

# MARKET UPDATE

**29/07/2022**

## **Dollar Down on View Fed to Slow Hikes**

The dollar was down on Friday morning in Asia as investors bet on slower hikes from the U.S. Federal Reserve.

"Lower yields and positive risk sentiment is (a) tried and trusted recipe for a softer USD, although that weakness has been 'flattered' by an outsized rally in the yen," the National Australia Bank head of FX strategy Ray Attrill wrote in a client note.

He warned, like many analysts have this week, that the market's "conclusion that the Fed has lost some of its hawkishness (is) debatable".

## **UK to investigate Asos, Boohoo and Asda's environmental claims**

Britain will investigate whether fashion brands ASOS (LON:ASOS), Boohoo and George at Asda are misleading shoppers about the environmental sustainability of their apparel, the country's competition watchdog said on Friday.

"Should we find these companies are using misleading eco claims, we won't hesitate to take enforcement action – through the courts, if necessary," the Competition and Markets Authority (CMA) said.

"This is just the start of our work in this sector and all fashion companies should take note: look at your own practices and make sure they are in line with the law."

## **World stocks eye best month since late 2020, dollar slips**

Global stocks rose on Friday, on course for their best month since late 2020 as traders bet a weakening U.S. economy could slow the pace of monetary tightening in the world's largest economy, while the dollar struggled broadly against its rivals.

As inflation surges across major markets and central bankers fight to raise rates without killing off growth, riskier markets like stocks have tended to react positively to any softening in sentiment on the part of policymakers.

## Italy's economy grew faster than expected in Q2

Italy's economy grew 1.0% in the second quarter of the year from the previous three months, preliminary data showed on Friday, a stronger-than-expected reading and despite the headwinds created by the war in Ukraine.

On a year-on-year basis, second quarter gross domestic product in the euro zone's third largest economy rose 4.6%, ISTAT said.

Analysts polled by Reuters had predicted a rise of 0.3% quarter-on-quarter and 3.7% year-on-year.

Friday's data followed quarterly growth of 0.1% in the first three months of the year and a jump of 6.2% against the same period a year ago.

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