

MARKET UPDATE

10/04/2024

Gold prices hit record highs.

Gold prices hovered just below record highs in Asian trade on Wednesday, as safe haven demand for the yellow metal was boosted in anticipation of key U.S. inflation data and more cues on interest rates.

Among industrial metals, copper prices hit 15-month peaks amid growing hopes that demand will pick up tracking a recovery in global factory activity. Expectations of tighter copper supplies also remained in play.

Gold was boosted chiefly by increased safe haven demand, while reports of central bank buying, particularly in China, also spurred increased demand for the yellow metal. This helped gold rise despite persistent concerns over higher-for-longer U.S. interest rates.

Spot gold rose 0.3% to \$2,359.28 an ounce, while gold futures expiring in June rose 0.6% to a record high of \$2,377.45 an ounce by 01:34 ET (05:34 GMT). Spot prices hit a record high of \$2,365.34 an ounce earlier in the session.

Oil rises as Middle East worries offset US crude stock.

Oil prices rose on Wednesday after two straight days of losses, as the deadlock in Gaza ceasefire talks renewed uncertainty about the security of supplies from the Middle East, offsetting a bigger-than-expected build in U.S. crude inventories.

Brent crude futures were up 25 cents at \$89.67 per barrel at 0650 GMT, while U.S. West Texas Intermediate (WTI) crude futures rose 24 cents to \$85.47.

Prices for both benchmarks remain down around 1.7% on the end of last week despite geopolitical tensions in the Middle East triggered by the prospect of Israel's war in Gaza lasting longer, and drawing in more countries.

"Some of the heat has come out of the rally in crude oil in the early part of this week on hopes of a ceasefire in Gaza and higher US inventories," said Tony Sycamore, a market analyst at IG in Singapore. Hamas said on Tuesday that an Israeli proposal on a ceasefire in their war in Gaza did not meet the demands of Palestinian militant factions, but it would study the offer further and deliver its response to mediators.

Bitcoin price today falls to \$69k.

Bitcoin price retreated on Wednesday as anticipation of key U.S. inflation data saw traders remain largely averse towards highly speculative, risk-heavy assets.

Market sentiment appeared to be more geared towards safe havens such as the dollar and gold, with the yellow metal hitting a record high this week.

Bitcoin on the other hand fell 2.4% over the past 24 hours to \$69,373.7 by 01:51 ET (05:51 GMT), tracking weakness in most other risk-driven assets.

A surge in commodity prices- specifically oil and metals- also drove focus away from the token, as markets bet that improving global economic conditions in the coming months will support commodity demand.

Crypto prices today: CPI awaited for more rate cues

Focus was now squarely on U.S. consumer price index data due later on Wednesday, which is expected to show inflation remaining sticky through March.

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