

WEEKLY MARKET RECAP: August 01 –August 05 2022

Happy Friday, traders. Welcome to our weekly market wrap, where we look back at these last five trading days with a focus on the market news, economic data and headlines that had the most impact on the financial market – and may continue to into the future for the US Dollar and other key correlated assets.

The first week of the month, as always all eyes were focused on Fridays NFP release, with markets trying to get the direction that the NFP release will show on Friday. EURUSD found some resistance before reaching the 1.03 level, and changed direction at the day , to return to 1.02 levels.

Early on Tuesday the Reserve Bank of Australia increased cash Rates to 1.85%, after seeing the CPI inflation to reach 7.75% this year, and since the Board members are aiming to bring back inflation to 2-3%, the rates increase is the measure to help achieve their target. Later on the day, Gold moved sharply higher after hitting a fresh yearly low at \$1680, climbing back to \$1787. US shares retreated for a second straight day, amid geopolitical tensions in Asia, after US House Speaker Pelosi's visit to Taiwan angered China prompting the communist government to launch missile tests and other military exercises in the region.

Wednesday we saw oil prices plunge once again , this time up to \$90 for crude oil and \$96 for Brent oil, after Energy Information Administration (EIA) reported that 4.5-million barrels of US oil were added to inventory last week. Following that , and the unexpected strong data on services activity, US stocks rose, pushing Dow up by 0.7%, S&P by 1% and Nasdaq by 1.7%.

Thursday and early Friday, we saw the precious metal, rising again, and finally being able to break the 1780 level that it was struggling for , all week. Wall street remained without a clear direction, as investors were waiting for the Non-Farm Payrolls announcement , in order to see what the most probable direction of the shares is for the next short term period.

EURUSD remained also under pressure, with investors assessing the latest German data amid looming recession risks. All eyes are turned to the Non-Farm Payrolls for the closing of the week, which are expected to be out at 12:30GMT today, Friday 05/08/2022.

Thanks for reading! Have a great weekend.

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