

# MARKET UPDATE

06/07/2022

## Dollar Up over Renewed Recession Fears

The dollar was up on Wednesday morning in Asia as renewed recession fears sent investors to safe-haven currencies.

The U.S. Dollar Index that tracks the greenback against a basket of other currencies inched up 0.08% to 106.62 by 01:41 AM ET (0541 GMT).

The USD/JPY pair fell 0.48% to 135.21. The yen gained a little support from some safety bids.

“So far the yen is the currency of choice as it sucks in the obligatory safe-haven flows,” City Index senior market analyst Matt Simpson told Reuters.

## Crypto lender Voyager Digital files for bankruptcy

Voyager Digital said on Wednesday it has filed for bankruptcy, a week after the crypto lender suspended withdrawals, trading and deposits to its platform as it sought additional time to explore strategic alternatives.

In its Chapter 11 bankruptcy filing on Tuesday, New Jersey-based Voyager estimated that it had more than 100,000 creditors and somewhere between \$1 billion and \$10 billion in assets, and liabilities worth the same value.

Chapter 11 bankruptcy procedures put a hold on all civil litigation matters and allow companies to prepare turnaround plans while remaining operational.

## Gold near 7-month low as dollar basks in safe-haven demand

Gold hovered near a fresh seven-month low on Wednesday, with the dollar perched at a two-decade peak, as investors continued to snub bullion and look to the greenback for safety amid growing anguish over a worsening global economic outlook.

After dropping through support around \$1,790-\$1,800 on Tuesday, gold could head lower in the medium term, said Michael McCarthy, chief strategy officer at Tiger Brokers, Australia.



## Oil prices bounce back from Tuesday tumble as supply concerns return

Oil prices rose as much as nearly 3% on Wednesday before paring some gains as investors piled back into the market after a heavy rout in the previous session, with supply concerns returning to the fore even as worries about a global recession linger.

Brent crude futures rose as much as \$3.08, or 2.9%, to \$105.85 a barrel in early trade after plunging 9.5% on Tuesday, the biggest daily drop since March. It was last up \$1.63, or 1.6%, at \$104.40 a barrel at 0650 GMT.

U.S. West Texas Intermediate (WTI) crude climbed to a session high of \$102.14 a barrel, up \$2.64, or 2.7%, after closing below \$100 for the first time since late April. It briefly dipped into negative territory amid a stronger U.S. dollar before resuming gains and was last up \$1.20, or 1.2%, at \$100.70 a barrel.

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