

MARKET UPDATE

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Oil prices muted amid recession fears, OPEC report awaited

Oil prices moved little on Tuesday as markets awaited a slew of economic readings this week to gauge the potential for a recession, with focus also turning to demand forecasts from several major industry bodies, starting with the OPEC.

Crude prices showed a muted reaction to data showing that China's economy grew at a better-than-expected pace in the fourth quarter, given that overall growth for 2022 slowed substantially from the prior year.

But improving trends in Chinese retail sales, inflation, and industrial production helped brew some optimism over an economic recovery in the world's largest crude importer.

London-traded Brent oil futures rose 0.3% to \$84.44 a barrel, while West Texas Intermediate crude futures rose 0.2% to \$79.31 a barrel by 22:02 ET (03:02 GMT). Both contracts fell about 1% on Monday.

Bitcoin is back with a bonk

Bitcoin is on the charge in 2023, dragging the crypto market off the floor and electrifying bonk, a new meme coin.

The No.1 cryptocurrency has clocked a 26% gain in January, leaping 22% in the past week alone, breaking back above the \$20,000 level and putting in on course for its best month since October 2021 - just before the Big Crypto Crash.

Ether has also risen, by 29% this year, helping drive the value of the overall global cryptocurrency market above \$1 trillion, according to CoinGecko.

"After a rough year last year for cryptos, we are seeing a form of mean reversion," said Jake Gordon, analyst at Bespoke Investment Group, referring to the theory of asset prices returning to long-term averages.

Researchers said investor bets on a rosier macroeconomic picture were driving a jump in riskier assets across the board.

Few crypto tokens have benefited more than bonk, which was launched at the end of December on the Solana blockchain and had rocketed 5,000% by early January. It has since fallen back, though remains up 910% since the start of the year.

Asia shares losses widen after weak China GDP data

Asian share losses widened on Tuesday after China reported weak fourth-quarter economic data, although investor expectations for a strong rebound in the country remained high even as concerns increase that the global economy is heading for a recession.

London is set to open flat with FTSE futures up 0.02% at 0512 GMT. E-mini futures for the S&P 500 index were down 0.31% however, indicating a lower opening after Monday's public holiday.

MSCI's gauge of Asia Pacific stocks outside Japan increased its losses to stand down 0.65% at 0535 GMT.

Hong Kong's Hang Seng Index dropped 1.22% and China's benchmark CSI300 Index slid 0.27% following the China data and as investors sold gains ahead of the Lunar New Year holiday starting on Jan. 21.

China's economy grew 2.9% in the fourth quarter of 2022 from a year earlier, National Bureau of Statistics data showed on Tuesday, beating expectations but still underlining the toll exacted by a stringent "zero-COVID" policy.

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