

MARKET UPDATE

11/06/2024

Dollars hands back gains ahead of inflation data.

The U.S. dollar retreated Tuesday, falling back from a one-month high, as yields fell back ahead of key U.S. inflation data and the latest Federal Reserve meeting.

At 04:15 ET (08:15 GMT), the Dollar Index, which tracks the greenback against a basket of six other currencies, traded 0.3% lower at 104.795, after reaching 105.39 on Monday for the first time since May 14.

Dollar retreats ahead of CPI, Fed meeting

The dollar received a boost from Friday's stronger-than-expected jobs report, supported by higher Treasury yields as traders pared back bets for Fed rate cuts this year.

However, yields have retreated Tuesday, dragging the dollar lower, as traders opted for a more cautious stance ahead of the release of crucial U.S. consumer price data and fresh Federal Reserve interest rate forecasts on Wednesday.

Oil edges down as investors await Fed meet.

Oil prices traded lower on Tuesday, as investors waited for key U.S. and China CPI data as well as the outcome of the Federal Reserve's policy meeting to glean a clearer picture of where inflation is heading and how that will affect fuel demand.

Brent crude futures fell 13 cents, or 0.16%, to \$81.50 per barrel by 0613 GMT and U.S. West Texas Intermediate crude futures slipped 7 cents, or 0.04%, to \$77.67.

Prices had climbed about 3% to a one-week high on Monday, buoyed by expectations that the Northern Hemisphere summer vacation season will boost fuel demand this summer, a gain some analysts said was likely to be shortlived given the prospect of higher interest rates remained.

The release of U.S. consumer price index data for May and the conclusion of the Fed's two-day policy meeting are both scheduled for Wednesday.

"More conviction may be needed in oil prices for a more sustained recovery with a move above the US\$83.00 level, given that the broader trend for oil prices still leans on the downside with a series of higher highs since April," IG market strategist Yeap Jun Rong said.

Traders were also cautious ahead of the release of macroeconomic data from China on Wednesday.



Cryptoverse: Soccer tokens shine.

As football fever builds for major tournaments in Europe and the Americas, a small yet buzzy part of the cryptoverse is stealing centre stage: fan tokens.

These are not your average digital assets, they're tokens issued by national sides or individual clubs that promise supporters a tradeable way to engage with their teams.

Activity in tokens linked to participating national teams has increased ahead of the Euro 2024 European soccer championship, which kicks off on Friday, and the Copa América in North and South America that starts a week later.

The market value of the Chiliz cryptocurrency - the native coin of the Socios blockchain which hosts most major fan tokens, and thus a broad proxy for the niche sector - has climbed to more than \$1.07 billion from about \$687 million at the start of the year and is nearing levels last seen around the 2022 World Cup, according to data from CoinGecko.

Trading volumes of fan tokens have also picked up in recent months, registering more than \$170 million on May 24, versus between \$25 million and \$57 million for most of January, according to data from Kaiko. The total market value of listed fan tokens stands around \$413 million, CoinGecko data shows.

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