

# MARKET UPDATE

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## European Gas Futures Fall to 3-Week Low as Nord Stream Reopens

European natural gas futures fell to their lowest in three weeks as Russia resumed shipments to Germany, allaying fears of a permanent cut-off due to the war in Ukraine.

Data from the Nord Stream pipeline, which carries natural gas from Russia to northern Germany under the Baltic Sea, showed flows resumed after 10 days of planned annual maintenance. However, they were capped at 40% of their usual rate, as had been the case before the maintenance period started. Russian gas monopoly Gazprom (MCX:GAZP) also confirmed that it is shipping at a rate of just under 43 million cubic meters a day through the pipeline.

## Tesla Falters, ECB, Italian Crisis, Jobless Claims

The European Central Bank is set to raise interest rates for the first time in a decade. Its last rate hikes triggered a sovereign debt crisis in Italy. Coincidentally or not, former ECB President Mario Draghi chose today to end his term as Prime Minister of Italy, causing sharp drops in Italian bonds and stocks. Tesla's quarter-on-quarter profit fell for the first time in a couple of years due to 'supply chain hell'. The U.S. releases weekly jobless claims data and the Philadelphia Fed's monthly business survey. And things are moving in eastern Europe, as Russia - which threatened to annex southern Ukraine on Wednesday - restarted gas flows through the Nord Stream pipeline. Ukraine, meanwhile, was forced to devalue its currency by over 20% due to the pressures of war. Here's what you need to know in financial markets on Thursday, 21st July.

## Euro knocked by Italy crisis ahead of landmark ECB hike

The euro wilted on Thursday as the European Central Bank geared up for its first rate rise in over a decade and as political tumult in Italy offset relief following the restart of Russian gas flows through the region's largest pipeline.



## Nasdaq futures fight to stay positive with upbeat Tesla results

Nasdaq futures eked out gains on Thursday as electric automaker Tesla (NASDAQ:TSLA) topped Wall Street's profit target, while futures tracking the S&P 500 and the Dow struggled for direction ahead of more earnings reports.

Tesla rose 3.4% in premarket trading as its quarterly profit benefited from a string of price increases for its cars. That helped offset production challenges, but Chief Executive Elon Musk said it could hurt demand.

Positive earnings reports from Tesla and streaming giant Netflix Inc (NASDAQ:NFLX) have of late boosted megacap growth stocks, which have been under pressure from rising interest rates.

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