

DAILY MARKET ANALYSIS 15-09-2022

The DAX fluctuated between losses and gains in European trade as sentiment remains fragile. Investors remain cautious following the US CPI print, however, it does look unlikely that equities will push much lower ahead of the Federal Reserve meeting next week.

Stocks

U.S. stocks turned lower on Thursday as investors tried to digest a slug of economic data ahead of the Federal Reserve's meeting next week. At 10:34 ET (14:34 GMT), the Dow Jones Industrial Average was down 8 points, or about flat, while the S&P 500 was down 0.4% and the NASDAQ Composite was down 0.6%.

Currencies

- EUR/USD has carved out a well-defined range between 0.9950/1.0015 amid European Central Bank (ECB) hawks circle. Economists at Scotiabank expect the pair to find a solid floor around the 0.99 area.
- GBP/USD stays under bearish pressure and trades below 1.1500 on Thursday. Following the mixed macroeconomic data releases from the US, US stock index futures trade in negative territory, allowing the dollar to stay resilient against its rivals.
- USD/JPY treads water around mid-143s. Economists at OCBC Bank expect a test of 145 to trigger intervention from Japanese authorities but it is unlikely to stop the pair's current rally.
- AUD/USD pair once again finds some support ahead of the 0.6700 mark and recovers a few pips from the daily low during the early North American session. The pair is currently trading around the 0.6725-0.6730 area, still down over 0.20% for the day.

Cryptos

Bitcoin has lost 1.2% in the last 24 hours, trading at \$20.1K. The plunge below a meaningful round level late Wednesday afternoon did not last long. Ethereum pulled down 0.3% to \$1610 while the crypto community awaits the market's reaction to The Merge (move to PoS algorithm). We can describe sentiment across the crypto market as a cautious wait-and-see.

Commodities

Gold: has broken the \$1,700 support. Economists at TD Securities expect the yellow metal to extend its move downward as aggressive Fed expectations are being priced in.



Oil: The price of a barrel of Brent Oil has been trading below \$100 most of the time since the beginning of August. Any attempts at recovery have failed. Strategists at Commerzbank forecast Brent Oil at \$90 by end-2022.

Up Ahead – Friday 16-09-2022

- USD Prelim UoM Consumer Sentiment

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