

MARKET UPDATE

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Asia FX muted, dollar set for weekly drop.

Most Asian currencies moved little on Friday after strong gains earlier this week, while the dollar headed for a sharp weekly fall as weak labor market data fuelled more bets that the Federal Reserve will trim interest rates by mid-2024.

Weakness in the dollar put most regional units on course for a strong weekly performance, although a bulk of these gains also came as Asian currencies recovered from multi-month lows.

The Japanese yen was among the biggest beneficiaries of recent dollar weakness, and was set to add 0.6% this week- its best weekly gain in over four months. The currency recovered from a one-year low hit earlier in November.

But Bank of Japan Governor Kazuo Ueda on Friday stressed on the need to maintain an ultra-dovish stance, presenting little near-term relief for the yen. Ueda's comments also came just a few days after data showed Japan's economy shrank much more than expected in the September quarter.

Gold prices steady, set for strong week.

Gold prices rose slightly on Friday and were headed for a strong weekly performance as more weak U.S. economic data spurred bets that the Federal Reserve was done raising interest rates.

The yellow metal was set for its best week since early-October, and was once again trading close to the \$2,000 an ounce level after dropping sharply over the past week.

Spot gold rose 0.2% to \$1,985.60 an ounce, while gold futures rose slightly to \$1,988.05 an ounce by 00:06 ET (05:06 GMT).

Gold marks strong weekly gain, more Fed cues awaited

Prices of the yellow metal were set to rise between 2.5% and 3% this week, as softer-than-expected U.S. inflation data fueled bets for a definite Fed pause.

The yellow metal also saw some safe haven demand, as weak economic prints from Japan and the euro zone pushed up concerns over a looming global recession.

But the biggest boost to the yellow metal came on Thursday, after data showed that U.S. jobless claims grew more than expected for a fourth straight week, signalling more cooling in the labor market.



Oil prices head for fourth straight week of declines.

Oil prices were little changed on Friday but on track for their fourth straight week of losses after tumbling about 5% to a four month-low on Thursday on worries over global demand.

Brent futures edged up 7 cents, or 0.1%, to \$77.49 a barrel at 0702 GMT. U.S. West Texas Intermediate crude (WTI) was at \$72.96, up 6 cents, or 0.1%. Both have lost around a sixth of their value over the last four weeks.

"Oil prices are down slightly this year despite demand exceeding our optimistic expectations," Goldman Sachs analysts said in a note.

"Non-core OPEC supply has been much stronger than expected, partly offset by OPEC cuts."

Prompt monthly spreads for both contracts have flipped to contango, a market trend where prompt prices are lower than those in future months indicating healthy supply.

Oil's decline this week was mainly triggered by a steep rise in U.S. crude inventories and production sustaining at record levels, which analysts say triggered concerns of weak demand in the world's largest oil consumer amid high output.

JPMorgan commodities research said on Friday its global oil demand tracker showed demand averaged 101.6 million barrels a day (bpd) in the first half of November, running 200,000 bpd lower than its projection for the month.

Analysts said that the recent drop in prices is also likely to make Saudi Arabia extend its additional voluntary oil output cut of 1 million bpd into 2024.

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