

MARKET UPDATE

16/06/2022

Dollar Edges Higher After Fed; Sterling Weakens Ahead of BoE Meeting

The U.S. dollar edged higher in early European trade Thursday, maintaining a positive tone as traders digested the Federal Reserve's policy decisions.

The U.S. Federal Reserve raised interest rates by 75 basis points Wednesday, its biggest interest rate hike since 1994, and pointed to further steady rises this year to combat historically high levels of inflation.

EU may fall behind Digital Decade goals, report warns

The European Union risks falling behind its Digital Decade goals by 10 years unless the governments focus on bridging the skills gap, according to a report by strategic consultancy Public First.

Last year the European Commission presented a 2030 vision that aims to transform the region with 80% of the population acquiring basic digital skills, 5G connectivity everywhere, full online public services and 75% of EU companies using cloud services.

European Gas Prices Rise Again as Gazprom Cuts Supply to Italy, Germany

European natural gas prices rose again at the open on Thursday, as Gazprom (MCX:GAZP) throttled supplies to Germany and Italy in the ongoing economic war between the West and Russia.

By 2:55 AM ET (0655 GMT), the Dutch TTF futures contract for July, which serves as a benchmark for north-west Europe, was up another 11% at 130 euros a megawatt-hour, extending gains over 20% on Wednesday. It has risen more than 50% this week as the Russian export monopoly has cut supplies through the Nord Stream 1 pipeline by 60%, blaming the delayed return of compressor station equipment after routine maintenance by its German maker,



Russian gas flows to Europe fall further amid diplomatic tussle

Russian gas supply to Europe fell further on Thursday, sparking concerns about refilling storage for winter and igniting a diplomatic tussle as Russian supplier Gazprom (MCX:GAZP) blamed Western sanctions for hampering maintenance work.

The drop in supply comes as the leaders of Germany, Italy and France visit Ukraine under pressure to provide Kyiv more weapons for its war with Russia and back its bid to join the European Union.

On Thursday, Gazprom announced a second cut to supply in as many days along the Nord Stream 1 pipeline to Germany, slashing flows to just 40% of capacity.

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