Daily Market Brief

January 22nd 2025

BANQUE BEMO

FOREIGN EXCHANGE MARKETS

(Sources: Bloomberg / Reuters)

EUR/USD

The EUR/USD pair drops to around 1.0415 as the Euro weakens following US President Trump's threat of tariffs against the EU, with traders also awaiting ECB President Lagarde's speech for further direction. Additionally, expectations of a rate cut by the ECB and the potential strengthening of the USD could further pressure the Euro.

GBP/USD

The GBP/USD pair pauses its rally, trading around 1.2330 as the US Dollar holds modest gains, with Trump signaling potential tariffs and federal investigations into trade deficits. The Pound is under pressure from disappointing UK labor market data, raising expectations that the Bank of England will cut rates in February, while the US Federal Reserve is likely to maintain its current rate.

USD/JPY

The Japanese Yen weakens during the Asian session, aiding a rebound in the USD/JPY pair, supported by a positive equity market and rising US Treasury yields. However, expectations of a potential Bank of Japan interest rate hike and Fed rate cuts later this year create caution, preventing significant JPY depreciation and limiting further USD/JPY gains.

Fx rates	Last	High	Low	% Daily	% Weekly	% YTD
EUR-USD	1.0404	1.0434	1.0393	-0.23	1.12	0.48
GBP-USD	1.2322	1.2355	1.2316	-0.23	0.65	-1.55
USD-JPY	155.84	155.98	155.36	0.21	0.40	0.87
USD-CHF	0.9068	0.9074	0.9050	0.09	0.64	0.07

Commodities	Last	High	Low	% Daily	% Weekly	% YTD
Gold	2747.08	2758.60	2741.96	0.08	1.88	4.67
Silver	30.83	30.95	30.73	0.16	0.58	6.67
Crude Oil	75.42	75.95	75.41	-0.54	-1.24	5.85
Bitcoin	105365.68	106790.08	105211.45	-1.33	0.69	12.43
Etherium	3308.70	3365.52	3303.40	-0.71	-4.78	-1.13

Period	1M	3M	6M	12M
SOFR ($)	4.30	4.29	4.25	4.19
ESTR (€)	2.22	2.60	2.41	2.22
SONIA (£)	4.61	4.52	4.45	4.36
SARON (F)	0.44	0.35	0.25	0.15
TONAR (¥)	0.22	0.22	0.22	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

Stocks advanced on Tuesday as Wall Street viewed President Donald Trump's comments and first-day actions around international trade as a bit softer than initially believed. Several big technology stocks also took a leg up, with Amazon and Nvidia each gaining more than 2%. But a drop of more than 3% in Apple on the back of two Wall Street downgrades restricted gains.

EUROPE

European stocks ended the day higher on Tuesday as traders digested the first executive orders signed by newly inaugurated President Donald Trump. European investors were keeping an eye on the World Economic Forum in Davos, Switzerland. The annual event, which attracts heads of government and business leaders from around the world, stepped up a gear on Tuesday.

ASIA

Asia-Pacific markets traded mixed Wednesday, with China stocks declining after President Donald Trump's comments on imposing a 10% tariff on China.

Index	Close	% Daily	% M	YTD	Futures	% Change
DJIA	44025.81	1.24	2.77	3.48	44230.00	1.22
S&P	6049.24	0.88	2.00	2.85	6099.00	1.09
Nasdaq	19756.78	0.64	0.94	2.31	21842.25	1.15
DJ EuroStoxx50	5165.96	0.03	6.25	5.51	5197.00	0.23
FTSE 100	8548.29	0.33	5.74	4.59	8552.50	0.35
CAC 40	7770.95	0.48	6.82	5.29	7793.50	0.48
DAX	21042.00	0.25	5.82	5.69	21263.00	0.66
IBEX 35	11927.40	-0.14	4.01	2.87	11964.80	-0.19
FTSE MIB	36059.17	-0.23	6.79	5.48	36244.00	-0.24
Nikkei	39027.98	1.58	2.44	-0.62	39610.00	1.80
Hang Seng	20106.55	-1.80	0.12	-1.57	19776.00	-0.94
DFM General	5220.26	-0.09	3.13	1.10	N/A	N/A
MSCI Tadawoul	12369.63	-0.08	4.39	2.77	N/A	N/A

Leb. Mrkts	Closing Px	High	Low	% Daily	% Weekly	YTD
Solidere A	113.70	114.00	111.10	-0.79	-9.76	-5.25
Solidere B	112.30	112.30	112.10	-1.14	-13.28	-6.03

MUST READ

(Source: Bloomberg/ Forexlive)

Gold Advances to 11-Week High as Trump Hints at China Tariffs

Gold reached its highest intraday level since November, trading at $2,754 an ounce, driven by geopolitical tensions and concerns over global economic outlook. The surge came after President Trump reiterated his stance on tariffs, including a potential 10% levy on Chinese goods in response to fentanyl trafficking, and plans for a 25% tariff on imports from Canada and Mexico. These moves sparked increased demand for safe-haven assets like gold. Investors are closely monitoring the impact of Trump's trade and tax policies, which could destabilize U.S. finances and reignite inflation, limiting the Federal Reserve's ability to ease monetary policy further. Higher borrowing costs generally hurt gold's appeal, as it doesn't generate interest. In 2024, gold set several records, driven by the Fed's shift toward looser policies, geopolitical risks, and central-bank buying. The metal may continue to benefit from heightened demand for safety, as uncertainties grow around Trump's immigration policies and strained U.S. foreign relations. Alongside gold, silver, platinum, and palladium prices also saw gains, while the Bloomberg Dollar Spot Index remained stable. Gold's price rose 0.3% to $2,754.04 an ounce by 6:12 a.m. in London.

MAIN WEEKLY EARNINGS

Company	Ticker	Market Cap	Date	Time	Estimate	Year Ago
GE Vernova Inc	GEV US	$ 114.67B	22-Jan-25	Pre-mkt	2.37	NA
Johnson & Johnsc	JNJ US	$ 356.69B	22-Jan-25	Pre-mkt	2.00	2.29
Abbott Laborator	ABT US	$ 202.57B	22-Jan-25	Pre-mkt	1.34	1.19
Texas Instrument:	TXN US	$ 178.09B	23-Jan-25	Aft-mkt	1.22	1.49
Intuituve Surgical	ISRG US	$ 215.18B	23-Jan-25	Aft-mkt	1.81	1.60

ECONOMIC CALENDAR

(22-01-25) US - MBA Mortgage Applications
(23-01-25) US - Initial Jobless Claims
(24-01-25) JP - Natl CPI YoY
(24-01-25) FR - HCOB France Manufacturing PMI
(24-01-25) US - S&P Global US Manufacturing PMI
(24-01-25) US - University of Michigan Expectations
(24-01-25) JP - BoJ Target Rate

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