

Oil Sanctions Lift Crude Prices; Gold and Silver Slide on Profit-Taking



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Lebanese Forex Market

	24/10/2025	17/10/2025	% Change	YTD
Euro / LBP	103,855.80	104,938.75	-1.03%	11.27%
Euro / Dollar	1.1605	1.1655	-0.43%	12.07%
NEER Index	224.14	243.09	-7.80%	-4.30%

*Prices are as of the time of writing this report

The **Nominal Effective Exchange Rate (NEER)** of the Lebanese pound fell by 7.8% this week, reaching 224.14 points on October 24, 2025, against a basket of 21 influential currencies—including the Euro and British pound.

International Forex Market

	24/10/2025	17/10/2025	% Change	Status
Dollars index = DXY	99.05	98.43	0.63%	Strengthened
Euro (EUR/USD)	1.1605	1.1655	-0.43%	Weakened
U.K. Pound (GBP/USD)	1.3326	1.3427	-0.75%	Weakened
Swiss Franc (USD/CHF)	0.7961	0.7934	0.34%	Weakened
Chinese Yuan (USD/CNY)	7.1237	7.1271	-0.05%	Strengthened
Japanese Yen (USD/JPY)	153.00	150.63	1.57%	Weakened
Australia \$ (AUD/USD)	0.6500	0.6495	0.08%	Strengthened
Canadian \$ (USD/CAD)	1.4016	1.4021	-0.04%	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—rose by 0.63% to 99.05 points.

Investors are positioning ahead of inflation data delayed by the US government shutdown, expected to be released today. While the figures are unlikely to derail a rate cut at the Fed’s October 29 meeting, they could influence the tone of the December 10 decision, potentially making it less dovish than previously anticipated.

Economists polled by Reuters expect a 0.4% month-on-month rise in the headline CPI and a 0.3% increase in the core figure. In response, CME’s FedWatch tool shows traders now pricing in a more cautious easing path: 91.9% expect a maximum 50bp cut by December, with the remainder anticipating even less. That’s a shift from a week ago, when 93.7% expected up to 50bp of easing, and 6.4% priced in deeper cuts—6.3% for 75bp and 0.1% for a full percentage point.

Target Rate (bps)	Probability(%)			
	Now *	1 Day 22-Oct-25	1 Week 17-Oct-25	1 Month 24-Sep-25
300-325	0.00%	0.00%	0.10%	0.00%
325-350	0.00%	0.00%	6.30%	0.00%
350-375	91.90%	95.50%	93.70%	73.30%
375-400	8.00%	4.40%	0.00%	25.10%
400-425 (Current)	0.10%	0.00%	0.00%	1.60%
* Data as of 24 Oct 2025 01:57:22 CT				

The **euro** fell by 0.43% this week to \$1.1605, as the dollar strengthened.

Similarly, the **British pound** fell by 0.75% to \$1.3326, after inflation rose by 3.8% annually in September, less than the 4% forecast by the Bank of England earlier this year and the consensus among economists polled by Reuters. The cooler-than-expected headline inflation suggests the BOE may cut interest rates earlier than previously anticipated, adding pressure on sterling.

The **Japanese yen** weakened this week, trading at 153 per dollar from 150.63 last week. The surge in oil prices—driven by fresh U.S. sanctions on Russian suppliers—pressured currencies of major importers, including Japan. The yen also faces headwinds from Prime Minister Sanae Takaichi’s dovish fiscal and monetary stance, despite August inflation rising to 2.9% annually from 2.7% yearly in July.

According to Reuters’ October 1, 2025 analysts survey, the Japanese yen is projected to strengthen to a median of 144 against the dollar by end of this year from 153 currently, close to SmartEconomics®’s 145.1 forecast.



Source: LSEG Workspace

Note: SmartEconomics® produces forecasts significantly more accurate than consensus by scoring each contributor’s track record—comparing Reuters poll estimates to actual outcomes across asset classes.

Commodities

	Currency	24/10/2025	17/10/2025	% Change
Gold (Spot)	USD	4,090.56	4,249.98	-3.75%
Silver (Spot)	USD	48.29	51.91	-6.96%
Brent Crude Oil	USD	65.69	61.29	7.18%
WTI Crude Oil	USD	61.50	57.54	6.88%

*Prices are as of the time of writing this report

In commodity markets, **gold** fell 3.75% this week to \$4,090.56 per ounce, after recording its largest intraday loss in five years earlier in the week—mainly driven by profit-taking as the yellow metal repeatedly hit record highs in recent sessions. Additional pressure came from a stronger dollar, which made gold more expensive for holders of other currencies, and from easing geopolitical risks in the Middle East. Hopes for de-escalation in US-China trade tensions ahead of next week's Trump-Xi meeting also weighed, despite fresh US sanctions on Russia aimed at pressuring Moscow for a Ukraine ceasefire. Still, gold remains up by 55.9% year-to-date and is expected to retain support from the Fed's outlook for two more rate cuts by year-end, which continues to underpin demand for the non-yielding asset.

Silver also dropped by 7% this week to \$48.3 per ounce, as investors locked in gains after a strong rally. The recent surge was driven by safe-haven flows, bullish industrial demand outlook, and shrinking vault inventories in London and Shanghai.

In oil markets, **Brent and West Texas Intermediate (WTI)** crude prices rose by 7.18% and 6.88% this week, respectively, after Washington blacklisted Rosneft and Lukoil—Russia's top state-run crude exporters—citing Moscow's lack of commitment to peace in Ukraine. The sanctions, which target nearly half of Russia's oil exports, triggered Chinese and Indian import cuts and were followed by fresh EU measures targeting Russia's energy infrastructure and Ukrainian strikes on Russian energy infrastructure.

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