

WEEKLY MARKET UPDATES



Highlights of Economic and Market Trends (Dec-30 – Jan-03)

- Early in the week, U.S. stocks continued their downward trend from late December 2024, affected by year-end profit-taking and cautious investor sentiment.
- The U.S. Labor Department released job data showing a continued decline in unemployment rates, signaling resilience in the labor market.
- A rally on January 3, 2025, saw all major indices rebound, driven by strong performance in the technology sector.
- European stocks struggled due to weaker economic data and concerns over inflation.
- Asian markets faced headwinds from concerns about China's slowing economy, which dampened investor sentiment globally.
- China released weak economic data, raising concerns about the global impact of its slowdown. This also weighed on commodity-exporting countries like Australia.
- Continued political uncertainty in Europe, especially in France, added pressure to the euro.
- Oil prices were volatile, influenced by geopolitical tensions and reduced demand expectations from China.



Major Currency Movements

Currency Pair	Monday 30-Dec-24	Tuesday 31-Dec-24	Wednesday 1-Jan-25	Thursday 2-Jan-25	Friday 3-Jan-25
EUR/USD	1.0449	1.0409	1.0349	1.0341	1.0283
GBP/USD	1.2594	1.2554	1.2521	1.2467	1.2395
AUD/USD	0.6240	0.6216	0.6188	0.6217	0.6212
USD/CHF	0.9029	0.9029	0.9072	0.9053	0.9100
USD/JPY	157.5200	156.4400	156.8500	156.9400	157.2600
USD/SGD	1.3554	1.3598	1.3641	1.3627	1.3699
USD/INR	85.5500	85.6000	85.6450	85.7500	85.8100
USD INDEX	107.6150	107.7800	107.7800	108.4050	108.7850



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- **USD INDEX**

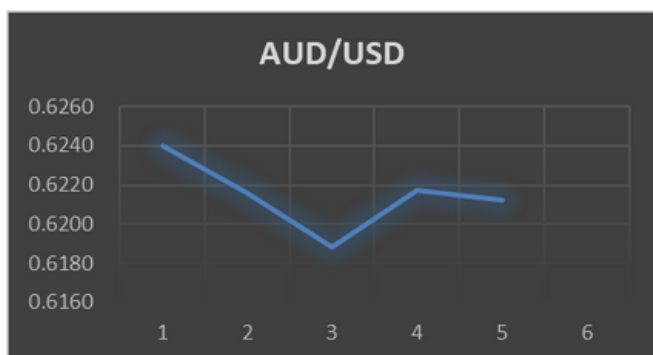
The USD Index rose significantly (107.6150 to 108.7850), indicating broad-based dollar strength across major currencies.

- **EUR/USD**

The Euro weakened consistently against the USD over the week, falling from 1.0449 on Monday to 1.0283 on Friday. This reflects the dollar's strength and/or potential weakness in the Eurozone's economy.

- **GBP/USD**

The British Pound also saw a decline versus the USD, starting at 1.2594 and ending at 1.2395. This may indicate reduced investor confidence in the UK market or strong dollar demand.



- **AUD/USD**

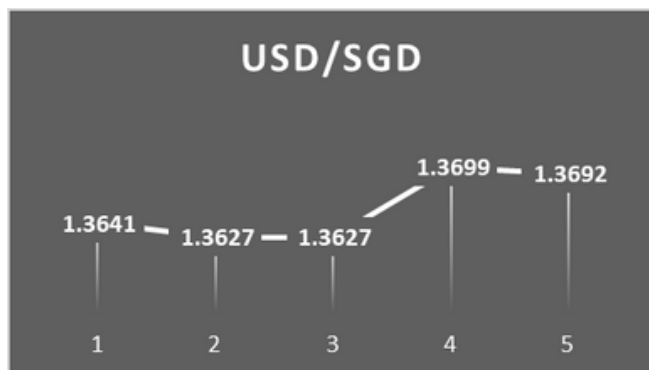
The Australian Dollar remained relatively stable but trended slightly downward (0.6240 to 0.6212). This could result from weaker commodity prices or concerns over China, a key trading partner for Australia.

