Daily Market Brief

January 17th 2025

FOREIGN EXCHANGE MARKETS
(Sources: Bloomberg / Reuters)

EUR/USD
The EUR/USD pair weakens as expectations of further rate cuts by the European Central Bank (ECB) weigh on the Euro, with traders awaiting key Eurozone data and ECB comments for further direction. Meanwhile, the US Federal Reserve is expected to hold rates steady, and uncertainties surrounding the incoming Trump administration could provide support for the US Dollar, limiting the Euro's recovery.

GBP/USD
GBP/USD saw little movement on Thursday, remaining near the 1.2200 level after a modest dip, following a mixed set of economic data. UK GDP growth and industrial production missed expectations, while US retail sales also showed a slowdown, leaving investors cautious ahead of Friday's UK retail sales report.

USD/JPY
The Japanese Yen weakens slightly against the US Dollar, allowing USD/JPY to recover, but meaningful JPY depreciation remains limited due to rising expectations of a Bank of Japan interest rate hike. Meanwhile, the potential for Fed rate cuts and a narrowing US-Japan yield differential provide some support for the Yen, though the USD shows a modest uptick with traders awaiting US housing market data for further direction.

Fx rates	Last	High	Low	% Daily	% Weekly	% YTD
EUR-USD	1.0288	1.0309	1.0285	-0.13	0.43	-0.64
GBP-USD	1.2213	1.2244	1.2206	-0.21	0.05	-2.42
USD-JPY	155.67	155.73	154.98	0.33	1.32	0.98
USD-CHF	0.9121	0.9123	0.9101	0.13	0.47	-0.52
Commodities	**Last**	**High**	**Low**	**% Daily**	**% Weekly**	**% YTD**
Gold	2711.87	2717.39	2709.99	-0.09	0.82	3.33
Silver	30.66	30.88	30.60	-0.51	0.83	6.08
Crude Oil	79.19	79.42	78.65	0.65	3.42	10.42
Bitcoin	101360.64	102052.50	99388.89	1.22	7.47	8.16
Etherium	3365.65	3395.03	3268.82	1.40	3.08	0.57

Period	1M	3M	6M	12M
SOFR ($)	4.30	4.29	4.26	4.21
ESTR (€)	2.23	2.61	2.42	2.23
SONIA (£)	4.64	4.55	4.50	4.44
SARON (F)	0.43	0.34	0.24	0.13
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 S&P 500 slipped Thursday, ending a three-day winning streak, as big tech shares pulled back. Apple shares were down 4%, posting their worst day since Aug. 5. Tesla tumbled more than 3%. Nvidia slid nearly 2%, and Alphabet lost around 1%. The 10-year U.S. Treasury yield pulled back sharply from a 14-month high reached earlier in the week. It was last at around 4.615%.

EUROPE
European markets closed higher Thursday, with luxury stocks soaring on strong results from Cartier owner Richemont. Retail stocks fell 0.2%.

ASIA
Asia-Pacific markets traded mixed Friday as investors parse a slew of economic data out of China. China's economy expanded by 5% year on year in 2024, with an upswing in the final quarter of the year. The country's fourth-quarter GDP beat expectations with a 5.4% growth. China's retail sales in December jumped 3.7% from a year earlier, exceeding Reuters' forecast of 3.5%. Industrial output expanded 6.2% from a year earlier, versus expectations of 5.4%.

Index	Close	% Daily	% M	YTD	Futures	% Change
DJIA	43153.13	-0.16	-0.68	1.43	43424.00	-0.09
S&P	5937.34	-0.21	-1.87	0.95	5983.75	-0.08
Nasdaq	19338.29	-0.89	-3.83	0.14	21284.75	-0.54
DJ EuroStoxx50	5106.93	1.48	3.33	4.31	5117.00	1.09
FTSE 100	8391.90	1.09	2.40	2.68	8426.50	1.49
CAC 40	7634.74	2.14	3.65	3.44	7634.50	2.11
DAX	20655.39	0.39	2.02	3.75	20778.00	0.16
IBEX 35	11840.60	-0.49	2.18	2.12	11822.30	-0.84
FTSE MIB	35819.79	0.48	4.38	4.78	35896.00	0.47
Nikkei	38572.60	-0.31	-2.32	-3.62	38430.00	0.08
Hang Seng	19522.89	0.23	-0.67	-2.45	19600.00	1.47
DFM General	5235.83	-0.36	2.70	1.13	N/A	N/A
MSCI Tadawoul	12256.06	0.36	3.06	1.82	N/A	N/A

Leb. Mrkts	Closing Px	High	Low	% Daily	% Weekly	YTD
Solidere A	114.70	116.00	112.50	-1.12	-3.61	-4.42
Solidere B	120.00	120.00	120.00	0.00	9.49	0.42

MUST READ
(Source: Bloomberg/ Forexlive)

BOJ likely to keep hawkish policy pledge, raise rates next week, sources say

The Bank of Japan (BOJ) is expected to raise interest rates at its upcoming meeting on January 23-24, unless U.S. President-elect Donald Trump's inauguration causes market disruptions. The central bank is likely to increase its short-term policy rate from 0.25% to 0.5%, a level unseen since 2008. While the BOJ plans to maintain a commitment to raising borrowing costs as the economy recovers, it is not expected to provide explicit guidance on the pace or future rate hikes. The bank's current policy aims to gradually raise rates in line with economic and price developments, but it remains cautious due to low real interest rates. There is speculation that the BOJ could hike rates further to 0.75% later in 2025, although the central bank has not confirmed the timing or pace. The BOJ has also refrained from offering specific details on Japan's neutral interest rate, with estimates suggesting it is between -1% and 0.5%. Despite potential rate hikes, the BOJ has emphasized that short-term rates will remain well below neutral levels for the foreseeable future. Governor Kazuo Ueda has indicated the bank's readiness to continue raising rates if wage hikes support consumption and price increases.

MAIN WEEKLY EARNINGS

Company	Ticker	Market Cap	Date	Time	Estimate	Year Ago
Schlumberger N.V	SLB US	$ 58.03B	17-Jan-25	Pre-mkt	0.90	0.86
State Street Corp	STT US	$ 29.46B	17-Jan-25	Pre-mkt	2.44	2.04
Citizens Financial	CFG US	$ 20.62B	17-Jan-25	Pre-mkt	0.85	0.83
Charles Schwab C	SCHW US	$ 138.23B	21-Jan-25	Pre-mkt	0.91	0.68
Netflix Inc	NFLX US	$ 360.08B	21-Jan-25	Aft-mkt	4.22	2.30

ECONOMIC CALENDAR

(17-01-25) EC - CPI YoY / MoM
(17-01-25) US - Industrial Production MoM
(20-01-25) JP - Industrial Production MoM/YoY
(21-01-25) UK - ILO Unemployment Rate 3Mths
(21-01-25) DE - Zew Survey Expectations
(21-01-25) CA - CPI NSA MoM / CPI YoY
(21-01-25) UK - Jobless Claims Change

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