Daily Market Brief

May 20th 2026

FOREIGN EXCHANGE MARKETS

(Sources: Bloomberg / Reuters)

EUR/USD

The EUR/USD pair trades vulnerably near the two-month low of 1.1596, posted on Tuesday, during the Asian trading session on Wednesday. The major currency pair faces selling pressure as the US Dollar (USD) trades firmly due to the combined efforts of the risk-aversion market theme and rising United States (US) Treasury Yields. During the press time, S&P 500 futures extend their Tuesday losses to near 7,340, reflecting a risk-off market mood. The US Dollar Index (DXY), which tracks the Greenback's value against six major currencies, trades close to its six-week high at 99.43.

GBP/USD

GBP/USD extends its losses for the second successive day, trading around 1.3390 during the Asian hours on Wednesday. The pair depreciates as the US Dollar (USD) receives support from increased risk aversion stemming from the Middle East conflict. Bloomberg reported on Tuesday that US President Donald Trump recently threatened to resume attacks on Iran in two or three days as part of a push for a deal to end the war. This came after a brief pause in planned hostilities following a new proposal by Tehran to end the US-Israeli conflict. Meanwhile, an Iranian official stated that the US threat of a massive assault would be met resolutely, asserting that Iran is fully prepared to confront any military aggression.

USD/JPY

The USD/JPY pair trades on a flat note around 159.05 during the early Asian session on Wednesday. The potential upside for the pair might be limited amid intervention fears from Japanese authorities. Traders continue to digest the latest headlines on US talks with Iran to end the war. Japan's April National Consumer Price Index (CPI) inflation report will be in the spotlight later on Friday. US President Donald Trump on Tuesday threatened to resume attacks on Iran in "two or three days" as part of the push for a deal to end the war, per Bloomberg. On Monday, Trump said that he had paused a planned resumption of hostilities following a new proposal by Tehran to end the US-Israeli war.

Fx rates	Last	High	Low	% Daily	% Weekly	% YTD
EUR-USD	1.1595	1.1613	1.1594	-0.09	-0.99	-1.29
GBP-USD	1.3391	1.3406	1.3378	-0.03	-0.98	-0.62
USD-JPY	158.95	159.11	158.82	-0.08	-0.69	-1.41
USD-CHF	0.7899	0.7902	0.7885	0.11	-1.00	0.34
Commodities	**Last**	**High**	**Low**	**% Daily**	**% Weekly**	**% YTD**
Gold	4468.76	4508.92	4453.73	-0.31	-4.69	3.46
Silver	73.87	75.35	73.14	0.18	-15.63	3.08
Crude Oil	103.80	104.45	103.12	-0.34	7.22	81.98
Bitcoin	77079.74	77194.38	76457.02	0.15	-2.53	-12.06
Etherium	2122.26	2124.94	2101.07	0.25	-4.35	-28.73

Period	1M	3M	6M	12M
SOFR ($)	3.60	3.64	3.69	3.83
ESTR (€)	2.53	2.13	2.30	2.53
SONIA (£)	3.74	3.84	4.00	4.28
SARON (₣)	-0.05	-0.05	-0.02	0.10
TONAR (¥)	0.72	0.72	0.68	0.57

	Rates
U.S. Federal Fund Target Rate	3.75
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	3.75

INTERNATIONAL EQUITY MARKETS

(Sources: Bloomberg / Reuters)

UNITED STATES OF AMERICA

Stocks closed lower Tuesday, with the S&P 500 posting its third straight losing session, as a jump in bond yields threatened the bull market. Traders also monitored the oil market following President Donald Trump's cancellation of planned attacks on Iran. The S&P 500 closed down 0.67%, ending at 7,353.61, while the Nasdaq Composite finished 0.84% lower at 25,870.71. The Dow Jones Industrial Average shed 322.24 points, or 0.65%, to close at 49,363.88.

EUROPE

European stocks closed higher on Tuesday as investors assess the geopolitical landscape and developments in the Middle East. The pan-European Stoxx 600 finished the day up almost 0.2%, with most regional sectors in positive territory, as major bourses in London, Paris, Frankfurt and Milan all notched gains.

