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## Lebanese Forex Market

	12-Dec-2025	5-Dec-2025	% Change	YTD
Euro / LBP	105,064.05	104,258.55	0.77%	12.56%
Euro / Dollar	1.1738	1.1644	0.81%	13.36%
NEER Index	224.99	224.55	0.20%	-3.93%

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

**The Nominal Effective Exchange Rate (NEER) of the Lebanese pound** rose by 0.2% this week, reaching 225 points on December 12, 2025, against a basket of 21 influential currencies—including the Euro and British pound.

## International Forex Market

	12-Dec-2025	5-Dec-2025	% Change	Status
<b>Dollars index = DXY</b>	98.36	98.99	-0.64%	Weakened
<b>Euro (EUR/USD)</b>	1.1738	1.1644	0.81%	Strengthened
<b>U.K. Pound (GBP/USD)</b>	1.3386	1.3332	0.41%	Strengthened
<b>Swiss Franc (USD/CHF)</b>	0.7947	0.8047	-1.24%	Strengthened
<b>Chinese Yuan (USD/CNY)</b>	7.0552	7.0701	-0.21%	Strengthened
<b>Japanese Yen (USD/JPY)</b>	155.66	155.37	0.19%	Weakened
<b>Australia \$ (AUD/USD)</b>	0.6663	0.6641	0.33%	Strengthened
<b>Canadian \$ (USD/CAD)</b>	1.3775	1.3818	-0.31%	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 0.64% to 98.36 points. The index has now fallen more than 9% year-to-date, putting it on course for its biggest annual decline since 2017.

The Federal Reserve’s widely anticipated 25-basis-point rate cut brought the key overnight borrowing rate range to 3.5%–3.75%. What surprised markets, however, was the outlook. The Fed’s “dot plot” projections point to just one further reduction in 2026 and another in 2027, before rates converge toward the longer-run target of around 3%.

**As the Dollar weakened, other currencies strengthened against it.**

The **euro** and **sterling** are on track for a third consecutive weekly advance as the dollar weakens.

In contrast, the **Japanese yen** slipped to 155.66 per dollar from 155.37 last week, defying the usual link between exchange rates and the US–Japan interest rate differential. Typically, capital flows toward the higher-rate country, strengthening its currency. This year, however, the Fed has been easing while the Bank of Japan (BoJ) has cautiously raised rates, yet the yen continues to weaken. Analysts highlight concerns over fiscal sustainability under Prime Minister Sanae Takaichi. A BoJ hike this month could help restore the traditional rate-driven pattern next year.

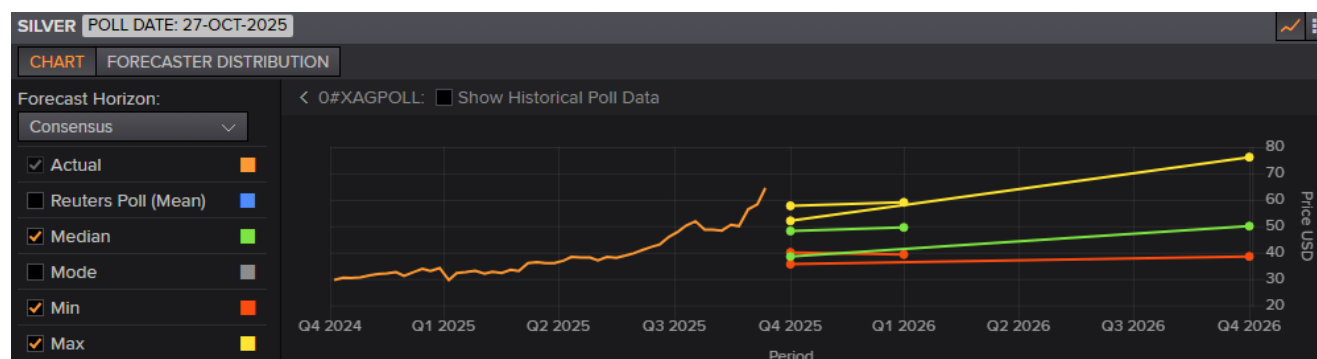
## Commodities

	Currency	12/12/2025	05/12/2025	% Change
Gold (Spot)	USD	4,312.16	4,197.13	2.74%
Silver (Spot)	USD	63.82	58.30	9.47%
Brent Crude Oil	USD	61.78	63.75	-3.09%
WTI Crude Oil	USD	58.09	60.08	-3.31%

