

# MARKET UPDATE

24/06/2022

## Dollar Edges Lower as Investors Weigh Powell Testimony

The U.S. dollar slipped slightly on Friday, as investors remained cautious of the impact of tighter central bank policies around the world aimed at curbing soaring inflation.

As of 02:35 AM EST (0635 GMT), the U.S. dollar index - which tracks the greenback against a basket of six currencies - was marginally in the red, down 0.16% to 104.27. The index is trading below a two-decade peak of 105.79 reached on June 15 following a 75 basis point interest rate hike by the Federal Reserve.

The dollar is moving lower from that elevated level due to concerns that such aggressive monetary tightening may end up sparking a recession.

## EU plan for life without Russian gas a priority as leaders meet

EU leaders will on Friday discuss how the bloc would cope without Russian gas, and are expected to accuse Moscow of "weaponizing" energy via a supply squeeze that Germany warned could partially shut down its industry this winter.

A day after celebrations over setting Kiev on the road to membership of the bloc, Friday's summit in Brussels is set to be a sober reflection on the economic impact of Russia's invasion of Ukraine.

## India central bank deputy Patra expects inflation to breach 6% for three quarters

India's retail inflation is likely to breach the mandated inflation target band of 2-6% for three straight quarters but is showing indications of peaking, Reserve Bank of India deputy governor Michael Patra said on Friday.

"The RBI Act mandates that in case the inflation target is not met for three consecutive quarters, which is the likely scenario, the RBI shall set out a report to the central government and in that report it will state the reasons for failure to achieve the inflation target," Patra said.



## German economy nervous, but no sign of recession for now

Angst is growing in the German economy, Europe's largest, but as yet there are no signs of recession, Ifo economist Klaus Wohlrabe told Reuters on Friday.

The threat of gas shortages has increased firms' uncertainty but bottlenecks in the industrial and retail sectors have eased slightly, he said. The hospitality industry is hoping for a good summer after the relaxation of coronavirus restrictions.

**Important Note:** The information found on Ausprime platform is intended only to be informative, is not advice nor a recommendation, nor research, or a record of our trading prices, or an offer of, or solicitation for a transaction in any financial instrument and thus should not be treated as such. The information provided does not include any specific investment objectives, financial situation and needs of any specific person who may receive it. The past performance is not a reliable indicator of future performance and/or results. Past Performance or Forward-looking scenarios are not a guarantee of future performance. Actual results may differ materially from those anticipated in forward-looking or past performance statement

