

WEEKLY MARKET UPDATES



Highlights of Economic and Market Trends (Jan-13 – Jan-17)

- India's inflation dropped for the second consecutive month, registering a year-on-year rate of 5.22% in December, slightly below expectations. This decline strengthens the case for potential interest rate cuts by the Reserve Bank of India (RBI). On Monday, the Indian Rupee (INR) touched an all-time high of 86.70 against the US Dollar.
- Analysts predict a significant slowdown in China's electric vehicle (EV) market in 2025, intensifying competition among companies. The anticipated slowdown poses challenges for companies aiming to maintain momentum in the highly competitive EV market.
- Israel and Hamas reached a ceasefire and hostage release deal on Wednesday, signaling an end to the 15-month conflict in the Gaza Strip. The war caused widespread destruction and heightened regional tensions. The agreement provides temporary relief but underscores the ongoing challenges of achieving long-term peace in the region.
- The World Bank has released its latest economic forecast, projecting a strong recovery for the Gulf Cooperation Council (GCC) region in the coming years. Economic growth in the GCC is expected to rebound to 2.8% in 2024, with an even more optimistic outlook for 2025, where growth is anticipated to accelerate to 4.7%.
- This positive trajectory is largely attributed to ongoing efforts in economic diversification, coupled with the resilience of non-oil sectors within the region. The financial outlook for the GCC countries remains strong, with a projected surplus in both 2024 and 2025, continuing the favorable trend that began in 2022. The region's financial surplus in 2022 reached \$134 billion, representing 6.1% of the region's GDP.
- Saudi Arabia, the largest economy in the GCC, is also expected to see significant growth, with its economy forecast to expand by 4.4% in 2025. This growth is driven by increased oil production, marking a shift from two years of more modest performance.
- The continued economic growth and surplus underscore the success of the GCC's diversification efforts, positioning the region for sustained prosperity in the years ahead.

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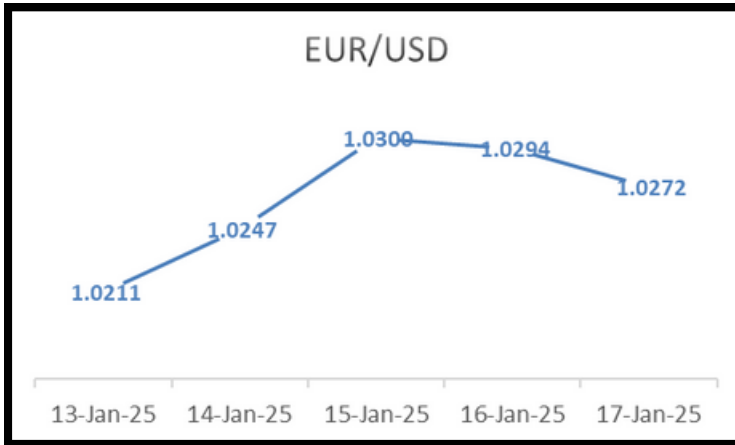


Major Currency Movements

Currency Pair	Monday 13-Jan-25	Tuesday 14-Jan-25	Wednesday 15-Jan-25	Thursday 16-Jan-25	Friday 17-Jan-25
EUR/USD	1.0211	1.0247	1.0300	1.0294	1.0272
GBP/USD	1.2139	1.2206	1.2204	1.2232	1.2171
AUD/USD	0.6151	0.6185	0.6194	0.6215	0.6195
USD/CHF	0.9165	0.9161	0.9123	0.9119	0.9149
USD/JPY	157.1800	157.5300	157.8900	155.7400	156.3000
USD/SGD	1.3728	1.3698	1.3681	1.3671	1.3694
USD/INR	86.7000	86.5300	86.5300	86.4500	86.5400
USD INDEX	109.7400	109.4400	109.0950	108.9050	109.2000

• USD Performance:

The USD Index showed a weakening trend initially but regained strength slightly on Friday. It declined from 109.74 (Monday) to 108.905 (Thursday) before closing at 109.2 (Friday). This trend reflects mixed movements across various currency pairs.



• EUR/USD:

Exhibited steady growth until Wednesday (1.0300) before a slight decline on Friday (1.0272). The euro gained overall against the dollar this week.

• GBP/USD:

Showed moderate fluctuation, peaking on Thursday at 1.2232 but dropped slightly to 1.2171 on Friday. The British pound had minor gains midweek but closed slightly lower than its peak.

