

MARKET UPDATE

05/07/2022

Gold edges up as economic worries lend support

Gold prices rose marginally on Tuesday, buoyed by economic growth concerns, although an elevated dollar and impending interest rate hikes kept gains in check.

Spot gold was up 0.1% to \$1,810.45 per ounce at 0501 GMT. U.S. gold futures gained 0.6% to \$1,812.20.

"While we are stuck in the \$1,790 to \$1,830 range, gold could be supported on recession worries and possibly the Federal Reserve softening their policy stance as the market pivots from inflation concerns," said Stephen Innes, managing partner at SPI Asset Management.

European Stock Futures Higher; Central Banks Communication in Focus

European stock markets are expected to open higher Tuesday, continuing the positive start to the new month with investors focusing on guidance from a number of key central banks.

At 02:00 AM ET (0600 GMT), the DAX futures contract in Germany traded 0.5% higher, CAC 40 futures in France climbed 0.5% and the FTSE 100 futures contract in the U.K. rose 0.2%.

The region's main equity indices largely closed higher Monday albeit in quiet trading with the U.S. on holiday, building on Friday's positive start to the new month as investors sought out bargains after a bruising first half of the year.

Cryptoverse: The bonfire of the NFTs

The NFT dream isn't dead, but it's taken a big non-fungible beating.

The market shone gloriously last year as crypto-rich speculators spent billions of dollars on the risky assets, pumping up prices and profits. Now, six months into 2022, it's looking ugly. Monthly sales volume on the largest NFT marketplace, OpenSea, plunged to \$700 million in June, down from \$2.6 billion in May and a far cry from January's peak of nearly \$5 billion.



Aussie dips after RBA; yen pressured by rising U.S. yields

Australia's dollar erased early gains on Tuesday after the country's Reserve Bank delivered an as-expected half-point rate hike but not the hawkish forward guidance that some had hoped for.

The yen slid back toward a 24-year low to the greenback on a rise in U.S. Treasury yields, while the euro edged higher, adding some distance from five-year lows.

The Aussie ticked 0.09% lower to \$0.6820, after trading as high as \$0.6895 earlier in the day.

Both traders and analysts had predicted a second straight 50 basis-point hike on Tuesday. Governor Philip Lowe had said ahead of the meeting that the choice would be between a quarter- and half-point increase, although the U.S. Federal Reserve's 75 basis-point increase last month had fuelled speculation the RBA might need to be more aggressive.

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