

President Trump's Tariffs Decisions Weighing on Forex and Commodities Markets



BLOMINVEST
BANK

May 30, 2025

Contact Information

Helmi Mrad

helmi.mrad@blominvestbank.com

	30/05/2025	23/05/2025	% Change	YTD
Euro / LP	101,537.75	101,702	-0.16%	9.58%
Euro / Dollar	1.1345	1.13633296	-0.16%	9.58%
NEER Index	238.33	238.14	0.08%	1.76%

The **Nominal Effective Exchange Rate (NEER)** of the **Lebanese pound** rose this week by 0.08% against a basket of 21 influential currencies, including the Euro and British pound, and recorded 238.33 points on May 30th, 2025. Since the Lebanese pound is pegged to the USD, USD strengthening led to an increase in NEER.

	30/05/2025	23/05/2025	% Change
Dollars index = DXY	99.438	99.112	0.33%
EUR/USD	1.1345	1.13633296	-0.16%
GBP/USD	1.3471	1.3536	-0.48%
USD/CHF	0.8237	0.821	0.27%
USD/CNY	7.1901	7.1822	0.11%
USD/JPY	144.03	142.59	1.01%
AUD/USD	0.6418	0.6513	-1.46%
USD/CAD	1.3825	1.3755	0.51%

Prices are as of the time 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, rose marginally by 0.33% to 99.438 points. The increase is credited to several factors. First, after few days of deciding to put 50% tariffs on

European goods, President Trump delayed the implementation of these tariffs to July 9th, 2025. Second, Federal open Market Committee (FOMC) latest meeting minutes revealed that the committee is applying the wait-and-see strategy regarding interest rate cuts to assess the economic consequences of the tariff development. Third, the US court of International Trade stated that tariffs are “unlawful to all” and order to permanently block these tariffs.

As for the Euro, it dropped by 0.16% this week pressured by the rise of the US dollar. The European Central Bank (ECB) is expected to announce its policy next week with some analysts expecting additional rate cut while some ECB members are supporting a pause on further easing.

Similarly, the British Pound dropped by 0.48% only this week pressured by strong US dollar.

Japanese Yen depreciated this week by 1.01% and recorded 144.03 per USD as US Dollar strengthened this week due tariffs easing.

As for the Chinese Yuan, it also depreciated against the US Dollar and recorded 7.1901 as investors are watching closely the ongoing trade negotiations. The progress of trade talks between US and China stalled as revealed by US Treasury Secretary Bessent and stated that it might need a call between the presidents of both countries to move forward with the negotiations.

Commodities

	30/05/2025	23/05/2025	% Change
Gold	3,297.53	3,357.51	-1.79%
Brent Crude Oil	64.24	64.78	-0.83%
WTI Crude Oil	61.27	61.53	-0.42%

Prices are as of the time writing this report

In commodities market, gold recorded some losses this week as the demand on the safe-haven asset decreased. The decrease of demand is attributed to traders' optimism regarding the trade relations between US and European Union (EU). US President Donald Trump stated on Sunday that the implementation of 50% tariffs on European goods that was planned to be implemented on June 1st is delayed until July 9th. On the other side, EU declared on Monday that they will speed up their trade negotiation with the US.

As for oil prices, both Brent and West Texas Intermediate (WTI) are setting toward a weekly loss of 0.83% and 0.42% respectively. The effect of expected oil production hike for July to be approved on OPEC+ meeting on Saturday outweighed the ease of trade tensions between US and EU. OPEC+ is expected to approve on Saturday a production hike of 411,000 barrels per day in July following a similar rise planned for June. On the demand side, the volatility of US tariffs ruling is making traders cautious. On Thursday, the US Federal Appeal Court reversed US Court of International Trade decision on Wednesday that President Trump surpassed his authority in imposing global tariffs and ordering its removal. Additionally, the US GDP contraction of 0.2% in Q1 2025 raised fears of recession, thus lower fuel demand.

**For your Queries:
BLOMINVEST BANK s.a.l.**

Research Department

Zaituna Bay

POBOX 11-1540 Riad El Soloh

Beirut 1107 2080 Lebanon

Helmi Mrad

helmi.mrad@blominvestbank.com

Research Department

Tel: +961 1 991 784

research@blominvestbank.com

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 or 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 consequences of any action taken on the basis of information contained herein are solely the responsibility of the recipient.