

MARKET UPDATE

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Dollar Slips; Risk Sentiment on the Rise

The U.S. dollar weakened in early European trade Monday, with risk sentiment boosted by hopes that loosening lockdowns in China can help global growth.

At 2:55 AM ET (0655 GMT), the Dollar Index, which tracks the greenback against a basket of six other currencies, traded 0.5% lower to 102.660, falling back from a two-decade high seen in the middle of May.

The safe haven dollar appears to have lost momentum with risk sentiment on the rise, boosted by the news that Shanghai, China's commercial hub, is set to lift its city-wide lockdown and return to more normal life from June 1.

Euro rallies as growth hopes dent dollar demand

The euro rallied on Monday as investors sold the dollar on hopes that loosening lockdowns in China could help global growth.

A calmer mood on equity markets in early European trading also pressured the dollar, which fell sharply last week but has been the go-to currency for investors this year when risk assets tumbled and worries about the economy and inflation jumped.

Risk-sensitive currencies rose across the board, with the Australian dollar, which initially showed a muted reaction to the expected victory for the centre-left Labor Party in national elections on the weekend, soaring almost 1%.

Shares in Deutsche Euro-shop surge in pre-market trade on takeover offer

Shares in Deutsche Euro-shop jumped 31.2% in Lang & Schwarz pre-market trade on Monday after a consortium of bidders offered 1.4 billion euros (\$1.48 billion) to acquire the German shopping centre investor.

Hercules BidCo's offer provides for 21.50 euros per share, a 44% premium on Friday's closing share price.

Hercules Bidco is controlled by financial investor Oaktree Capital and Cura Vermoegensverwaltung, which is owned by Alexander Otto. The entrepreneur already owns around one-fifth of the Hamburg-based Deutsche Euro-shop.

Oil firms on tight supply as U.S. driving season looms

Oil prices gained on Monday with U.S. fuel demand, tight supply and a slightly weaker U.S. dollar supporting the market, as Shanghai prepares to reopen after a two-month lockdown fuelled worries about a sharp slowdown in growth.

Brent crude futures rose 97 cents to \$113.52 a barrel at 0651 GMT, while U.S. West Texas Intermediate (WTI) crude futures climbed 80 cents, or 0.73%, to \$111.08 a barrel, adding to last week's small gains for both contracts.

"Oil prices are supported as gasoline markets remain tight amid solid demand heading into the peak U.S. driving season," said SPI Asset Management managing partner Stephen Innes.

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