

Gold Rises as Bullion Tariffs Hit Swiss Supply; Dollar Weakens on Dovish Fed Signals



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Lebanese Forex Market

	08/08/2025	01/08/2025	% Change	YTD
Euro / LBP	104,195.90	102,217.95	1.94%	11.63%
Euro / Dollar	1.1643	1.1588	0.47%	12.44%
NEER Index	240.95	241.19	-0.10%	2.88%

*Prices are as of the time of writing this report

The **Nominal Effective Exchange Rate (NEER)** of the Lebanese pound edged down by 0.1% this week, reaching 240.95 points on August 8, 2025, against a basket of 21 influential currencies—including the Euro and British pound.

International Forex Market

	08/08/2025	01/08/2025	% Change	Status
Dollars index = DXY	98.24	99.14	-0.91%	Weakened
Euro (EUR/USD)	1.1643	1.1588	0.47%	Strengthened
U.K. Pound (GBP/USD)	1.3429	1.3280	1.12%	Strengthened
Swiss Franc (USD/CHF)	0.8077	0.8041	0.45%	Weakened
Chinese Yuan (USD/CNY)	7.1826	7.2118	-0.40%	Strengthened
Japanese Yen (USD/JPY)	147.33	147.41	-0.05%	Strengthened
Australia \$ (AUD/USD)	0.6517	0.6473	0.68%	Strengthened
Canadian \$ (USD/CAD)	1.3751	1.3787	-0.26%	Strengthened

*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—fell by 0.91% to 98.24 points, pressured by weaker-than-expected labor data, renewed trade tensions, and shifting Fed expectations.

July’s nonfarm payrolls rose by just 73K—well below Dow Jones’ 100K estimate —and June and May totals were revised down by a combined 258K, reinforcing signs of slowing growth. This has strengthened market conviction around a September rate cut, with CME’s FedWatch Tool now pricing in an 89% probability for a 25-basis-point reduction.

Meanwhile, President Trump’s broad-based tariffs on more than 90 countries have come into effect. This move is expected to negatively impact domestic demand and export competitiveness, amplifying recessionary risks and weakening the dollar’s appeal.

In addition, Trump’s nomination of Stephen Miran, chair of the Council of Economic Advisors, to the Fed Board, along with speculation around Christopher Waller as the next Fed Chair, reinforced expectations of a more dovish policy path.

As the Dollar weakens, other currencies tend to strengthen against it.

The **Euro** rose by 0.47% this week to 1.16 euros per dollar, as markets anticipate easing from both the Federal Reserve and the European Central Bank (ECB), with the Fed expected to lead the cycle and deliver larger size cuts.

Similarly, **sterling** rose 1.12% this week, despite the Bank of England's 25-basis-point rate cut. The currency's resilience reflects market interpretation of the narrow 5–4 vote split, which signaled a potentially cautious policy path ahead. Investors appear to have priced in the cut as a one-off adjustment rather than the start of an aggressive easing cycle, lending support to the pound.

The **Chinese yuan** strengthened by 0.4% against the dollar this week, supported by cautious optimism around a potential extension of the US–China tariff truce. While President Trump threatened to impose additional tariffs on Chinese goods—like the 25% he slapped on India over Russian oil purchases—investors remained focused on the August 12 deadline for a bilateral agreement.

In contrast, the **Swiss franc** weakened by 0.45% this week, pressured by escalating trade tensions with the US. The depreciation followed Washington's decision to impose a 39% tariff on Swiss imports—including one-kilo gold bars, Switzerland's primary bullion export to the US and the dominant format traded on Comex—as reported by the [*Financial Times*](#). The move weakens Switzerland's trade balance and exerts downward pressure on the franc. With London and New York using different-sized bars, Switzerland serves as a key intermediary, recasting bullion to meet market specifications.

Commodities

	Currency	08/08/2025	01/08/2025	% Change
Gold (Spot)	USD	3,391.49	3,362.88	0.85%
Brent Crude Oil	USD	66.26	69.67	-4.89%
WTI Crude Oil	USD	63.65	67.33	-5.47%

*Prices are as of the time of writing this report

In commodity markets, **gold** rose by 0.85% this week to \$3,391.5 per ounce. The US decision to impose tariffs on imports of one-kilo and 100-ounce gold bars—standard units for COMEX delivery—risks tightening physical supply in the US and exerting upward pressure on prices. That risk is already materializing, with two refineries telling the *FT* they had paused or scaled back shipments to the US amid growing uncertainty. Meanwhile, rising trade tensions have reinforced gold's role as a safe-haven asset. In addition, the expected 0.25% Fed rate cut boosted the appeal of the non-yielding metal. Gold also benefited from a weaker dollar, making it more affordable for holders of other currencies.

In oil markets, **Brent and West Texas Intermediate** (WTI) crude prices fell sharply this week by 4.9% and 5.5% respectively. Mounting concerns over the economic fallout from escalating tariff threats weighed on demand sentiment, while geopolitical developments added to downside pressure. The Kremlin's confirmation of a meeting in the coming days between Presidents Putin and Trump raised hopes for a diplomatic resolution to the war in Ukraine, potentially paving the way for a full return of Russian oil to global markets. Such a shift would not only ease supply constraints but also reduce the risk of U.S. tariff penalties on buyers, further incentivizing purchases. Meanwhile, OPEC+ announced a 547,000 barrel-per-day production increase starting September, fully reversing earlier output cuts and increasing the supply.

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