

## **DAILY MARKET ANALYSIS 02-08-2022**

The number of job openings decreased to 10.7 million on the last business day of June, the US Bureau of Labor Statistics reported in its Job Openings and Labor Turnover Summary (JOLTS) on Tuesday. This print came in slightly lower than the market expectation of 11 million and followed May's reading of 11.3 million.

### **Stocks**

U.S. stocks traded lower early Tuesday as investors worried about rising tensions between the U.S. and China. At 10:16 AM ET, the Dow Jones Industrial Average was down 300 points, or 0.9%, while the S&P 500 was down 0.6% and the NASDAQ Composite fell 0.5%. House Speaker Nancy Pelosi's trip to Taiwan is helping to raise tensions. Shares of chipmakers, which have exposure to the China market, dipped in premarket trading in the U.S. as Pelosi and her delegation prepared to pay a visit to Taiwan as part of a multinational trip. She is the first Speaker to visit the island since Newt Gingrich in the late 1990s.

### **Currencies**

- EUR/USD has lost its traction and declined below 1.0200 after having spent the European session fluctuating in a tight range above that level. As geopolitical tensions continue to escalate, the greenback continues to gather strength, weighing on the pair.
- GBP/USD has reversed its direction following a recovery attempt earlier in the session and dropped below 1.2200. The US Dollar Index continues to push higher toward 106.00 as safe-haven flows continue to dominate the markets in the second half of the day.
- USD/JPY is seen oscillating in a range around the 131.00 mark through the mid-European session and consolidating its recent slide to a nearly two-month low.

### **Bonds**

The US Treasury yields have declined sharply across tenors after the US GDP data release yesterday. The advance estimates showed that the US GDP fell 0.9%, thereby technically running into a recession. The 10Yr has a crucial support coming up which we expect to hold and produce a bounce. The German yields continue to fall and are keeping our bearish view intact. The 10Yr Gol remain weak and can fall further. The 5Yr Gol looks vulnerable to break its range on the downside and fall.

### **Commodities**

**Gold** has preserved its bullish momentum and continued to stretch higher toward \$1,790 in the early American session on Tuesday. Although the benchmark 10-year US Treasury bond yield is staging a decisive rebound, gold seems to be holding its ground amid risk aversion



### **Up Ahead –Tuesday 03-08-2022**

- 📍• NZD Employment Change q/q
- CHF CPI m/m
- USD ISM Services PMI

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