

MARKET UPDATE

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Global regulators back 'same risk, same regulation' for stable coins

Major stable coins must comply with the same safeguards as traditional forms of payments, global regulators said on Wednesday, tightening controls over a battered crypto sector.

Stable coins are cryptocurrencies designed to have a stable value relative to traditional currencies, or to a commodity, to avoid the volatility that makes bitcoin and other digital tokens impractical for most commerce.

IOSCO, a global body for securities regulators, and a committee at the Bank for International Settlements (BIS), a forum for central banks, said on Wednesday they had formally adopted proposals put out to public consultation last October.

Oil edges higher; market wary of U.S. inflation data

Oil edged up on Wednesday, a day after prices fell through \$100 a barrel for the first time since April, but gains were limited by caution ahead of U.S. inflation data that could weaken the market.

Brent crude futures were up 45 cents, or 0.5%, at \$99.97 a barrel at 0630 GMT. U.S. West Texas Intermediate crude gained 44 cents, or 0.5%, to \$95.27.

Investors have sold oil positions on worries that aggressive interest rate hikes to stem inflation will sharply slow economic activity and hit oil demand. Prices fell by more than 7% on Tuesday in volatile trading.

"Lingering recession fears continue to hit the market, whilst the strength of the USD and flare-up in Covid cases in parts of China is certainly not helping," said Warren Patterson, head of commodities strategy at ING.

Oil is generally priced in U.S. dollars, so a stronger greenback makes the commodity more expensive to holders of other currencies, putting downward pressure on demand.

Dollar Edges Higher, Euro Clings to Parity Ahead of U.S. CPI Release

The U.S. dollar edged higher in early European trade Wednesday, while the euro languished close to parity ahead of the release of key U.S. inflation data which could cement further hefty rate hikes by the Federal Reserve.

EUR/USD traded largely unchanged at 1.0038, marginally above the 20-year low just above parity the pair fell to on Tuesday.

Attention Wednesday is focused squarely on the release of the latest U.S. consumer prices data later in the session, which is expected to show that headline U.S. inflation accelerated to 8.8% year-on-year in June, up from 8.6% in May and a 40-year high.

Twitter sues Elon Musk to hold him to \$44 billion deal

Twitter Inc (NYSE:TWTR) sued Elon Musk on Tuesday for violating his \$44 billion deal to buy the social media platform and asked a Delaware court to order the world's richest person to complete the merger at the agreed \$54.20 per Twitter share.

"Musk apparently believes that he - unlike every other party subject to Delaware contract law - is free to change his mind, trash the company, disrupt its operations, destroy stockholder value, and walk away," said the complaint.

The lawsuit sets in motion what promises to be one of the biggest legal showdowns in Wall Street history, involving one of the business world's most colourful entrepreneurs in a case that will turn on staid contract language.

On Friday, Musk said he was terminating the deal because Twitter violated the agreement by failing to respond to requests for information regarding fake or spam accounts on the platform, which is fundamental to its business performance.

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