

MARKET UPDATE

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Dollar holds firm ahead of U.S. durable goods, housing data

The U.S. dollar held its ground against major currencies on Tuesday as tension in Russia simmered and traders looked ahead to U.S. data that may determine the timing of further interest rate hikes.

Russian President Vladimir Putin said on Monday he let an aborted mutiny go on as long as it did to avoid bloodshed, a crisis that pushed the greenback to a 15-month high against the rouble.

The dollar index fell 0.13% to 102.600, paring a 0.46% gain on Monday.

The rouble weakened 0.30% versus the greenback to 84.65 per dollar after hitting its weakest level since March 2022 in the previous session.

The dollar was softer against the yen after Vice Finance Minister for International Affairs Masato Kanda said Japan was not ruling out any options in possible responses to excessive currency movement. Japan intervened to boost the yen last year when it weakened passed the 145 per dollar level.

U.S. data this week include new orders for durable goods, housing figures, and consumer surveys from The Conference Board and University of Michigan.

Market participants expect the Federal Reserve to raise its funds target rate by 25 basis points in July, but the path beyond is less clear.

Oil rises on supply worries

Oil prices edged higher on Tuesday, spurred by worries about political instability in Russia and possible supply disruptions, as well as U.S. demand hopes ahead of the summer driving season.

By 0613 GMT, Brent crude futures had climbed 67 cents to \$74.85 a barrel, while U.S. West Texas Intermediate (WTI) futures rose 73 cents to \$70.10 a barrel. On Monday, Brent had climbed 0.5% and the WTI 0.3%.

A clash between Moscow and Russian mercenary group Wagner was averted on Saturday after the heavily armed mercenaries withdrew from the southern city of Rostov under a deal that halted their rapid advance on the capital.

Following the weekend's events, ANZ analysts said, the complacency among traders about Russian oil continuing to seep into the international market could no longer be assumed to the same extent.



Bitcoin bounces on BlackRock buzz

Bitcoin, the currency created to subvert the financial establishment, has shaken off weeks of sickness with the support of Wall Street's finest.

The original crypto coin has leapt 20% to two-month highs at \$30,182 over the past 11 days after BlackRock (NYSE:BLK), the world's largest asset manager, revealed hopes for a spot bitcoin exchange-traded fund (ETF) in the United States.

BlackRock filed for a prospective spot bitcoin ETF on June 15, undeterred by the Securities and Exchange Commission's (SEC) past record of rejecting every such application. The news helped bitcoin bounce out of the doldrums and snap two consecutive weeks of losses.

Bitcoin's market value has grown to comprise nearly half of the \$1.1 trillion overall crypto market, its highest share in over two years, according to data tracker CoinMarketCap.com. Its share was around 40% at the start of the year, up from a low of 34% in 2018.

Fuelling optimism among some crypto advocates is BlackRock's strong track record of getting the SEC's green light for ETFs more generally, although it hasn't filed for a crypto one before. It boasts a 575-1 approval rate, according to Rosenblatt Securities analyst Andrew Bond.

Since the BlackRock filing, Invesco and WisdomTree have also reapplied for spot bitcoin ETFs after they had previous applications rejected by the regulator.

The mini-rush of pitches to the U.S. watchdog comes days after the SEC sued major crypto exchanges Coinbase (NASDAQ:COIN) and Binance for allegedly breaking securities laws, casting a chill over the cryptocurrency market.

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