• AUD/USD:

Consistently strengthened from Monday to Thursday (0.6151 to 0.6215), with a slight pullback on Friday (0.6195). The Australian dollar displayed resilience throughout the week.

• USD/CHF:

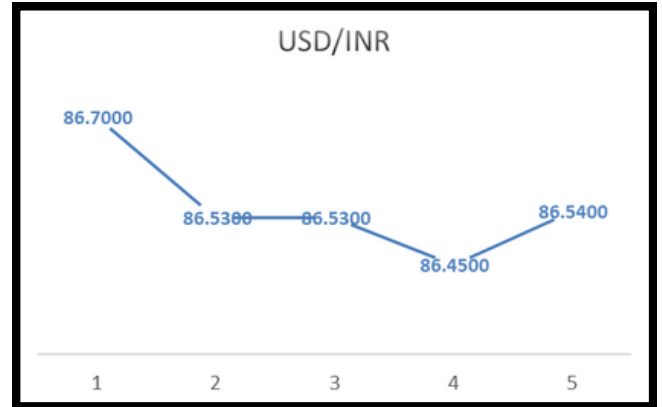
The Swiss franc appreciated against the dollar midweek, with the lowest rate observed on Wednesday (0.9123), but the USD regained some strength on Friday (0.9149).

• USD/JPY:

The Japanese yen saw significant volatility, strengthening sharply on Thursday (155.74) but weakening slightly by Friday (156.30). The overall trend reflects yen appreciation against the USD midweek.

• USD/SGD:

The Singapore dollar maintained a strengthening trend, with its strongest level on Thursday (1.3671). However, the USD regained slight strength on Friday.



• USD/INR:

The Indian rupee remained relatively stable, fluctuating within a narrow band around 86.54. The USD showed minimal movement against the INR.

Market Summary

- The USD showed weakness against most major currencies, as reflected in the declining USD Index.
- The CHF and JPY performed well midweek, possibly indicating heightened global risk aversion.
- The AUD and SGD gained steadily, reflecting a positive outlook on global trade.

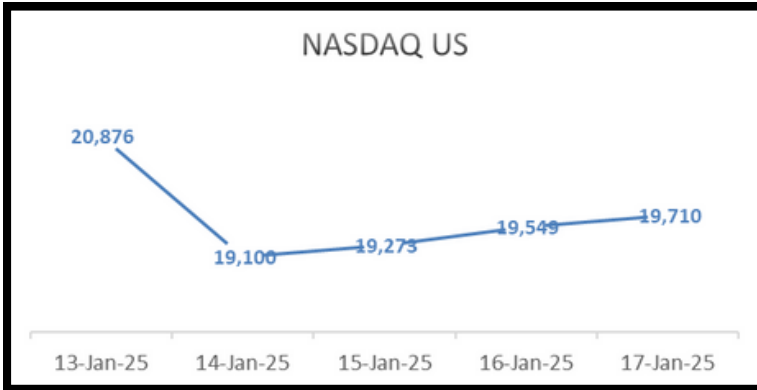
Market Forecast

- Bullish Currencies: EUR, GBP, AUD, JPY (supported by weaker USD and local factors).
- Bearish Currencies: USD (weighed down by declining USD Index), CHF (safe-haven demand may weaken if risk-on sentiment prevails).

- Stable Currencies: SGD, INR (minimal volatility expected unless external shocks occur).

US Markets:

NASDAQ experienced high volatility, recovering slightly after a sharp drop early in the week.

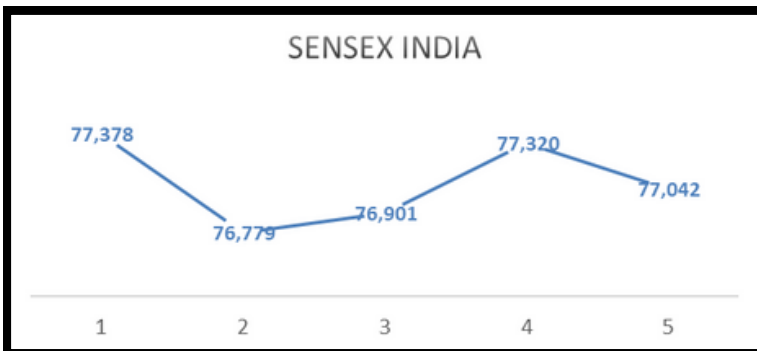


DOW JONES and **S&P 500** showed consistent upward trends driven by strong earnings and industrial performance.

European Markets

FTSE, DAX, and CAC displayed steady gains, supported by strong economic data and sectoral growth in energy and industrials.

