MARKET UPDATE

29/02/2024

Gold prices move little as pre-inflation jitters.

Gold prices kept to a tight range in Asian trade on Thursday, with traders remaining on the sidelines in anticipation of key U.S. inflation data that is expected to factor into the path of interest rates.

The yellow metal was also pressured by overnight comments from Federal Reserve officials that the bank needed to do more work to bring down inflation. This followed a chorus of officials stating that the Fed was in no hurry to begin cutting interest rates early.

Concerns over higher-for-longer interest rates kept gold trading squarely within a $2,000 to $2,050 an ounce trading range for nearly two months, as traders balked at a potentially higher opportunity cost of investing in the yellow metal.

Spot gold steadied at $2,035.26 an ounce, while gold futures expiring in April were flat at $2,043.45 an ounce by 00:38 ET (05:38 GMT).

Asian stocks skittish before US inflation cues.

Most Asian stocks moved in a flat-to-low range on Thursday in anticipation of more cues on U.S. interest rates from key inflation data, while Chinese markets rebounded from heavy losses in the prior session.

Regional markets tracked a middling overnight session on Wall Street, while U.S. stock futures fell in Asian trade as several Federal Reserve officials also warned that the central bank had much more work to do in bringing down inflation.

Their comments saw markets grow even more anxious ahead of PCE price index data- the Fed's preferred inflation gauge, which is due later in the day. The reading is expected to reiterate that U.S. inflation remained sticky in January.

Japan's Nikkei 225 index fell 0.4%, while the broader TOPIX lost 0.3% as both indexes fell further from record highs hit earlier in the week.

A batch of economic readings released on Thursday provided a mixed picture of the Japanese economy. While retail sales grew more than expected in January, industrial production shrank much more than expected.

The data came amid increasing uncertainty over when the Bank of Japan plans to begin raising interest rates. Hotter-than-expected inflation data released earlier this week ramped up bets that the BOJ could end its negative interest rate regime by as soon as April.

+357 25 752 420 +357 25 752 450 info@ausprime.eu
Spyrou Kyprianou 41 Avenue, Steratzias Court 2, 1st floor, Flat 103, 4003, Mesa Geitonia, Limassol

Dollar braces for US inflation Data.

The dollar tracked toward monthly gains on Thursday ahead of highly-anticipated inflation data that could ruffle the interest rate outlook, while the sliding yen found a footing after a policymaker hinted at the need to exit ultra-easy policies.

Bitcoin was on the charge, topping $63,000 early in the European morning for a gain of nearly 50% in February. The monthly rise is the largest since December 2020, and a record high above $69,000 is within sight. It was last at $63,051.

The yen and fellow safe-haven Swiss franc are the worst performing G10 currencies against the dollar this month as investors have sought out riskier assets and as bets on U.S. interest rate cuts have been dialled back - lifting the dollar.

The yen last traded at 149.87 to the dollar, down about 2% on the month. It was almost 0.6% higher on the day after Bank of Japan board member Hajime Takata said he felt there were finally prospects for achieving the bank's 2% inflation target, paving the way to leave behind negative rates and yield caps.

The yen is down more than 2% on the euro this month and made nine-year lows on the Australian and New Zealand dollars as investors pick up income by borrowing yen at rates near zero and selling it against currencies where interest rates are higher.

"Takata's remarks should add to conviction that an earlier than expected hike at March meeting should not be ruled out," said Christopher Wong, currency strategist at OCBC.

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