

# MARKET UPDATE

25/11/2022

## Oil up amid wrangling over Russian oil price cap

Oil prices rose in Asia on Friday, despite thin market liquidity, after a week marked by worries about Chinese demand and haggling over a Western price cap on Russian oil.

Brent crude futures rose by 28 cents, or 0.33%, to trade at \$85.62 a barrel at 0410 GMT.

U.S. West Texas Intermediate (WTI) crude futures climbed 49 cents, or 0.49%, from Wednesday's close to \$78.43 a barrel. There was no WTI settlement on Thursday due to the U.S. Thanksgiving holiday.

Both contracts were still headed for their third consecutive weekly decline, on track to fall about 2% with worries about tight supply easing.

## Asia stocks slip, but head for weekly gains on dovish Fed signals

Most Asian markets fell slightly on Friday amid concerns over rising COVID-19 cases in China but were headed for weekly gains as dovish signals from the Federal Reserve boosted broader appetite for risk-driven assets.

Hong Kong's Hang Seng index was among the worst performers for the day, losing 0.7%, while the Taiwan Weighted index lost 0.1%.

Chinese stocks rose on Friday, but the blue-chip Shanghai Shenzhen CSI 300 index was headed for a mild weekly loss as the country logged a record-high rise in daily COVID-19 infections.

The country introduced new lockdowns in several major cities, which also sparked some civil unrest in "iPhone City" Zhengzhou, which plays a key role in the technology supply chain.

Despite Friday's gains, Chinese bourses were largely set to underperform their regional peers this week, as investors feared that renewed lockdown measures in China will once again hamper economic growth.

November's PMI readings, due next week, are set to shine more light on China's economy, with data from October already painting a dour picture for the fourth quarter



## Tokyo CPI inflation races to 40-year high in November

Tokyo core CPI inflation rose more than expected to a 40-year high in November, data showed on Friday, heralding a similar rise in national inflation as the Japanese economy struggles with a weakening yen and increased raw material prices.

The Tokyo core consumer price index (CPI) rose 3.6% in November, its highest annual pace since 1980, data from the Statistics Bureau showed. The reading was higher than expectations for a rise of 3.5% and last month's 3.4%.

Overall Tokyo CPI inflation rose 3.8% in November, up from last month's 3.5% and also at its fastest pace in 40 years.

Friday's reading highlights the growing price pressures on the Japanese economy, which have weighed on production as companies face higher input costs. Rising inflation has also dented consumer confidence and spending, a key driver of the Japanese economy.

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