

# MARKET UPDATE

01/08/2022

## Dollar struggles at 6-week low

The U.S. dollar sank to its lowest in more than six weeks versus the Japanese yen on Monday as investors ramped up bets that aggressive Federal Reserve monetary policy would tip the economy into a recession.

With traditional market gauges of recession such as yield curve spreads pinned near their lowest levels this year, punters have ramped up bets in recent days that U.S. interest rates will peak by the end of 2022.

With China's official measure of factory activity contracting in July as fresh virus flare-ups weighed on demand, and German retail sales posting their biggest year-on-year slump since 1994, the sentiment was decidedly cautious in early London trading.

## China's Alibaba strives to keep New York listing amid audit dispute

Group Holding Ltd on Monday said it would work to maintain its New York Stock Exchange listing alongside its Hong Kong listing after the Chinese e-commerce giant was placed on a delisting watchlist by U.S. authorities.

Alibaba stock was down 4.5% in a near-flat Hong Kong market in early trade, following its 11.1% decline in New York on Friday.

The company on Friday became the latest of more than 270 firms to be added to the U.S. Securities and Exchange Commission's list of Chinese companies that might be delisted for not meeting auditing requirements.

## HSBC rebuffs Ping And call for break-up, arguing it would be costly

HSBC pushed back on a proposal by top shareholder Ping and Insurance Group Co of China to split the lender, a move Europe's biggest bank said would be costly, while posting profit that beat expectations and promising chunkier dividends.



## Gold investors face bind over bars from tarnished Russia

Some investors want Russian gold off their books but it's not that easy to remove.

A de facto ban on Russian bullion minted after Moscow's invasion of Ukraine and instigated by the London market in early March and does not apply to hundreds of tonnes of gold that has been sitting in commercial vaults since before the conflict started.

Fund managers looking to sell the metal to avoid the deepening reputational risk of holding assets linked to Russia in their portfolios could trigger a costly scramble to replace it with non-Russian gold, according to bankers and investors.

"This would only serve to damage investors. It doesn't damage the (Russian) regime," said Christopher Mellor at Invesco, whose fund has around 265 tonnes of gold, 35 tonnes of it produced in Russia with a market value of around \$2 billion.

**Important Note:** The information found on Ausprime platform is intended only to be informative, is not advice nor a recommendation, nor research, or a record of our trading prices, or an offer of, or solicitation for a transaction in any financial instrument and thus should not be treated as such. The information provided does not include any specific investment objectives, financial situation and needs of any specific person who may receive it. The past performance is not a reliable indicator of future performance and/or results. Past Performance or Forward-looking scenarios are not a guarantee of future performance. Actual results may differ materially from those anticipated in forward-looking or past performance statement