

MARKET UPDATE

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Dollar fends off another suspected intervention from Japan

Suspected Bank of Japan (BOJ) intervention gave only brief respite to the Japanese yen as the dollar stayed strong on Monday, while sterling wavered as former finance minister Rishi Sunak emerged as frontrunner to become Britain's prime minister.

The yen hit a low of 149.70 per dollar in early deals before being swept to a high of 145.28 within minutes in a move that suggested the BOJ, acting for Japan's Ministry of Finance (MOF), had stepped in for a second successive day. The currency, however, dropped back to near 148.88.

"The price action should be worrying for the MOF, as it suggests that there is strong demand to buy into dollar/yen dips," said Sean Wallow, a senior currency strategist at Westpac in Sydney.

"The timing should have been good for intervention, with U.S. yields still falling in the wake of the WSJ Fed story Friday."

Hong Kong stocks tumble as Xi appointments fan economic fears; yuan weakens

Hong Kong stocks slid to 13-year lows on Monday and onshore yuan fell to its weakest level in 15 years after Xi Jinping's newly unveiled leadership team heightened fears that economic growth will be sacrificed for ideology-driven policies.

The Hang Seng index slumped 5% in early afternoon trade, touching levels last seen during the 2008-2009 global financial crisis.

Hong Kong-listed shares of tech giants Alibaba (NYSE:BABA) Group Holding Ltd and Tencent Holdings (OTC:TCEHY) Ltd plunged 10% and 8% respectively, dragging the Hang Seng Tech Index down 7% to a record low. Hong Kong-listed Chinese developers plummeted 9% to record lows.

Both the property and tech sectors have been targeted for far greater regulation under Xi.



Oil prices drop more than 1% as China demand data disappoints

Oil prices slid more than 1% on Monday after Chinese data showed that demand from the world's largest crude importer remained lacklustre in September as strict COVID-19 policies and fuel export curbs depressed consumption.

Brent crude futures for December settlement slid \$1, or 1.1%, to \$92.50 a barrel by 0609 GMT after rising 2% last week. U.S. West Texas Intermediate crude for December delivery was at \$84.02 a barrel, down \$1.03, or 1.2%.

Although higher than in August, China's September crude imports of 9.79 million barrels per day were 2% below a year earlier, customs data showed on Monday, as independent refiners curbed throughput amid thin margins and lacklustre demand.

"The recent recovery in oil imports faltered in September," ANZ analysts said in a note, adding that independent refiners failed to utilise increased quotas as ongoing COVID-related lockdowns weighed on demand.

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