

Foreign Exchange Market Commentary

Markets open the week looking to news filtering out of the G7 meetings, which continues in Austria. The meeting with the world leaders from seven of the wealthiest democracies looks to focus on the war in Ukraine, the food and energy supply issues the war has created, and the war's impact on the overall world economy. Domestically the markets last week were positive, with the Nasdaq, Dow Jones and S&P 500 rising 7.25%, 5.25% and 6.34%, respectively - a result of declining commodity prices and global bond yields. Traders have also taken notice of the recent data world-wide that has showed a slowdown in growth, leading to markets repricing expectations of monetary policy tightening by central banks which has added further fuel to the rise in global equity markets. The week ahead is light on economic data releases, the focus shifts to company and industry specific details and the news from the G7 meetings.

JPY: The Japanese Yen's decline against the US Dollar moderated last week, with the Yen rising to levels not traded since 1998. The Yen currently trades at the 135.45 level just before the US market open. Despite the weak Yen the Nikkei gained 1.23% last week, the result of lowering treasury yields and commodity prices.

AUD: The Australian dollar is opening stronger to start the week, after gold and iron ore prices have increased during the Asian market session. Also boosting the Aussie was strong data out of the Chinese industrial sector, showing the level of slowing has decreased significantly from the April to May print. The close relationship between China and Australia has then filtered through to the AUS/USD rates.

EUR: The Euro pricing has been extremely choppy over the past few weeks, and this week will be no different as the Euro opens the week near the 1.0567 level. With no notable economic data releases this week eyes will be on the ECB's Sintra Forum, where many central bank governors will exchange views and ECB President Lagarde's commentary will focus on any additional details on the anti-fragmentation tool.

GBP: The Great British Pound starts the week briefly touching above the 1.230 level, continuing its climb from its 1.19 lows back on June 14th. The overall UK economic situation continues to look gloomy, with consumer sentiment at an all-time low, leaving the Bank of England "between a rock and a hard place" when it comes to rate hikes.

UPCOMING ECONOMIC RELEASES					EXCHANGE RATE	
Date	Country	Economic Event	Prior	Forecast	Currency	Rate
6/28	EUR	German Consumer Confidence	-26	-27.6	EUR/USD	1.0559
	USD	CB Consumer Confidence	106.4	100.4	GBP/USD	1.2243
6/29	EUR	German Inflation Rate	7.9%	7.9%	AUD/USD	0.6912
	USD	GDP Growth Rate Q1	-1.5%	6.9%	NZD/USD	0.6284
6/30	CNY	NBS Manufacturing PMI	49.6	48.6	USD/CAD	1.2914
	GBP	GDP Growth Rate Q1	6.6%	8.7%	USD/MXN	19.9258
	USD	Core PCE Price Index YoY	4.9%	4.8%	USD/CHF	0.9614
	EUR	German Unemployment Rate	5%	5%	USD/JPY	135.47
7/1	EUR	Core Inflation Rate	3.8%	3.9%	USD/SGD	1.3861
	USD	ISM Manufacturing PMI	56.1	54.9	USD/THB	35.3670
					USD/CNY	6.6932