Daily Market Brief

January 27th 2025

FOREIGN EXCHANGE MARKETS

(Sources: Bloomberg / Reuters)

EUR/USD

EUR/USD drops to near 1.0480 as the US Dollar strengthens following mixed US PMI data and uncertainty over President Trump's policies. Meanwhile, the Euro receives some support from a slight rise in the Eurozone's Composite PMI but faces challenges due to dovish expectations surrounding the ECB's upcoming rate cuts.

GBP/USD

GBP/USD starts the week lower, retracing part of Friday's gains as the US Dollar strengthens due to concerns over global trade wars sparked by President Trump's tariffs on Colombia. However, the potential for further USD appreciation is limited by expectations of rate cuts from the Federal Reserve and uncertainty surrounding the Bank of England's policy outlook.

USD/JPY

The Japanese Yen struggles to gain traction against the US Dollar, despite initial gains, as news of Colombia accepting US deported migrants puts downward pressure on the JPY. However, persistent uncertainty over US trade policies, the Bank of Japan's hawkish stance, and expectations of Federal Reserve rate cuts may limit further USD/JPY upside and support the Yen.

Fx rates	Last	High	Low	% Daily	% Weekly	% YTD
EUR-USD	1.0459	1.0503	1.0456	-0.36	0.41	1.01
GBP-USD	1.2451	1.2478	1.2442	-0.26	1.00	-0.52
USD-JPY	156.05	156.25	155.29	0.03	-0.28	0.74
USD-CHF	0.9070	0.9073	0.9047	0.12	-0.03	0.04
Commodities	**Last**	**High**	**Low**	**% Daily**	**% Weekly**	**% YTD**
Gold	2754.32	2772.62	2750.92	-0.59	1.70	4.95
Silver	30.27	30.63	30.16	-1.03	-0.90	4.73
Crude Oil	74.17	74.60	73.67	-0.66	-4.16	4.10
Bitcoin	98966.14	104706.70	98704.36	-5.36	-4.91	5.60
Etherium	3084.32	3309.30	3082.39	-6.45	-5.35	-7.83

Period	1M	3M	6M	12M
SOFR ($)	4.32	4.30	4.26	4.20
ESTR (€)	2.27	2.58	2.43	2.27
SONIA (£)	4.57	4.51	4.43	4.33
SARON (F)	0.44	0.35	0.27	0.20
TONAR (¥)	0.22	0.22	0.22	0.14

	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

The S&P 500 closed lower after hitting new records on Friday, as investors took some profit to end a solid week centered on President Donald Trump's return to the White House. Attention will turn to big technology earnings and the Federal Reserve meeting. Fed funds futures are pricing in a more than 99% chance that the central bank leaves interest rates unchanged, according to CMEGroup's FedWatch Tool.

EUROPE

European equity markets slipped into the red in late deals Friday despite a largely positive week for global stocks. The pan-European Stoxx 600 index closed with a 0.05% loss.

ASIA

Asia-Pacific markets traded mostly higher Monday, as investors assessed China's manufacturing and industrial profit data. China's factory activity growth in January unexpectedly contracted, with the official purchasing managers' index for January coming in at 49.1 versus Reuters' estimates of 50.1.

Index	Close	% Daily	% M	YTD	Futures	% Change
DJIA	44424.25	-0.32	3.33	4.42	44262.00	-1.13
S&P	6101.24	-0.29	2.18	3.73	6050.00	-1.66
Nasdaq	19954.30	-0.50	1.18	3.33	21390.50	-2.90
DJ EuroStoxx50	5219.37	0.04	6.54	6.61	5170.00	-1.18
FTSE 100	8502.35	-0.73	4.33	4.03	8425.50	-1.58
CAC 40	7927.62	0.44	7.78	7.41	7882.50	0.44
DAX	21394.93	-0.08	7.06	7.46	21327.00	-0.95
IBEX 35	11982.60	-0.07	3.91	3.34	12002.30	-0.25
FTSE MIB	36200.72	0.24	5.97	5.89	36370.00	0.22
Nikkei	39931.98	-0.92	-1.78	-0.82	39480.00	-0.93
Hang Seng	20066.19	0.94	0.82	0.97	20243.00	2.62
DFM General	5225.54	0.30	2.18	1.60	N/A	N/A
MSCI Tadawoul	12386.16	0.26	4.44	2.90	N/A	N/A

Leb. Mrkts	Closing Px	High	Low	% Daily	% Weekly	YTD
Solidere A	115.00	116.00	110.00	0.61	2.59	-4.17
Solidere B	115.00	115.00	115.00	-2.54	-3.28	-3.77

MUST READ

(Source: Bloomberg/ Forexlive)

Chinese AI startup DeepSeek overtakes ChatGPT on Apple App Store

Chinese startup DeepSeek's AI Assistant surpassed ChatGPT to become the top-rated free app on Apple's U.S. App Store on January 22, 2025. Powered by the DeepSeek-V3 model, the app has gained significant popularity since its release on January 10. DeepSeek-V3 is touted as one of the leading open-source AI models, competing with the most advanced global models. This achievement challenges the conventional view that the U.S. dominates the AI space, especially in light of the Biden administration's efforts since 2021 to block exports of advanced chips to China. Despite these restrictions, DeepSeek reportedly used Nvidia's H800 chips, which are less powerful than the chips Washington has tried to block, yet trained their model with relatively low costs. This has raised concerns among U.S. tech executives about the effectiveness of export controls. DeepSeek is a relatively unknown startup from Hangzhou, founded in 2023, but its success highlights the growing capabilities of Chinese AI models. It is now being recognized by U.S. tech leaders for matching or even surpassing the performance of leading U.S. models, signaling a shift in the global AI landscape.

MAIN WEEKLY EARNINGS

Company	Ticker	Market Cap	Date	Time	Estimate	Year Ago
AT&T Inc	T US	$ 163.02B	27-Jan-25	Pre-mkt	0.50	0.54
Sofi Technologies	SOFI US	$ 19.45B	27-Jan-25	Pre-mkt	0.05	0.02
Boeing Company	BA US	$ 131.55B	28-Jan-25	Pre-mkt	-1.73	-0.47
RTX Corp	RTX US	$ 166.79B	28-Jan-25	Pre-mkt	1.39	1.29
Lockheed Martin	LMT US	$ 117.80B	28-Jan-25	Pre-mkt	6.62	7.90

ECONOMIC CALENDAR

(27-01-25) DE - IFO Business Climate
(27-01-25) US - New Home Sales
(28-01-25) US - Durable Goods Orders
(29-01-25) CA - Bank of Canada Rate Decision
(29-01-25) US - FOMC Rate Decision (Upper bound / lower bound)
(30-01-25) FR - GDP QoQ / YoY
(30-01-25) EC - GDP SA YoY / QoQ

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