Daily Market Brief

September 18th 2025

BANQUE BEMO

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

EUR/USD

The EUR/USD pair loses ground to around 1.1800 during the early european hours on Thursday after a USD plunge to a three-and-a-half-year low as traders assess the Federal Reserve's (Fed) rhetoric on further interest rate cuts. Traders await the speech from the European Central Bank (ECB) Christine Lagarde later on Thursday. The Fed reduced rates by 25 basis points (bps) at its September meeting on Wednesday, as widely expected, and signaled it will steadily lower borrowing costs for the rest of this year.

GBP/USD

The GBP/USD pair edges lower to around 1.3615 during the early European session on Thursday, pressured by a rebound in the US Dollar (USD). The Bank of England (BoE) interest rate decision will take center stage later on Thursday, with no change in rates expected. Fed Chair Jerome Powell indicated that Wednesday's move to lower interest rates was a risk management cut and added that he doesn't feel the need to move quickly on rates.

USD/JPY

The Japanese Yen (JPY) edges lower against a broadly recovering US Dollar (USD) during the Asian session on Thursday and looks to extend the previous day's post-FOMC sharp retracement slide from the highest level since July 7.

Fx rates	Last	High	Low	% Daily	% Weekly	% YTD
EUR-USD	1.1793	1.1829	1.1791	-0.17	0.50	13.90
GBP-USD	1.3604	1.3635	1.3602	-0.16	0.22	8.69
USD-JPY	147.23	147.25	146.77	0.16	-0.01	6.77
USD-CHF	0.7908	0.7911	0.7882	0.25	0.62	14.74

Commodities	Last	High	Low	% Daily	% Weekly	% YTD
Gold	3656.53	3672.06	3651.99	-0.09	0.62	39.32
Silver	41.50	41.89	41.31	-0.43	-0.15	43.58
Crude Oil	63.78	64.14	63.56	-0.42	2.26	-7.31
Bitcoin	117465.61	117926.22	115397.76	1.56	1.29	25.34
Etherium	4605.17	4646.14	4488.83	2.24	-1.17	37.61

Period	1M	3M	6M	12M
SOFR ($)	4.14	4.03	3.85	3.60
ESTR (€)	1.88	1.93	1.91	1.88
SONIA (£)	3.97	3.97	3.93	3.85
SARON (₣)	-0.05	-0.05	-0.06	-0.08
TONAR (¥)	0.47	0.47	0.47	0.38

	Rates
U.S. Federal Fund Target Rate	4.25
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

The Dow Jones Industrial Average closed higher and the S&P 500 was little changed after a volatile day of trading as the Federal Reserve lowered its benchmark rate as expected on Wednesday. Fed Chairman Jerome Powell tempered enthusiasm a bit by signaling the move was not the start of a long rate-lowering cycle.

EUROPE

Shares of footwear maker Puma rose 17% Wednesday on a take-private report as European stocks traded sideways ahead of the U.S. Federal Reserve's policy decision. The pan-European Stoxx 600 was flat, with technology, real estate, and healthcare sectors gaining while energy and mining stocks declined.

ASIA

Japan's benchmark Nikkei 225 rose 1.13% to a fresh record Thursday, led by gains in the real estate and technology sectors. Other Asia-Pacific markets traded mixed after the Federal Reserve lowered its benchmark rate as expected on Wednesday, with Fed Chairman Jerome Powell framing the move as a "risk management cut."

Index	Close	% Daily	% M	YTD	Futures	% Change
DJIA	46018.32	0.57	2.46	8.17	46140.00	0.35
S&P	6600.35	-0.10	2.34	12.22	6629.00	0.35
Nasdaq	22261.33	-0.33	2.92	15.28	24377.25	0.46
DJ EuroStoxx50	5369.70	-0.05	-1.19	9.68	5390.00	0.35
FTSE 100	9208.37	0.14	0.55	12.67	9226.50	0.26
CAC 40	7786.98	-0.40	-1.23	5.50	7789.50	-0.40
DAX	23359.18	0.13	-3.93	17.33	23469.00	0.63
IBEX 35	15127.20	-0.24	-0.82	30.46	15136.60	-0.11
FTSE MIB	41954.98	-1.29	-1.61	22.72	41961.00	-1.30
Nikkei	44790.38	1.55	4.05	14.01	45200.00	1.34
Hang Seng	26908.39	-0.24	6.63	33.82	26827.00	1.49
DFM General	5991.11	-0.14	-2.25	16.14		
MSCI Tadawoul	10650.39	1.25	-2.16	-11.52		

Leb. Mrkts	Closing Px	High	Low	% Daily	% Weekly	YTD
Solidere A	77.80	78.95	72.45	6.58	7.83	-35.17
Solidere B	80.25	80.80	80.00	14.15	8.45	-32.85
EuroBonds	23.75 / 24.75					

MUST READ *(Source: Bloomberg/ Forexlive)*

Powell Unites Fed for First Rate Cut Amid Economic and Political Turmoil

Federal Reserve Chair Jerome Powell successfully united a divided Fed committee to implement the first interest rate cut of the year—a 0.25% reduction to 4%-4.25%—amid slowing job growth and political pressure. The decision was nearly unanimous, with only Governor Stephen Miran dissenting, favoring a larger cut. Policymakers remain split on the future of interest rates, reflecting tensions between inflation concerns and a weakening labor market. Powell acknowledged growing difficulties, noting that both aspects of the Fed's dual mandate—price stability and employment—are now under strain. While Powell managed to gain consensus for this cut, new projections showed stark divisions within the Fed. Six officials foresee no further cuts in 2025, while others anticipate up to 125 basis points in reductions. Political distractions also loomed, including Miran's controversial appointment and legal challenges involving Governor Lisa Cook. Powell reiterated the Fed's commitment to data-driven, independent decision-making, despite increasing political scrutiny. Analysts suggest the Fed's stance has shifted toward a more dovish outlook, even as economic growth projections improve. Powell declined to comment on his future after his term ends in May, but emphasized that no single official dominates decisions, reinforcing the Fed's collective approach to policy amid rising external pressures.

MAIN WEEKLY EARNINGS

Company	Ticker	Market Cap	Date	Time	Estimate	Year Ago
FACTSET RESEARC	FDS	$ 12.70 B	18-Sep-25	Bef-Mkt	4.13	3.74
FEDEX CORP	FDX	$ 53.27 B	18-Sep-25	Aft-Mkt	3.65	3.60
LENNAR CORP-A	LEN	$ 34.24 B	18-Sep-25	Aft-Mkt	2.10	3.90
AUTOZONE INC	AZO	$ 70.81 B	23-Sep-25	Bef-Mkt	50.90	48.11
MICRON TECHNO	MU	$ 179.05 B	23-Sep-25	Aft-Mkt	2.78	1.18

ECONOMIC CALENDAR

(18-09-25) UK - Bank of England Bank Rate
(18-09-25) US - Initial Jobless Claims
(18-09-25) US - Leading Index
(19-09-25) JN - National CPI YoY
(19-09-25) UK - Retail Sales YoY/MoM
(19-09-25) JN - BOJ Target Rate
(22-09-25) EC - Consumer Confidence

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