

# MARKET UPDATE

13/05/2024

## Asia FX edges lower, dollar steadies.

Most Asian currencies moved in a flat-to-low range on Monday, while the dollar steadied from recent swings as focus turned squarely to upcoming U.S. inflation data for more cues on interest rates.

Middling Chinese inflation data weighed on the yuan, while also sparking mild weakness in other China-exposed currencies.

Chinese yuan weak amid middling inflation, trade fears

The yuan's USDCNY pair rose 0.1% on Monday, hitting a two-week high after data released over the weekend offered mixed cues on Chinese inflation.

Consumer price index inflation rose more than expected in April, as persistent stimulus measures from Beijing helped buoy demand. But producer price index inflation shrank for a 19th consecutive month, as Chinese business activity remained laggard.

The inflation data showed that Beijing still had much more work to do in order to shore up economic growth.

## Gold prices dip.

Gold prices retreated in Asian trade on Monday, consolidating some recent gains as traders turned more biased towards the dollar ahead of key U.S. inflation data due later in the week.

The yellow metal saw some strength last week as some signs of a cooling U.S. economy sparked speculation over eventual interest rate cuts by the Federal Reserve in 2024.

But gold still remained well below record highs hit in April, and is expected to trade rangebound ahead of this week's inflation data.

Spot gold fell 0.1% to \$2,357.35 an ounce, while gold futures expiring in June fell 0.5% to \$2,363.65 an ounce by 23:55 ET (03:55 GMT).

Gold, metal markets on edge ahead of inflation data

Gold and broader metal markets were on edge ahead of key U.S. inflation readings due this week.

## Bitcoin price today down to \$60k.

Bitcoin price fell on Monday, once again testing key support levels as sentiment towards cryptocurrencies showed little signs of improving ahead of U.S. inflation data that is likely to factor into interest rates.

The dollar steadied from last week's losses, applying more pressure on crypto markets as traders remained largely biased towards the greenback ahead of the inflation readings.

Bitcoin fell 0.4% in the past 24 hours to \$60,910.5 by 00:45 ET (04:45 GMT). The world's largest cryptocurrency was close to breaking below the \$60,000 support level, which could herald deeper price losses.

The token sank over 3% in the past seven days, as fears of more U.S. regulatory action against the crypto market further soured sentiment. This was exacerbated by signs of sustained capital outflows from crypto investment products, chiefly spot Bitcoin exchange-traded funds.

Bitcoin fragile, dollar strong as US inflation test approaches

The dollar steadied on Monday, pressuring Bitcoin and crypto prices as focus turned squarely towards upcoming readings on U.S. inflation.

Producer price index data is due on Tuesday, while the more closely watched consumer price index reading is due on Wednesday.

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