

Daily Market Brief

August 18th 2026



FOREIGN EXCHANGE MARKETS

(Sources: Bloomberg / Reuters)

EUR/USD
The EUR/USD pair loses traction to around 1.1575, snapping the three-day winning streak during the early European session on Tuesday. The Euro (EUR) edges lower against the US Dollar (USD) as traders remain cautious about the US-Iran conflict and the closure of the Strait of Hormuz. Reuters reported on Tuesday that the UK Maritime Trade Operations (UKMTO) said that it has received a report of an incident in the critical waterway. UKMTO said that a company security officer has reported that the vessel was struck by an unknown projectile while conducting an outbound transit of the strait.

GBP/USD
The GBP/USD pair gains momentum to around 1.3550 during the early Asian trading hours on Tuesday. The US Dollar (USD) softens against the British Pound (GBP) as cooler US inflation data have prompted traders to reduce bets on a US Federal Reserve (Fed) rate hike. The UK employment report will be in the spotlight later on Tuesday. The weak US Retail Sales, along with softer-than-expected Consumer Price Index (CPI) and Producer Price Index (PPI) inflation data last week, have tempered expectations that the US central bank will raise rates at its September 15-16 policy meeting. Traders are now pricing in just a 35% probability of a September hike, alongside a 69% odds of a rate increase by December, according to the CME FedWatch tool.

USD/JPY
The Japanese Yen (JPY) trades close to its two-week low against the US Dollar (USD) in the Asian trading session on Tuesday at around 159.50. The USD/JPY pair is under pressure even as financial markets are confident about a Bank of Japan (BoJ) interest rate hike in the September meeting. Analysts at MUFG highlight that market expectations for further BoJ tightening remain robust, with “the pricing for a 25bp hike at the next meeting in September remains elevated, implying around an 80% probability of a hike.” They argue that this firm rate-hike pricing, set against the backdrop of softer US data, should help limit renewed Yen selling in the near term despite Japan’s weaker-than-expected GDP.

Fx rates	Last	High	Low	% Daily	% Weekly	% YTD
EUR-USD	1.1573	1.1586	1.1569	-0.06	0.27	-1.47
GBP-USD	1.3539	1.3554	1.3531	-0.04	0.24	0.48
USD-JPY	159.67	159.75	159.30	0.13	-0.24	-1.85
USD-CHF	0.8116	0.8120	0.8100	0.10	-0.10	-2.34
Commodities	Last	High	Low	% Daily	% Weekly	% YTD
Gold	4388.05	4436.17	4386.18	-0.63	0.41	1.59
Silver	64.80	66.56	64.76	-1.50	0.18	-9.58
Crude Oil	85.27	85.38	84.62	0.91	2.49	49.57
Bitcoin	64164.13	64528.76	63993.57	-0.29	1.27	-26.79
Etherium	1894.06	1917.35	1884.36	-0.58	0.50	-36.39
Period	1M	3M	6M	12M		
SOFR (\$)	3.64	3.73	3.83	3.97		
ESTR (€)	2.62	2.37	2.47	2.62		
SONIA (£)	3.74	3.80	3.93	4.15		
SARON (F)	-0.06	-0.05	-0.03	0.05		
TONAR (¥)	0.96	0.88	0.80	0.68		

	Rates
U.S. Federal Fund Target Rate	3.75
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	3.75

INTERNATIONAL EQUITY MARKETS

(Sources: Bloomberg / Reuters)

UNITED STATES OF AMERICA
The S&P 500 fell on Monday, while oil prices rose, as investors weighed tensions in the Middle East. Eyes were focused on the conflict in the Middle East, with the ceasefire between the U.S. and Iran expiring Monday as negotiations between the two sides have stalled. Iran has ruled out talks to extend the memorandum of understanding, state news agency Tasnim has reported.

EUROPE
European shares settled lower for a fourth straight session on Monday, as the earnings-fuelled rally cooled and the continuing stand-off between U.S. and Iran dampened risk appetite. The pan-European STOXX 600 closed 0.22% lower at 656.41 points. With a strong European earnings season largely in the rear-view mirror and second-quarter profit expectations rising steadily, investors have shifted their focus back to macroeconomic and geopolitical developments for the next market catalyst.

Asia
Asia-Pacific markets traded largely lower Tuesday, with South Korean stocks bucking the broader decline after resuming trade from a holiday. South Korea’s benchmark Kospi jumped 2%, powered by gains in chip giants Samsung Electronics and SK Hynix which added 3% and 5% respectively. Japan’s Nikkei 225 was down 0.9% while the Topix declined 0.28%. Australia’s benchmark S&P/ASX 200 was flat at the open.

