

WEEKLY MARKET RECAP: February 13 – February 17, 2023

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.

Early on Monday, Swiss inflation report was released, showing that the consumer price index (CPI) increased by 0.6% in January 2023 compared with the previous month. The 0.6% increase compared with the previous month is due to several factors including rising prices for electricity and gas. Hotel accommodation also recorded a price increase, as did bread and coffee. In contrast, prices for air transport and petroleum products decreased as well as for clothing and footwear, the latter due to seasonal sales.

On Tuesday, the US Labor Department reported that Inflation turned higher to start 2023, as rising gas and fuel prices took their toll on consumers. The consumer price index, which measures a broad basket of common goods and services, rose 0.5% for the month, which translated to an annual gain of 6.4%. US dollar got a small push, against other major currencies, with investors waiting after that, for ECB President Lagarde to testify on the ECB Annual Report before European Parliament in Strasbourg.

The speech on Wednesday showed as expected that the ECB are planning to raise interest rates for another 0.50% on their March meeting, saying that they will make all the necessary measures to tame inflation.

Later on Thursday, PPI data was released, showing that wholesale prices in the United States surged 6% in January from a year earlier, decelerating for a seventh straight month. But on a month-to-month basis, prices reaccelerated in January, indicating that inflation pressures continue to underlie the U.S. economy. An indication that interest rates, might continue to rise, as a measure to fight inflation.

Thanks for reading! Have a great weekend.

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