Daily Market Brief

January 21st 2025

BANQUE BEMO

FOREIGN EXCHANGE MARKETS
(Sources: Bloomberg / Reuters)

EUR/USD
EUR/USD remains under pressure, trading around 1.0380 as market expectations for a 25bps rate cut at the next four ECB meetings continue, driven by concerns over the Eurozone's economic outlook and subdued inflation. Meanwhile, the US Dollar gains strength due to President Trump's tariff review plans, although uncertainties about new tariffs and expectations for limited Fed rate cuts keep the Greenback's gains in check.

GBP/USD
GBP/USD weakens to around 1.2300 after a strong gain in the previous session, as the US Dollar strengthens on tariff policy reviews by President Trump, despite subdued US Treasury yields. The Pound faces pressure from weak UK retail sales data, reinforcing dovish expectations for the Bank of England, with analysts predicting a potential 100bps rate cut by year-end.

USD/JPY
The Japanese Yen strengthens against the US Dollar, supported by concerns over a potential global trade war following President Trump's tariff remarks and rising expectations of a Bank of Japan interest rate hike. Additionally, a narrowing US-Japan rate differential, fueled by declining US Treasury yields and anticipated Fed rate cuts, boosts the Yen, while some USD buying helps the USD/JPY pair rebound from a two-week low.

Fx rates	Last	High	Low	% Daily	% Weekly	% YTD
EUR-USD	1.0370	1.0435	1.0353	-0.44	0.60	0.15
GBP-USD	1.2266	1.2345	1.2249	-0.50	0.42	-2.00
USD-JPY	155.46	156.23	154.78	-0.10	1.61	1.12
USD-CHF	0.9085	0.9098	0.9052	0.20	0.43	-0.12

Commodities	Last	High	Low	% Daily	% Weekly	% YTD
Gold	2727.10	2729.46	2702.87	0.70	1.85	3.91
Silver	30.60	30.74	30.19	0.19	2.34	5.88
Crude Oil	77.24	78.47	76.30	-0.82	-2.00	7.70
Bitcoin	101515.64	103725.64	100103.04	-0.96	1.38	8.32
Etherium	3223.62	3321.53	3201.82	-1.77	-2.88	-3.67

Period	1M	3M	6M	12M
SOFR ($)	4.30	4.29	4.25	4.19
ESTR (€)	2.21	2.61	2.41	2.21
SONIA (£)	4.63	4.53	4.46	4.35
SARON (F)	0.43	0.34	0.24	0.14
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
Stock futures were under some pressure on Tuesday morning after President Donald Trump said he was considering tariffs on Canada and Mexico. Equity futures gained during a shortened trading session on Monday as Trump was sworn in as the 47th president. Regular trading was closed Monday for the Martin Luther King holiday.

EUROPE
European markets closed slightly higher on Monday, as the world looked to the U.S. Capitol and the second inauguration of Donald Trump. The euro and British pound strengthened against the U.S. dollar, as it was reported the new president will not impose tariffs on U.S. trading partners on his first day in office.

ASIA
Asia-Pacific markets rose Tuesday, as investors awaited greater clarity on policies of U.S. President Donald Trump following his inauguration. The Bank of Japan is holding its next policy meeting from Jan. 23 to Jan 24 — BOJ Governor Kazuo Ueda has signaled intentions to hike rates.

Index	Close	% Daily	% M	YTD	Futures	% Change
DJIA	43487.83	0.78	1.51	2.22	43781.00	0.20
S&P	5996.66	1.00	1.11	1.96	6038.00	0.07
Nasdaq	19630.20	1.51	0.29	1.65	21599.50	0.02
DJ EuroStoxx50	5164.44	0.31	6.21	5.48	5162.00	-0.02
FTSE 100	8520.54	0.18	5.39	4.25	8516.50	0.12
CAC 40	7733.50	0.31	6.31	4.78	7756.50	0.30
DAX	20990.31	0.42	5.56	5.43	21036.00	0.07
IBEX 35	11943.60	0.23	4.15	3.01	11987.80	0.37
FTSE MIB	36143.83	-0.34	7.04	5.73	36332.00	-0.04
Nikkei	38902.50	0.32	0.84	-2.17	38980.00	1.33
Hang Seng	19925.81	0.81	1.86	0.14	20141.00	2.76
DFM General	5196.18	0.34	3.10	1.07	N/A	N/A
MSCI Tadawoul	12379.54	0.39	4.10	2.85	N/A	N/A

Leb. Mrkts	Closing Px	High	Low	% Daily	% Weekly	YTD
Solidere A	114.60	115.00	110.00	2.23	-9.05	-4.50
Solidere B	113.60	118.50	112.10	-4.46	-12.28	-4.94

MUST READ
(Source: Bloomberg/ Forexlive)

Trump revokes Biden 50% EV target, freezes unspent charging funds
On January 20, 2025, U.S. President Donald Trump revoked a 2021 executive order by President Joe Biden, which aimed to have electric vehicles (EVs) comprise 50% of all new vehicle sales in the U.S. by 2030. Although Biden's target was non-binding, it had gained support from automakers. Trump's executive order halts the distribution of unspent funds from a $5 billion fund for EV charging stations and challenges states' ability to adopt zero-emission vehicle rules. He also plans to reconsider stricter federal emissions standards that would require automakers to sell between 30% and 56% EVs by 2032. Trump seeks to revoke California's waiver, granted by the EPA in 2022, allowing the state to end the sale of gasoline-powered vehicles by 2035, a rule adopted by 11 other states. He also suggested eliminating EV tax credits and subsidies, claiming these distort the market. Trump, campaigning on rolling back Biden's clean energy policies, including wind, solar, and hydrogen production subsidies, emphasized boosting U.S. oil production. He previously indicated his intent to end Biden's EV mandate, though he refrained from specifying the actions he would take.

MAIN WEEKLY EARNINGS

Company	Ticker	Market Cap	Date	Time	Estimate	Year Ago
Charles Schwab	SCHW US	$ 139.87B	21-Jan-25	Pre-mkt	0.91	0.68
3M Company	MMM US	$ 76.80B	21-Jan-25	Pre-mkt	1.66	2.42
Interactive Brokei	IBKR US	$ 80.32B	21-Jan-25	Aft-mkt	1.85	1.52
Seagate Technolo	STX US	$ 20.66B	21-Jan-25	Aft-mkt	1.87	0.12
Netflix Inc	NFLX US	$ 366.80B	21-Jan-25	Aft-mkt	4.22	2.30

ECONOMIC CALENDAR

(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
(22-01-25) US - MBA Mortgage Applications
(23-01-25) US - Initial Jobless Claims
(24-01-25) JP - Natl CPI YoY

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