

MARKET UPDATE

05/08/2022

Dollar Edges Higher; Nonfarm Payrolls Loom Large

The U.S. dollar edged higher in early European trade Friday, attempting to recoup some of the previous session's hefty losses ahead of the release of the widely-watched monthly U.S. employment report.

Friday's main focus will be the July U.S. jobs report, which will provide clues of how the U.S. economy is faring.

Economists expect nonfarm payrolls to have increased by 250,000 last month, a slowing in growth from the 372,000 jobs in June. That would mark the 19th straight month of payrolls expansion but would be the smallest increase in that span.

European shares fall as energy stocks weigh; focus on U.S. jobs data

European shares edged lower on Friday as crude prices continued to weigh on energy stocks, with all eyes on U.S. jobs data expected later in the day.

The pan-European index STOXX 600 was down 0.1% amid worries that the U.S. Federal Reserve's aggressive pace of rate hikes would slow economic growth in the world's largest economy.

The oil and gas sector fell 1% as crude prices languished near their lowest since the start of the conflict in Ukraine, with markets juggling concerns of supply shortage and slower demand. [O/R]

Company results were mixed on Friday, with Deutsche Post (OTC:DPSGY) up 6.4% on posting double-digit growth in revenue and earnings.

WPP Shares Slide Despite Lift in Revenue Guidance

Shares in WPP (LON:WPP) slumped towards the bottom of the pan-European STOXX 600 on Friday despite the world's largest advertising group brushing off a darkening economic outlook to raise its guidance for full-year revenue.



Food prices fell again in July, U.N. agency says

The United Nations food agency's world price index declined again in July, edging further away from record highs hit in March.

The Food and Agriculture Organization's (FAO) food price index, which tracks the most globally traded food commodities, averaged 140.9 points last month versus a revised 154.3 for June. The June figure was previously put at 154.2.

The July index was still 13.1% higher than a year earlier, pushed up by the impact of the invasion of Ukraine, adverse weather and high production and transport costs.

"The decline in food commodity prices from very high levels is welcome, however, many uncertainties remain," said FAO Chief Economist Maximo Torero.

A bleak global economic outlook, currency volatility and high fertilizer prices - which can impact future production and farmers' livelihoods - all pose serious strains for global food security, he said.

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