

## King dollar stomps on yen as U.S. yields rise

The dollar was lord of all it surveyed on Wednesday, at a fresh 24-year peak on the yen and retesting a 20-year high on the euro after U.S. economic data reinforced the view that the Federal Reserve would maintain aggressive policy tightening.

Economic jitters elsewhere, pushing investors to safety, also supported the U.S. currency.

The dollar soared as high as 144.38 yen in Asia trade, hitting the level for the first time since August 1998, while the euro wallowed below 99 cents after dipping as low as \$0.9864 overnight, its lowest since late 2002.

This caused the U.S. dollar index, which measures the greenback against six major peers, to hit a fresh 20-year high of 110.69 early on Wednesday.

The European Central Bank is seen as more likely than not to deliver a massive 75 bps rate hike on Thursday, but these expectations are doing little to support the currency in the face of a battered European economy and Russia's decision to keep the key Nord Stream 1 gas pipeline shut indefinitely.

In contrast, a report overnight showed the U.S. services industry unexpectedly picked up last month, supporting the view that the economy is not in recession and giving the Fed leeway for another 75-basis-point rate rise on Sept. 21.

But the moves were most dramatic for the yen, whose tumble, even by its own recent standards, has been precipitous. The dollar has climbed 3.7% from 138.96 yen just since the end of August.

Japan's currency is extremely sensitive to moves in long-term U.S. interest rates, and the yield on the 10-year Treasury note climbed as high as 3.365% in Tokyo trading, a level not seen since June 16.

**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