

MARKET UPDATE

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Asian stocks surge as TSMC boosts tech.

Asian stocks rose on Thursday as technology stocks rallied after positive revenue figures from chipmaking giant TSMC sparked more optimism over artificial intelligence, with Japanese stocks crossing new peaks.

Regional stocks tracked an overnight rally on Wall Street, where the S&P 500 and NASDAQ Composite surged to record highs as comments from Fed Chair Jerome Powell brewed optimism over a soft landing for the U.S. economy, and that interest rates will eventually fall this year.

Powell's comments put upcoming consumer price index inflation data squarely in focus, given that the data is likely to factor into the Fed's outlook on interest rates.

Tech, chipmaking stocks surge tracking TSMC

Regional tech stocks were the best performers for the day, with chipmakers rising in tandem with Taiwan's TSMC (TW:2330) (NYSE:TSM), after the world's largest contract chipmaker was seen clocking much stronger-than-expected revenue in the second quarter.

Asia FX rises as dollar loses ground.

Most Asian currencies rose on Thursday as the dollar lost ground after comments from Federal Reserve Chair Jerome Powell sparked more optimism over interest rate cuts, putting upcoming inflation data squarely in focus.

Regional currencies regained some ground against the dollar as traders largely maintained bets on a September interest rate cut by the Fed. Thursday's consumer price index inflation report is set to offer more cues on this front.

But weak economic data saw the Japanese yen continue to lag its peers, with the currency remaining close to its weakest level in 38 years.

The dollar index and dollar index futures both fell about 0.1% in Asian trade, extending overnight losses after Powell reiterated his outlook for the U.S. economy achieving a soft landing.

A key point of pressure on the dollar was Powell stating that the Fed did not need to see inflation falling below its 2% target to begin cutting rates, only that the bank needed enough confidence that inflation was easing.



Gold prices advance, rate cuts in focus.

Gold prices rose in Asian trade on Thursday, benefiting from weakness in the dollar and Treasury yields as speculation over U.S. interest rate cuts grew ahead of key inflation data.

The yellow metal was sitting on some gains this week, buoyed by reports that several central banks in emerging markets were stocking up on the yellow metal. Dovish-leaning comments from Federal Reserve Chair Jerome Powell also furthered the yellow metal's advance.

Spot gold rose 0.4% to \$2,381.73 an ounce, while gold futures expiring in August rose 0.3% to \$2,386.75 an ounce by 00:42 ET (04:42 GMT).

Gold buoyant as Powell comments put CPI data in focus

The yellow metal was trading less than \$100 below a record high, as Powell flagged progress towards bringing down inflation in recent months.

The Fed Chair also said that the central bank did not need inflation to necessarily fall below its 2% target to begin cutting rates, although the bank still needed more confidence that inflation was easing.

Powell's comments saw traders largely maintain their bets on a September rate cut. The CME Fedwatch tool showed traders pricing in a 72.5% chance for a 25 basis point cut in September.

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