

DAILY MARKET ANALYSIS 10-10-2022

According to Ukrainian officials, Russia has fired 75 missiles in the latest round of attacks, targeting major cities in Ukraine. According to General Valerii Zaluzhnyi, via the BBC, 41 of the 75 missiles fired were neutralized, and the rest hit cities including Kyiv, Dnipro, and Kharkiv with infrastructure sites targeted. The latest ratcheting up of hostilities by Russia has driven investors into safe haven US dollars again, pushing the greenback back towards its recent two-decade high.

Stocks

Stock futures were lower Monday morning as the markets come out of a tumultuous week and traders look ahead to key reports coming in the next week that can offer insights into the health of the economy. Futures connected to the Dow Jones Industrial Average slid 28 points. S&P500 futures were lower by 0.18%, while Nasdaq 100 futures fell 0.30%.

Currencies

- EUR/USD drops for the fourth consecutive session and revisits the sub-0.9700 region at the beginning of the week. Further losses appear well on the cards for the time being. Against that, the pair should not meet any contention of note until the 2022 low at 0.9535 (September 28) prior to the round level at 0.9500.
- GBP/USD pair stalls its recent sharp pullback from the vicinity of the 1.1500 psychological mark and attracts some buying on the first day of a new week. Spot prices edge higher through the early European session and climb back above the 1.1100 mark, though lack bullish conviction.
- USD/JPY pair edges higher on the first day of a new week and climbs to over a two-week high, though lacks follow-through buying. Spot prices, however, stick to modest intraday gains near mid-145.00s and remain well within the striking distance of a 24-year high touched in September.
- AUD/USD The Reserve Bank of Australia's (RBA) surprise decision to slow the pace of tightening by delivering a smaller 25 bps hike weighed on the aussie. Economists at MUFG Bank expect the AUD/USD pair to challenge the 0.6000 level.

Cryptos

Bitcoin is struggling to stay above the 50-day simple moving average (\$19,961), indicating that the bears have not yet given up. The sellers pulled the price below the 20-day exponential moving average (\$19,628) on Oct. 7, but they could not extend the decline to the support at \$18,626. This suggests that bulls are buying on dips and are trying to form a higher low in the short term.



Commodities

Gold: extends last week's retracement slide from the \$1,730 region and continues losing ground for the fourth successive day on Monday. The downward trajectory remains uninterrupted through the first half of the European session and drags spot prices to key support at a one-week low, around the \$1,678 region in the last hour.

Up Ahead – Tuesday 11-10-2022

- GBP BOE Gov Bailey Speaks

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