

## DAILY MARKET ANALYSIS 29-07-2022

The annualized Eurozone Harmonised Index of Consumer Prices (HICP) accelerated by 8.9% in July vs. June's 8.6%, the latest data published by Eurostat showed on Friday. The market consensus was for an 8.6% figure. The core figures rose to 4.0% YoY in July when compared to 3.8% expectations and 3.7% booked in June.

### Stocks

Earnings from the influential Big Tech sector continue to dominate sentiment, with both Amazon (NASDAQ:AMZN) and Apple (NASDAQ:AAPL) surpassing expectations with their quarterly results released after the close Thursday. The second quarter was tricky for Amazon, with the world's largest online retailer seeing net sales in North America, the company's largest market, climbing 10% in the just-ended quarter, compared with a 22% gain in the same period a year ago. Its international unit actually saw an outright decline of 12%.

### Currencies

- EUR/USD clings to daily gains above 1.0200 in the European session. The data from the euro area showed that the GDP grew at an annualized pace of 4% in Q2 and HICP inflation jumped to 8.9% in July. Both of these prints surpassed market expectations.
- GBP/USD has lost its bullish momentum and declined below 1.2200 ahead of the key inflation data from the US. With the benchmark 10-year US Treasury bond yield rising more than 1% on the day, the dollar managed to stage a rebound and caused the pair to edge lower.
- USD/JPY is tumbling to test 133.00, as the US dollar selling gathers steam on Friday. Strong US tech earnings boost the S&P 500 futures while fading aggressive Fed tightening expectations weigh negatively on the greenback. Japanese data came in mixed.
- AUD/USD pair attracts fresh buying on the last day of the week and is building on its steady intraday ascent through the early European session. The momentum lifts spot prices to a fresh six-week high, around the 0.7030 region in the last hour.

### Bonds

Investors flocked to the safety of government debt amid lingering fears that tightening monetary conditions would drag leading economies into a recession. The Federal Reserve, the world's most influential central bank, is expected to raise its key rate to a high of around 3.25% by year-end to tame runaway inflation, currently running at over 40-year highs.

### Commodities

**Gold** price is building on the previous day's momentum after it broke out of the \$1,745-\$1,750 resistance zone. XAUUSD is gaining traction for the third successive day on Friday, pushing to over a three-week high around the \$1,767-\$1,768 region during the early European session – the move is mainly sponsored by the prevalent US dollar selling bias.



## Up Ahead –Tuesday 01-08-2022

- USD SM Manufacturing PMI

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