

## WEEKLY MARKET RECAP: February 28 – March 04, 2022

Happy Friday, traders. Welcome to our weekly market wrap, where we look back at these last five trading days with a focus on the market news, economic data and headlines that had the most impact on the financial market – and may continue to into the future for the US Dollar and other key correlated assets.

The beginning of the week found the **Rubble** regaining some ground after reaching all time low, while the **Japanese yen** and **CHF** pulled back from the biggest rally in seven weeks. The sanctions on Russia, by the West, cutting off from the swift network, limited their ability to deploy the \$630billion foreign reserves, also causing the European equity markets to close the day at lower levels.

Tuesday found the **US stocks** declining, due to the rising tension on the geopolitical tensions, sending traders to look for safety on the classic “safe heaven” **GOLD** and treasuries. **S&P500** and **NAS100** showed increase of 1.55% and drop of 1.63% respectively showing that traders are considering the US economy strong and Corporate US remains very strong. **OIL** prices jumped to a new high, showing that investors fear that the Ukrainian crisis is still far from over.

During the middle of the week, the 26<sup>th</sup> OPEC and non-OPEC Ministerial meeting concluded, which was held via videoconference on 2nd of March. They decided to:

- Reaffirm the decision of the 10th Ministerial Meeting on 12 April 2020 and further endorsed in subsequent meetings including the 19th Ministerial Meeting on 18 July 2021
- Reconfirm the production adjustment plan and the monthly production adjustment mechanism approved at the 19th Ministerial Meeting and the decision to adjust upward the monthly overall production by 0.4 mb/d for the month of April 2022, as per the attached schedule.
- Reiterate the critical importance of adhering to full conformity and to the compensation mechanism taking advantage of the extension of the compensation period until the end of June 2022. Compensation plans should be submitted in accordance with the statement of the 15th Ministerial Meeting.
- Hold the 27th OPEC and non-OPEC Ministerial Meeting on 31 March 2022.

Adding to that, the **Canadian dollar** saw an increase in price against the greenback, following the increase of interest rates by 25 basis points as expected. The hike was one of the 5 expected for the year, as growth now looks more solid than previously projected.

On Thursday, FED Chair Jerome Powell confirmed one more time for the 25 basis points increase on rates later on their March meeting. However, he mentioned that there is always a possibility, things to change according to Russia’s behaviour.

While inflation expectations are ticking up, real yields when down again, with the US **10year yields** decreasing 50 basis points from February highs. **GOLD** gains ground on this as a safe haven that the precious metal is considered, adding to the supply issues that comes from Russia, the 3<sup>rd</sup> largest producer.

Following up on Friday, the **Non-Farm Payrolls** were released at 13:30 GMT, increasing the number of jobs to 678k from 467k last month, creative some positive momentum on the greenback for the rest of the day.



**Thanks for reading! Have a great weekend.**

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