

DAILY MARKET ANALYSIS 03-08-2022

In a statement published following its meeting, OPEC said that insufficient investment will impact the availability of adequate oil supply to meet growing demand beyond 2023, as reported by Reuters. "The severely limited availability of excess capacity necessitates utilizing it with great caution in response to severe supply disruptions," the group added. Crude oil prices turned south and erased a large portion of the daily gains. As of writing, the barrel of West Texas Intermediate (WTI) was trading at \$94.60, where it was down 0.85% on a daily basis.

Stocks

U.S. stocks rose Wednesday, as traders tried to regain their footing following back-to-back losing sessions. The Dow Jones Industrial Average rose 149.87 points, or 0.46%. The S&P 500 gained 0.55% and the Nasdaq Composite increased 0.85%, boosted by rising tech stocks. Shares of Amazon, Tesla, Apple and PayPal all opened higher. Earnings season continued, giving investors hope that the market can recover. Moderna and CVS Health both rose after reporting earnings beats.

Currencies

- EUR/USD continues to trade in a tight range below 1.0200 on Wednesday. The data from the euro area showed that Retail Sales declined by 1.2% on a monthly basis in June, not allowing the shared currency to find demand. The US economic docket will feature ISM Services PMI.
- GBP/USD has managed to stage a rebound after having declined below 1.2150 earlier in the session. With investors remaining cautious ahead of the US ISM Services PMI data, however, the pair finds it difficult to gather bullish momentum.
- USD/JPY consolidates the biggest daily gains in six weeks around 133.00 during Wednesday's Asian session. In doing so, the yen pair fades bounce off the 100-day EMA while reversing from the 50-day EMA. Given the bearish MACD signals and the US dollar's failures to remain firmer, the USD/JPY prices are likely to extend the latest pullback moves.

Bonds


Treasury yields edged higher early Wednesday, after a rise Tuesday in a choppy session in which they had initially fallen as jitters over House Speaker Nancy Pelosi's visit to Taiwan sparked safe-haven buying. Pelosi's trip angered Beijing, which considers Taiwan part of its territory and vowed to respond.

Commodities



Gold Gold is struggling to gain traction on Wednesday and trading slightly above \$1,760. Ahead of key US data, the benchmark 10-year US Treasury bond yield is up more than 1% on a daily basis, not allowing XAU/USD to push higher.

Up Ahead –Tuesday 04-08-2022

-  GBP BOE Monetary Policy Report
- USD Unemployment Claims

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