

## WEEKLY MARKET RECAP: June 06 – June 10, 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 again with a Bank holiday, this time the Whit Monday which kept closed Swiss, German and French Banks. Lower volumes on the markets, kept the day little quite on the major FX pairs. Sterling rose a bit, ahead of the confidence vote in Parliament that Prime minister Boris Johnson won, but 148 voters were against him.

Global equity markets rose, after signs for easing Covid-19 and removing restrictions in China, along with the interest rate hikes coming in the next meetings of Europe and US.

Tuesday started with the eyes on Australian Cash Rate announcement which had the Reserve Bank of Australia to increase rates by 0.5 basis points instead of 0.25 which was expected, with the former RBA Governor Macfarlane to warn that interest rates could rise sharply in order to fight inflation.

Wednesday and early Thursday found Oil prices giving up some gains, after China imposed new Covid lockdown measures, even though it was expected to remove the most measures since Covid situation in the country was under control.

EUR traded stable above 1.07 for the first days of the week, in the expectation of the interest rates increase that was expected on Thursday. The announcement came to show that ECB kept the rates unchanged this time, while also saying that gradual rate hikes are as good as gone, even if rate hikes will start with a 25bp move in July. A 50bp hike will likely follow in September, and the current momentum could easily push rate expectations further up.

The focus for Friday is moved to US, and the inflation data which is expected at 12:30 together with the Canadian unemployment rate.

**Thanks for reading! Have a great weekend.**

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