

## **DAILY MARKET ANALYSIS 16-08-2022**

Russian President Vladimir Putin slammed the U.S. and wider West, claiming Tuesday that America wants to drag out the war in Ukraine. “The situation in Ukraine shows that the U.S. is trying to prolong this conflict,” he said during a welcome address at a conference in Moscow on international security, Russian state news agency Interfax reported.

### **Stocks**

U.S. stock futures dropped early Tuesday morning as investors await minutes from the Federal Reserve’s July meeting on Wednesday. Futures on the Dow Jones Industrial Average (DJIA) inched 0.06% lower, while those on the S&P 500 (SPX) lost 0.17%, as of 5.53 a.m. EST, Tuesday. Meanwhile, the Nasdaq 100 (NDX) futures dipped 0.20%.

### **Currencies**

- EUR/USD has failed to stage a rebound following Monday's decline and started to edge lower in the European session on Tuesday. The pair trades below 1.0150 with the dollar continuing to gather strength. Eyes on ZEW survey, US housing data.
- GBP/USD came under renewed bearish pressure in the early European session amid risk aversion on Tuesday and declined toward 1.2000 before staging a modest rebound. The data from the UK showed that the ILO Unemployment Rate remained unchanged at 3.8% in June.
- USD/JPY pair attracts some dip-buying near the 132.95 area on Tuesday and climbs to a fresh daily high during the early European session. The pair is currently placed around the 133.70 region and is looking to build on its recent bounce from the 131.75-131.70 region touched last Thursday in the aftermath of the softer US CPI report.
- AUD/USD pair struggles to capitalize on its intraday recovery move and meets with a fresh supply near the 0.7040 region on Tuesday. Spot prices turn back lower for the second successive day and slip below the 0.7000 psychological mark, hitting a four-day low during the first half of the European session.

### **Bonds**

The 10-year US Treasury note yield bottomed below the 2.80% level, easing further from a multi-week peak of 2.91% as investors rushed to the safety of bonds due to lingering concerns over a global economic slowdown. A batch of economic releases from China, including disappointing industrial production and retail sales figures, raised further concerns about the health of the world's second-largest economy. On top of that, several Federal Reserve policymakers have pointed out that a dovish pivot is unlikely despite signs that inflation could be peaking, added to concerns about a Fed-induced recession.

### **Commodities**



**Gold** Following a consolidation phase above \$1,780 in the Asian session, gold lost its traction and declined toward \$1,775. The benchmark 10-year US Treasury bond yield holds in positive territory near 2.8%, making it difficult for XAU/USD to gather recovery momentum.

**Up Ahead –Tuesday 17-08-2022**

- NZD RBNZ Monetary Policy Statement
- NZD RBNZ Monetary Policy Statement

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