# Daily Market Brief

October 20th 2025

## FOREIGN EXCHANGE MARKETS

*(Sources: Bloomberg / Reuters)*

### EUR/USD

The EUR/USD pair gains traction near 1.1670 during the early European session on Monday. The Euro (EUR) strengthens against the US Dollar (USD) amid improved risk sentiment. However, elevated budget uncertainty in France might cap the upside for the major pair. Traders brace for the German September Producer Price Index (PPI) data later on Monday.

### GBP/USD

GBP/USD regains positive traction as Fed rate cut bets and economic risks stemming from a prolonged US government shutdown undermine the US Dollar. However, expectations that the BoE could continue cutting rates gradually, along with worries about the UK's fiscal outlook ahead of the crucial Autumn budget, could act as a headwind for the British Pound.

### USD/JPY

The Japanese Yen (JPY) attracts intraday buyers following an Asian session decline led by reports that the ruling Liberal Democratic Party (LDP) and the Japan Innovation Party (JIP) have agreed to form a coalition government. The latest development sets the stage for Sanae Takaichi to become Japan's first female Prime Minister and fuels speculations about big spending and loose monetary policy. This comes amid bets that the Bank of Japan (BoJ) could delay raising interest rates further and undermine the JPY at the start of a new week.

| Fx rates | Last | High | Low | % Daily | % Weekly | % YTD |
|---|---|---|---|---|---|---|
| EUR-USD | 1.1670 | 1.1676 | 1.1652 | 0.13 | 0.86 | 12.71 |
| GBP-USD | 1.3437 | 1.3443 | 1.3409 | 0.07 | 0.78 | 7.36 |
| USD-JPY | 150.64 | 151.20 | 150.38 | 0.02 | 1.09 | 4.35 |
| USD-CHF | 0.7930 | 0.7942 | 0.7914 | -0.04 | 1.40 | 14.43 |
| **Commodities** | **Last** | **High** | **Low** | **% Daily** | **% Weekly** | **% YTD** |
| Gold | 4238.70 | 4275.37 | 4219.14 | -0.31 | 3.12 | 61.51 |
| Silver | 51.75 | 52.29 | 51.29 | -0.33 | -1.19 | 79.05 |
| Crude Oil | 57.20 | 57.81 | 57.15 | -0.59 | -3.85 | -16.50 |
| Bitcoin | 111041.65 | 111142.98 | 107467.97 | 1.96 | -0.12 | 18.49 |
| Etherium | 4059.75 | 4077.05 | 3910.43 | 1.40 | 2.44 | 21.31 |

| Period | 1M | 3M | 6M | 12M |
|---|---|---|---|---|
| SOFR ($) | 4.02 | 3.87 | 3.70 | 3.47 |
| ESTR (€) | 1.84 | 1.92 | 1.89 | 1.84 |
| SONIA (£) | 3.96 | 3.93 | 3.85 | 3.73 |
| SARON (₣) | -0.05 | -0.06 | -0.07 | -0.11 |
| TONAR (¥) | 0.47 | 0.47 | 0.47 | 0.40 |

| | Rates |
|---|---|
| U.S. Federal Fund Target Rate | 4.25 |
| ECB Main Refinancing Operation Announcement Rate | 2.15 |
| ECB Deposit Facility Announcement Rate | 2.00 |
| ECB Marginal Lending Facility Announcement Rate | 2.40 |
| BOE Official Bank Rate | 4.00 |

## INTERNATIONAL EQUITY MARKETS

*(Sources: Bloomberg / Reuters)*

### UNITED STATES OF AMERICA

The Dow Jones Industrial Average rose Friday as traders digested the U.S.' softening tone on its trade talks with China and tried to move past credit concerns that sparked a big sell-off in regional banks Thursday. Stock futures moved higher Sunday night as investors turn their attention towards a slew of big-name earnings reports and inflation data expected in the coming days.

### EUROPE

European markets traded firmly in the red on Friday as concerns over the banking sector reached the region. The Pan-European Stoxx 600 closed 0.95% lower, with all major indexes in negative territory. Stocks are expected to start the new trading week on a positive note after a volatile few days.

