

MARKET UPDATE

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Oil dips on chance of Iran supply boost

Oil prices pulled back slightly on Tuesday on the latest progress in last-ditch talks to revive the 2015 Iran nuclear accord, which would clear the way to boost its crude exports in a tight market.

Brent crude futures fell 14 cents, or 0.1%, to \$96.51 a barrel at 0404 GMT, paring a 1.8% gain from the previous session.

U.S. West Texas Intermediate (WTI) crude futures declined 16 cents, or 0.2%, to \$90.60 a barrel, after climbing 2% in the previous session.

"The spectre of a U.S.-Iran nuclear deal continues to hover over the market," ANZ Research analysts said in a note.

The European Union late on Monday put forward a "final" text to revive the 2015 Iran nuclear deal, awaiting approvals from Washington and Tehran. A senior EU official said a final decision on the proposal was expected within "very, very few weeks".

Philippine Peso Slips on Disappointing GDP, Asia FX Muted Before CPI Data

The Philippine peso fell the most among its Asian peers on Tuesday after the country's second-quarter GDP rose less than expected, while most other regional units moved little ahead of key U.S. inflation data.

As of 2300 ET (0301 GMT), the USD/PHP fell 0.4% to 55.585 against the dollar. Government data showed that the Philippine economy expanded by 7.2% in the second quarter, below analyst expectations of 8.6%. But the reading was still within the country's official growth target.

But a lower-than-expected reading may see the Philippine central bank lower the magnitude of its interest rate hikes this year, as it struggles to combat runaway inflation.

Data last week showed Philippine CPI inflation rose more than expected in July. A mix of heated inflation and rising interest rates are likely to weigh on economic growth in the Southeast Asian economy.

Gold Hovers Around \$1,800 as U.S. Inflation Jitters Kick In

Gold prices held on to recent gains on Tuesday as volatility in stock markets ahead of a closely-watched U.S. inflation figure this week drove up safe haven demand.

As of 2150 ET (0151 GMT), spot gold was down slightly at \$1,785 an ounce, while gold futures held around \$1,801. Both instruments had rallied nearly 1% on Monday, as uncertainty over upcoming U.S. CPI inflation data drove the dollar lower.

Other precious metals also retained recent gains. Platinum Futures fell 0.1% after a 1.7% rally on Monday, while Silver Futures fell 0.4% after a nearly 5% rally.

U.S. stock markets saw a volatile session on Monday amid a mixed bag of earnings, which drove up safe haven demand. Investors are also caught between the growth and value play, ahead of inflation data later this week.

Focus is now on U.S. CPI data for July, due on Wednesday. Analysts are expecting a year-on-year reading of 8.7%, down from the 9.1% seen in June. A bigger-than-expected dip in inflation is likely to bring down expectations of steep interest rate hikes by the Federal Reserve, and will be positive for gold prices.

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