

# MARKET UPDATE

11/08/2022

## Dollar Recovers Some Losses After Inflation-Driven Drop

The dollar made up some losses on Thursday after a steep drop the previous day on softer than expected inflation data out of the U.S.

The dollar index, which measures the greenback against a number of other global currencies, was trading 0.08% higher at 105.28 as of 02:47 ET (06:47 GMT).

The headline U.S. consumer price index rose by 8.5% on an annual basis in July and was flat compared with June, below estimates of 8.7% and 0.2%, due in part to a decline in petrol costs. The print led some investors to revise their expectations for a Federal Reserve interest rate hike in September, with the uptick now seen at 50 basis points instead from 75 basis points, according to the CME's Fed watch tool.

## European shares open higher; Aegon leads gains among insurers

European shares opened higher on Thursday to extend gains from the previous session after data showed signs of U.S. inflation cooling, while Dutch insurer Aegon (NYSE:AEG) climbed after raising its full-year forecast.

The pan-European STOXX 600 index rose 0.4%, after clocking its best session in nearly two weeks on Wednesday on bets that the inflation reading will encourage the Federal Reserve to become less aggressive on interest rates hikes.

Aegon jumped 7.5%, to the top of the STOXX 600, as it raised its forecasts for full-year operating capital generation and 2021-2023 free cash flow.

The European insurance sector index was up 0.8% in early trading, and was among the top gainers.

Zurich Insurance Group (OTC:ZFSVF) also added 1.3% as it reported a better-than-expected rise in operating profit in the first half



## Asian currency bears retreat as inflation view improves

Bearish bets on emerging Asian currencies eased on hopes that monetary tightening will cool red-hot inflation, with short bets on the Thai baht falling sharply after the first rate hike in the country in nearly four years, a Reuters poll found.

Short positions on all emerging Asian currencies fell, with bets on China's yuan at their lowest since late-April, according to the fortnightly poll of 12 analysts.

Short bets on the Philippine peso, the Singapore dollar and the Indonesian rupiah also fell to multi-month lows.

An unchanged U.S. inflation print for July, the first notable sign of relief after persistently rising prices, also helped improve the sentiment in the region.

Short bets on the Thai baht slipped to their lowest since early June after the Bank of Thailand (BoT) on Wednesday raised its interest rate by 25 basis points, kick-starting its tightening cycle after lagging regional peers.

**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