

WEEKLY ECONOMIC CALENDAR AHEAD

Here is what you need to know about the important news between **March 21st 2022 and March 25th 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.

It's been another volatile week, market volatility continues, the global economy is facing an incredible amount of uncertainty now which is continuing to drive the volatility we're seeing in financial markets. The war in Eastern Europe grinds on, with no sign of an end. Along with fatalities, it's also causing economic disruption, by hampering global commodity supply, another hazard showing no signs of slowing down. As well as the uncertainty around inflation, interest rates, commodity prices, COVID, or the growth outlook has become extremely unclear and is constantly subject to significant revisions.

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 US Dollar hit a 22-month high last week in anticipation of tighter US monetary policy, namely higher rates. Higher US interest rates will draw overseas investors towards the US dollar, pushing its value higher, especially against currencies with a lower interest rate.

The US 10-year yield jumped past 2.1%, to the highest point since May 2019 resume the long term up trend last week. Investors are selling off long-dated bonds in favour of newer bonds providing higher payouts, as interest rates are heading higher.

Gold sold off, the precious metal completed a weekly Evening Star, indicating that gold will continue to fall, potentially retesting the massive triangle developed throughout 2021.

Oil down 3.6%, tracking retreating oil prices lower. as renewed lockdowns in China raised worries about demand. Uncertainty on the outlook is very high given Russia's war in Ukraine, Crude Oil WTI returned to, and remained, above \$100,

Equity markets rally in two years was "set up" by extremely negative sentiment. Strength in the equity space seemed initially to have been driven by optimism about alleged progress towards a Russo-Ukraine peace deal. S&P 500 breaking to its highest levels since Russia invaded Ukraine last week. Last Friday up 0.6% on the day and over 5.5% on the week. Corresponding levels in DOW and NASDAQ were also taken out. The Nasdaq 100 index is up about 1.4% and on course to post weekly gains of about 7.5%, The Dow was last up 0.25% and on course for weekly gains of just shy of 5.0%, taking it to within 6.5% of record levels printed at the start of the year.

Central Bank

International central banks were quite active this week.

US Federal Reserve (FED)

The US Federal Reserve has raised interest rates for the first time by delivering a 25bps rate hike to 0.25-0.50% last week since 2018 and signalled they are ready to do a lot more, Federal Reserve chair Jerome Powell outlined the road ahead for tighter US monetary policy Last Wednesday by starting a series of interest rate hikes and highlighting how the central bank will start reducing its \$9 trillion balance sheet. Investors are looking for clues if some of the next hikes will be supersized. It could be a choppy period for



US stocks as investors assess whether the current inflationary environment will ultimately lead to a much sooner economic slowdown.

European Central Bank (ECB)

The ECB just announced it is going to wind down its asset purchase programme at some point during the summer. Following the Federal Reserve's rate decision last week, markets began to price-in a greater likelihood that the ECB will follow suit with its own policy tightening efforts later this year. After briefly being eliminated in early-March, rates markets are now pricing in 50-bps of rate hikes by the ECB by the end of 2022.

Bank of England (BOE)

The Bank of England is ahead of the curve compared to most others, BoE opted to lift interest rates another 25 bps and take its main policy rate to 0.75%. but it signalled that it may be preparing to ease off the accelerator after raising rates in March. Inflation is expected to continue to rise though, and a faster rate could see it postpone potential plans to slow the hiking cycle. PMIs on Thursday and retail sales on Friday are also in focus.

The Bank of Japan (BOJ)

The Bank of Japan left rates unchanged at -0.1% and will continue with its monetary stimulus by targeting 0% on its 10-year bond yields. In addition, the BOJ revised down its economic outlook, after recently revising it higher!

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

Monday, March 21, 2022

07:30: Eurozone – ECB President Lagarde Speaks

16:00: US – Fed Chair Powell Speaks

Tuesday, March 22, 2022

18:00: US – FOMC Member Daly Speaks

21:00: US – FOMC Member Mester Speaks

Wednesday, March 23, 2022

07:00: UK – CPI

12:30: UK – Annual Budget Release

14:00: US – New Home Sales

14:30: US – Crude Oil Inventories: last week's release showed a build of 4.345M.

Thursday, March 24, 2022

08:30: Switzerland – SNB Interest Rate Decision

08:30: Germany – Manufacturing PMI

09:30: UK – Manufacturing PMI

9:30: UK – Services PMI

12:30: US – Core Durable Goods Orders

12:30: US – Initial Jobless Claims

Friday, March 25, 2022

07:00: UK – Retail Sales

09:00: Germany – Ifo Business Climate Index

14:00: US – Pending Home Sales

Thanks for reading! Have a great week!

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