

Dollar Surges Despite Partial Governmental Shutdown; Gold and Silver Rise on Safe-Haven Demand



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Lebanese Forex Market

	10/10/2025	03/10/2025	% Change	YTD
Euro / LBP	103,560.45	105,046.15	-1.41%	10.95%
Euro / Dollar	1.1570	1.1744	-1.48%	11.73%
NEER Index	242.98	242.40	0.24%	3.75%

*Prices are as of the time of writing this report

The **Nominal Effective Exchange Rate (NEER)** of the Lebanese pound rose by 0.24% this week, reaching 242.98 points on October 10, 2025, against a basket of 21 influential currencies—including the Euro and British pound.

International Forex Market

	10/10/2025	03/10/2025	% Change	Status
Dollars index = DXY	99.34	97.72	1.66%	Strengthened
Euro (EUR/USD)	1.1570	1.1744	-1.48%	Weakened
U.K. Pound (GBP/USD)	1.3304	1.3480	-1.31%	Weakened
Swiss Franc (USD/CHF)	0.8058	0.7954	1.31%	Weakened
Chinese Yuan (USD/CNY)	7.1251	7.1195	0.08%	Weakened
Japanese Yen (USD/JPY)	152.85	147.45	3.66%	Weakened
Australia \$ (AUD/USD)	0.6566	0.6602	-0.55%	Weakened
Canadian \$ (USD/CAD)	1.4020	1.3951	0.49%	Weakened

*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—rose by 1.66% to 99.34 points. The dollar’s advance reflected broad weakness across several foreign currencies such as the euro and yen.

Their declines outweighed concerns over the budget dispute in Washington, and the persistent partial U.S. government shutdown—an outcome largely priced in by markets the prior week.

With the U.S. government shutdown limiting access to fresh economic data, markets are focused on Fed commentary and sentiment. While some policymakers flagged inflation concerns that could complicate rate cuts, New York Fed President John Williams signaled openness to easing. According to CME’s FedWatch tool, the probability of a 25-basis-point cut at the October 29th meeting remains high at 94.6%—down slightly from 96.2% last week—while the odds of holding rates steady edged up to 5.4%.

The **Euro** slipped by 1.48% this week to 1.16 euros per dollar, amid political unrest in France. President Emmanuel Macron is seeking a new prime minister after Lecornu’s resignation, aiming to push a tight budget amid mounting investor concern over France’s widening deficit.

The **Japanese yen** weakened by 3.66% this week on speculation that Japan’s new prime minister Sanae Takaichi may favor a slower pace of rate hikes.

Commodities

	Currency	10/10/2025	03/10/2025	% Change
Gold (Spot)	USD	3,971.33	3,886.83	2.17%
Silver (Spot)	USD	51.05	48.00	6.35%
Brent Crude Oil	USD	64.93	64.53	0.62%
WTI Crude Oil	USD	61.28	60.88	0.66%

*Prices are as of the time of writing this report

In commodity markets, **gold** rose 2.17% this week to \$3,971 per ounce, retreating after briefly touching a record high of \$4,059.31 on Wednesday. A mix of geopolitical risks, aggressive central bank purchases, ETF inflows, rate-cut expectations, and trade tensions supported the rally. In addition, the precious metal became more appealing as investors shifted toward safe-haven assets like gold and silver—stepping away from the dollar that has drastically weakened this year. However, prices eased later in the week amid signs of de-escalation in the Middle East, following the initial phase of a ceasefire agreement between Israel and Hamas. The \$4,000 psychological barrier further triggered profit-taking among short-term traders and speculators.

Silver also climbed 6.35% to \$51.05 per ounce, trading near its \$51.22 record from the prior session. It's up 75% year-to-date. Like gold, silver typically moves inversely with the U.S. dollar and interest rates—both of which have declined this year. But its industrial demand—especially from solar panels and wind turbines—adds another layer of support, with global demand expected to outpace supply for a fifth straight year in 2025. Meanwhile, potential U.S. tariffs on silver sparked a rush to ship silver to America, draining London inventories and tightening supply further.

In oil markets, **Brent and West Texas Intermediate (WTI)** crude prices rose by 0.62% and 0.66% this week, respectively, lifted by fresh U.S. sanctions on over 50 Iran-linked energy entities. Furthermore, while OPEC+ approved a new production increase for November, the 137,000-barrel-per-day hike was less than the one priced in by markets, adding further support. Meanwhile, geopolitical risk premiums eased following the agreement between Israel and Hamas.

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