

# MARKET UPDATE

26/08/2022

## Oil prices rise on signs of improving demand, gain 3% on week

Oil prices rose as much as \$1 on Friday on signs of improving fuel demand, although further gains were capped as the market awaited clues from the U.S. Federal Reserve chairman on the outlook for rate hikes in a speech later in the day.

Brent crude futures climbed 99 cents, or 1%, to \$100.33 a barrel by 0620 GMT, while U.S. West Texas Intermediate (WTI) crude futures rose 98 cents, or 1.1%, to \$93.50. Both contracts jumped in early trade by as much as \$1 after slumping about \$2 on Thursday.

## California to end sales of gasoline-only cars by 2035

California on Thursday moved to require all new vehicles sold in the state by 2035 to be either electric or plug-in electric hybrids, a landmark move that could speed the end of gasoline-powered vehicles.

California Governor Gavin Newsom first announced the plan to phase out vehicles that run only on gasoline by 2035 in September 2020. The California Air Resources Board voted on Thursday to approve the new rules, which set yearly rising zero-emission vehicle rules starting in 2026, but the Biden administration must still approve the new requirements before the plan can take effect.

## Xiaomi in talks with BAIC to produce electric cars

Smartphone maker Xiaomi (OTC:XIACF) Corp is in talks with Beijing Automotive Group Co to collaborate on producing electric vehicles, Bloomberg News reported on Friday, citing people familiar with the matter.

The two giants are exploring different options including Xiaomi buying a stake in Beijing Hyundai No 2 plant, the report said.



## Asian shares cautiously higher as Powell speech nears

Asian shares were cautiously higher on Friday, while the dollar firmed slightly as traders and investors anxiously awaited a speech from Federal Reserve Chair Jerome Powell that could offer clues on the U.S. central bank's rate-hike path.

The guarded optimism is likely to extend into Europe. The pan-region Euro Stoxx 50 futures added 0.4%, German DAX futures were up 0.41% and FTSE futures were 0.23% higher.

MSCI's broadest index of Asia-Pacific shares outside Japan rose 0.5% on the day. Resources-heavy Australia shares gained 0.9% while Japan's Nikkei advanced 0.6%.

A surge in Chinese tech shares listed in Hong Kong, buoyed by hopes for an audit deal between the United States and China, run out of puff but was up 0.4%, while Chinese shares, gripped by domestic economic worries and Fed rate hikes, wobbled.

The Wall Street Journal reported on Thursday that Washington and Beijing are nearing an agreement that allows American accounting regulators to travel to Hong Kong to inspect audit records of U.S.-listed Chinese companies.

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