

DAILY MARKET ANALYSIS 13-09-2022

A reduction in political uncertainty with the appointment of a new UK prime minister, Liz Truss, did not immediately help the pound last week. Cable fell to its weakest intraday level against the US dollar since 1985, taking its decline close to 15% year-to-date. But UK equities have held up well, up 0.5% so far in 2022 versus -17.5% for global stocks, and economists at UBS expect this outperformance to continue.

Stocks

Stocks fell sharply on Tuesday after a key August inflation report came in hotter than expected, hurting investor optimism for cooling prices and a less aggressive Federal Reserve.

Currencies

- EUR/USD sharply reverses the recent advance and rapidly drops to revisit the vicinity of the psychological parity level on Tuesday.
- GBP/USD came under heavy bearish pressure and erased nearly 200 pips in less than 30 minutes after the US inflation data. The pair was last seen losing 1.05% on a daily basis at 1.1557.
- USD/JPY pair witnessed a dramatic intraday turnaround and rallied over 200 pips during the early North American session following the release of US consumer inflation figures. The pair is currently placed near the daily high, just above mid-144.00s, and has now moved well within the striking distance of a 24-year high touched last week.
- AUD/USD pair retreats over 135 pips from a two-week high touched earlier this Tuesday and dives to 0.6780-0.6775 area amid a strong pickup in the US dollar demand during the early North American session. Spot prices, however, manage to recover a few pips and move back above the 0.6800 mark.

Cryptos

Bitcoin (BTC-USD) has outshined ethereum (ETH-USD) in late Monday afternoon trading as investors weigh the latter's highly-anticipated Merge this week to Proof-of-Stake from Proof-of-Work.

Commodities

Gold: came under intense selling pressure during the early North American session and dives to a fresh daily low, around the \$1,708 area in the last hour.



Up Ahead – Tuesday 13-09-2022

- GBP CPI y/y

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