

MARKET UPDATE

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Oil prices slide as investors take profit; supply fear still looms

Oil prices fell on Monday, paring early gains as investors took profit from a surge in the previous session, albeit in the shadow of supply fear as the European Union prepares an import ban on Russian crude and with limited increase in OPEC output.

Brent crude futures were down \$1.66, or 1.5%, at \$109.89 a barrel at 0356 GMT, while U.S. West Texas Intermediate (WTI) crude futures dropped \$1.55, or 1.4%, to \$108.94 a barrel.

Both benchmarks, which jumped about 4% last Friday, earlier climbed by more than \$1 a barrel, with WTI reaching its highest since March 28 at \$111.71.

Dollar starts week strong, poor Chinese data hurts Aussie

The dollar started the week just off a 20-year high against its peers on Monday, as investors sought safety due to fears about global growth that were highlighted by Monday's poor Chinese economic data, sending the Aussie dollar lower.

"Persistent geopolitical tensions, ongoing global supply disruptions, a slowing Chinese economy and a hawkish Fed suggest that the USD should be stronger for longer," said HSBC global FX research in a note refreshing their currency forecasts.

Gold Down, but Pulls Up from Three-Month Low, as U.S. Yields Fall

Gold was down on Monday morning in Asia, climbing up from a more than three-month low hit in the previous session. Lower U.S. Treasury yields kept demand for gold afloat above the \$1,800 mark.

Gold futures inched down 0.07% to \$1,807.01 by 1:13 AM ET (5:13 AM GMT).

"With \$1,800 being such a big round number, it's natural for it to provide some level of support as some traders try to be brave and buy a dip, whilst others close out profitable shorts," City Index senior market analyst Matt Simpson told Reuters.

Surging natural gas prices squeeze U.S. industrial sector

Skyrocketing natural gas prices have raised manufacturing and transportation costs across many U.S. industries, and the situation should persist as the United States exports more gas to Europe to make up for Russian supplies lost to sanctions.

U.S. natural gas futures have doubled this year, far more than the increases in retail gasoline and diesel that have made Americans angry at the U.S. energy industry and the government.

Ryanair posts \$369 million annual loss, eyes return to 'reasonable profitability'

Ryanair on Monday posted a 355 million euro (\$369.06 million) loss for the pandemic-hit 12 months to end-March, but said it was impossible to accurately forecast anything beyond hoping for a return to "reasonable profitability" this year.

The Irish airline, which is operating more flights than any other European airline according to air traffic regulator Euro control, said it planned to grow its traffic to 165 million passengers this year, up from 97 million a year ago and a pre-COVID-19 record of 149 million.

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