MARKET UPDATE

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Dollar edges up.

The dollar edged higher on Tuesday as traders awaited a key U.S. retail sales report and comments from Federal Reserve officials to better gauge the timing and pace of interest rate cuts.

The U.S. dollar index, which measures the currency against the euro, sterling, yen and three other major peers, rose 0.11% to 105.39 in Asian hours.

On Monday, it lost 0.2% as it retreated from Friday's 1 1/2-month high of 105.80.

The greenback has been pulled in both directions as mild U.S. inflation readings contrasted with an overall hawkish stance by Fed officials at last week's policy meeting, when they trimmed their previous median projection for three quarter-point rate cuts this year to one.

Rather, the rally in the dollar index had been mostly driven by a sharp euro selloff, after French President Emmanuel Macron called a shock snap election last week in response to his ruling centrist party's trouncing by Marine Le Pen's eurosceptic National Rally in the European Parliament elections.

Oil edges down amid cautious demand.

Oil prices edged down in Asian trade on Tuesday, after posting gains in the previous session, as markets remained cautious about global demand growth prospects amid expectations of stronger supplies.

Global benchmark Brent crude futures slipped 12 cents, or 0.14%, to $84.13 per barrel at 0615 GMT. U.S. West Texas Intermediate crude futures fell 14 cents, or 0.17%, to $80.19 a barrel.

Both benchmarks gained around 2% on Monday, closing at their highest since April.

"The oil market shifted its focus back to fundamentals, which have been soft for some time," said BoFA commodity and derivatives strategist Francisco Blanch in a client note, adding that global crude oil inventories and refined product storage in the United States and Singapore, among other places, was higher.

Meanwhile, global oil demand growth decelerated to 890,000 barrels per day year-on-year in the first quarter, and data suggests consumption growth likely slowed further in the second quarter, he said in the note.

The euro zone's fragmented banking industry.

Supporters for more consolidation in the euro zone's banking sector have been watching Spanish lender BBVA (BME:BBVA)'s hostile bid for Sabadell, alongside comments from some supervisors and lawmakers supporting the idea of more tie-ups.

Regulators are keen for more consolidation - both within and across countries - because they believe fewer, stronger lenders will boost the economy and enable euro area banks to compete more effectively with larger, more profitable rivals in the United States and Asia.

Yet big banking takeovers have been rare since the 2008-09 global financial crisis, with most dealmaking forged out of necessity.

SOME CONCENTRATION

Banking industry concentration, as measured by the share of bank assets accounted for by the largest five credit institutions, varies widely across the bloc.

In Greece, Cyprus and the Baltic states, that share ranged between 88% and 95% in 2023, according to data from the European Central Bank analysed by Reuters.

Several of these countries have also seen the biggest increase in concentration in the past decade, as financial crises forced lenders to acquire weaker rivals.

In Spain, where the top five credit institutions' 69% share of bank assets is close to the euro zone average, the number of banks has fallen to 10 from 55 before the global financial crisis.

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