

WEEKLY ECONOMIC CALENDAR AHEAD

Here is what you need to know about the important news between **January 24th 2022 and January 28th 2022**, where we take a look at the economic data, market news and headlines likely to have the biggest impact on the market prices this week and beyond, as well as the US Dollar, and other key correlated assets.

Activity in financial markets so far in 2022, easing concerns surrounding the economic impact of omicron, combined with heightened bets that most major central banks will raise interest rates at an aggressive pace this year, have largely been behind the move. Last week that was lacking in economic event risk, aside from earnings data.

The U.S. dollar index

The US Dollar snapped back last week, with the DXY Index closing by +0.49%, nearly eradicating its losses month-to-date (although remains -0.04% lower in January). Wednesday's FOMC meeting could represent a significant turning point for a number, not just for the US Dollar, but for all currencies and asset classes. If the FOMC disappoints, the US Dollar may be in trouble.

The 10-year US Treasury bond

Bond yields surged higher over the last four weeks as the Fed and other Central Banks (not the ECB, BOJ or the PBOC signalled) they will reduce stimulus and raise interest rates. The US 10-year yield was 1.35% a month ago and hit a high of 1.9% the highest level since January 2020 before bond buyers stepped back into the market.

Stocks

After Market sentiment is extremely bearish, and markets are extremely oversold. Last Friday, the Dow Jones Industrial Average fell 1.3%, the S&P 500 lost 1.89%, and the Nasdaq Composite dropped 2.72%. European stocks slumped on Friday to mark the third week of losses as jitters over monetary policy tightening by central banks this year and weak economic data sparked steep declines across global equities. The pan-European STOXX 600 dropped 1.8 %.

The best performer

The haven-oriented US Dollar and Japanese Yen were benefactors this past week. This is as the sentiment-linked Australian, New Zealand and Canadian Dollars underperformed.

Oil prices

Having of last week, Crude oil, which can be sensitive to market mood swings, gave up gains earlier in the week, finishing flat. Oil prices could come under pressure in the coming days if the Fed remains overly hawkish at its January meeting and causes a deeper pullback in the stock market and risk assets in general.

Gold

Gold bulls scored a second weekly win after US Treasury yields tumbled lowering the cost of holding the non-interest metal. Rising real yields have been negative for gold, and if the stock market continues to weaken, gold may be sold for liquidity. Gold Prices are looking to rise for a third consecutive week as

market volatility. The Federal Reserve's first-rate decision of the year is set to cross the wires on Wednesday. Traders will key in on Fed Chair Powell's commentary given that a rate liftoff isn't expected until March. If capital flows away from the USA and the USD weakens, gold should rally. However, geopolitical tensions support bullion. If the tense situation on the Ukrainian border increases, gold likely gets a boost and vice versa. Gold appeals to investors as a hedge against volatility.

Central Bank

Fed rate hike expectations have ratcheted higher in recent weeks. All eyes are on the Federal Reserve this week as monetary policymakers conduct the first of the eight planned FOMC meetings for 2022. The Fed is worried about inflation and will be delivering a series of interest rate hikes in the first half of the year. This week's meeting is all about preparing markets for how they will normalize policy this year with rate hikes and balance sheet reduction.

Interest rates have jumped since the FOMC last met on Dec. 15. The 10-year Treasury yield has risen 29 bps since then, while the two-year Treasury yield has seen a similar move.

The coming week will be huge after an awful start to the year that's brought inflation and interest rate anxiety, earnings disappointment, and increased geopolitical risk. The main event is the Fed policy meeting and press conference, but a close second will be the next round of earnings.

Geopolitics is also becoming a key focal point for investors, with US and Russian talks over Ukraine potentially having a huge impact on energy prices. US policy over North Korea may become more aggressive as the country seems poised to resume nuclear missile tests.

Other important economic data is as follows: (All times listed are GMT+0)

Monday, January 24, 2022

08:30: Germany – Manufacturing PMI

09:30: UK – Manufacturing PMI

09:30: UK – Services PMI

Tuesday, January 25, 2022

00:30: Australia – CPI

09:00: Germany – Ifo Business Climate Index

15:00: US – CB Consumer Confidence

US FOMC begins a two-day meeting

Wednesday, January 26, 2022

15:00: US – New Home Sales

15:00: Canada – BoC Monetary Policy Report, Interest Rate Decision

15:30: US – Crude Oil Inventories

19:00: US – Fed Interest Rate Decision: The Fed may stop bond purchases and set up a March liftoff

19:30: US – FOMC Press Conference

Thursday, January 27, 2022

13:30: US – Core Durable Goods Orders

13:30: US – GDP

15:00: US – Pending Home Sales

Friday, January 28, 2022

09:00: Germany – GDP

13:30: US – Core PCE Price Index m/m

Thanks for reading! Have a great week!

Important Note: The information found on Ausprime platform is intended only to be informative, is not advice nor a recommendation, nor research, or a record of our trading prices, or an offer of, or solicitation for a transaction in any financial instrument and thus should not be treated as such. The information provided does not include any specific investment objectives, financial situation and needs of any specific person who may receive it. The past performance is not a reliable indicator of future performance and/or results. Past Performance or Forward-looking scenarios are not a guarantee of future performance. Actual results may differ materially from those anticipated in forward-looking or past performance statement.

