

# MARKET UPDATE

**19/12/2023**

## **Gold prices creep lower.**

Gold prices fell slightly on Tuesday after several Federal Reserve officials downplayed expectations that a dovish pivot by the central bank was imminent, which helped stem recent losses in the dollar.

The yellow metal still held above the coveted \$2,000 an ounce level, but edged towards the low-\$2,000s following less dovish signals on U.S. monetary policy.

Resilience in the dollar- which rebounded sharply from four-month lows this week- also weighed on gold prices.

Fed officials attempt to temper rate cut bets

A slew of Fed officials said on Monday that market enthusiasm over immediate interest rate cuts was somewhat unfounded, and that sticky inflation may keep monetary conditions tighter for longer.

Chicago Fed President Austan Goolsbee said he was “confused” with how markets reacted to the Fed’s meeting last week, while Cleveland Fed President Loretta Mester said that the Fed wasn’t looking at rate cuts, but rather at how long policy needed to remain tight to put inflation back at its 2% target.

## **Oil prices rise as Red Sea attacks disrupt supply.**

Oil prices rose on Tuesday as attacks by Yemen's Iran-aligned Houthi militants on ships in the Red Sea disrupted maritime trade and forced companies to reroute vessels.

Brent crude futures rose 21 cents, or 0.27%, to \$78.16 a barrel at 0530 GMT. The front-month U.S. West Texas Intermediate crude futures contract, which expires on Tuesday, rose 3 cents to \$72.50 a barrel. The more active second-month contract was up 6 cents, or 0.08%, to \$72.88.

Both benchmarks rose more than 1% on Monday on concerns about shippers diverting vessels away from the Red Sea.

"Despite price stabilization today, the potential risks caused by supply disruptions and the Middle East unrest could bring significant volatility to oil markets," said Tina Teng, an analyst at CMC Markets (LON:CMCX) in Auckland.

"Oil markets may face further upside pressure if geopolitical tensions get escalated," she added.



## Google to pay \$700 million to US consumers.

Alphabet's Google (NASDAQ:GOOGL) has agreed to pay \$700 million and to allow for greater competition in its Play app store, according to the terms of an antitrust settlement with U.S. states and consumers disclosed on Monday in a San Francisco federal court.

Google will pay \$630 million into a settlement fund for consumers and \$70 million into a fund that will be used by states, according to the settlement, which still requires a judge's final approval.

The settlement said eligible consumers will receive at least \$2 and may get additional payments based on their spending on Google Play between Aug. 16, 2016 and Sept. 30, 2023.

All 50 states, the District of Columbia, Puerto Rico and the Virgin Islands, joined the settlement.

Google was accused of overcharging consumers through unlawful restrictions on the distribution of apps on Android devices and unnecessary fees for in-app transactions. It did not admit wrongdoing.

Lead plaintiff Utah and other states announced the settlement in September, but the terms were kept confidential ahead of Google's related trial with "Fortnite" maker Epic Games. A California federal jury last week agreed with Epic that parts of Google's app business were anticompetitive.

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