

WEEKLY MARKET RECAP: July 18 – July 22, 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 with oil prices climbing again back to the \$100 level, following last week's Joe Biden's visit to Saudi Arabia, with the aim to increase supply from middle east, however the Organization of Petroleum Exporting Countries (OPEC) did not show any clear assurances for that. Other than that, on Monday, Google share (GOOG) executed the 1:20 stock split aiming to lower the share price to make it more attractive for investors looking to invest, but thought it was too expensive.

Tuesday and early Wednesday, we saw Bitcoin, and the US shares rising again, with the benchmark S&P500 to climb 2.6% as traders ignored the disappointing corporate reports, betting that the Fed might stop hiking rates sooner than later. That benefited the EURO, with the ECB meeting later on the week, investors were betting on higher rates, pushing the currency pair to recover to 1.02 from parity.

US equities climbed higher late Wednesday, ahead of the corporate earnings season. Investors have a positive mind regarding the announcement, and together with the FOMC announcement next week, and ECB rates announcement on later on Thursday, the investors had money removed from the greenback, transferring them to stocks, pushing them to climb higher.

Early on Thursday, Bank of Japan had the monetary policy meeting, and statement, which they decided to keep the interest rate at -0.10%, unchanged for many years now.

The Bank announced also that they will purchase a necessary amount of Japanese government bonds (JGBs) without setting an upper limit so that 10-year JGB yields will remain at around zero percent.

Later on that day, it was ECB's turn to increase rates for the first time in the last 11 years. The increase was by 0.5% despite forecasts that expected an increase of 0.25%.

Thanks for reading! Have a great weekend.

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