Daily Market Brief

May 22nd 2025

FOREIGN EXCHANGE MARKETS

(Sources: Bloomberg / Reuters)

EUR/USD
EUR/USD is hovering around 1.1340, close to two-week highs during the Asian trading hours. The Euro (EUR) continues its winning streak for the fourth consecutive session ahead of the HCOB Purchasing Managers Index (PMI) for the Eurozone, scheduled to be released later in the day. According to the preliminary estimates, the overall business activity is expected to have grown in May at a faster pace than what was seen in April.

GBP/USD
GBP/USD trades higher for the fourth successive day with trading around 1.3430 during the Asian hours on Thursday. The upside of the pair is attributed to the weaker US Dollar (USD), which continues to face challenges after Moody's downgraded the US credit rating from Aaa to Aa1, following similar downgrades by Fitch Ratings in 2023 and Standard & Poor's in 2011.

USD/JPY
The Japanese Yen (JPY) retains its positive bias through the Asian session and trades near a two-week high touched against a broadly weaker US Dollar (USD) earlier this Thursday. A growing acceptance that the Bank of Japan (BoJ) will hike interest rates again in 2025, turns out to be a key factor that continues to act as a tailwind for the JPY.

Fx rates	Last	High	Low	% Daily	% Weekly	% YTD
EUR-USD	1.1340	1.1345	1.1311	0.08	1.37	9.52
GBP-USD	1.3424	1.3441	1.3405	0.03	0.89	7.25
USD-JPY	143.15	144.40	143.10	-0.37	1.76	9.81
USD-CHF	0.8246	0.8265	0.8234	-0.11	1.37	10.04

Commodities	Last	High	Low	% Daily	% Weekly	% YTD
Gold	3333.17	3345.38	3313.96	0.55	2.87	27.00
Silver	33.58	33.70	33.42	0.57	2.87	16.18
Crude Oil	61.65	61.75	61.14	0.13	0.82	-11.73
Bitcoin	111100.20	111878.26	107990.92	2.60	7.44	18.55
Etherium	2616.78	2648.07	2499.35	4.27	5.10	-21.81

Period	1M	3M	6M	12M
SOFR ($)	4.33	4.33	4.27	4.08
ESTR (€)	1.79	1.97	1.88	1.79
SONIA (£)	4.22	4.19	4.11	3.97
SARON (₣)	0.16	-0.04	-0.12	-0.20
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
Stocks sold off on Wednesday, pressured by a sharp spike higher in Treasury yields as traders grew worried that a new U.S. budget bill would put even more stress on the country's already large deficit. The 30-year Treasury bond yield last traded around 5.09%, touching the highest level going back to October 2023. The benchmark 10-year Treasury note yield traded at 4.59%.

EUROPE
European stock markets ended the day flat, with the Stoxx Europe 600 index dropping only 0.04%. Meanwhile, the FTSE 100 rose 0.06%, France's CAC 40 fell 0.4% and Germany's DAX rose 0.3%. Awaiting the quarterly earning reports of some London-based companies later in day.

ASIA
Asia-Pacific markets fell Thursday, tracking declines on Wall Street as investor sentiment soured on fears that a new U.S. budget bill could substantially add to the country's debt.

Index	Close	% Daily	% M	YTD	Futures	% Change
DJIA	41860.44	-1.91	6.82	-1.61	41924.00	-0.05
S&P	5844.61	-1.61	10.53	-0.63	5864.50	-1.59
Nasdaq	18872.64	-1.41	15.78	-2.27	21173.25	-1.26
DJ EuroStoxx50	5454.46	0.00	9.94	11.41	5425.00	-0.66
FTSE 100	8786.46	0.06	5.50	7.51	8753.50	-0.41
CAC 40	7910.49	-0.40	7.97	7.18	7843.50	-0.98
DAX	24122.40	0.36	13.29	21.16	24035.00	-0.16
IBEX 35	14307.60	-0.11	9.97	23.39	14320.80	-0.01
FTSE MIB	40551.22	0.07	12.81	18.62	40624.00	0.06
Nikkei	37298.98	-0.74	8.19	-7.20	37020.00	-1.33
Hang Seng	23827.78	-0.85	9.57	17.78	23586.00	-0.14
DFM General	5438.42	-0.53	5.92	5.42	N/A	N/A
MSCI Tadawoul	11303.68	-1.18	-2.44	-6.09	N/A	N/A

Leb. Mrkts	Closing Px	High	Low	% Daily	% Weekly	YTD
Solidere A	86.85	87.00	85.00	5.79	-0.17	-27.63
Solidere B	83.35	85.00	82.50	1.46	-0.77	-30.25

MUST READ

(Source: Bloomberg/ Forexlive)

Target's Q1 Earnings Miss Deepens as Strategic Missteps Weigh on Performance

Target Corporation reported a disappointing earnings miss for the first quarter of fiscal year 2025, falling short of Wall Street expectations on both revenue and earnings per share. Comparable store sales declined 3.8%, and rising inventory levels—up 11%—sparked further concern among analysts. Gross margins and SG&A expenses also underperformed, pointing to weakening operational efficiency. The stock dropped 7% in pre-market trading, adding to a nearly 26% year-to-date decline. Target revised its full-year guidance downward, reflecting ongoing challenges in consumer demand and inflationary pressures, especially for discretionary products, which make up a significant portion of its inventory. Beyond financial struggles, Target is facing reputational and strategic headwinds stemming from its rollback of diversity, equity, and inclusion (DEI) programs. The reversal sparked backlash from long-time supporters and a 40-day boycott, damaging brand loyalty and leading to decreased store traffic. Critics, including civil rights leaders, accused the company of abandoning its values, undermining consumer trust—particularly among progressive and minority communities that have historically aligned with Target's brand identity. In response, Target has reshuffled its executive team and launched an "Enterprise Acceleration Office" to improve cross-functional execution. The company also faces pressure from potential Trump-era tariffs, with 50% of its products imported and 25% from China, placing additional strain on costs and pricing flexibility.

MAIN WEEKLY EARNINGS

Company	Ticker	Market Cap	Date	Time	Estimate	Year Ago
INTUIT INC	INTU	$ 184.51 B	22-May-25	Aft-mkt	10.96	9.88
WORKDAY INC-CL	WDAY	$ 71.83 B	22-May-25	Aft-mkt	2.00	1.74
ANALOG DEVICES	ADI	$ 110.22 B	22-May-25	Bef-mkt		
OKTA INC	OKTA	$ 21.37 B	27-May-25	Aft-mkt		
NVIDIA CORP	NVDA	$ 3214.28 B	28-May-25	Aft-mkt		

ECONOMIC CALENDAR

(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
(22-05-25) US - Initial Jobless Claims
(22-05-25) US - S&P Global US Manufacturing/Services/Composite PMI
(23-05-25) JP - National CPI YoY
(23-05-25) UK - Retail Sales YoY/MoM

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