**WEEKLY MARKET RECAP: August 15 –August 19 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.

Week started quietly once again, with European Assumption holiday, to keep the markets with low volumes due to the importance of the holiday.

Oil prices settled lower on the beginning of the week, after the disappointing Chinese economic data, rising again the concerns of a global recession that would be expected to reduce the demand for the precious liquid.

Gold started the week with a big decline in price, dropping from $1801 to $1780 on Monday, while waiting and focusing for the FOMC Meeting Minutes on Wednesday, in order to “decide” the direction that the precious metal will follow.

Gold prices extended losses to a third straight session on Wednesday as the dollar and U.S. Treasury yields firmed, while investors zoned in on the upcoming minutes from the U.S. Federal Reserve's July meeting.

The dollar index, which tracks the greenback against six main peers, was at 106.46 in Wednesday morning. The index has recovered most of the ground it lost last week after cooler-than-expected U.S. inflation but remains well off its mid-July top of 109.29.

The Fed's beef with the market in recent days and weeks has been that they (the Fed) don't subscribe to the market's view that it will be cutting rates in 2023," said Ray Attrill, global head of FX strategy at National Australia Bank.

Market conditions have been extremely reserved this week, but we managed to downshift even further through this past trading session. I have been keeping close tabs on the technical milestones for the markets. Through Thursday trade, my preferred ‘one look risk measure’ (the S&P 500) carved out its third smallest daily trading range of the year. The range on the week – so a rolling four-day high to low – is the smallest of 2022 thus far. Furthermore, participation as measured by volume is the lowest of the year as well. Whether you are a true believer of the bull trend we’ve seen form through this past month or expecting an imminent reversal from the 200-day simple moving average, it seems that conviction is in short supply. That fits the liquidity conditions that we have been talking about consistently as of late. August, historically, represents the absolute nadir in trading day-adjusted volume for the benchmark S&P 500. So, while I do fully expect a break moving forward; it is more probable that a spark for a break awaits a key fundamental charge like next week’s Jackson Hole Economic Symposium while the restoration of a trend stalls until liquidity fills out.

**Thanks for reading! Have a great weekend.**

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