Daily Market Brief

January 30th 2025

BANQUE BEMO

FOREIGN EXCHANGE MARKETS

(Sources: Bloomberg / Reuters)

EUR/USD

EUR/USD is slightly rising after three losses, driven by a technical pullback in the USD, but its gains may be limited as the US Federal Reserve's cautious stance on inflation could strengthen the dollar. Meanwhile, the Euro faces pressure from anticipated ECB rate cuts and upcoming GDP data from both the Eurozone and the US.

GBP/USD

The GBP/USD briefly dropped after the Federal Reserve held interest rates steady, with markets expecting no rate cuts soon. Upcoming US data releases, including GDP growth and inflation figures, will be key in determining whether the Fed's cautious approach is justified.

USD/JPY

The Japanese Yen (JPY) is holding strong near a one-month high due to expectations of further interest rate hikes by the Bank of Japan and narrowing US-Japan yield differentials. However, concerns over US trade policies and the Federal Reserve's hawkish stance are limiting JPY gains, while upcoming economic data, including the US GDP report and the ECB meeting, may drive further volatility.

Fx rates	Last	High	Low	% Daily	% Weekly	% YTD
EUR-USD	1.0412	1.0429	1.0411	-0.09	-0.03	0.56
GBP-USD	1.2437	1.2460	1.2434	-0.12	0.68	-0.63
USD-JPY	154.42	155.25	154.29	-0.52	1.06	1.80
USD-CHF	0.9067	0.9072	0.9060	-0.01	0.08	0.08

Commodities	Last	High	Low	% Daily	% Weekly	% YTD
Gold	2766.70	2766.94	2758.29	0.27	0.43	5.42
Silver	30.91	30.92	30.81	0.19	1.49	6.94
Crude Oil	72.68	73.07	72.52	0.08	-2.60	2.01
Bitcoin	105227.98	105592.45	103334.98	1.42	0.15	12.29
Etherium	3188.78	3214.81	3093.36	1.53	-4.51	-4.71

Period	1M	3M	6M	12M
SOFR ($)	4.31	4.29	4.24	4.15
ESTR (€)	2.26	2.54	2.40	2.26
SONIA (£)	4.54	4.49	4.41	4.29
SARON (F)	0.44	0.32	0.24	0.17
TONAR (¥)	0.25	0.23	0.23	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 slid on Wednesday after the Federal Reserve left interest rates unchanged in its first policy decision of the year, while Nvidia slipped following a strong session. Nvidia shares hit their lows of the session after Bloomberg News reported Trump administration officials have discussed curbing chip sales of the company to China following the emergence of the DeepSeek AI model. Shares ended the session down 4%.

EUROPE

European markets closed higher on Wednesday as investors in the region monitored a series of corporate earnings releases. Technology sector leading gains by 2% and recouping most losses from earlier in the week.

ASIA

Japanese and Australian markets climbed Thursday, breaking ranks with Wall Street that fell overnight as the Federal Reserve kept interest rates unchanged. Several Asia-Pacific markets were closed for the Lunar New Year holiday.

Index	Close	% Daily	% M	YTD	Futures	% Change
DJIA	44713.52	-0.31	5.03	5.10	44969.00	-0.12
S&P	6039.31	-0.47	2.24	2.68	6085.00	-0.17
Nasdaq	19632.32	-0.51	0.75	1.67	21625.25	0.23
DJ EuroStoxx50	5230.66	0.67	7.42	6.84	5257.00	0.79
FTSE 100	8557.81	0.28	5.38	4.71	8534.50	0.09
CAC 40	7872.48	-0.32	7.64	6.66	7892.00	-0.21
DAX	21637.53	0.97	8.68	8.68	21742.00	0.90
IBEX 35	12286.50	1.09	6.50	5.96	12304.00	0.91
FTSE MIB	36371.67	0.62	6.39	6.39	36536.00	0.61
Nikkei	39513.97	0.25	-0.95	-0.95	39420.00	0.90
Hang Seng	20225.11	0.14	2.35	0.82	20325.00	0.00
DFM General	5129.35	-0.03	-0.50	-0.60	N/A	N/A
MSCI Tadawoul	12439.48	0.15	3.65	3.35	N/A	N/A

Leb. Mrkts	Closing Px	High	Low	% Daily	% Weekly	YTD
Solidere A	114.20	115.00	112.00	1.24	1.96	-4.83
Solidere B	114.10	115.00	112.10	0.97	-0.17	-4.52

MUST READ

(Source: Bloomberg/ Forexlive)

Trump accuses Fed, Powell of creating inflation on heels of rate decision

On Wednesday, former President Donald Trump criticized Federal Reserve Chair Jerome Powell and the U.S. central bank, accusing them of failing to address inflation, which Trump attributed to the Fed's actions. He also faulted the Fed's handling of bank regulation, calling their performance "terrible." Trump's remarks came shortly after the Fed decided to keep interest rates unchanged. He reiterated his demand for immediate interest rate cuts, continuing his stance from last week. Despite having appointed Powell in 2018, Trump has grown increasingly critical of him, questioning the tradition of Fed independence. As a 2024 presidential candidate, Trump has stated he would not reappoint Powell when his term ends in 2026 but would not seek to remove him early. In a Truth Social post, Trump blamed the Fed for inflation after the Covid pandemic and pledged to address it himself, including slashing regulations and revitalizing American manufacturing. He also criticized the Fed's focus on progressive causes like diversity and climate change, claiming these priorities worsened inflation. Trump vowed that under his leadership, the Treasury would focus on reducing regulations and increasing lending to benefit Americans and businesses.

MAIN WEEKLY EARNINGS

Company	Ticker	Market Cap	Date	Time	Estimate	Year Ago
Caterpillar Inc	CAT US	$ 189.85B	30-Jan-25	Pre-mkt	5.05	5.23
Blackstone Inc	BX US	$ 226.42B	30-Jan-25	Pre-mkt	1.48	1.11
Visa Inc	V US	$ 677.55B	30-Jan-25	Aft-mkt	2.66	2.41
Apple Inc	AAPL US	$ 3.60T	30-Jan-25	Aft-mkt	2.35	2.18
Intel Corp	INTC US	$ 85.18B	30-Jan-25	Aft-mkt	0.12	0.54

ECONOMIC CALENDAR

(30-01-25) FR - GDP QoQ / YoY
(30-01-25) EC - GDP SA YoY / QoQ
(30-01-25) EC - ECB Deposite Facility Rate / ECB Main Refinancing Rate / ECB Marginal Lending Facility
(30-01-25) US - GDP Annualized QoQ
(30-01-25) US - Personal Consumption
(31-01-25) FR - CPI MoM / YoY
(31-01-25) DE - Unemployment Change (000's) / Unemployment Claims Rate SA

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