

MARKET UPDATE

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BOJ stands its ground on benchmark yield as global rates pressure builds

Japan's central bank stepped up efforts on Wednesday to keep a key bond yield below a red line, offering to buy more government debt, including through ad-hoc purchases, to hold down interest rates against a pull higher by global yields.

The intervention comes as the Bank of Japan (BOJ) seeks to keep monetary policy ultra-loose, even at the cost of fuelling further falls in the yen currency, which could push up import costs and hurt the economy.

Germany Activates Gas Emergency Plans, Fearing Russian Supply Cut

Europe's largest economy braced for a cut-off of Russian gas supplies on Wednesday, activating the first phase of a national emergency plan.

The move comes two days ahead of a deadline set by Russia for 'unfriendly' states to start paying for deliveries of Russian energy in rubles, rather than in euros or dollars. German Economy Minister Robert Habeck, who chaired a G7 meeting of energy ministers on Monday which unanimously refused to go along with Russia's demands, said that the measures were a first, preliminary step which he called the "Early Warning" stage.

China's largest banks signal tough times ahead

Five of China's largest banks have said the country's lenders face multiple headwinds this year that include the pandemic, global politics and domestic turmoil in the real estate industry.

On Wednesday, the world's largest lender Industrial and Commercial Bank of China (ICBC), warned that China faces "shrinking demand, disrupted supply and weakening expectations" in its annual earnings report.



Rouble extends recovery gains, stocks up on 5th trading day

The rouble firmed on Wednesday, extending a recovery and heading towards levels seen before what Russia calls "a special operation" in Ukraine.

Stocks inched higher on the fifth trading day after a month-long hiatus.

At 0720 GMT, the rouble was 1% higher at 84.30 against the dollar and had touched 82.56 on the Moscow Exchange, a level last seen on Feb. 25, the day after Russia sent tens of thousands of troops into Ukraine.

Air France KLM loses fight against EU cartel fine

Air France-KLM and its Dutch subsidiary KLM on Wednesday lost their challenge against million-euro fines re-imposed by EU antitrust regulators five years ago for taking part in an air cargo cartel two decades ago.

The European Commission had fined Air France 182.9 million euros (\$204 million), the highest, followed by KLM at 127.1 million. The total fine for the cartel made up of 12 airlines came to 776 million euros.

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