Index	Close	% Daily	% M	YTD	Futures	% Change
DJIA	53459.78	-0.51	2.52	11.23	53458.00	-0.16
S&P	7745.06	-0.52	3.85	13.14	7736.75	-0.40
Nasdaq	26644.91	-0.32	4.41	14.64	29870.25	-0.76
DJ EuroStoxx50	6530.45	-0.14	4.81	12.76	6522.00	-0.49
FTSE 100	10720.30	-0.28	1.13	7.94	10757.00	-0.01
CAC 40	8579.60	-0.66	2.89	5.28	8583.00	-0.66
DAX	26338.61	-0.38	6.07	7.55	26300.00	-0.56
IBEX 35	19981.90	-0.87	3.98	15.45	20015.60	-0.73
FTSE MIB	53586.98	0.01	3.29	19.23	53709.00	-0.01
Nikkei	69220.25	-2.13	5.63	34.58	67750.00	-2.19
Hang Seng	25453.23	-0.66	2.94	-1.35	25295.00	-0.70
DFM General	5856.14	-0.50	0.73	-3.16		
MSCI Tadawoul	10908.06	-0.11	1.75	3.98		
Leb. Mkts	Closing Px	High	Low	% Daily	% Weekly	YTD
Solidere A	70.05	70.25	70.00	-1.55	-2.71	-16.61
Solidere B	69.65	70.00	69.00	-2.04	-3.26	-15.78
EuroBonds	26.50 / 27.50					

MUST READ

(Source: Bloomberg/Forexlive)

Bond Slump Sends Long-Term Borrowing Costs to Highest in Decades

Long-term government borrowing costs are rising sharply across major economies, with 30-year yields in the US, France, Germany, the UK and Japan reaching multi-year or record highs. The increase reflects global structural pressures rather than purely domestic problems. Investors are demanding greater compensation for holding long-duration bonds because of concerns about persistent inflation, geopolitical fragmentation, government debt and spending, and uncertainty over future interest rates. Recent energy-price increases linked to conflict in the Middle East have added to inflation fears, but the rise in long-term yields predates these developments. Another major factor is changing market supply and demand. Governments are issuing more debt while corporations, particularly technology companies funding AI investments, are also borrowing heavily at longer maturities. At the same time, traditional buyers such as pension funds are becoming less dominant, leaving more bonds in the hands of price-sensitive private investors. This shift has increased the “term premium” investors require. Japan is particularly important because rising Japanese yields could push global borrowing costs higher. Despite inflation concerns, long-term inflation expectations remain relatively stable in many markets, suggesting that rising real yields are a key driver. Governments are responding by issuing more short-term debt, where borrowing costs are lower, but this provides limited relief and increases refinancing risks.

MAIN WEEKLY EARNINGS

Company	Ticker	Market Cap	Date	Time	Estimate	Year Ago
HOME DEPOT INC	HD	\$ 336.91 B	18-Aug-26	Bef-mkt	4.72	4.68
KEYSIGHT TECHN	KEYS	\$ 61.72 B	18-Aug-26	Aft-mkt	2.48	1.72
TARGET CORP	TGT	\$ 68.59 B	19-Aug-26	Bef-mkt	2.96	2.05
ALIBABA GROUP I	BABA	\$ 298.94 B	20-Aug-26	Bef-mkt	10.80	14.75
WALMART INC	WMT	\$ 909.85 B	20-Aug-26	Bef-mkt	0.74	0.68

ECONOMIC CALENDAR

(18-08-26) UK - ILO Unemployment Rate 3Mths
(18-08-26) UK - Jobless Claims Change
(18-08-26) UK - Claimant Count Rate
(18-08-26) US - Housing Starts
(18-08-26) US - Industrial Production MoM
(19-08-26) JN - Core Machine Orders MoM
(19-08-26) UK - CPI YoY / MoM

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 325405/6/7/8/9

Disclaimer: This report is published for information purposes only. The information herein has been compiled from, or based upon sources we believe to be reliable, but we do not guarantee or accept responsibility for its completeness and accuracy. This document should not be construed as a solicitation to take part in any investment, or as constituting any representation or warranty on our part. The investment risks described herein are not purported to be exhaustive, any person considering an investment should seek independent advice on the suitability or otherwise of the particular investment. Investment, Capital Market and Treasury products are subject to investment risk, including possible loss of principal amount invested. Past performance is not indicative of future results: prices can go up or down. Investors investing in investments and/or treasury products denominated in foreign (non-local) currency should be aware of the risk of exchange rate fluctuations that may cause loss of principal when foreign currency is converted to the investor’s home currency. Client understands that it is his/her responsibility to seek legal and/or tax advice regarding the legal and tax consequences of his/her investment transactions. The consequences of any action taken on the basis of information contained herein are solely the responsibility of the recipient.