

MARKET UPDATE

04/04/2022

Gold slips as dollar, yields strengthen on robust U.S. jobs data

Gold prices fell on Monday as the dollar and Treasury yields firmed after a solid U.S. payrolls report raised expectations of aggressive rate hikes, although the Ukraine crisis and talks of more sanctions against Russia supported safe-haven demand.

A stronger dollar makes gold less attractive for other currency holders, while higher yields increase the opportunity cost of holding non-paying bullion.

Dollar Stabilizes; Euro Falls as Russia Sanctions Talk Ramps Up

The U.S. dollar stabilized Monday after last week's strong jobs report, while the euro weakened as talk of additional sanctions on Russia for its invasion of Ukraine ramped up.

Friday's much anticipated U.S. jobs report for March confirmed a strong economy and a tight labor market, with nonfarm payrolls increasing by 431,000 jobs last month while February's release was revised higher to show 750,000 jobs added instead of the previously reported 678,000.

UK regulators to review LME halt to chaotic trading

British financial regulators said on Monday that they would review the way the London Metal Exchange (LME) handled a halt in chaotic nickel trading last month and said the episode underlined questions about the LME's transparency.

The exchange, the world's oldest and largest market for industrial metals, suspended nickel trading on March 8 after prices spiked by more than 50% in a matter of hours to hit \$100,000 a tonne.

The Financial Conduct Authority said it and the Bank of England would determine if further action should be taken.



India's HDFC Bank to merge with mortgage lender HDFC Ltd

India's largest private lender HDFC Bank will merge with its biggest shareholder, creating a financial services conglomerate with a \$237 billion balance sheet to better tap demand for credit in an economy rebounding from the pandemic.

HDFC Bank's deal with housing finance firm HDFC Ltd, which owns about 21% of the lender, will build on its 68 million customers and could propel the combined entity to become India's second most valuable listed company.

Oil Up, but Global Supply and Demand Concerns Linger

Oil was up on Monday morning in Asia. Investors are monitoring the release of supplies from strategic reserves from consuming nations, while a truce in the Middle East could ease supply concerns.

Brent oil futures was up 0.29% to \$104.69 by 12:59 AM ET (4:59 AM GMT) and WTI futures edged up 0.12% to \$99.39. Both Brent and WTI futures fell \$1 when markets opened on Monday.

The United Nations helped broker a two-month truce between a Saudi Arabia-led coalition and the Houthi group aligned with Iran, the first in the seven-year conflict. Saudi oil facilities had recently come under attack by the Houthis during the conflict, adding to supply disruption from Russia.

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