

MARKET UPDATE

28/03/2024

Asia FX steadies ahead of more Fed cues.

Most Asian currencies moved little on Thursday, while the dollar steadied as traders awaited key inflation data and addresses from Federal Reserve officials for more cues on interest rates.

The Japanese yen steadied from recent losses, with the USDJPY pair hovering below its highest level in 34 years after a slew of government officials warned they could intervene in currency markets.

Broader Asian currencies were also nursing steep losses this week, as uncertainty over U.S. interest rates pushed traders squarely into the dollar and other safe havens. Some hawkish Fed comments also weighed, with Governor Christopher Waller warning that the central bank had little impetus to cut interest rates early.

USDJPY steadies under 1990 highs amid intervention watch

The USDJPY pair moved little on Thursday after surging as high as 151.97 on Wednesday- its strongest level since mid-1990.

The pair surged largely on weakness in the yen, after BOJ officials offered a dovish outlook on tightening monetary policy further.

Oil prices advance as investors reassess US inventories data.

Oil prices edged up on Thursday, following two consecutive sessions of decline, as investors reassessed the latest data on U.S. crude oil and gasoline inventories and returned to buying mode.

Brent crude futures for May were up 40 cents, or 0.5%, at \$86.49 a barrel while the more actively traded June contract rose 36 cents, or 0.4%, to \$85.77 at 0757 GMT. The May contract expires on Thursday.

U.S. West Texas Intermediate (WTI) crude futures for May delivery were up 44 cents, or 0.5%, to \$81.79 a barrel.

Both benchmarks were on track to finish higher for a third consecutive month, and were up about 4.5% from last month.

European shares open higher on energy boost.

European shares inched higher at open on Thursday heading into the long Easter weekend break, on a boost from energy stocks, while the benchmark index was on course to end a second consecutive quarter in the green.

The pan-European STOXX 600 edged 0.1% up and eked out a fresh record high, as of 0823 GMT.

The benchmark index is eyeing a second straight quarter of gains, up 6.9% so far, fuelled by a rally in technology stocks on the back of artificial intelligence fervour and interest rate cut signals from major central banks.

Oil and gas shares were the biggest boost, up 0.4% as oil prices advanced following two consecutive sessions of declines. [O/R]

Market focus, however, squarely remains on the U.S. personal consumption expenditure data, due on Friday when markets are closed, to ascertain the Federal Reserve's timing of rate cuts, potentially setting the tone for other central banks.

Among stocks, JD (NASDAQ:JD) Sports surged 8.3% to the top of STOXX 600 as the sportswear retailer said its pre-tax profit for the year ahead was in line with its guidance.

The stock lifted the broader retail sector up 0.7%.

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