with the regional Stoxx 600 index up 0.56%. Defense sector lead the charge after Germany's new defense minister said he backed Donald Trump's call for NATO members to commit 5% of their GDP to security spending.

ASIA

Asia-Pacific markets were mixed Friday as investors parsed Japan’s latest gross domestic product figures and awaited a slate of other economic data from the region.

Index	Close	% Daily	% M	YTD	Futures	% Change
DJIA	42322.75	0.65	6.69	-0.52	42392.00	0.01
S&P	5916.93	0.41	12.15	0.60	5930.75	0.41
Nasdaq	19112.32	-0.18	17.20	-1.03	21386.00	0.04
DJ EuroStoxx50	5412.08	0.16	8.97	10.54	5408.00	0.30
FTSE 100	8633.75	0.57	4.33	5.64	8651.00	0.96
CAC 40	7853.47	0.21	7.14	6.40	7854.50	0.21
DAX	23695.59	0.72	11.19	19.02	23783.00	0.78
IBEX 35	13930.20	0.65	7.63	20.14	13909.70	0.60
FTSE MIB	40418.82	0.15	12.06	18.23	39843.00	0.14
Nikkei	37755.51	0.01	11.31	-5.35	37750.00	-0.94
Hang Seng	23453.16	-0.81	10.48	15.97	23287.00	-1.22
DFM General	5398.77	0.73	6.83	4.65	N/A	N/A
MSCI Tadawoul	11485.05	-0.41	-0.59	-4.58	N/A	N/A

Leb. Mrkts	Closing Px	High	Low	% Daily	% Weekly	YTD
Solidere A	82.80	89.70	81.00	-4.83	-4.44	-31.00
Solidere B	84.85	85.00	84.50	1.01	-2.58	-29.00

MUST READ *(Source: Bloomberg/ Forexlive)*

Walmart Warns of Price Hikes Despite Solid Q1 Results

Walmart is cautioning shoppers about upcoming price increases due to rising import costs, despite its long-standing commitment to low prices. CFO John David Rainey explained that some tariffs—such as a 30% duty—are too steep for retailers and suppliers to absorb, making price hikes on items like baby strollers, furniture, and toys inevitable. These increases will be noticeable later this month. In its first-quarter financial results, Walmart reported a 2.5% year-over-year rise in sales to $165.6 billion, slightly missing Wall Street’s $166.02 billion estimate. However, adjusted earnings per share came in at $0.61, beating expectations of $0.58. U.S. same-store sales grew 4.5%, driven by strong performance in health, wellness, and groceries. Despite these gains, transaction growth at U.S. stores slowed compared to last year. The retail giant reaffirmed its full-year earnings forecast of $2.50 to $2.61 per share, slightly below analysts’ top-end estimate. Although the company outperformed earnings expectations in Q1, the outlook appeared cautious, leading to a minor dip of about 0.5% in its stock during afternoon trading. Analysts like Citi’s Paul Lejuez noted that while expectations were high, the solid results and steady guidance could offer modest support to the stock.

MAIN WEEKLY EARNINGS

Company	Ticker	Market Cap	Date	Time	Estimate	Year Ago
TRIP.COM GROUF	TCOM	$ 42.82 B	19-May-25	Aft-mkt	0.79	0.83
BILIBILI INC-SPON	BILI	$ 7.42 B	20-May-25	Bef-mkt	0.08	-0.15
HOME DEPOT INC	HD	$ 376.33 B	20-May-25	Bef-mkt	3.59	3.63
PALO ALTO NETW	PANW	$ 127.72 B	20-May-25	Aft-mkt	0.77	0.66
TARGET CORP	TGT	$ 44.10 B	21-May-25	Bef-mkt	1.67	2.03

ECONOMIC CALENDAR

(16-05-25) JP - Industrial Production YoY/MoM
(16-05-25) US - Housing Starts
(16-05-25) US - Import Price Index MoM
(16-05-25) US - University of Michigan Sentiment
(19-05-25) EC - CPI YoY/MoM
(19-05-25) US - Leading Index
(20-05-25) CA - CPI YoY/MoM

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