

WEEKLY ECONOMIC CALENDAR AHEAD

Here is what you need to know about the important news between **February 14th 2022 and February 18th 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.

Inflation and interest rates have been at the forefront of investors' minds so far this year, and that's unlikely to change for some time yet. The consumer price index climbed another 0.6% in January, bringing the YoY reading to 7.5%, the sharpest rise since February 1982, the highest in 40 years.

Last Friday, market sentiment took a deep dive on worries over an imminent Russian invasion of Ukraine. In the background, markets are raising their bets on aggressive Fed tightening. But that would take a back seat for now until the Russia/Ukraine situation de-escalates.

The **U.S. dollar index** gained on Friday for a second day. The greenback closed at the height of the session. However, the bearish potential surrounding the safe-haven greenback looks limited for the time being as US stock point to more losses as investors continue to digest higher-than-expected inflation data out of the United States. The best performer was Aussie, the strongest for the week followed by Kiwi. The worst performer was Euro, followed by Yen and Dollar.

The US treasury

The yield on the benchmark United States 10-Year Treasury note rose above the 2% figure for the first time since mid-2019, adding to the dollar's broader bullishness, a psychological threshold that had never been crossed in the last two and a half years. This level is not expected to be taken out decisively, unless markets believe that inflation would spiral out of control of Fed's hands.

Geopolitics helped pushed **gold** to its sixth winning day. Gold gaining nearly \$20 in half an hour last Friday to three-month highs of \$1,865 per ounce, as investors searched for safety. The looming geopolitical tensions between Russia and Ukraine will remain the biggest risks for markets, which could potentially keep gold underpinned. **Oil prices** surged on Friday, ending the week more than 3% higher, hitting its highest level since Sept. 29, 2014. Investors were in deep worry that a Russian invasion of Ukraine could begin any time. Russia is one of the world's largest energy producers, and the warnings gave oil prices an immediate jolt. **Stocks** tumbled again Friday, all four major US benchmarks—the Dow Jones, S&P 500, NASDAQ and Russell 2000—dropped on Friday. The S&P 500 dropped 1.9%, pulled lower primarily by Tech stocks, as the sector plunged 3.05%. Energy, an economically sensitive sector, outperformed, adding 2.91%.

Central Bank

After data last Thursday showed US CPI rose to 7.5% in January, more than expected to 40-year high, almost four times the Fed's target, and is accelerating faster than most continue to anticipate. Bets on a 50bps hike in March surged. Fed funds futures now indicate 93.8% chance of a 50bps hike to bring federal funds rate to 0.50-0.75% in March, up from 33.7% just a week ago. Talk of a pre-meeting interest rate hike was triggered, Interest rates are bound to top the economic agenda next month when Federal Reserve officials meet to address the unexpected price increases. However, the Fed is unlikely to increase interest rates any time before then, as this would be seen as a panic measure.



European Central Bank (ECB)

The ECB speak will be the highlight, but we can probably expect more pushback against market expectations ahead of next month's meeting, when we will likely see a significant policy shift. The European Central Bank won't rush into raising interest rates and will pursue any policy tightening slowly, ECB President Christine Lagarde cautioned Friday.

ECB President Christine Lagarde said in an interview that raising interest rates "would not solve any of the current problems." Instead, "if we acted too hastily now, the recovery of our economies could be considerably weaker and jobs would be jeopardized."

Bank of England (BOE)

In the past week, the markets have moved to increase the likelihood of a 50 bp move by the Bank of England next month to about 75% from around 45%. In the BOE's case, four of the nine MPC members wanted a larger move earlier this month and Governor Bailey was the decider.

This week is when we get the UK data dump and, unsurprisingly, all the focus will be on the CPI data and just how bad the situation has got. We don't seem to get too many positive surprises now, and markets are already pricing in another four or five hikes this year, including another two consecutive increases in March and May. The BoE appears on board with the latter but has indicated that market expectations are excessive over the year.

Reserve Bank of Australia (RBA)

Reserve Bank Governor Philip Lowe said he's prepared to tolerate inflation above the upper end of his 2-3% target range, reinforcing signals that Australia's first interest-rate increase remains some way off. Unlike on rates, the RBA has taken global cues in deciding to wrap-up its quantitative easing program in response to a strengthening economy. But the governor has said repeatedly that ceasing bond purchases doesn't imply a tightening of monetary policy. RBA will decide in May whether to reinvest the proceeds of maturing bonds.

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

Monday, February 14, 2022

16:00: US – FOMC Member Bullard Speaks

16:15: Eurozone – ECB President Lagarde Speaks

Tuesday, February 15, 2022

12:30: Australia – Monetary Policy Meeting Minutes

07:00: UK – Claimant Count Change

10:00: Eurozone – ZEW Economic Sentiment

10:00: Germany – German ZEW Economic Sentiment

13:30: US – PPI m/m

13:30: US – Core PPI m/m

Wednesday, February 16, 2022

07:00: UK – CPI y/y

13:30: Canada – CPI m/m

13:30: Canada – Common CPI y/y

13:30: Canada – Median CPI y/y

13:30: US – Core Retail Sales

13:30: US – Retail Sales

15:30: US – Crude Oil Inventories

19:00: US – FOMC Meeting Minutes

Thursday, February 17, 2022

12:30: Australia – Employment Change

12:30: Australia – Unemployment Rate

13:30: US – Philly Fed Manufacturing Index

13:30: US – Unemployment Claims

Day 1: All – G20 Meetings

16:00: US – FOMC Member Bullard Speaks

22:00: US – FOMC Member Mester Speaks

Friday, February 18, 2022

07:00: UK – Retail Sales m/m

13:30: Canada – Core Retail Sales m/m

13:30: Canada – Employment Change

15:00: US – Existing Home Sales

Day 2: All – G20 Meetings

15:40: US – FOMC Member Waller Speaks

18:30: US – FOMC Member Brainard Speaks



Thanks for reading! Have a great week!

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