

## WEEKLY MARKET RECAP: March 06 –March 10, 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.

On Tuesday early morning, Australia increased their interest rates from 3.35% to 3.6%. An initial glance at RBA's statement suggests they are nearing the end of the tightening cycle, and perhaps one step closer to publicly discussing a pause. By removing "The Board expects that further increases in interest rates will be needed over the months ahead" in exchange for "The Board expects that further tightening of monetary policy will be needed to ensure that inflation returns to target", it means they're no longer certain that two or more hikes will be coming. And that means there may be one final hike to come, to take rates to 3.85%. Of course, a final 25bp hike is far from certain at this point.

US economists see higher odds that the Federal Reserve could re-accelerate the scale of its rate increases this month after Chair Jerome Powell spoke before Congress on Tuesday with some emphasizing it will depend on the strength of incoming data. Powell said in testimony before the Senate Banking Committee that the US central bank is likely to lift interest rates higher and potentially faster than previously anticipated. "The latest economic data have come in stronger than expected, which suggests that the ultimate level of interest rates is likely to be higher than previously anticipated," Powell said. On the other side of the world, in Australia, Gov Lowe said: "We are closer to a pause on rates. We've done a lot in a short period of time. At some point will be appropriate to sit still".

On Wednesday the Bank of Canada kept interest rates unchanged for the first time in nine meetings and said it's still weighing whether additional hikes will be needed to rein in inflation. Policymakers led by Governor Tiff Macklem made good on a January pledge to hold the benchmark overnight rate at 4.5%, the first pause among major central banks that was expected by both markets and economists.

Closing the week, the focus of the investors is going to the Non-Farm Payrolls data release which is expected at 13:30 GMT

**Thanks for reading! Have a great weekend.**

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