- **USD/CHF**

After mid-week fluctuations, the dollar strengthened against the Swiss Franc, increasing from 0.9029 on Monday to 0.9100 on Friday. This trend is consistent with safe-haven flows into the USD.

- **USD/JPY**

The USD/JPY exchange rate showed slight strengthening of the dollar (157.52 to 157.26), reflecting interest rate expectations or risk sentiment



- **USD/SGD**

The USD gained against the Singapore Dollar over the week, moving from 1.3554 to 1.3699, reflecting regional pressures and strong USD demand.

- **USD/INR**

The USD strengthened against the Indian Rupee, rising from 85.5500 to 85.8100, possibly driven by India's trade deficit and global USD demand.



- **NASDAQ US**

Started at 19,905 (Dec 30), dropped to 19,311 (Jan 1), recovered slightly to 19,564 (Jan 2), and closed at 19,518 (Jan 3). Overall decline trend with slight recovery.

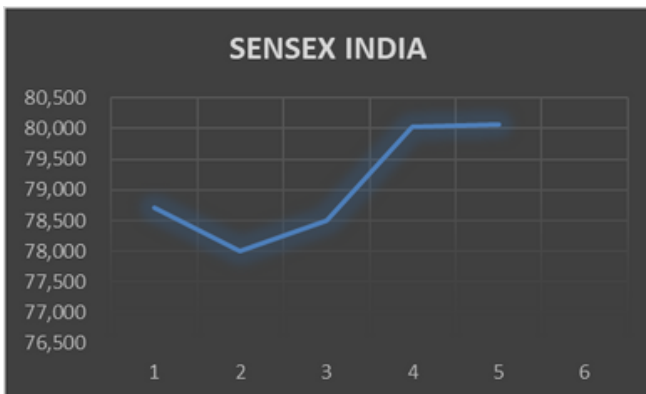
- **DAX GERMANY**

Marginal changes, starting at 19,984 (Dec 30) and ending at 20,025 (Jan 3), with a midweek peak of 20,031. German markets remained steady, supported by robust industrial output and export performance.

- **SHANGHAI CHINA**

Declines highlight concerns over China's economic slowdown, reduced consumer demand, and ongoing regulatory challenges. Dropped from 3,413 (Dec 30) to 3,274 (Jan 3).

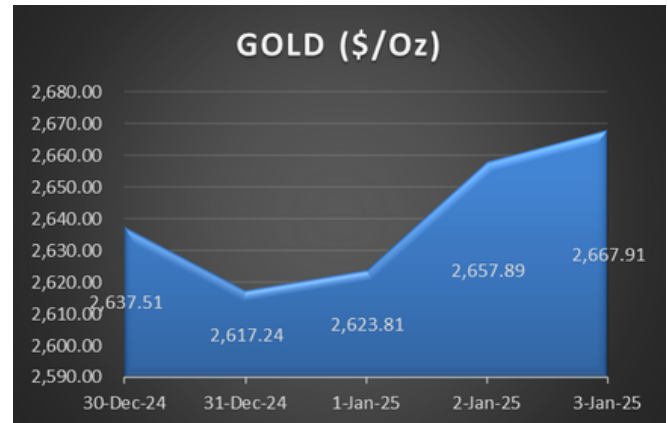
- Global Sentiment: Investor caution persisted due to inflation concerns, economic slowdown in China, and uncertainty around central bank policies.



- **NIFTY INDIA**

Declined from 23,819 (Dec 30) to 23,585 (Dec 31), then surged to 24,227 (Jan 2) before slightly retreating to 24,196 (Jan 3). Indian markets gained momentum, driven by optimism in IT and banking sectors.

