

MARKET UPDATE

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Dollar rides Treasury yields higher, yen closes in on key 150 level

The dollar loomed over major peers on Thursday as Treasury yields peaked at multi-year highs, while the yen slid to a fresh 32-year low and kept markets on high alert for any signs of an intervention.

The surging greenback also pushed the Chinese offshore yuan to a record low in Asia, though it later trimmed intraday losses on a report of a potential reduction in COVID quarantine time for visitors.

The fragile yen hit a fresh trough of 149.98 per dollar, its lowest since August 1990, and last bought 149.975.

It has been on a losing streak for 11 straight sessions as of Wednesday's close and has renewed 32-year lows for six sessions now.

"Given that Treasury yields have moved decisively above 4%, were it not for the threat of intervention then I think dollar/yen would already be trading north of 150."

Oil prices rise on possible easing in China COVID quarantine measure

Oil prices gained around \$1 on Thursday as investor sentiment rose on news that China is considering a cut in the duration of quarantine for inbound visitors.

Brent crude futures for December settlement rose 80 cents, or 0.9%, to \$93.21 a barrel at 0610 GMT.

U.S. West Texas Intermediate crude for November delivery (WTI), which expires on Thursday, rose \$1.29, or 1.5%, to \$86.84 per barrel. The WTI contract for December delivery was last up 1.4%, or \$1.16 cents, at \$85.68 a barrel.

China, the world's largest crude importer, has stuck to strict COVID-19 curbs this year, weighing heavily on business and economic activity which lowers demand for fuel. Bloomberg news reported on Thursday that China is considering cutting the quarantine period for inbound visitors to seven days from 10 days, citing people familiar with the matter.

Asia stocks slip as risk appetite wanes on rate-hike fears

Asian shares fell on Thursday to their lowest since April 2020 as risk appetite among investors faded after inflation data across the globe re-ignited fears of aggressive interest rate hikes by the Federal Reserve.

MSCI's broadest index of Asia-Pacific shares outside Japan fell as much as 1.8% to 436.14, before cutting some losses. The index was last down 0.79% at 440.82.

European stock futures indicated stocks were set to decline, with Eurostoxx 50 futures down 0.43%, German DAX futures down 0.45% and FTSE futures down 0.25%.

Japan's yen crept close to the psychological barrier of 150 per dollar after earlier marking a fresh 32-year low of 149.93, while the yield on the 10-year U.S. Treasury note touched a 14-year high, brushing off a weak housing report.

"Yields rose to fresh cycle highs and risk appetite soured," said Taylor Nugent, a markets economist at National Australia Bank (OTC:NABZY) in Sydney. Wall Street snapped a two-day streak of gains on Wednesday, while the dollar bounced from two-week lows.

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