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Lebanese Forex Market

	21/03/2025	14/03/2025	% Change	YTD
Euro / LBP	96,982.20	97,044.85	-0.06%	3.90%
Euro / Dollar	1.08	1.09	-0.36%	4.67%
NEER Index	237.20	234.70	1.06%	1.28%

*Prices are as of the time of writing this report

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The **Nominal Effective Exchange Rate (NEER) of the Lebanese pound** rose this week by 1.06% against a basket of 21 influential currencies, including the Euro and British pound, and recorded 237.2 points on March 21st, 2025.

International Forex Market

	21/03/2025	14/03/2025	% Change	Status
Dollars index = DXY	104.00	103.72	0.27%	Strengthened
Euro (EUR/USD)	1.08	1.09	-0.36%	Weakened
U.K. Pound (GBP/USD)	1.29	1.29	0.09%	Strengthened
Swiss Franc (USD/CHF)	0.88	0.88	-0.31%	Strengthened
Chinese Yuan (USD/CNY)	7.25	7.24	0.17%	Weakened
Japanese Yen (USD/JPY)	149.33	148.63	0.47%	Weakened
Australia \$ (AUD/USD)	0.63	0.63	-0.55%	Weakened
Canadian \$ (USD/CAD)	1.43	1.44	-0.26%	Strengthened

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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 0.27% to 104 points as the Federal Reserve held rates steady on Wednesday and maintained their outlook for two rate cuts in 2025, while affirming that the Fed is not in a hurry to move. Meanwhile, traders are keeping a close eye on April 2, wondering if Trump would follow through his threat to impose reciprocal and sectoral tariffs. Market uncertainty makes the dollar more appealing as investors favor US assets during periods of heightened risk.

The **Euro** fell by 0.36% against the dollar this week to 1.08 points as the European Central Bank President Christine Lagarde warned of weaker growth if the EU retaliated against US tariffs. She stated that a 25% US tariff on European imports could reduce euro area growth by 0.3 percentage points in the first year, with counter-tariffs amplifying the impact to 0.5 percentage points.

The **Japanese Yen** weakened from 148.63 per USD on March 14, 2025, to 149.33 on March 21, 2025, reflecting a 0.47% depreciation, as the Bank of Japan avoided additional rates hikes, and cautioned about growing economic risks due to escalated U.S. tariffs on trade partners.

The risk-sensitive **Australian Dollar** declined by 0.55% to 0.63 points as concerns over the economic impact of President Trump's global trade tariffs weighed on market sentiment.

Commodities

	Currency	21/03/2025	14/03/2025	% Change
Gold (Spot)	USD	3,032.60	2,984.42	1.61%
Brent Crude Oil	USD	71.74	70.58	1.64%
WTI Crude Oil	USD	67.84	67.18	0.98%

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In commodity markets, **gold** traded near its record high of \$3,057.21 per ounce, reached on Thursday. This rise was driven by increased demand for safe havens amid escalating geopolitical and trade tensions, along with concerns about their impact on the economic outlook. Tensions in the Middle East intensified with Israel advancing its Gaza operations, and the US conducting airstrikes on the Houthis in Yemen. The Fed's unchanged outlook for two rate cuts in 2025 also made the non-yielding gold more appealing for traders.

In oil markets, **Brent and West Texas Intermediate (WTI)** prices rose this week by 1.64% and 0.98%, respectively, currently trading at \$71.74 per barrel for Brent and \$67.84 per barrel for WTI. This increase was fueled by new U.S. sanctions targeting Iran and OPEC+'s output reduction plan for seven members. The oil cut plan involves monthly reductions of 189,000 to 435,000 barrels per day until June 2026, potentially cancelling the supply increases OPEC+ had scheduled to begin next month.

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