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

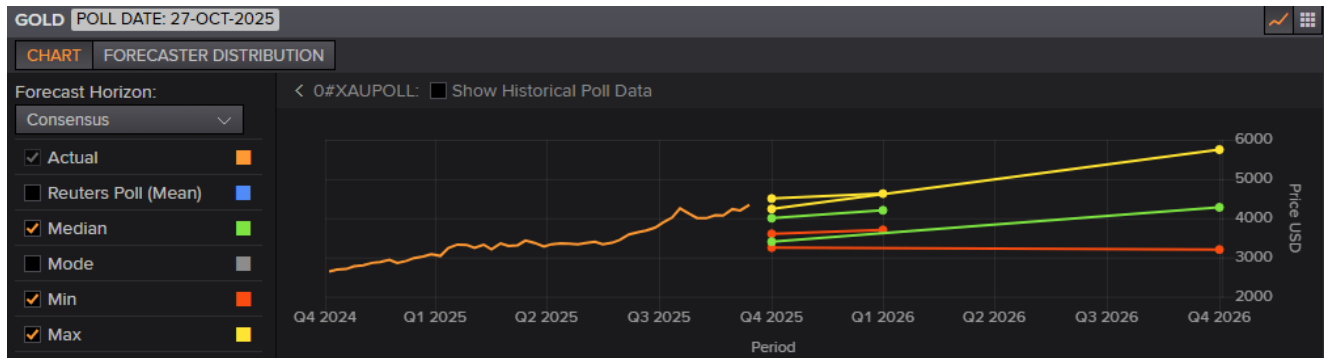
In commodity markets, **gold** increased by 2.74% this week to \$4,312.16 per ounce, while **silver** surged by 9.5% to \$63.82 per ounce, trading near record highs. Both non-yielding metals benefited from the Fed's rate easing and the weaker dollar, which makes them more affordable to holders of other currencies. Silver received additional support from strong industrial demand, particularly in solar, electric vehicles, and data center infrastructure.

According to Reuters' October 27, 2025 analysts survey, silver prices are projected to weaken to a median of \$50 per ounce by end of 2026 from \$64 per ounce currently.



Source: LSEG Workspace

As for gold, prices are projected to slide to a median of \$4,275 per ounce by end of 2026 from \$4,312 per ounce currently.



Source: LSEG Workspace

It is interesting to note that gold has risen by more than 64% since the start of the year, prompting speculation it may be entering the bubble territory. A recent [Bank for International Settlements \(BIS\) study](#) supports this view, noting that statistical tests suggest gold prices have become “explosive” in recent months. Still, such tests cannot predict when bubbles burst, meaning investors riding the trend could continue to benefit in the near term.

In **oil markets**, Brent and West Texas Intermediate (WTI) crude prices fell more than 3% this week, settling at \$61.78 and \$58.09 per barrel respectively, amid signs of progress toward a possible peace path between Russia and Ukraine. Adding downward pressure, Brazil’s production is rebounding from outages that cut over 300,000 barrels per day in November. As Latin America’s largest supplier, Brazil remains a key source of new barrels.

The decline was partly capped after U.S. President Donald Trump imposed sanctions on Venezuela, targeting three nephews of President Nicolas Maduro’s wife, Cilia Flores, in addition to six crude oil tankers and shipping companies linked to them, amid heightened U.S. pressure on Venezuela. Meanwhile, Ukraine struck another vessel tied to Russia’s oil trade, even as Washington keeps pressing for a ceasefire.

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