

MARKET UPDATE

18/04/2022

BOJ's Kuroda warns recent yen moves 'quite sharp', may hurt businesses

Bank of Japan Governor Haruhiko Kuroda said on Monday the yen's recent moves have been "quite sharp" and could hurt companies' business plans, offering his strongest warning to date of the risks stemming from the currency's depreciation.

Kuroda said there was no change in his assessment that overall, a weak yen was good for the economy since it boosts the value of profits Japanese firms earn overseas.

But he added the yen's drop to around 125-126 yen against the dollar, from around 115-116 yen a month ago, was volatile enough to hurt companies.

China Q1 GDP tops forecast, but March weakness sharply raises outlook risks

China's economy slowed in March as consumption, real estate and exports were hit hard, taking the shine off faster-than-expected first-quarter growth numbers and worsening an outlook already weakened by COVID-19 curbs and the Ukraine war.

The biggest near-term challenge for Beijing is the tough new coronavirus rules at a time of heightened geopolitical risks, which have intensified supply and commodity cost pressures, leaving Chinese authorities walking a tight rope as they try to stimulate growth without endangering price stability.

Gold prices hit 1-month high as Ukraine crisis dampens risk appetite

Gold prices rose on Monday to their highest since mid-March, as the Russia-Ukraine crisis soured risk sentiment and drove investors to the safety of bullion.

Spot gold was up 0.5% at \$1,984.51 per ounce, as of 0445 GMT, hitting its highest since March 14. U.S. gold futures were up 0.7% at \$1,988.10.

Seems like there is a bit of risk aversion in the market, with some overhang from the Russia-Ukraine situation, said Ilya Spivak, a currency strategist at DailyFX, while cautioning thin liquidity could possibly exaggerate price action.



Oil prices steady amid fears over slowing China demand

Oil prices steadied on Monday as worries over slowing demand in China prompted investors to take profits on gains made earlier in the day on concerns over tight supply and the deepening Ukraine crisis.

Brent futures were up 27 cents, or 0.2%, at \$111.97 a barrel at 0642 GMT, sliding from its highest since March 30 of \$113.80 hit earlier in the session.

U.S. West Texas Intermediate futures rose 20 cents, or 0.2%, to \$107.15 a barrel, having risen as high as \$108.55, the highest since March 30.

Infosys shares fall 9% as profit miss stokes growth normalisation fears

Shares of India's Infosys (NYSE:INFY) Ltd fell 9% on Monday to hit an eight-month low after the company last week posted quarterly profit below expectations, raising fears of growth normalisation in the sector after a pandemic-led boom.

After market hours on Wednesday, the country's No.2 software services firm posted a consolidated net profit of 56.86 billion rupees (\$744.05 million) for the quarter ended March 31, missing analysts' expectations of 59.80 billion rupees.

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

