

MARKET UPDATE

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Dollar pauses bullish run

The dollar eased on Tuesday from its rally at the start of the week, but hovered near a one-month peak as traders raised their forecasts of U.S. Federal Reserve interest rate levels needed to tame inflation.

The Australian dollar, meanwhile, surged in the aftermath of the Reserve Bank of Australia's (RBA) interest rate decision, rising as much as 1% to an intra-day high of \$0.6952.

The RBA on Tuesday raised its cash rate by an expected 25 basis points, and signalled further rate hikes ahead.

Wrapping up its February policy meeting, the RBA said core inflation had been higher than expected and higher rates would be needed to ensure that inflation returns to its target of 2%-3%.

Elsewhere, markets were recovering from the shock of Friday's jobs report in the United States, which showed that non-farm payrolls surged by an eye-watering 517,000 in January, pointing to a stubbornly resilient labour market.

BP profit soars to record \$28 billion, dividend increased

BP (NYSE:BP) reported on Tuesday a record profit of \$28 billion in 2022, lifted by a surge in energy prices since Russia's invasion of Ukraine as the company increased its dividend by 10% in a sign of confidence in the market's continued strength.

BP's fourth-quarter underlying replacement cost profit, the company's definition of net income, reached \$4.8 billion, compared with forecasts of a \$5 billion profit in a company-provided survey of analysts.

That compared with \$4 billion a year earlier and \$8.2 billion in the third quarter of 2022.

The results were impacted by weaker gas trading activity after an "exceptional" third quarter, higher refinery maintenance and lower oil and gas prices.

"We are strengthening BP, with our strongest upstream plant reliability on record and our lowest production costs in 16 years, helping to generate strong returns and reducing debt for the eleventh quarter in a row," Chief Executive Bernard Looney said in a statement.

DCG sells shares in Grayscale as it seeks to raise funds

Digital Currency Group (DCG) is selling shares in several of its cryptocurrency funds at a high discount and has started offloading its holdings in investment vehicles run by subsidiary Grayscale, the Financial Times reported on Tuesday.

Woes have piled up for SoftBank-backed DCG with its lending unit Genesis filing for bankruptcy protection, owing creditors at least \$3.4 billion after being toppled by a market rout along with exchange FTX and lender BlockFi.

The reported move comes as DCG is trying to raise funds to support its collapsed lending units under Genesis.

A quarter of DCG's stock in its ethereum fund has been sold, raising as much as \$22 million in several trades since January 24, the newspaper said, citing U.S. securities filings seen by them.

DCG has also moved to sell smaller blocks of shares in its Litecoin Trust, Bitcoin Cash Trust, Ethereum Classic Trust and Digital Large Cap Fund, the report added.

DCG and Grayscale did not immediately respond to Reuters request for comment.

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