

MARKET UPDATE

08/04/2022

Oil prices drift lower, set for 3% weekly fall due to massive stocks release

Oil prices drifted lower on Friday and were set to drop around 3% for the week as consuming countries' planned release of 240 million barrels from emergency stocks offset some concerns over reduced supplies from Russia due to western sanctions.

Brent crude futures edged lower by 55 cents, or 0.6% to \$100.03 a barrel at 0403 GMT after gaining more than \$1 in the early morning.

U.S. West Texas Intermediate (WTI) crude futures lost 34 cents, or 0.4%, to \$95.67 a barrel.

Stocks set for weekly drop as rates reality bites

World stocks were headed for a weekly loss on Friday as the prospect of aggressive global rate hikes finally began to rattle investors, while bonds languished and the dollar looked set to ride higher yields to its best week in a month.

MSCI's broadest index of Asia-Pacific shares outside Japan was steady on Friday but facing a weekly loss of about 1.5%. Japan's Nikkei wobbled a little higher but remained on course for a weekly loss of nearly 2.6%.

Dollar index edges nearer to 100, set for best week in four

The dollar extended a relentless upward move on Friday, reaching a new near two-year peak against a basket of peers and a one-month high versus the euro, supported by the prospect of a more aggressive pace of Federal Reserve interest rates hikes.

The dollar index rose as high as 99.904 in early Asia trade, its best level since May 2020. It was last at 99.890.

The index is up 1.3% this week, which would be its biggest advance in one month, backed by hawkish remarks from several Federal Reserve policy makers who are calling for a faster pace of interest rate increases to curb rapid inflation.



RBNZ to raise rates by 25 bps on April 13, some call for 50- Reuters poll

New Zealand's central bank will opt for a modest 25 basis point interest rate rise on April 13, but is set to raise by slightly more this year as a whole than previously thought to head off rapidly-rising inflation, a Reuters poll of economists found.

The survey puts the RBNZ, which has already raised rates by a quarter point at each of its past three policy meetings, in a slightly more dovish mode than the U.S. Federal Reserve, which is set to lift borrowing costs by a half point this month.

India cenbank holds rates but starts policy normalisation

The Reserve Bank of India kept its key lending rate at a record low on Friday, as expected, as it sought to support economic growth even as inflation edged higher in the wake of the Russia-Ukraine war.

The monetary policy committee held the lending rate, or the repo rate, at 4%. The reverse repo rate, or the key borrowing rate, was also kept unchanged at 3.35%

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