Daily Market Brief

January 31st 2025

BANQUE BEMO

FOREIGN EXCHANGE MARKETS *(Sources: Bloomberg / Reuters)*

EUR/USD

The EUR/USD pair is under pressure as the European Central Bank signals potential further rate cuts amid weak Eurozone growth, while US economic data shows slower-than-expected GDP growth, preventing significant US Dollar strength. Investors are awaiting additional data from Germany and the US to determine the pair's next move.

GBP/USD

The GBP/USD pair continues to decline, trading around 1.2420, due to a stronger US Dollar amid renewed tariff threats from US President Trump and expectations of further rate cuts by the Bank of England. The US Dollar's strength is bolstered by Fed's cautious stance on monetary policy, while the Pound faces pressure as traders anticipate a 25 basis point rate cut from the Bank of England in February.

USD/JPY

The Japanese Yen (JPY) faces selling pressure, snapping a two-day winning streak against the US Dollar after Bank of Japan Governor Kazuo Ueda stated inflation remains below 2%. A rebound in US Treasury yields and a positive risk environment also weigh on the Yen, while Tokyo's rising consumer prices support hopes for future BoJ tightening, limiting significant JPY losses, though uncertainty around US tariffs caps further USD/JPY gains ahead of key US data.

Fx rates	Last	High	Low	% Daily	% Weekly	% YTD
EUR-USD	1.0394	1.0403	1.0378	0.03	-0.98	0.39
GBP-USD	1.2430	1.2431	1.2408	0.09	-0.43	-0.69
USD-JPY	154.71	154.94	153.92	0.27	0.83	1.61
USD-CHF	0.9104	0.9106	0.9080	0.08	-0.49	-0.33
Commodities	**Last**	**High**	**Low**	**% Daily**	**% Weekly**	**% YTD**
Gold	2793.41	2799.65	2792.82	-0.04	0.82	6.44
Silver	31.47	31.69	31.14	-0.41	2.89	8.88
Crude Oil	73.29	73.49	73.00	0.77	-1.83	2.86
Bitcoin	104518.00	105356.70	103943.95	-0.52	-0.05	11.53
Etherium	3260.73	3280.23	3214.02	0.48	-1.10	-2.56

Period	1M	3M	6M	12M
SOFR ($)	4.31	4.29	4.24	4.16
ESTR (€)	2.20	2.52	2.37	2.20
SONIA (£)	4.53	4.48	4.40	4.28
SARON (F)	0.44	0.34	0.25	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	2.9
ECB Deposit Facility Announcement Rate	2.75
ECB Marginal Lending Facility Announcement Rate	3.15
BOE Official Bank Rate	4.75

INTERNATIONAL EQUITY MARKETS *(Sources: Bloomberg / Reuters)*

UNITED STATES OF AMERICA

Stocks rose on Thursday, posting gains in a bout of rocky trading as investors weighed the latest earnings from Big Tech companies. Stocks cut gains late in the session after President Donald Trump announced his intention to implement 25% tariffs on goods imported from Canada and Mexico.

EUROPE

European markets closed at record highs Thursday as investors reacted to the European Central Bank's fifth consecutive interest rate cut. Investors are assessing the latest economic data from France and Germany, which both contracted in the fourth quarter, while the euro zone stagnated.

ASIA

Asia markets mostly rose Friday after Wall Street rose overnight as investors assessed Big Tech earnings. The Tokyo consumer price index, excluding fresh food, rose 2.5% year on year in January, compared with 2.4% in the previous month. The latest reading is in line with Reuters' estimates.

Index	Close	% Daily	% M	YTD	Futures	% Change
DJIA	44882.13	0.38	5.50	5.50	45132.00	0.54
S&P	6071.17	0.53	3.22	3.22	6117.75	0.83
Nasdaq	19681.75	0.25	1.92	1.92	21761.00	1.12
DJ EuroStoxx50	5282.21	0.99	7.89	7.89	5303.00	1.18
FTSE 100	8646.88	1.04	5.80	5.80	8647.50	1.24
CAC 40	7941.64	0.88	7.60	7.60	7956.00	0.85
DAX	21727.20	0.41	9.13	9.13	21851.00	0.57
IBEX 35	12419.60	1.08	7.11	7.11	12446.30	1.16
FTSE MIB	36429.72	0.16	6.56	6.56	36585.00	0.13
Nikkei	39513.97	0.15	-0.81	-0.81	39600.00	0.03
Hang Seng	20225.11	0.14	2.35	0.82	20325.00	0.00
DFM General	5154.97	0.50	0.43	0.43	N/A	N/A
MSCI Tadawoul	12415.49	-0.19	2.59	3.15	N/A	N/A

Leb. Mrkts	Closing Px	High	Low	% Daily	% Weekly	YTD
Solidere A	114.60	115.00	114.50	0.35	0.26	-4.50
Solidere B	114.10	114.10	114.10	0.00	-3.31	-4.52

MUST READ *(Source: Bloomberg/ Forexlive)*

Gold stockpiling in New York leads to London shortage

A surge in gold shipments to the US has caused a shortage of bullion in London, with traders building an $82bn stockpile in New York. This shift is driven by fears that US President Donald Trump could impose tariffs on gold imports, prompting traders to move gold to avoid potential duties. Since November, 393 metric tonnes have been moved to New York's Comex exchange, raising its inventory by 75%, while London's BoE faces delays of up to eight weeks for gold withdrawals. The high demand stems from concerns over tariffs, which could affect raw materials like gold, along with a favorable price gap between New York futures and the London market. Despite these shifts, gold prices have risen 5% since the start of the year, approaching record highs. The situation is reminiscent of the stockpiling seen during the COVID-19 pandemic. While the Bank of England remains the central hub for gold trade, with its vaults storing gold for financial institutions and central banks, some experts are optimistic that tariffs won't target bullion. Meanwhile, the premium for physical gold in New York futures has fluctuated, reflecting the ongoing scramble for gold in response to both market conditions and tariff fears.

MAIN WEEKLY EARNINGS

Company	Ticker	Market Cap	Date	Time	Estimate	Year Ago
Exxon Mobil Corp	XOM US	$ 481.57B	31-Jan-25	Pre-mkt	1.55	2.48
Abbvie Inc	ABBV US	$ 310.40B	31-Jan-25	Pre-mkt	2.13	2.79
Chevron Corporat	CVX US	$ 280.92B	31-Jan-25	Pre-mkt	2.11	3.45
Eaton Corporatio	ETN US	$ 129.27B	31-Jan-25	Pre-mkt	2.81	2.55
Colgate Palmolive	CL US	$ 74.56B	31-Jan-25	Pre-mkt	0.89	0.87

ECONOMIC CALENDAR

(31-01-25) FR - CPI MoM / YoY
(31-01-25) DE - Unemployment Change (000's) / Unemployment Claims Rate SA
(31-01-25) DE - CPI YoY / MoM
(31-01-25) CA - GDP MoM / YoY
(31-01-25) US - Personal Spending
(03-02-25) EC - CPI Estimate YoY / CPI MoM
(03-02-25) US - ISM Manufacturing

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