

# MARKET UPDATE

08/03/22

## Dollar Slips, Euro Gains for Now; Growth Outlook Weakens

The U.S. dollar edged lower Tuesday while the euro traded marginally above the previous session's 22-month low as the war in Ukraine threatens the European growth outlook.

EUR/USD rose 0.1% to 1.0863, attempting something of a recovery after almost a week of selling, but remains near to Monday's low of 1.0806, suggesting any support is pretty half-hearted. The euro is down 4% against the dollar since Russia launched its invasion of Ukraine.

## U.S., Canada motorists weigh cuts to spending as gas prices surge

At a Kroger (NYSE:KR) station in Atlanta, general contractor L.W. Boyd had two fuel spigots going at the same time - pumping diesel into two giant tanks in the bed of his Ford F150 truck - fearful that already-high gasoline prices will just keep rising.

"This cuts me, but I have to keep my truck running or I don't eat," said Boyd, 35. With diesel now at \$4.39 a gallon in his area, he planned to pay well above \$400 to fill the truck and the two 50-gallon tanks.

## Oil firms, Asia shares drop as Ukraine talks make little progress

Oil prices firmed and Asian shares fell on Tuesday as Ukraine peace talks made little headway and the prospect of a ban on oil imports from Russia triggered investor fears over inflation and slowing economic growth.

President Joe Biden's administration is willing to move ahead with a U.S. ban on Russian oil imports even if European allies do not, Reuters reported on Monday, citing people familiar with the matter.



## Gold Down, Drops From \$2,000 Mark as Russia-Ukraine Conflict Continues

Gold was down on Tuesday morning in Asia, falling below the \$2,000 mark hit the day before. The U.S. dollar traded near a multi-month peak, while palladium fell from record highs as talks between Russia and Ukraine to end their conflict showed little result.

Gold futures edged down 0.11% to \$1,993.80 by 11:48 PM ET (4:48 AM GMT), after hitting a one-and-a-half year high of \$2,002.40 on Monday. The dollar, which normally moves inversely to gold, edged down on Tuesday but held near its 21-month peak hit on Monday.

## Exclusive-Enel ready to resume LNG project in southern Italy

Italy's biggest utility Enel (MI:ENEI) is ready to dust off plans to build a liquefied natural gas (LNG) terminal in southern Italy, a spokesperson told Reuters on Tuesday.

Enel said it was useful for Italy to have two additional LNG terminals so as to be less tied to gas pipelines.

"For this reason, Enel has given availability to resume the Porto Empedocle LNG plant project, that is fully permitted," the spokesperson said.

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