

A big week ahead for markets



By [Andre Cilliers](#)

19 Sep 2022

This will be a big week for markets with the Fed interest-rate decision on Wednesday and the Bank of England and the Bank of Japan decisions on Thursday.



Source: [Fxabay](#)

The Fed is expected to hike by 75bps and keep to its hawkish stance while the markets are split between the barrel of oil equivalent hiking 50 or 75bps. The Bank of Japan, meanwhile, is expected to keep to its accommodative policy and leave its rate unchanged.

The dollar is holding relatively steady this morning, with trading likely to be subdued due to the closure of UK markets for the Queen's funeral.

The DXY index is at 109.85, with the euro trading softer at 0.9985 and the pound just below 1.1400.

EM currencies start the new week on a softer note, continuing last week's weakening trend as risk sentiment remains negative. The rand is currently quoted at R17.70 after having ended last week at R17.60. The power crisis continues to worsen, with Eskom warning of "the risk of an unprecedented level of power outages," which will likely weigh on the rand.

Gold, platinum, and palladium are all three weaker at \$1,667, \$903, and \$2,109, respectively, this morning, as traders

remain cautious ahead of the Federal Open Market Committee meeting on Wednesday. Oil is holding steady at \$91.80 for Brent and at \$85.40 for WTI as recession-driven demand fears and supply constraints remain the main drivers.

ABOUT ANDRE CILLIERS

Andre is the Currency Risk Strategist at TreasuryONE. Andre's career in treasury spans more than 30 years. He has gained his extensive currency risk experience in both the banking and corporate arena. Before joining TreasuryONE, Andre headed up the treasury department for a Tier One German international bank in South Africa.

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