### ASIA

Asia-Pacific markets opened higher Monday as investors parsed the latest slew of economic data out of China. China's GDP rose 4.8% in the July-to-September period. Hong Kong's Hang Seng Index was up over 2%. Japan's Nikkei 225 rose almost 3% after the country's Liberal Democratic Party and the Japan Restoration Party effectively reached an agreement to form a coalition government.

| Index | Close | % Daily | % M | YTD | Futures | % Change |
|---|---|---|---|---|---|---|
| DJIA | 46190.61 | 0.52 | -0.27 | 8.57 | 46505.00 | 0.28 |
| S&P | 6664.01 | 0.53 | -0.01 | 13.30 | 6724.75 | 0.85 |
| Nasdaq | 22679.97 | 0.52 | 0.21 | 17.45 | 25094.25 | 1.07 |
| DJ EuroStoxx50 | 5607.39 | -0.79 | 2.73 | 14.53 | 5662.00 | 0.05 |
| FTSE 100 | 9354.57 | -0.86 | 1.50 | 14.46 | 9428.50 | -0.45 |
| CAC 40 | 8174.20 | -0.18 | 4.08 | 10.75 | 8200.30 | 0.14 |
| DAX | 23830.99 | -1.82 | 0.81 | 19.70 | 24120.00 | -1.05 |
| IBEX 35 | 15601.10 | -0.29 | 2.23 | 34.55 | 15656.00 | 0.19 |
| FTSE MIB | 41758.11 | -1.45 | -1.31 | 22.15 | 41479.00 | -1.47 |
| Nikkei | 47582.15 | 3.07 | 8.88 | 22.93 | 49100.00 | 1.38 |
| Hang Seng | 25247.10 | 2.25 | -2.75 | 28.69 | 25845.00 | -0.22 |
| DFM General | 5992.18 | -0.62 | -0.52 | 16.16 | | |
| MSCI Tadawoul | 11690.61 | -0.05 | 8.44 | -2.87 | | |

| Leb. Mrkts | Closing Px | High | Low | % Daily | % Weekly | YTD |
|---|---|---|---|---|---|---|
| Solidere A | 82.25 | 82.50 | 82.00 | 1.29 | -1.79 | -31.46 |
| Solidere B | 81.00 | 81.00 | 81.00 | 0.00 | 3.78 | -32.22 |
| EuroBonds | 24.00 / 25.00 | | | | | |

## MUST READ

*(Source: Bloomberg/ Forexlive)*

### Kering Sells Beauty Division to L'Oreal in $4.7 Billion Deal

Kering SA has agreed to sell its beauty division to L'Oréal SA in a €4 billion ($4.7 billion) deal, forming part of a long-term strategic alliance between the two French companies. This marks the first major move by Kering's new Chief Executive, Luca de Meo, who took over in September and is tasked with revitalizing the company amid slowing Chinese demand, rising U.S. tariffs, and concerns over its debt levels. Kering, known for owning luxury brands like Gucci, created its beauty division in 2023 with the acquisition of high-end fragrance brand Creed for approximately €3.5 billion. However, the group has since shifted focus to more urgent business challenges. Under the agreement, L'Oréal, the world's leading cosmetics company, will acquire Creed, strengthening its luxury fragrance portfolio. De Meo stated that the partnership will allow Kering's brands to expand more effectively in the fragrance and cosmetics sectors by leveraging L'Oréal's scale and expertise. The move is seen as a strategic retreat from in-house beauty operations in favor of collaboration with a dominant industry player. Kering's majority ownership remains with the Pinault family, who hold 42% of shares and 59% of voting rights. De Meo is expected to outline his broader strategic vision for the company in the spring.

## MAIN WEEKLY EARNINGS

| Company | Ticker | Market Cap | Date | Time | Estimate | Year Ago |
|---|---|---|---|---|---|---|
| COCA-COLA CO/T | KO | $ 294.54 B | 21-Oct-25 | Bef-Mkt | 0.78 | 0.77 |
| GENERAL MOTOR | GM | $ 55.58 B | 21-Oct-25 | Bef-Mkt | 2.27 | 2.96 |
| PHILIP MORRIS IN | PM | $ 246.03 B | 21-Oct-25 | Bef-Mkt | 2.11 | 1.91 |
| GENERAL ELECTRI | GE | $ 318.28 B | 21-Oct-25 | Bef-Mkt | 1.45 | 1.15 |
| NETFLIX INC | NFLX | $ 509.64 B | 21-Oct-25 | Aft-Mkt | 7.01 | 5.55 |

## ECONOMIC CALENDAR

**(21-10-25) CA - CPI YoY/MoM**
**(22-10-25) UK - CPI YoY/MoM**
**(22-10-25) US - MBA Mortgage Applications**
**(23-10-25) US - Initial Jobless Claims**
**(23-10-25) EC - Consumer Confidence**
**(24-10-25) JN - Natl CPI YoY**
**(24-10-25) JN - S&P Global Japan PMI Composite / Manufacturing / Services**


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