

# MARKET UPDATE

**13/03/2024**

## **Gold prices fall from record highs.**

Gold prices steadied in Asian trade on Wednesday, but were nursing a tumble from record highs after a strong U.S. inflation reading kept fears of higher-for-longer interest rates in play.

The yellow metal was also hit with a degree of profit-taking after surging as high as \$2,200 earlier this week. While gold's initial bounce was triggered by bets on early interest rate cuts by the Federal Reserve, Tuesday's consumer price index data swiftly cooled those bets.

Spot gold steadied at \$2,159.32 an ounce, while gold futures expiring in April fell 0.1% to \$2,164.45 an ounce by 00:13 (04:13 GMT). Both instruments were down about 2% each from record highs hit earlier this week.

Spot gold hit a record high of \$2,195.20 an ounce, while gold futures hit a peak of \$2,203.0 an ounce on Monday.

## **Oil prices rise on signs of big US inventory draw.**

Oil prices rose on Wednesday, supported by industry data showing a large, unexpected draw in U.S. inventories, while the OPEC maintained its forecast for strong demand growth in the coming years.

Brent oil futures expiring in May rose 0.8% to \$82.56 a barrel, while West Texas Intermediate crude futures rose 0.8% to \$77.88 a barrel by 02:05 ET (06:15 GMT).

But despite their recent strength, crude prices remained stuck squarely within a \$75 to \$85 a barrel trading range, amid middling cues on supply and demand. Economic weakness in top importer China remained a major point of contention for oil markets.

Strength in the dollar, following stronger-than-expected U.S. inflation data, also weighed on crude. But on the other hand, continued disruptions in the Middle East kept risks of potential supply shocks high, limiting any major weakness in crude.

Talks for an Israel-Hamas ceasefire fell through, while Houthi forces continued to attack vessels in the Red Sea.

Additionally, debilitating Ukrainian drone strikes on a major Russian refinery also raised concerns over tighter global fuel markets. The attack came just weeks after Russia suspended all fuel exports, to stabilize local fuel markets ahead of an upcoming Presidential election.

## Dollar steady after strong CPI.

The U.S. dollar steadied on Wednesday, retaining a bulk of its overnight gains after strong consumer inflation data furthered bets on higher-for-longer rates, while the British pound tread water before key GDP data.

Strength in the dollar kept most other G7 currencies trading largely rangebound, with the euro, Australian dollar and Canadian dollar moving less than 0.1% in either direction.

But the Japanese yen saw some strength amid continued focus on a policy shift by the Bank of Japan.

GBP rangebound with data barrage in focus

The British pound steadied on Wednesday at about 1.2792 against the dollar, in anticipation of several key economic readings.

Gross domestic product data, industrial production and trade data for January are all due later in the session, and are expected to offer more cues on the British economy, as it grapples with sluggish growth.

The GDP data in particular will be in close focus, after the economy shrank slightly less than expected in December. Analysts expect a month-on-month expansion on 0.2% in January.

In the Euro zone, wholesale price index inflation from Germany is on tap. The euro moved little, but remained within sight of two-month highs.

**Important Note:** The information found on Ausprime platform is intended only to be informative, is not advice nor a recommendation, nor research, or a record of our trading prices, or an offer of, or solicitation for a transaction in any financial instrument and thus should not be treated as such. The information provided does not include any specific investment objectives, financial situation and needs of any specific person who may receive it. The past performance is not a reliable indicator of future performance and/or results. Past Performance or Forward-looking scenarios are not a guarantee of future performance. Actual results may differ materially from those anticipated in forward-looking or past performance statement