

# MARKET UPDATE

06/10/2023

## Russian rouble hits more than seven-week low.

The Russian rouble weakened on Friday, dropping to a more than seven-week low past 101 against the dollar, under pressure from lower oil prices and the reduced supply of foreign currency from exporters at the start of the month.

At 0645 GMT, the rouble was 0.6% softer against the dollar at 101.02, having earlier touched 101.50, its weakest since Aug. 14.

It had lost 0.6% to trade at 106.40 versus the euro and shed 0.6% against the yuan to 13.81.

The rouble's last tumble into triple digits in August led the Bank of Russia to make an emergency 350 basis-point rate hike to 12% and authorities to discuss reintroducing controls to buttress the currency, but interventions - verbal or otherwise - have been more limited this time around.

The Kremlin said there was no cause for concern. President Vladimir Putin on Thursday acknowledged the rouble's weakening as a problem, but also extolled the economy's resilience against Western sanctions imposed over Russia's invasion of Ukraine.

## European stock futures mixed.

European stock markets are expected to open in a mixed fashion Friday, with investors focusing squarely on the monthly U.S. jobs report that could set the tone for the Federal Reserve's next interest rate move.

At 02:00 ET (06:00 GMT), the DAX futures contract in Germany traded 0.1% lower, CAC 40 futures in France dropped 0.1%, while the FTSE 100 futures contract in the U.K. rose 0.1%.

### U.S. jobs report in focus

The main focus of attention this session will be the release of the U.S. jobs report for September, as this is likely to be a key factor in the Federal Reserve's next interest rate decision.

It's been a mixed week for U.S. labor market data, starting out with higher than expected job openings as of the end of August, then lower than expected private payroll numbers from ADP. Thursday's unemployment claims ticked up from the prior week but were slightly below expectations.

## Oil edges up amid brutal week of losses.

Crude prices edged higher on Friday amid deep weekly losses left by one of the oil market's worst tumbles for the year.

With September US jobs data, due later on Friday, being the final major development for this week awaited by markets, some support emerged for oil trading at closer to \$80 per barrel than the mid-\$95 levels of last month.

"After the heavy move down on the week, it won't be unusual to see a little recovery though the momentum for oil is still decidedly down," said John Kilduff, partner at New York energy hedge fund Again Capital. "Also, some speculative bids are likely to come in ahead of the jobs data."

Wall Street economists tracked by Investing.com predicted that some 170,000 new non-farm payrolls were created last week versus August's 187,000. The Federal Reserve will be closing watching the jobs report for ideas on what to do with interest rates at its forthcoming policy meeting in November.

The central bank has maintained projections that it will likely need a quarter point hike in either November or December, although Chairman Jerome Powell and his retinue of policy makers say their final decision will be guided more by inflation and other economic data.

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