

DAILY MARKET ANALYSIS 19-09-2022

The pound extended its losing streak against the USD on Monday while the UK observes the Queen's state funeral. This may result in less than standard price volatility for GBP crosses during the European trading session. While there are no key economic data prints scheduled for today, the Bank of England (BoE) and Federal Reserve will be in focus this week as they announce their interest rate decisions (see economic calendar below).

Stocks

Stock futures moved lower early Monday morning as traders awaited the next round of interest rate hikes to be revealed this week. The market is expected to remain choppy this week, amid concerns about the Fed's decision to announce a hike in the former half of the week and process the same in the latter half.

Currencies

- EUR/USD has declined below parity at the beginning of the week. Near-term technical outlook points to a build-up of bearish momentum.
- GBP/USD pair comes under some renewed selling pressure on Monday and extends its steady intraday descent through the first half of the European session.
- USD/JPY pair attracts fresh buying near the 142.65 area on Monday and builds on its steady intraday ascent through the early European session. Spot prices hit a fresh daily low, around the 143.50-143.55 region in the last hour, reversing Friday's modest negative move amid a goodish pickup in demand for the US dollar.
- AUD/USD pair has extended its recovery after overstepping the round-level hurdle of 0.6700 in the Tokyo session. The asset is advancing sharply and is expected to display a sustained pullback. On a broader note, the asset is defending its two-year low at around 0.6680.

Cryptos

Ethereum price is developing more bearish signals as the weekend progresses. Since Friday, September 10, the bears have forged a 22% decline. The decline comes at an interesting time as the market sentiment has been quite bullish with speculation that the Merge would bring fruitful returns.

Commodities



Gold: struggles to capitalize on Friday's goodish rebound from its lowest level since April 2020 and meets with a fresh supply on the first day of a new week. The XAU/USD continues losing ground through the early European session and drops to a fresh daily low, around the \$1,660 area in the last hour.

Up Ahead – Tuesday 20-09-2022

- AUD Monetary Policy Meeting Minutes
- CAD CPI m/m

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