Gold (\$/Oz)



- **SENSEX INDIA**

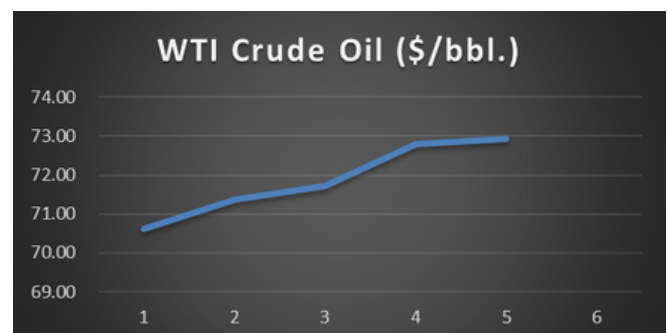
Dropped from 78,703 (Dec 30) to 77,997 (Dec 31), rallied to 80,033 (Jan 2), and closed at 80,073 (Jan 3). Strong buying interest in key sectors like IT and financials fueled recovery, reflecting investor optimism.

Gold prices saw a gradual upward trend, supported by increased demand for safe-haven assets amidst geopolitical uncertainties and concerns over slowing economic growth. The rise toward the end of the week reflects a continuation of investor interest in hedging against inflation and market volatility. Opened at \$2,637.51 (Dec 30), dipped slightly to \$2,617.24 (Dec 31), rose to \$2,657.89 (Jan 2), and closed at \$2,667.91 (Jan 3).

Key Observations

- US Markets: Ended the week with mixed performance. Year-end profit-taking affected markets initially, followed by a modest recovery.
- European Markets: Stable growth driven by industrials and consumer sectors, with minimal volatility.
- European indices (FTSE, DAX, CAC) declined amid mixed corporate earnings and subdued economic forecasts.
- Asian Markets: China and Hong Kong showed weakness due to economic concerns, while Japan remained resilient.
- Indian Markets: Exhibited strong midweek recovery, supported by sectoral gains in IT and financials.

WTI Crude Oil (\$/bbl.)



WTI prices rose on expectations of increased demand as major economies showed signs of resilience. Speculation about potential OPEC+ production cuts and reduced inventories in the US also contributed to price gains. Started at \$70.61 (Dec 30), climbed steadily to \$72.79 (Jan 2), and ended at \$72.94 (Jan 3).

- **Brent Crude Oil (\$/bbl.)**

Brent crude prices followed a similar trend to WTI, driven by global demand recovery and geopolitical tensions. The rally reflects tightening supply conditions and optimism for demand stability in 2025. Opened at \$73.81 (Dec 30), increased to \$75.65 (Jan 2), and closed at \$75.73 (Jan 3)

COMMODITY	Monday 30-Dec-24	Tuesday 31-Dec-24	Wednesday 1-Jan-25	Thursday 2-Jan-25	Friday 3-Jan-25
GOLD (\$/Oz)	2,637.51	2,617.24	2,623.81	2,657.89	2,667.91
WTI Crude Oil (\$/bbl.)	70.61	71.38	71.72	72.79	72.94
Brent Crude (\$/bbl.)	73.81	74.36	74.83	75.65	75.73

Key Observations

Rising gold prices highlight continued caution in global markets, with investors hedging against potential risks. Higher oil prices may reflect optimism about a potential rebound in global economic activity, particularly in energy-intensive sectors

Major Stock Market performance.

Stock Market	Monday 30-Dec-24	Tuesday 31-Dec-24	Wednesday 1-Jan-25	Thursday 2-Jan-25	Friday 3-Jan-25
NASDAQ US	19,905	19,623	19,311	19,564	19,518
DOW JONES US	43,239	42,869	42,544	42,780	42,905
S & P US	6,006	5,941	5,882	5,869	5,935
FTSE LONDON	8,151	8,150	8,173	8,204	8,271
DAX GERMANY	19,984	19,978	19,909	20,031	20,025
CAC FRANCE	7,355	7,373	7,381	7,399	7,399
SHANGHAI CHINA	3,413	3,413	3,352	3,352	3,274
NIKKEI JAPAN	40,356	40,326	39,895	40,326	40,326
HANGSENG HONGKONG	20,208	20,105	20,060	19,918	19,890
NIFTY INDIA	23,819	23,585	23,743	24,227	24,196
SENSEX INDIA	78,703	77,997	78,507	80,033	80,073
