

MARKET UPDATE

09/11/2023

Asia FX muted as China disinflation weighs on sentiment.

Most Asian currencies moved little on Thursday as disappointing inflation data from China weighed on sentiment, while weakness in the Japanese yen saw traders on edge over any government intervention.

The dollar was steady in Asian trade, sticking to a recent rebound as Federal Reserve officials continued to offer hawkish signals on interest rates. This notion also kept Asian currencies under pressure.

The dollar index and dollar index futures both moved little on Thursday, with focus remaining on any more Fed signals, particularly from a talk by Chair Jerome Powell later in the day.

China back in disinflation, yuan flat

But more signs of economic strife in China were the biggest weight on Asian markets, as government data showed that both consumer and producer inflation shrank in October.

Gold prices hit three-week low.

Gold prices fell to a more-than three-week low on Thursday, extending a rash of recent losses after several Federal Reserve officials warned against bets that the central bank was done raising interest rates.

The yellow metal was headed for a fourth straight day in red, amid continued pressure from a rebound in the dollar and Treasury yields. Waning safe haven demand for gold also dented prices, as markets priced in a much lower risk premium from the Israel-Hamas war.

Spot gold fell 0.1% to \$1,949.38 an ounce, while gold futures expiring in December fell 0.2% to \$1,954.30 an ounce by 23:41 ET (04:41 GMT). Both instruments were trading down over 2% each this week.

Fed uncertainty persists, Powell speech awaited

A string of Fed officials warned this week that U.S. interest rates will remain higher for longer, and that markets should be wary of betting on any early rate cuts. Sticky inflation and resilience in the U.S. economy could also attract more rate hikes this year.

Nvidia plans to release three new chips for China.

SHANGHAI (Reuters) - Nvidia (NASDAQ:NVDA) is planning to release three new chips for China, local Chinese media reported on Thursday, weeks after U.S. curbs blocked it from selling to China two high-end artificial intelligence chips it created for the Chinese market and one of its top gaming chips.

The STAR Market Daily news outlet said that the chips were called the HGX H20, L20 PCIe and L2 PCIe and that Nvidia could announce them on Nov. 16 at the earliest.

European stock futures mixed.

European stock markets are expected to open in a subdued manner Thursday, with investors looking to central bank officials for more clues as to whether global interest rates have peaked.

At 02:00 ET (06:00 GMT), the DAX futures contract in Germany traded 0.1% lower, CAC 40 futures in France dropped 0.5% and the FTSE 100 futures contract in the U.K. fell 0.1%.

Fed's Powell to take center stage, again

European equities are likely to remain in a holding pattern Thursday, as investors attempt to decide whether the recent rally was based on solid ground.

Jerome Powell is set to take centre stage once more, with the Fed chair scheduled to speak at another conference later Thursday having offered few cues on monetary policy at a seminar on Wednesday.

He's not the only major player speaking today though, with Philip Lane, the European Central Bank's chief economist, and Bank of England Chief Economist Huw Pill both set to comment at separate events.

Confidence has returned to global equity markets, largely based on the hope that the recent pausing in rate-hiking cycles by the Fed, the ECB and the Bank of England suggests that these major central banks are more likely to ease monetary policy as a next move than tighten.

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