MARKET UPDATE

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Dollar gains as geopolitical worries, rate hike fear rattle market

The dollar hit multi-year highs on Tuesday against the risk-sensitive Aussie and Kiwi dollars and the yen hovered near the level that prompted intervention as worries about rising interest rates and geopolitical tensions unsettled investors.

Strong U.S. labour data and an expectation of inflation figures on Thursday to remain stubbornly high have all but dashed bets on anything but high interest rates through 2023 and are driving the dollar back toward multi-decade highs.

Risk appetite was also hurt on Tuesday after Russia rained missiles upon Ukraine's cities on Monday in retaliation for blast that damaged the only bridge linking Russia to the annexed Crimean Peninsula.

Sim Moh Siong, currency strategist at Bank of Singapore, said things are still uncertain because of geopolitical risks such as the war in Ukraine, escalating U.S.-China tensions and a sell-off in gilts on Monday.

Cryptoverse: Hack jitters push bitcoin investors back to the future

It's not easy being a crypto investor. They've seen the value of their holdings drop like a brick this year, and now many are stewing over the safety of their crypto cash after a series of heists that's seen around $2 billion spirited away by hackers.

Enter the ghost of technology's past.

Hardware wallets - old-school physical devices similar to USB drives that stash crypto holdings offline - might seem a throwback to a more innocent digital age, but they're proving to be a popular response to a cutting-edge conundrum.

The global hardware wallet market, valued at $245 million in 2021, is expected to swell to over $1.7 billion by 2030, according to market research firm Straits Research.

It's being fueled by a steady stream of cyber robberies that, according to researcher Chainalysis, has seen thieves steal $1.9 billion in crypto in the first seven months of the year, an increase of 60% from a year earlier. Much of this was stolen directly from blockchains or "hot" online wallets.

Oil prices inch lower as dollar firms, China COVID worries dent demand

Oil prices slid on Tuesday, extending losses of nearly 2% in the previous session, as a stronger U.S. dollar and a flare-up in COVID-19 cases in China raised concerns of slowing global demand.

Brent crude futures fell 21 cents, or 0.2%, to $95.98 a barrel by 0618 GMT, after falling $1.73 in the previous session.

U.S. West Texas Intermediate crude was at $90.82 a barrel, down 31 cents, or 0.3%, after losing $1.51 in the previous session.

The dollar hit multi-year highs on Tuesday, with worries about rising interest rates and geopolitical tensions unsettling investors. [FRX/]

A strong greenback reduces demand for oil by making it more expensive for buyers using other currencies.

Rate increases to date were starting to slow the economy and the full brunt of tighter policy would not be felt for months to come, Fed Vice Chair Lael Brainard said on Monday.