

MARKET UPDATE

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Oil rises as US stockpiles may drop

Oil prices rose on Tuesday on expectations that inventories in the U.S., the world's biggest crude consumer, are expected to fall and on signs that demand in emerging markets remains healthy.

Crude futures likely received a boost from gains in Asian equity markets as regional central banks are expected to keep their interest rates steady.

Signs of strong fuel demand in India, the world's third-biggest oil consumer, in March also supported prices. Last month, fuel consumption jumped by 5% from a year earlier to a record 4.83 million barrels per day. The country continues to be the main destination for Russian Urals crude amid the resorting of global oil trade flows in the wake of the invasion of Ukraine.

Brent crude rose 57 cents, or 0.68%, to \$84.75 a barrel at 0425 GMT, while U.S. West Texas Intermediate gained 60 cents, or 0.75%, to \$80.34.

Oil futures have climbed more than 5% since the Organization of the Petroleum Exporting Countries (OPEC) and allies including Russia surprised the market last week with a new round of production cuts starting in May.

Asia FX edges higher, dollar mixed ahead of Fed cues, inflation data

Most Asian currencies rose slightly on Tuesday, while the dollar was somewhat mixed ahead of more cues on the U.S. economy and monetary policy from key inflation data due later this week.

Still, gains in regional currencies were limited following a string of less hawkish cues from local central banks, amid signs that inflation was peaking across a bulk of the region.

China's yuan was flat as data showed consumer price index inflation in the country missed expectations in March, while producer price index inflation continued to fall. The reading pointed to a mixed economic rebound in the country, especially as its manufacturing sector struggles with slowing demand.

The reading also limits the potential for interest rate hikes by the People's Bank of China, which is expected to dent the yuan's appeal.



Bitcoin clears \$30K for first time in 10 months as Fed outlook shifts

Bitcoin rose sharply on Tuesday, clearing the \$30,000 level for the first time since June 2022 as markets bet on a less hawkish Federal Reserve in the coming months, while sentiment also improved amid easing fears of a banking crisis.

The world's largest cryptocurrency rose 6.3% to \$30,061.0 by 01:23 ET (05:23 GMT), its highest level in 10 months. The token also largely led gains across its cryptocurrency peers, with Ethereum up 3.3%, while Binance Coin and Ripple added 4.6% and 2.3%, respectively.

Gains in Bitcoin also pushed total crypto market capitalization to \$1.4 trillion. Tuesday's gains put Bitcoin up roughly 80% this year, vastly outperforming most other asset classes.

Bitcoin's latest rally comes amid a broader improvement in sentiment as markets began pricing in the potential for a limited number of interest rate hikes by the Fed in the coming months, especially as the U.S. economy cools further.

Stock markets also logged a strong rally on Tuesday following this notion. While the Fed is likely to hike interest rates at least one more time, dollar index futures indicate that markets are positioning for an eventual pause, or even reversal in the Fed's hawkish stance.

A less hawkish Fed bodes well for Bitcoin and other cryptocurrencies, as a sharp rise in interest rates wiped out over two-thirds of total crypto market capitalization through 2022.

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