

MARKET UPDATE

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Yen slides through 120 as U.S. hike path steepens

The dollar was buttressed by new bets on U.S. rate hikes on Tuesday, while investors unloaded yen and sent it spearing below the psychological 120 level as the Bank of Japan looks increasingly isolated in its dovish policy stance.

The yen fell 0.8% and hit a six-year low of 120.46 in the Tokyo afternoon, having lost more than 4% on the dollar this month as leaping U.S. yields and a deteriorating trade balance suck cash from the world's third-biggest economy.

Eurozone not facing stagflation risk: ECB's de Guindos

Russia's war in Ukraine will dent euro zone growth but the block is still set to expand, even if the conflict escalates, European Central Bank Vice President Luis de Guindos said on Tuesday.

"So, we can so far dismiss the possibility of stagflation because even in the weakest scenario we are looking at growth of around 2% in 2022," he told a conference, referring to a phenomenon of high inflation coupled with stagnating growth.

Canada's CP Rail to restart operations after arbitration agreement

Canadian Pacific Railway Ltd and union Teamsters Canada Rail Conference have agreed to a binding arbitration over a labour dispute, allowing for operations to resume from Tuesday at the country's second-largest railroad.

The company halted operations and locked its workers out early on Sunday, sparking calls for a quick negotiated end to the work stoppage over fears that it could aggravate a shortage of commodities caused by Russia's invasion of Ukraine.

Japan warns of blackouts, issues dire plea to save energy as temperatures drop

Japan on Tuesday issued an emergency plea for citizens, businesses and local authorities to conserve energy, warning of potential blackouts after a massive earthquake idled several power plants and unseasonably cold weather boosted demand.

As snow fell in Tokyo and the temperature dropped sharply to four degrees Celsius (39 Fahrenheit), Tokyo Electric Power Co said 2-3 million households could lose power after 8 p.m. (1100 GMT) at the current power usage rate.

"At this rate, we are coming closer to a state where we will have to conduct power outages similar to those that took place after the quake (last week)," said Minister of Economy, Trade and Industry (METI) Koichi Hagiuda.

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