

MARKET UPDATE

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Asia FX sinks before labour data

Most Asian currencies fell on Friday as markets turned cautious ahead of key U.S. labour market data due later in the day, while the Japanese yen fell after the Bank of Japan maintained its ultra-dovish stance.

The yen sank 0.4%, sticking close to its lowest levels for the year after the BOJ held interest rates at record lows, and offered no changes to its ultra-dovish policy ahead of a change in leadership at the bank.

Friday's meeting was the last under Governor Haruhiko Kuroda, with economist Kazuo Ueda likely to take over from next month. Ueda has also signalled that monetary policy will remain accommodative in the near term, although analysts are predicting an eventual pivot by end-2023.

Oil prices dip as rate hike jitters rise before payrolls data

Oil prices fell further on Friday as markets awaited labour market data for more cues on U.S. monetary policy, although fears of rising interest rates and disappointing data from China put crude on course for steep weekly losses.

The Federal Reserve became a key point of focus for oil markets this week, after hawkish signals from the bank's top officials battered crude prices with the prospect of higher interest rates. Markets grew fearful that a potential U.S. recession, triggered by tighter monetary conditions, could wallop oil demand this year.

High inflation and strength in the jobs market have been the two key drivers of the Fed's hawkish rhetoric, with focus now turning to nonfarm payrolls data for February, due later in the day.

While the reading is expected to have retreated sharply from January, any signs of resilience in the jobs market give the Fed more headroom to keep hiking rates. Nonfarm payrolls have also consistently topped estimates for the past 10 months.

Brent oil futures fell 0.4% to \$81.25 a barrel, while West Texas Intermediate crude futures fell 0.6% to \$75.25 a barrel by 22:38 ET (03:38 GMT). Both contracts were set to lose about 5% this week, their worst week since late-January.



Boeing to set up 737 freighter conversion facility in India

Boeing Co said on Friday it would set up a facility in India to convert 737 passenger planes into dedicated freighters to tap into regional and global demand for the service.

The investment, which adds to the U.S. manufacturer's expansion into India on top of a record plane order by flag carrier Air India, comes despite a global economic slowdown that has weakened the global air cargo market.

The International Air Transport Association (IATA) said global cargo demand in January fell almost 15% year-on-year.

Air freight rates are 28% below the levels seen at the same time last year, data provider WorldACD said on Thursday.

Boeing (NYSE:BA) said it would set up the conversion facility in Hyderabad with Indian maintenance, repair and overhaul provider GMR Aero Technic.

The deal adds to Boeing's \$1 billion supply chain sourcing from India and will help support India's ambitions to become a global cargo hub, Chief Strategy Officer Marc Allen told reporters in New Delhi

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