

WEEKLY MARKET RECAP: October 17 – October 21, 2022

Happy Friday, traders!

Welcome to our weekly market wrap, where we look back at these last five trading days with a focus on the market news, economic data and headlines that had the most impact on the financial market and may continue to into the future for the US Dollar and other key correlated assets.

New week started with the British pound climbing more than 2% against the dollar, bolstered by risk-on mood and news that the UK government will abandon most of the economic plans put forward a few weeks ago that sent markets into turmoil and prompted the central bank to undertake emergency quantitative easing.

Early on Wednesday, United Kingdom released the yearly inflation data, which came out 10.1% pushing the sterling to break the 1.13 against the dollar and remained nervous for the day.

On Thursday early morning, "Japan's central bank said it would hold emergency bond-buying operations, offering to buy some \$667 million in government debt, a move designed to put a floor under bond prices," said Reuters. USDJPY tested the 150 level, with Economists at DBS Bank to believe that the pair could reach the 159.90, high of April 1990.

On the other side of the world, Liz Truss resigned as UK Prime Minister after less than two months. "We set out a vision for a low-tax, high-wage economy that would take advantage of the freedoms of Brexit." Truss said in a brief statement outside 10 Downing St. "I recognize, though, given the situation, that I cannot deliver on the mandate." At the time of the announcement, GBPUSD rose to 1.1345, and came back to 1.1185 after few hours to early morning today.

Thanks for reading! Have a great weekend.

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