

MARKET UPDATE

23/08/2022

Euro falls to fresh two-decade low, dollar exudes strength

The euro dropped to a fresh two-decade trough on Tuesday as Europe was buffeted by concerns about energy supply and economic growth, while the dollar held firm against major peers, supported by safe-haven flows.

The euro hit \$0.9909, its lowest since late 2002, and was last down 0.29% at \$0.9914.

Russia will halt natural gas supplies to Europe via the Nord Stream 1 pipeline for three days at the end of the month, the latest reminder of the precarious state of the continent's energy supply.

Heatwaves in the continent have already put a strain on energy supply and worries are growing that any disruption during the winter months could be devastating for business activity.

The pound was similarly dragged to a new two-and-a-half-year low of \$1.1729, while the Japanese yen steadied at 137.270 per dollar after touching a one-month low of 137.705 earlier in the day.

Oil climbs as Saudi Arabia warns of OPEC output cuts

Oil rose on Tuesday as renewed concerns over tight supply dominated market sentiment after Saudi Arabia warned that the major oil producer could cut output to correct a recent oil price decline.

Brent crude gained 42 cents, or 0.4%, to \$96.90 a barrel by 0630 GMT, after a choppy session on Monday when they dropped by more than \$4 before paring losses to trade near flat. It advanced by \$1 a barrel in early Asia trading hours.

U.S. West Texas Intermediate crude futures rose 40 cents, or 0.4%, to \$90.76 a barrel.

The benchmarks are down about 12% and 8% this month, respectively, amid fears about a global recession and fuel demand.

The Organization of the Petroleum Exporting Countries stands ready to reduce production to correct the recent oil price fall driven by poor futures market liquidity and macro-economic fears, which has ignored extremely tight physical crude supply, OPEC's leader Saudi Arabia said on Monday.



Cryptoverse: A mixer with your crypto cocktail?

The grand crypto project has declined in 2022: total user funds deposited in decentralized finance has shrunk to about \$61 billion from over \$170 billion at the start of the year, according to figures from data aggregator Defi Llama.

In a fresh jolt, the U.S. Treasury has sanctioned one of the industry's biggest "mixers", tools that pool and scramble crypto from thousands of addresses to boost anonymity, saying it was used by hackers to launder their gains.

The U.S. intervention this month has forced many DeFi projects to block cash from wallets linked to the Ethereum-based mixer, Tornado Cash, representing a blow to those devotees who dream of a brave new world free of central authority.

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