

## **DAILY MARKET ANALYSIS 25-08-2022**

The Dax continued its rally off support in early European trade as markets were buoyed by Chinese stimulus and marginally better than expected German GDP data. Earlier this morning, the details of German GDP growth in the second quarter brought some positive surprises. Growth was slightly revised upwards to 0.1% Quarter-on-Quarter, from zero in the first estimate, which finally brought the German economy back to its pre-crisis level. Private consumption surprised to the upside (+0.8% QoQ) and even more importantly was revised upwards significantly in the first quarter to +0.8% QoQ, from initially -0.1% QoQ.

### **Stocks**

U.S. stocks opened mixed after snapping a three-day losing streak on Wednesday as investors looked to the Federal Reserve's meeting in Jackson Hole, Wyo., later today. At 9:38 ET (13:38 GMT) the Dow Jones Industrial Average was down 38 points or 0.1% while the S&P 500 rose 0.3% and the NASDAQ Composite was up 0.5%.

### **Currencies**

- EUR/USD quickly fades the earlier uptick to the area north of the parity level, or new 3-day highs. The lack of conviction of the earlier bullish attempt leaves the door open to the resumption of the downtrend. Against that, another visit to cycle lows around 0.9900 remains in store in the not-so-distant future.
- GBP/USD pair struggles to capitalize on its intraday positive move back closer to the weekly high and attracts some sellers near the 1.1865 area on Thursday. The intraday pullback picks up pace during the early North American session and spot prices retreat to the 1.1815-1.1820 region in reaction to the upbeat US macro data.
- USD/JPY pair comes under some renewed selling pressure on Thursday and slips back below the mid-136.00s during the mid-European session. The pair is currently hovering around the 23.6% Fibonacci retracement level of the recent rally witnessed over the past two weeks or so.
- AUD/USD pair attracts some selling in the vicinity of the 0.7000 psychological mark and trims a part of its early gains to over a one-week high touched earlier this Thursday

### **Cryptos**

Cryptocurrencies are showing gains on Thursday, with bitcoin (BTC) higher by nearly 2% and ether (ETH) advancing 3%. Stock futures were also up as investors await Friday's appearance by Federal Reserve Chairman Jerome Powell at the annual Jackson Hole conference. European stock and bond markets are also modestly in the green, as is the euro, though it remains below parity with the U.S. dollar.

## **Commodities**

**Gold** trims a part of its intraday gains to a one-week high touched earlier this Thursday and retreats below the \$1,760 area during the early North American session. The US dollar stages a goodish rebound from the weekly low and turns out to be a key factor that acts as a headwind for the dollar-denominated commodity.

## **Up Ahead –Thursday 25-08-2022**

- NZD RBNZ Gov Orr Speaks
- USD Core PCE Price Index m/m
- USD Fed Chair Powell Speaks

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