

MARKET UPDATE

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Oil firms seek U.S. mediation to defuse Iraq-Kurdistan tensions

Oil firms operating in Kurdistan have asked the United States to help defuse an upsurge in tension between Iraq's central government and the semi-autonomous region, according to a letter seen by Reuters and three sources.

They say intervention is needed to ensure oil continues to flow from the north of Iraq to Turkey to prevent Turkey having to increase oil shipments from Iran and Russia.

Asia stocks stagger into September as dollar spikes

Asian stocks slid and the dollar spiked on Thursday as investors greeted September by selling everything that was not nailed down after a month battered by concerns about aggressive rate hikes from global policymakers.

The sell-off looks set to hit European markets, with the pan-region Euro Stoxx 50 futures falling 0.9%, German DAX futures down 0.86% and FTSE futures 0.64% lower. S&P 500 futures dropped 0.7%, while Nasdaq futures declined 1.2%.

This month, both the U.S. Federal Reserve and the European Central Bank are expected to raise borrowing costs aggressively.

India's Q1 growth may not deter RBI from raising rates

India's lower-than-expected economic growth in April-June is unlikely to alter the course for the Reserve Bank of India that is anchored to taming inflation with more rate hikes, analysts said.

Asia's third-largest economy grew 13.5% in the April-to-June quarter, its fastest pace in a year, though below the 15.2% forecast by economists in a Reuters poll, data showed on Wednesday.

Growth, however, was well above 4.1% in the previous quarter. For 2022/23, the Reserve Bank of India (RBI) has projected economic growth at 7.2%.



Turkey raises electricity, gas prices by 50% for industry, 20% for homes

Turkish authorities raised electricity and natural gas prices for households by around 20% and by around 50% for industry on Thursday, putting further upward pressure on inflation, which was running at nearly 80% in July.

The utility price hikes are expected to push inflation up by 0.8 percentage points, according to a Reuters calculation, while higher industrial prices also lead to an indirect increase in inflation as producers reflect the costs on to consumers.

Turkey's EPDK energy regulator said it had raised household electricity prices by 20%, those used by public and services sectors by 30% and those used in industry by 50%.

State energy importer BOTAS said it hiked the natural gas price for domestic use by 20.4%, by 47.6% for small- to medium-scale industrial customers, and by 50.8% for large industrial users.

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