

WEEKLY ECONOMIC CALENDAR AHEAD

Here is what you need to know about the important news between **March 07th 2022 and March 11th 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.

Last Friday, February's employment data showed the economy had strong momentum ahead of Russia's invasion of Ukraine and amid the Fed's shift to a more hawkish tone on monetary policy. Nonfarm employment surged by 678,000 jobs, much more than the 400,000 economists polled by Reuters had forecast. The unemployment rate fell to 3.8%, the lowest since February 2020, from 4.0% in January.

Russia's war in Ukraine will almost certainly be the central driving event for markets and market volatility this coming week. With the US already facing the highest inflation in over four decades, triggered by COVID lockdowns and restrictions, and the February CPI release this week anticipated to show an escalation during the previous month, the real possibility of an economic recession looms even larger.

The **U.S. dollar index** also known as DXY, is used by traders seeking a measure of the value of USD against a basket of currencies used by US trade partners. The index will rise if the Dollar strengthens against these currencies and will fall if the Dollar weakens against these currencies. DXY shot up on Friday and closed the day up +0.73% boosted by its safe haven status as global stocks fell on concern about the worsening situation in Ukraine. The dollar also found support on Friday's stronger-than-expected U.S. unemployment report. U.S. Feb nonfarm payrolls rose 678,000 jobs, showing a stronger labor market than expectations of 423,000. Also, the Feb unemployment rate fell 0.2 to a 2-year low of 3.8%, showing a stronger labor market than expectations of 3.9%.

The US 10-year yield rose as high as 1.8% on Friday following the release of December's nonfarm payrolls report.

Gold prices rose, even against a strengthening dollar, as investors fled into all available safe havens. When gold and the USD are both sharply higher, you know markets are fearful.

Oil surged past \$115 for the first time since 2008. Oil posted its biggest weekly gain on record amid media reports that the Biden administration is weighing a ban on US imports of Russian crude oil to punish the Kremlin for its invasion of Ukraine.

Equity markets remain in risk-off mode, no surprise then that given the broader global geopolitical environment, stocks sold off on Friday. European equities collapse. Europe is in a state of near total panic, financially speaking. Sanctions will hit Europe far harder than the US. Germany and Italy rely on Russia for nearly 50% of their gas needs and Europe is a serious oil importer while the US does have its own production to fall back on. U.S. stocks closed lower in the final session of a tumultuous last week as the ongoing geopolitical crisis in Ukraine loomed large. The Dow Jones Industrial Average declined 0.5%, the S&P 500 Index lost 0.8%, and the Nasdaq Composite decreased 1.7%.

Central Bank

One of the most significant market responses to Russia's attack on Ukraine is in the expectations for the trajectory of monetary policy in many of the high-income countries, including the US, eurozone and UK.



European Central Bank (ECB)

The ECB is possibly facing the biggest dilemma out of all central banks as the economic pain in the euro area will doubtlessly be the most acute given its proximity to sanction-hit Russia. Growth will likely be weaker and inflation stronger. The bloc's harmonized CPI index jumped to a new all-time peak of 5.8% year-on-year in February and further increases are almost certain now that energy prices are scaling fresh highs. The ECB meets on Thursday, March 10, and we're expecting to get confirmation of the hawkish shift that's been so evident since the last meeting. The focus is on the new economic forecasts and the adjustment to the forward guidance on its asset purchases.

US Federal Reserve (FED)

The last major economic data release before the Fed's March 16th policy meeting is expected to show inflationary pressures are not slowing down at all. The headline CPI print is expected to inch higher to 7.8% y/y to yet another fresh 40-year high. Core CPI is also forecast to keep climbing, rising from 6.0% to 6.4% y/y. While it's quite possible that the trend of positive CPI shocks will not end with the February data, the market speculation of whether there will be a 25 or 50 bps rate increase has already been resolved courtesy of Fed Chair Powell in remarks he made at his Congressional hearing. So the markets' response to any surprises will likely be limited, unless it's a negative one. Thus, safe-haven flows look set to remain in the driving seat for the US dollar as the Ukraine fallout continues to weigh on riskier assets.

Bank of England (BOE)

Like the Eurozone, UK growth will be negatively affected from the war as Western sanctions on Russia are compounding the energy crisis. The market had slightly more than a 60% chance that the BOE would hike 50 bp on Mar. 17. At the end of last week, it had been downgraded to about a 20% chance. In addition, there will be no updated economic forecasts at the March meeting so investors will have to wait a bit longer to get a clearer idea of how big an impact Russia's invasion of Ukraine will have on growth, and ultimately, on the BoE policy path.

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

Monday, March 07, 2022

07:00: Germany – Factory Orders: expected to drop to 1.0% from 2.8%.

Tuesday, March 08, 2022

11:50: Japan – Final GDP q/q

10:00: Eurozone – EUR Revised GDP q/q

13:30: Canada – Trade Balance

13:30: U.S. January Trade Balance (\$ billion)

10:15: AUD –RBA President Lowe's speech



Wednesday, March 09, 2022

EU leaders summit held until March 11

15:00: AUD – RBA vice-chairman De Bell speaks

15:00: US – JOLTs Job Openings

15:30: US – Crude Oil Inventories: previous print saw a drawdown of 2.597M bbl.

Thursday, March 10, 2022

10:00: Eurozone – EU Leaders Summit

12:45: Eurozone – ECB Interest Rate Decision

13:30: Eurozone – ECB President Lagarde holds monetary policy press conference

13:30: US – CPI m/m

13:30: US – Core CPI: seen to edge lower to 0.5% from 0.6% MoM.

13:30: US – Initial Jobless Claims

13:30: Eurozone – ECB Press Conference

Friday, March 11, 2022

Bank of England Announcing a survey on inflation

07:00: UK – GDP

07:00: UK – Manufacturing Production

13:30: Canada – Employment Change

Thanks for reading! Have a great week!

Important Note: The information found on Ausprime platform is intended only to be informative, is not advice nor a recommendation, nor research, or a record of our trading prices, or an offer of, or solicitation for a transaction in any financial instrument and thus should not be treated as such. The information provided does not include any specific investment objectives, financial situation and needs of any specific person who may receive it. The past performance is not a reliable indicator of future performance and/or results. Past Performance or Forward-looking scenarios are not a guarantee of future performance. Actual results may differ materially from those anticipated in forward-looking or past performance statement.