Asia

Asia-Pacific markets fell on Wednesday as investors weighed elevated bond yields and renewed geopolitical tensions, following U.S. President Donald Trump's statement on Tuesday that he was "an hour away" from deciding to attack Iran, before he was persuaded to postpone the strike for a few days. Yields on U.S. Treasurys advanced as investors continued to dump bonds on fears inflation is reigniting. The longer-dated 30-year Treasury bond yield was last trading almost 1 basis point lower at 5.174%. It briefly hit 5.197% during the session, marking its highest level since July 2007.

Index	Close	% Daily	% M	YTD	Futures	% Change
DJIA	49363.88	-0.65	-0.16	2.71	49387.00	-0.15
S&P	7353.61	-0.67	3.44	7.42	7371.00	-0.11
Nasdaq	25870.71	-0.84	6.01	11.31	28925.25	-0.05
DJ EuroStoxx50	5851.16	0.04	-2.20	1.03	5829.00	-0.65
FTSE 100	10330.55	0.07	-2.63	4.02	10283.00	-0.66
CAC 40	7981.76	-0.07	-4.19	-2.06	7960.50	-0.08
DAX	24400.65	0.38	-0.07	-0.37	24328.00	-0.67
IBEX 35	17670.10	-0.48	-3.24	2.09	17705.70	-0.15
FTSE MIB	48354.89	-0.65	0.31	7.59	48429.00	-0.64
Nikkei	60550.59	-1.61	1.28	18.35	59730.00	-1.70
Hang Seng	25797.85	-0.54	-2.67	0.11	25544.00	-0.41
DFM General	5661.90	0.93	-3.42	-6.37		
MSCI Tadawoul	10982.30	0.24	-3.38	4.69		

Leb. Mrkts	Closing Px	High	Low	% Daily	% Weekly	YTD
Solidere A	70.70	70.70	70.70	0.00	0.86	-15.83
Solidere B	70.00	70.00	70.00	0.00	0.00	-15.36
EuroBonds	24.00 / 25.00					

MUST READ

(Source: Bloomberg/ Forexlive)

Global Long Bond Yields Climb to Highest in Almost Two Decades

Global long-term government bond yields have risen to their highest levels since the 2008 financial crisis as investors react to persistent inflation fears, rising oil prices, and geopolitical tensions. The ongoing war involving Iran has disrupted the Strait of Hormuz, driving crude oil prices sharply higher and increasing concerns that energy costs will spread across the global economy, affecting everything from agriculture to manufacturing. Investors are also worried about heavy government spending in major economies such as the US, UK, and Japan, alongside strong economic growth fueled by artificial intelligence investment. As a result, markets are demanding higher returns for holding long-term debt. US 30-year Treasury yields have climbed to 5.20%, their highest since 2007, while UK long-term bond yields have reached levels not seen since 1998. Strategists warn that yields may continue rising unless geopolitical tensions ease significantly. Technical factors, including algorithm-driven selling and increased bond issuance, are adding to the pressure. The bond market decline has reversed gains investors expected from continued central bank rate cuts this year. Bloomberg's index of global long-term bond returns has fallen 4.6% in 2026, reflecting growing expectations that inflation will remain stubborn and policymakers may keep interest rates higher for longer.

MAIN WEEKLY EARNINGS

Company	Ticker	Market Cap	Date	Time	Estimate	Year Ago
NVIDIA CORP	NVDA	$ 5343.29 B	20-May-26	Aft-mkt	1.76	0.96
LOWE'S COS INC	LOW	$ 122.30 B	20-May-26	Bef-mkt	2.96	2.92
TARGET CORP	TGT	$ 57.79 B	20-May-26	Bef-mkt	1.43	1.30
WALMART INC	WMT	$ 1069.71 B	21-May-26	Bef-mkt	0.66	0.61
DEERE & CO	DE	$ 150.74 B	21-May-26	Bef-mkt	5.70	6.64

ECONOMIC CALENDAR

(20-05-26) UK - CPI MoM / YoY
(20-05-26) EC - CPI MoM / YoY
(20-05-26) US - MBA Mortgage Applications
(21-05-26) JN - Core Machine Orders MoM
(21-05-26) AU - Unemployment Change
(21-05-26) EC - S&P Global Eurozone Manufacturing PMI
(21-05-26) UK - S&P Global UK Manufacturing PMI

CONTACT

Banque BEMO sal
Asset Management Unit

Ashrafieh, Elias Sarkis Ave., BEMO Bldg, 4th Floor
P.O.Box 16-6353 Beirut, Lebanon
Tel: +961 1 325405/6/7/9