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## Contact Information

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	07/03/2025	28/02/2025	% Change	YTD
Euro / LP	96,919.55	92,856	4.38%	4.60%
Euro / Dollar	1.0829	1.0375	4.38%	4.60%
NEER Index	234.83	234.78	0.02%	0.26%

\*Prices are as of the time of writing this report

The Nominal Effective Exchange Rate (NEER) of the Lebanese pound rose marginally this week against a basket of 21 influential currencies, including the Euro and British pound, and recorded 234.83 points on March 7th, 2025.

	07/03/2025	28/02/2025	% Change
Dollars index = DXY	103.629	107.614	-3.70%
EUR/USD	1.0829	1.0375	4.38%
GBP/USD	1.29	1.2577	2.57%
USD/CHF	0.8790	0.904	-2.73%
USD/CNY	7.2301	7.2828	-0.72%
USD/JPY	147.48	150.65	-2.10%
AUD/USD	0.6306	0.6207	1.59%
USD/CAD	1.4302	1.4465	-1.13%

\*Prices are as of the time of writing this report

In international currency markets this week, the US Dollar index, a measure of the US currency's strength against a basket of six rivals, dropped by 3.7% to 103.629 points. This decline is mainly attributed to a couple factors. First, U.S. President Donald Trump's new 25% tariffs decisions on Canada and Mexico and an additional 10% on China began a trade war between these countries. In return, Canada implemented a 25% tariffs on US imports worth \$155 billion targeting US beer, wine, and home appliances. In addition, Canada Prime Minister Justin Trudeau announced that if the US tariffs remained in effect for the next 21 days, there will be additional tariffs on other imports worth around \$180 billion. Later on, Trump administration exempted US automakers from the 25% tariff for one month. Second, ADP report stated that jobs added in February was the lowest increase in seven months and recorded 77,000.

The euro rose by 4.38% against the dollar this week to record 1.0829. The increase comes after European governments' decision to increase defense spending. Ursula Von Der Leyen (European Commission President) announced this week that European Union's latest plan is to increase defense spending by €800 billion. She also proposed granting the members of the European Union more fiscal flexibility to meet the defense plan in addition to €150 billion loans for defense spending purpose. In addition, the European Central Bank (ECB) executed a 25 bps interest rate cut with expectation of additional one or two 25 bps rate cuts this year.

The British pound increased by 2.57% this week to 1.29 due to several factors. First, United Kingdom will be less exposed to US tariffs after the positive meeting held between President Trump and Prime Minister Starmer. In addition, the latter declared an air-defense missiles aid to Ukraine worth \$2 billion. Lastly, it is expected that Bank of England (BoE) might keep interest rates high in the near future as the Deputy Governor revealed that inflation might remain above target due to wage pressures.

The Japanese Yen strengthened by 2.10%, with current trading levels at 147.48 USD/JPY and reaching five-months high, as traders considering it as safe-haven amid the escalating global trade war.

## Commodities

	07/03/2025	28/02/2025	% Change
<b>Gold</b>	2917.33	2857.84	2.08%
<b>Brent Crude Oil</b>	70.66	73.18	-3.44%
<b>WTI Crude Oil</b>	67.49	69.76	-3.25%

\*Prices are as of the time of writing this report

In the commodity markets, gold rose by 2.08% over the course of the week as being a safe-haven asset amid the global trade war escalation between the US administration and Canada, Mexico and China as the US imposed tariffs on its global trade partners.

In oil markets, Brent and West Texas Intermediate prices dropped by 3.44% and 3.25% this week, currently trading at \$70.66 and \$67.49 per barrel.

On the supply side, OPEC+ announced that 138,000 barrel per day increase in production starting April. In addition, the potential peace agreement between Russia and Ukraine might lead to a relief in sanction on Russian oil exports.

On the demand side, the trade war intensification could slow global economic growth, thus leading to a decrease in demand for oil.

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