MARKET UPDATE

13/06/2024

Dollar firms, sterling steady.

The British pound held broadly steady on Thursday ahead of the Bank of England's (BoE) rate-setting meeting while the dollar firmed a touch, though moves were subdued as traders awaited fresh market catalysts.

Currencies were trading in tight ranges following a holiday in the United States and as investors looked not only to the BoE but also central bank decisions in Switzerland and Norway.

Sterling last bought $1.2718 after having eked out a slight gain in the previous session, while the euro was flat at $1.0743.

The dollar tacked on 0.04% against the yen at 158.14, as the Japanese currency remained not too far from an over one-month low of 158.255 per dollar hit last week.

Against a basket of currencies, the greenback ticked up 0.05% to 105.26, edging towards last week's one-month top of 105.80.

The BoE is widely expected to keep rates steady on Thursday, and the focus will be on any guidance on how soon an easing cycle could begin.

Asian shares steady.

Asian stocks took a breather on Thursday, hovering near their highest in two years as traders waited for more U.S. policy clues, while sterling was steady before a Bank of England meeting where rates are expected to remain unchanged.

Apart from the BoE, investors will also watch for central bank decisions from Switzerland and Norway on Thursday to set the tone for a global rates outlook.

MSCI's broadest index of Asia-Pacific shares outside Japan was little changed at 572.42, just below the two-year high of 573.38 it touched on Wednesday boosted by tech stocks. The index is on course for a 4% rise in June.

European stock markets were due for a higher open, with Eurostoxx 50 futures and FTSE futures0.2% higher ahead of the slew of central bank decisions.

The pound was steady at $1.27125 in cautious trading but is down 0.2% in June. [FRX/]

Data on Wednesday showed British inflation returned to its 2% target for the first time in nearly three years in May, but strong underlying price pressures all but rule out an interest rate cut ahead of election next month.

Energean to sell Med oil and gas assets.

Energean has agreed to sell its assets in Egypt, Italy and Croatia to private equity fund Carlyle for up to $945 million, the Mediterranean-focused oil and gas producer said on Thursday.

The deal will include a cash payment of $504 million which will allow the London-listed company to pay a special dividend of $200 million as well as repay in full a $450 million corporate bond.

Carlyle International Energy Partners, the fund's non-U.S. energy investment arm, said it will establish a new company which will seek further acquisitions in the Mediterranean and will be led by former BP (NYSE:BP) CEO Tony Hayward.

Energean CEO Mathios Rigas said the sale will allow the company to focus on its main gas producing facility offshore Israel and its exploration activity in Morocco.

Energean will also look to expand to the wider Europe, Middle East and Africa region, particularly where there is long-term policy support for gas and displacement of coal, he told Reuters.

"It's a great deal for us, we're selling assets at three times the price we bought them," Rigas said.

Energean's board expects to redefine its dividend policy following the completion of the deal, which is expected by year-end.