Daily Market Brief

May 20th 2025

FOREIGN EXCHANGE MARKETS

(Sources: Bloomberg / Reuters)

EUR/USD

EUR/USD tested into the high end on Monday, drifting briefly toward the 1.1300 handle before settling back slightly, although the pair still ended the day higher overall. Moody's downgraded the U.S. credit rating last Friday, removing its final AAA rating due to rising national debt and persistent government deficits. Despite initial market jitters, investor confidence quickly recovered and the downgrade had minimal effect on perceptions of U.S. creditworthiness and the dollar.

GBP/USD

GBP/USD continues its upward momentum for the second consecutive session, hovering near 1.3360 during Asian trading hours on Tuesday. The Pound Sterling (GBP) is strengthening as the US Dollar (USD) softens in response to Moody's Ratings downgrading the US credit rating.

USD/JPY

The Japanese (JPY) attracts fresh buyers following an Asian session downtick on Tuesday, which, along with subdued US Dollar (USD) price action, drags the USD/JPY pair to a nearly two-week low, around the 144.60 area in the last hour. Investors seem convinced that the Bank of Japan (BoJ) will hike interest rates again in 2025, which, in turn, is seen as a key factor behind the JPY's relative outperformance.

Fx rates	Last	High	Low	% Daily	% Weekly	% YTD
EUR-USD	1.1253	1.1259	1.1218	0.12	0.61	8.68
GBP-USD	1.3372	1.3383	1.3345	0.08	0.50	6.84
USD-JPY	144.37	145.51	144.33	-0.34	2.15	8.89
USD-CHF	0.8334	0.8363	0.8328	-0.12	0.73	8.88

Commodities	Last	High	Low	% Daily	% Weekly	% YTD
Gold	3211.13	3232.72	3204.71	-0.57	-1.21	22.35
Silver	32.24	32.40	32.14	-0.37	-2.09	11.55
Crude Oil	62.72	62.86	62.66	0.05	-1.49	-10.62
Bitcoin	106203.59	106847.47	105044.89	0.68	2.65	13.33
Etherium	2559.25	2587.95	2493.37	1.52	0.85	-23.52

Period	1M	3M	6M	12M
SOFR ($)	4.32	4.32	4.26	4.07
ESTR (€)	1.77	1.98	1.88	1.77
SONIA (£)	4.22	4.20	4.12	3.97
SARON (₣)	0.16	-0.03	-0.11	-0.19
TONAR (¥)	0.47	0.47	0.38	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

The S&P 500 notched its sixth straight gain on Monday, rising 0.09%, as investors largely shrugged off Moody's U.S. credit downgrade. Treasury yields initially spiked on the downgrade, which cited federal budget deficits and high borrowing costs, but market sentiment remained resilient, with most major indexes posting modest gains.

EUROPE

European stock markets closed mostly flat, with the Stoxx 600 unchanged and mixed performances across major indexes—Germany's DAX hit a new high, while France's CAC 40 dipped slightly. Despite muted equity moves, fixed income and currency markets were active, as U.S. Treasury yields surged following Moody's downgrade and the British pound rallied on a UK-EU deal.

ASIA

Asia-Pacific markets climbed Tuesday as China cut its key lending rates by 10 basis points in a move to boost its economy, at a time when trade tensions threaten to derail growth.

Index	Close	% Daily	% M	YTD	Futures	% Change
DJIA	42792.07	0.32	9.32	0.58	42791.00	-0.22
S&P	5963.60	0.09	12.89	1.39	5958.50	-0.28
Nasdaq	19215.46	0.02	17.98	-0.49	21411.00	-0.44
DJ EuroStoxx50	5427.23	-0.01	9.97	10.85	5446.00	0.55
FTSE 100	8699.31	0.17	5.12	6.44	8727.50	0.36
CAC 40	7883.63	-0.04	8.20	6.81	7864.40	0.00
DAX	23934.98	0.70	12.87	20.22	24020.00	0.85
IBEX 35	14099.00	0.25	9.14	21.60	14027.10	0.00
FTSE MIB	40166.77	-1.20	11.64	17.49	40240.00	0.39
Nikkei	37498.63	0.16	8.14	-5.86	37560.00	-0.53
Hang Seng	23332.72	1.18	10.35	17.69	23556.00	1.26
DFM General	5491.25	0.66	7.74	6.45	N/A	N/A
MSCI Tadawoul	11405.28	-0.29	-1.90	-5.24	N/A	N/A

Leb. Mrkts	Closing Px	High	Low	% Daily	% Weekly	YTD
Solidere A	87.50	88.95	80.90	2.34	2.58	-27.08
Solidere B	82.95	83.00	82.00	-1.25	-1.25	-30.59

MUST READ

(Source: Bloomberg/ Forexlive)

Senate Advances Stablecoin Regulation as Crypto Industry Gains Financial Influence

The Senate has advanced legislation to regulate stablecoins—a type of cryptocurrency pegged to real-world assets like the U.S. dollar—marking a significant financial shift amid growing market influence. With a $250 billion market size and fast-paced growth, stablecoins have become central to commercial crypto use, offering profit stability compared to volatile cryptocurrencies. The bill proposes a unified federal regulatory framework, replacing the current patchwork of federal and state rules, which could bring increased legitimacy and investor confidence to the industry. Financial interests loom large in the debate. The cryptocurrency industry, which spent heavily during recent elections, has lobbied aggressively for regulatory clarity. Former President Donald Trump's deepening involvement in the crypto sector has further intensified scrutiny. His meme coin venture has already generated over $320 million in fees, and a Trump-linked company, World Liberty Financial, recently launched a USD-backed stablecoin, USD1. That coin gained significant traction when a UAE-based fund pledged $2 billion in USD1 to acquire a stake in Binance, the world's largest crypto exchange. Despite political controversy, including ethics concerns and Trump's financial entanglements, bipartisan consensus emerged over the need to protect consumers, boost national financial security, and accommodate the industry's rapid growth through federal oversight.

MAIN WEEKLY EARNINGS

Company	Ticker	Market Cap	Date	Time	Estimate	Year Ago
BILIBILI INC-SPON	BILI	$ 7.52 B	20-May-25	Bef-mkt	0.08	-0.15
HOME DEPOT INC	HD	$ 377.08 B	20-May-25	Bef-mkt	3.59	3.63
PALO ALTO NETW	PANW	$ 128.65 B	20-May-25	Aft-mkt	0.77	0.66
TARGET CORP	TGT	$ 44.52 B	21-May-25	Bef-mkt	1.67	2.03
SNOWFLAKE INC-	SNOW	$ 60.74 B	21-May-25	Aft-mkt		

ECONOMIC CALENDAR

(20-05-25) CA - CPI YoY/MoM
(20-05-25) EC - Consumer Confidence
(21-05-25) UK - CPI YoY/MoM
(21-05-25) US - MBA Mortgage Applications
(22-05-25) JP - Core Machine Orders
(22-05-25) EC - HCOB Eurozone Manufacturing/Services/Composite PMI
(22-05-25) UK - S&P Global UK Manufacturing/Services PMI

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