

MARKET UPDATE

30/04/2024

Asia FX weak as Fed jitters grow.

Most Asian currencies fell on Tuesday as anticipation of a Federal Reserve meeting this week kept traders largely biased towards the dollar, with the Japanese yen falling slightly after rebounding amid suspected government intervention.

Most regional currencies were nursing losses through April as traders steadily priced out expectations of early interest rate cuts by the Fed. A series of hotter-than-expected U.S. inflation readings drove this notion.

The dollar index and dollar index futures both rose about 0.3% in Asian trade, as investors positioned for the Fed meeting. The central bank is expected to keep rates steady, but could potentially offer hawkish signals in the wake of sticky inflation readings.

Oil slips as investors eye Israel-Gaza truce talks.

Oil edged down on Tuesday after Israel-Hamas ceasefire talks in Cairo helped quell market fears of an expanding conflict in the Middle East, while worries about the outlook for U.S. interest rates dragged on the market.

Brent crude futures dipped 19 cents, or 0.21%, to \$88.21 a barrel at 0630 GMT, while U.S. West Texas Intermediate crude futures slipped 20 cents, or 0.24%, to \$82.43 a barrel.

The front-month contract of both benchmarks lost more than 1% on Monday.

"The ongoing negotiation for a potential ceasefire between Israel and Hamas has led market participants to further unwind the geopolitical risk premium in oil prices, while the upcoming Fed meeting also drives some near-term reservations," said Yeap Jun Rong, market strategist at IG.

"Rates being kept at elevated levels for longer could trigger a further rise in the U.S. dollar, while also putting some risks to oil demand outlook."

Hamas negotiators left Cairo late on Monday to consult with the group's leadership after talks with Qatari and Egyptian mediators on a response to a phased truce proposal that Israel presented on the weekend.

Musk lays off Tesla senior executives in fresh job cuts.

Elon Musk has dismissed two Tesla (NASDAQ:TSLA) senior executives and plans to lay off hundreds more employees, frustrated by falling sales and the pace of job cuts so far, The Information reported on Tuesday, citing the CEO's email to senior managers.

Rebecca Tinucci, senior director of the electric vehicle maker's Supercharger business, and Daniel Ho, head of the new vehicles program, will leave on Tuesday morning, the report said.

Musk also plans to dismiss everyone working for Tinucci and Ho, including the roughly 500 employees who work in the Supercharger group, The Information said. It was not clear how many employees worked for Ho.

Tesla's public policy team, which was led by former executive Rohan Patel, will also be dissolved, the report said.

"Hopefully these actions are making it clear that we need to be absolutely hard core about headcount and cost reduction," Musk wrote in the email, the report said. "While some on exec staff are taking this seriously, most are not yet doing so."

Tesla, which had 140,473 employees globally as of end-2023, did not immediately respond to a Reuters' request for comment.

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