

MARKET UPDATE

30/05/22

Oil prices hit highest in more than 2 months ahead of EU meeting

Oil prices climbed on Monday, hitting their highest in more than two months, as traders waited to see if the European Union would reach an agreement on banning Russian oil imports to sanction Moscow for its invasion of Ukraine.

The Brent crude futures contract for July, which expires on Tuesday, was up 37 cents, or 0.3%, at \$119.80 a barrel at 0534 GMT, after rising to as high as \$120.50 earlier in the session. The more active Brent contract for August rose 67 cents, or 0.6%, to \$116.23 a barrel.

Dollar drifts toward monthly loss as Fed bets ease

Japan's core consumer inflation will likely stay around 2% through this fiscal year but the pace will slow in the next year from April 2023, Bank of Japan Governor Haruhiko Kuroda said on Monday.

But Kuroda told parliament that cost-push inflation was not expected to lead to achieving the BOJ's 2% inflation target on a sustainable and stable basis.

Asia stocks swing to 3-week high, dollar struggles

Asian stocks tracked Wall Street higher on Monday while the dollar was pinned near five-week lows as investors wagered on an eventual slowdown in U.S. monetary tightening, albeit after sharp hikes in June and July.

Helping to mellow the mood was news that Shanghai authorities will cancel many conditions for businesses to resume work from Wednesday, easing a city-wide lockdown that began two months ago.

The Memorial Day holiday in the United States made only a limited impression on month-end demand and MSCI's broadest index of Asia-Pacific shares outside Japan climbed 1.9% to a three-week high.

Swedish economy shrinks as pandemic and war pinch exports

Sweden's economy slowed sharply in the first quarter of the year, data from the Statistics Office showed on Monday, confirming that the lingering effects of the pandemic and war in Ukraine have put the brakes on growth.

Gross domestic product (GDP) contracted 0.8% compared with the final quarter of 2021, downwardly revised from the previous estimate of a 0.4% decline. On the year, the economy grew 3%, unrevised from the previous estimate.

How the Ukraine conflict is reshaping global oil markets

Russia's invasion of Ukraine has reconfigured the global oil market, with African suppliers stepping in to meet European demand and Moscow, stung by Western sanctions, increasingly tapping risky ship-to-ship transfers to get its crude to Asia.

The rerouting marks the biggest supply-side shakeup of the global oil trade since the U.S. shale revolution altered the shape of the market around a decade ago and suggests Russia will be able to navigate a European Union (EU) oil ban, provided Asia and China continue to buy its crude.

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