

# MARKET UPDATE

02/09/2022

## Dollar Edges Lower Ahead of Payrolls; Yen Under Pressure

The U.S. dollar edged lower in early European trade Friday but remained near a two-decade high ahead of the widely watched monthly U.S. jobs report which could point to further hefty interest rate hikes.

At 03:10 ET (07:10 GMT), the Dollar Index, which tracks the greenback against a basket of six other currencies, traded 0.2% lower to 109.438, after climbing to 109.602 overnight, the highest level in 20 years.

The U.S. August nonfarm payroll release is due at 08:30 ET (12:30 GMT) and is expected to show that 300,000 jobs were added last month, while the unemployment rate is seen remaining at 3.5%.

## Oil gains ahead of OPEC+ meeting; Russian oil price cap looms

Oil prices climbed on Friday on bets that OPEC+ will discuss output cuts at a meeting on Sept. 5, though fears of China's COVID-19 curbs and weak global growth continued to limit gains and a potential cap on the price of Russian exports loomed.

Brent crude futures rose \$1.23, or 1.3%, to \$93.59 a barrel at 0630 GMT, while U.S. West Texas Intermediate (WTI) crude futures advanced \$1.25, or 1.4%, to \$87.86 a barrel.

Both benchmark contracts slid 3% in the previous session to two-week lows. Brent was headed for a weekly drop of nearly 7%, and WTI was on track to fall about 5% for the week.

The Organization of the Petroleum Exporting Countries (OPEC and allies, together called OPEC+, are due to meet on Sept. 5 against a backdrop of sliding prices and falling demand, even as top producer Saudi Arabia says supply remains tight.



## Russia Gas Flows Look Set to Resume on Nord Stream After Works

Russia looks set to resume gas supplies through its key pipeline to Europe, a relief for markets even as fears persist about more halts this winter.

Grid data indicate that flows will resume on Saturday at 20% of capacity as planned. It's become a persistent worry among policy makers in Europe that when Russia shuts the Nord Stream pipeline for what it says is necessary maintenance, it may not restart.

Germany has already said that it wouldn't count on Nord Stream this winter at all. Gazprom PJSC (OTC:OGZPY) says the only functioning gas turbine at the link's entry point must undergo technical maintenance every 1,000 hours. That's about every 42 days, with the next checks due in mid-October. Expectations are growing in Europe that these flows will be used continually throughout the winter to keep markets on edge and as a way to squeeze the bloc on sanctions.

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