

The Paris stock market and the euro received a boost on Monday from French President Emmanuel Macron's election performance, with investors reassured about his re-election chances.

New York, Frankfurt, London and Asian exchanges moved lower, with sentiment souring on flat UK economic growth and expectations for another strong US inflation report, which likely will bring aggressive US interest rate hikes.

The US S&P 500 fell 1.7 percent in the first trading day of the holiday-shortened week.

The government is set to release the US consumer price index for March on Tuesday, after inflation rose 7.9 percent over the 12 months to February, the biggest increase in 40 years.

Calling it the "Putin price hike," White House Press Secretary Jen Psaki told reporters: "We expect March headline inflation to be extraordinarily elevated."

Economists are expecting annual US inflation to spike to nearly 8.5 percent, which would be the highest since late 1981.

Meanwhile, oil prices tumbled more than five percent at one point on Chinese demand fears arising from Covid-19 lockdowns, and on dimming hope of a European embargo on Russian crude, dealers said.

"It is above all the bad news from China that is weighing on prices, as the number of Covid cases continues to surge," said Commerzbank analyst Barbara Lambrecht.

In China, wholesale inflation was higher than expected in March, official data showed, as Russia's war on Ukraine pushes up oil prices while a domestic Covid resurgence strains food supplies and consumer costs.

'Solid result'

Macron topped France's first-round presidential vote on Sunday, leading far-right rival Marine Le Pen by a larger-than-expected margin.

The incumbent president won 27.85 percent of votes, while Le Pen scored 23.15 percent.

“A solid result for incumbent Emmanuel Macron... has helped to allay fears of a Le Pen presidency,” said economist Jessica Hinds at research consultancy Capital Economics.

“But the latest polls still point to a very tight race.”

Investors had fretted about the implications of a victory for Le Pen in the midst of the war in Ukraine, given her long-standing sympathies for Russia.

“All attention will now turn to the second round (vote) on April 24, and the big question for that will be where the supporters of the defeated first-round candidates go,” wrote Deutsche Bank analysts in a client note.

Most of the gains on the Paris exchange’s main CAC40 index evaporated as the day wore on.

On the downside, London stocks slid on official data showing that the UK economy had ground to a near halt in February, growing by just 0.1 percent.

Dollar eyes 2002 yen peak

Elsewhere, the dollar hit a 2015 high at 125.77 yen on expectations of more US Federal Reserve interest rate hikes, in contrast with the Bank of Japan’s loose policy.

The high was not far from the greenback’s two-decade peak of 125.86 yen before it reversed course in US trading hours.

Hewson at CMC Markets said the dollar has “the potential to move above 125.90 and an almost 20-year low, as the gap between US and Japanese yields continues to widen out.”

Key figures at around 2100 GMT

New York - Dow: DOWN 1.2 percent at 34,308.08 (close)

New York - S&P 500: DOWN 1.7 percent at 4,412.53 (close)

New York - Nasdaq: DOWN 2.2 percent at 13,411.96 (close)

EURO STOXX 50: DOWN 0.5 percent at 3,839.62 (close)

Paris - CAC 40: UP 0.1 percent at 6,555.81 (close)

London - FTSE 100: DOWN 0.7 percent at 7,618.31 (close)

Frankfurt - DAX: DOWN 0.6 percent at 14,192.78 (close)

Tokyo - Nikkei 225: DOWN 0.61 percent at 26,821.52 (close)

Hong Kong - Hang Seng Index: DOWN 3.03 percent at 21,208.30 (close)

Shanghai - Composite: DOWN 2.61 percent at 3,167.13 (close)

Euro/dollar: UP at \$1.0882 from \$1.0877 late Friday

Pound/dollar: UP at \$1.3029 from \$1.3025

Euro/pound: DOWN at 83.49 pence from 83.51 pence

Dollar/yen: UP at 125.37 yen from 124.34 yen

Brent North Sea crude: DOWN 3.4 percent at \$99.25 a barrel

West Texas Intermediate: DOWN 3.1 percent at \$95.18. a barrel

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