

MARKET UPDATE

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Asia FX falls, USDJPY at 1990 highs.

Most Asian currencies retreated on Wednesday, with the Japanese yen hitting its weakest level since 1990 as the dollar firmed ahead of more cues on inflation and the Federal Reserve later this week.

Trading volumes were also somewhat muted ahead of the Good Friday holiday.

USDJPY at 1990 highs on dovish BOJ speak, intervention in focus

The yen weakened on Wednesday, with the USDJPY pair rising as much as 0.2% to 151.97- its highest level since mid-1990.

Weakness in the yen was initially triggered by comments from BOJ board member Naoki Tamura, who said that the central bank will have to proceed slowly and steadily towards normalizing its ultra-loose policy in the coming months. His comments furthered the notion that the BOJ will remain largely dovish in the near-term, presenting little support for the yen.

Oil prices fall for a second day.

Oil prices fell for a second day on Wednesday after a report that crude stockpiles in the U.S., the world's biggest oil user, surged and on signs major producers are unlikely to change their output policy at a technical meeting next week.

Brent crude futures for May dropped 74 cents, or 0.9%, to \$85.51 a barrel at 0420 GMT. The May contract is set to expire on Thursday and the more actively traded June contract declined 68 cents, or 0.8%, at \$84.95.

U.S. West Texas Intermediate (WTI) crude futures for May delivery fell 64 cents, or 0.8%, at \$80.98.

Prices have retreated this week since climbing to their highest since October last week and remain about 3% above the average closing price in the first week of March.

"A sharp rise in U.S. crude inventories and expectations for a potential inaction by OPEC+ in its output policy next week saw further unwinding in oil prices in today's session, as profit-taking accelerates following a strong rally in mid-March," said Jun Rong Yeap, a market strategist at IG in Singapore.

Renault to sell about 2.5% of Nissan shares.

French car maker Renault (EPA:RENA) said in a statement it plans to sell about 2.5% of Nissan (OTC:NSANY)'s shares to the Japanese care maker in a deal that could result in a cash inflow of up to 362 million euros (\$391.76 million).

The shares to be sold are part of the 24.63% of Nissan's capital held by a French trust and the sale will be implemented as part of share buyback program announced by Nissan, Renault said.

Citi lays off 10 research staff in Asia Pacific.

Citigroup Inc has laid off at least 10 people in its equities research department in Asia Pacific this week, two sources with knowledge of the matter said, as the bank pushes through the last phase of a sweeping global overhaul.

The bank, which has hundreds of employees in its equities research unit in the region, notified the impacted staff earlier this week, said the sources, who declined to be named as they were not authorised to speak to the media.

Citi declined to comment beyond a statement the Wall Street bank issued on Monday, which said the bank informed staff it had concluded "major actions" that it announced last September to revamp its structure and improve performance.

The reorganisation reduced management layers to eight from 13. The latest reshuffle finalises Citi's new structure and is part of a broader goal to trim its global workforce of 239,000 by 20,000 over the next two years.

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