

MARKET UPDATE

23.08.2023

Asia FX ticks higher, dollar steadies.

Most Asian currencies rose slightly on Wednesday tracking some signs of economic resilience in the region, while the dollar steadied near two-month highs ahead of more cues on monetary policy from the Jackson Hole Symposium this week.

The Japanese yen and Australian dollar rose 0.1% and 0.3%, respectively, after separate purchasing managers' index (PMI) readings showed some resilience in local manufacturing activity through August.

PMIs from the U.S. and euro zone are due later in the day and are also expected to offer more signals on business activity in the world's largest economies.

But concerns over an economic slowdown in China continued to weigh on sentiment toward Asian markets, although a string of supportive measures from the People's Bank of China (PBOC) helped stem losses in the yuan.

Oil ticks up as markets weigh rate hikes.

Oil prices ticked up in Asian trade on Wednesday, as traders weighed weak demand indicators from top importer China and the prospect of further U.S. rate hikes against potential supply tightness.

Brent crude rose 15 cents, or 0.2%, to \$84.18 a barrel by 0600 GMT, while U.S. West Texas Intermediate crude was at \$79.81 a barrel, up 17 cents, or 0.2%.

Both benchmarks lost about 0.5% on Tuesday.

Markets await hints on the outlook for interest rates when Federal Reserve officials and policy makers from the European Central Bank, the Bank of England and the Bank of Japan head to Jackson Hole, Wyoming, for an annual meeting later this week.

"Investors are reluctant to take big positions ahead of the Jackson Hole symposium as they want to find clues for the next step by the U.S. Federal Reserve," said Hiroyuki Kikukawa, president of NS Trading, a unit of Nissan (OTC:NSANY) Securities.

"Concerns over higher interest rates and sluggish demand in China are expected to outweigh tightening supply from OPEC+ in the short term."

China, the world's second-largest economy, is considered crucial to shoring up oil demand over the rest of the year. Its weak growth has frustrated markets as pledged stimulus has fallen short of expectations, including a smaller-than-expected cut in a key lending benchmark on Monday.

Elon Musk's X plans to remove headlines from links to news articles.

Elon Musk is pushing to change how news links appear on his social media platform X, formerly called Twitter, in a move that could potentially undermine the ability of news publishers to draw audience.

X is planning to remove the headline and text while retaining just the lead image from links to news articles shared on the platform, Musk said in a post late on Monday.

Fortune had first reported the news on Monday, citing a source that the move was pushed directly by Musk.

The move is likely an attempt by Musk to get users to spend more time on X and push them to opt for the subscription service for more details.

It is not immediately clear how the move will impact advertisers on the platform that Musk claimed in July had 540 million monthly users.

Currently news links come up on the timeline of users as "cards" along with an image, source address and an abridged headline. Such packaging helps draw clicks and helps publishers gain readers.

But with the shortened links, users might end up writing some text along with their posts and eventually they could consider X's premium service that allows a single post of up to 25,000 characters.

With the changes, Musk is pitching X as a more relevant platform for content creators. Premium subscribers can now post longer videos, their posts are shown higher up and they also receive a cut of ad sales.

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