

MARKET UPDATE

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Asia FX edges past China woes.

Most Asian currencies rose slightly on Wednesday as weak U.S. labor data spurred continued bets on early interest rate cuts by the Federal Reserve, helping investors look past persistent concerns over China's economy.

JOLTs data showed U.S. job openings declined in October, pushing up hopes for a prolonged cooling in the labor market which could limit the space the Fed has to keep rates higher for longer.

The reading pulled down Treasury yields, and comes just a few days before closely-watched nonfarm payrolls data.

Optimism over a less hawkish Fed helped most Asian currencies clock some gains on Wednesday. The Taiwan dollar and South Korean won rose 0.1% each, while the Japanese yen steadied after marking a sharp recovery against the dollar in recent sessions.

The Australian dollar jumped 0.7%, recovering from two days of steep losses even as data showed Australia's economy grew less than expected in the third quarter, hit chiefly by declining export demand in China. But local demand and spending remained robust.

Gold prices pull back further from record highs.

Gold prices moved little in Asian trade on Wednesday after falling sharply from record highs this week, with traders now seeking more cues on when the Federal Reserve will begin trimming interest rates.

A softer-than-expected JOLTs job openings reading for October pushed up some hopes over a cooling labor market. But focus remained squarely on an upcoming nonfarm payrolls reading for November, due this Friday.

The yellow metal had started the week at record highs of over \$2,100 an ounce, boosted by seemingly less hawkish comments from Fed Chair Jerome Powell, as well as increased safe haven demand following a spike in Middle East tensions.

But it had then retreated sharply from the record peaks, as uncertainty over the Fed helped the dollar recover some lost ground. Gold prices were still trading well above the \$2,000 an ounce level.

Spot gold rose 0.1% to \$2,021.61 an ounce, while gold futures expiring February rose 0.1% to \$2,039.00 an ounce by 00:08 ET (05:08 GMT).



Oil rises as markets weigh OPEC+ cuts.

Oil prices rose slightly in Asian trade on Wednesday, after posting losses for four sessions, as investors weighed the effectiveness of an extension in OPEC+ cuts on tightening supplies against worries of a worsening demand outlook in China.

Brent crude futures climbed 17 cents to \$77.37 a barrel by 0709 GMT. U.S. WTI crude futures rose by 6 cents to \$72.38 a barrel.

Both benchmarks closed at their lowest level since July 6 in the previous session, with WTI seeing four consecutive days of declines.

"The only positive news over the last couple of days has been Saudi and Russian officials stating that the OPEC+ cuts could be extended or deepened depending on market situations prevailing," said Suvro Sarkar, energy sector team lead at DBS Bank. "Beyond this ... we do not see any positive catalysts for oil price in the near term."

The Organization of the Petroleum Exporting Countries and allies such as Russia (OPEC+) agreed on voluntary output cuts of about 2.2 million barrels per day (bpd) for the first quarter of 2024 late last week. Those reductions include an extension of Saudi and Russian voluntary cuts of 1.3 million bpd.

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