

WEEKLY MARKET RECAP: May 16 – May 20, 2022

Happy Friday, traders. Welcome to our weekly market wrap, where we look back at these last five trading days with a focus on the market news, economic data and headlines that had the most impact on the financial market – and may continue to into the future for the US Dollar and other key correlated assets.

The week started negative for the USD, pushing most currencies related with it on the opposite direction. Dollar Index indicator was trading on the support levels of the Fibonacci retracement, near 103.7, after hitting 20-year high last week. Gold was one of the affected pairs, with the precious metal recovering from the 1800 level to 1828 level for the day.

European stocks closed higher on Tuesday with DAX gaining 1.6% after losing ground the previous days. Investors were looking for opportunities to buy shares on a lower price than normal since indices and stocks were hit by the higher interest rates and Covid lockdowns in China, along with the Ukraine-Russia war, however. Early Wednesday, UK released the CPI indicator for the year, which rose to a stunning 9%, which is the higher number for the last 40 years, dragging the equity markets down again.

On Wednesday and early Thursday, crude oil recovered after 2 days of losing, with investors turning to the “black gold”, since the stocks are now in a bad momentum with the tighter FED policies, and the higher interest rates. Adding to that, the China’s lockdown – the largest oil importer - seems to be getting closer to the end, and that will increase demand for OIL.

Early Friday found Gold declining for couple of hours, however the precious metal is set for its first weekly gain since mid-April. The greenback retreated from two decades highs and growing concerns over the US economic growth saw investors turn to the precious metal, testing the 1850 level at the time of writing.

Thanks for reading! Have a great weekend.

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