Asian Markets:



SHANGHAI and **HANG SENG** showed resilience, benefiting from tech and financial sector recovery.

NIKKEI and Indian indices (**NIFTY, SENSEX**) saw profit-taking and volatility amidst global economic concerns.

Australian Market:

S&P/ASX saw moderate gains, supported by strong commodity prices and financial sector performance.

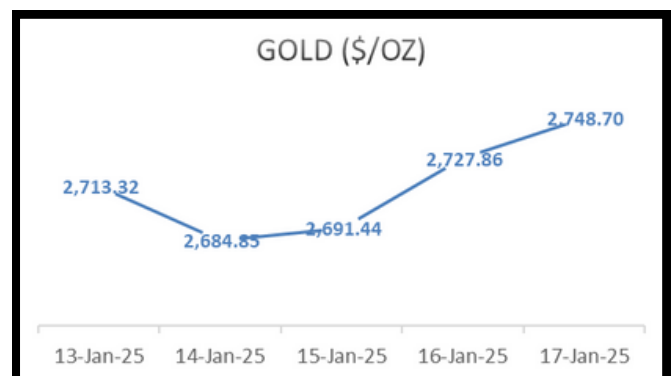
Market Summary

- US: Bullish momentum in DOW JONES and S&P 500; NASDAQ remains volatile due to tech sell-offs.
- Europe: Continued strength across indices, driven by industrial and energy sectors.
- Asia: Mixed performance; cautious sentiment prevails due to concerns about global growth.
- Australia: Stable growth supported by strong commodity prices.

Market Forecast

- US Markets: Bullish for DOW JONES and S&P 500, with volatility in NASDAQ.
- European Markets: Continued upward momentum across FTSE, DAX, and CAC driven by economic strength and industrial growth.
- Asian Markets: Mixed trends with stability in SHANGHAI and HANG SENG, but potential volatility in NIKKEI due to global pressures. Stable consolidation in NIFTY and SENSEX, driven by domestic earnings and foreign flows.
- Australian Market: Steady growth backed by commodity and financial sectors.

Commodities



• Gold:

Overall bullish trend with an increase from \$2,713.32 on Monday to \$2,748.70 by Friday.

• WTI and Brent Crude:

Volatile movement with a sharp rise on Friday. Brent closed at \$80.79, and WTI at \$77.39, likely due to supply constraints or geopolitical factors.

COMMODITY	Monday 13-Jan-25	Tuesday 14-Jan-25	Wednesday 15-Jan-25	Thursday 16-Jan-25	Friday 17-Jan-25
GOLD (\$/Oz)	2,713.32	2,684.85	2,691.44	2,727.86	2,748.70
WTI Crude Oil (\$/bbl.)	76.90	77.05	76.45	79.00	77.39
Brent Crude (\$/bbl.)	81.03	80.64	79.92	82.30	80.79

Market Summary

- Gold: Weekly gains indicate strong demand for safe-haven assets, supported by economic uncertainty and geopolitical risks.
- Crude Oil (WTI and Brent): Volatility persisted due to midweek supply concerns, with prices stabilizing after inventory adjustments.

Market Forecast

- Gold: Expected to test \$2,800 as central bank policies unfold.
- Crude Oil: WTI prices are expected to remain range-bound between \$77 and \$79.50, while Brent crude shows potential for an upward move toward \$83, driven by a rebound in global economic activity.

Major Stock Market performance.

Stock Market	Monday 13-Jan-25	Tuesday 14-Jan-25	Wednesday 15-Jan-25	Thursday 16-Jan-25	Friday 17-Jan-25
NASDAQ US	20,876	19,100	19,273	19,549	19,710
DOW JONES US	41,938	42,320	42,544	43,323	43,653
S & P US	5,827	5,839	5,872	5,961	6,015
FTSE LONDON	8,248	8,254	8,244	8,308	8,533
DAX GERMANY	20,214	20,176	20,363	20,630	20,925
CAC FRANCE	7,431	7,425	7,500	7,515	7,732
SHANGHAI CHINA	3,154	3,230	3,246	3,265	3,248
NIKKEI JAPAN	39,208	39,068	38,816	38,952	38,252
HANGSENG HONGKONG	18,850	19,206	19,322	19,679	19,555
NIFTY INDIA	23,210	23,227	23,724	23,392	23,209
SENSEX INDIA	77,378	76,779	76,901	77,320	77,042
S&P/ASX AUSTRALIA	8,178	8,254	8,264	8,346	8,308
