

DAILY MARKET ANALYSIS 30-09-2022

The inflation rate in the Euro Area increased to 10% YoY in September from 9.10% YoY in August beating estimates of 9.7%. Faster increases were seen in costs of all items with food, alcohol and tobacco (11.8% vs 10.6% in August), energy (40.8% vs 38.6%), non-energy industrial goods (5.6% vs 5.1%) and services (4.3% vs 3.8%). These numbers will only intensify the euro area's economic crisis and pile further pressure on the ECB, who are fast running out of options.

Stocks

December S&P 500 futures (ESZ22) are trending up +1.03% after three major US benchmark indices continued to fall deeper into correction territory during the regular trading session as investors fretted about further expected interest rate hikes by Federal Reserve officials and decelerating global growth. Three major U.S. stock indexes were weighted down primarily by losses in the Utilities, Consumer Goods, and Technology sectors.

Currencies

- EUR/USD There is a clear debate still ongoing over whether the European Central Bank (ECB) rate hike should match the September move of 75 bps or be reduced to 50 bps. In the latter case, the euro could come under further downward pressure
- GBP/USD pair retreats sharply from the 1.1235 region, or the weekly high touched this Friday and refreshes the daily low during the early North American session. Spot prices, however, recover a few pips and hold steady just above the 1.1050 area post-US macro data.
- USD/JPY Sustainable gains in USD/JPY need to leave behind the 145.00 yardstick in the next weeks.
- AUD/USD pair trades in wild swings around 0.6500 on Friday first climbing to a fresh daily high above during the early European session, then retreating below as the US session gets underway. The pair is now placed above the 0.6470 mark, with bears looking like they are getting the better of bulls as things stand.

Cryptos

Bitcoin price remained stable the \$19,000 level. BTC is currently (11:00 UTC) consolidating and facing resistance near \$19,600. A clear move above the \$19,600 and \$19,650 resistance levels might start a strong upward move.

Commodities



Gold: price has climbed to \$1,670 this morning. A breather could be followed by another correction if the USD appreciation continues after the US labour market report is published, economists at Commerzbank report.

Up Ahead – Monday 03-09-2022

- CHF CPI m/m
- USD ISM Manufacturing PMI

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