

# MARKET UPDATE

**12/07/2024**

## **Gold prices steady above \$2,400.**

Gold prices fell slightly in Asian trade on Friday, but were sitting on strong gains from the prior session as softer-than-expected U.S. inflation data ramped up bets on a September interest rate cut.

The yellow metal blew past the closely-watched \$2,400 an ounce level on Thursday and was less than \$50 away from a record high, as it benefited from a sharp drop in the dollar. Gold was also set for a strong weekly performance.

Spot gold fell 0.3% to \$2,408.52 an ounce, while gold futures expiring in August fell 0.3% to \$2,413.75 an ounce by 00:06 ET (04:06 GMT).

Gold heads for weekly gains amid rate cut cheer

Spot prices were set to add about 0.7% this week, with a bulk of gains coming on Thursday.

## **Dollar hovers around 1-month low.**

The dollar steadied against a basket of currencies on Friday after softer-than-expected inflation data saw the greenback sink to one-month lows, amid increased bets that the Federal Reserve will cut interest rates in September.

Broader foreign exchange markets were somewhat cautious amid volatility in the Japanese yen. The Japanese currency strengthened sharply on late-Thursday, which sparked speculation over whether the Japanese government had intervened in currency markets.

The euro moved little against the dollar German wholesale price index inflation data read slightly weaker than expected for June. The EURUSD pair steadied after surging to an over one-month high against the dollar on Thursday.

The British pound was also flat, with the GBPUSD pair moving little after rallying to a near one-year high against the dollar on Thursday. The pound was also buoyed by data on Thursday which showed the British economy grew more than expected in May.

Dollar near 1-mth low as soft CPI spurs rate cut bets

The dollar index and dollar index futures steadied on Friday after tumbling to a one-month low in overnight trade.



## Oil rises as US inflation eases.

Oil prices inched up on Friday amid signs of easing inflationary pressures in the United States, the world's biggest oil consumer, although Brent crude was set for a weekly decline.

Brent crude futures rose 49 cents, or 0.6%, to \$85.89 a barrel by 0630 GMT. U.S. West Texas Intermediate crude futures climbed 58 cents, or 0.7%, to \$83.20 a barrel.

Both contracts gained in the prior two sessions, but were still poised for weekly declines.

Brent futures were set to fall about 1% week-on-week following four weekly gains. WTI futures were broadly stable on a weekly basis.

Investor confidence was bolstered after data on Thursday showed U.S. consumer prices fell in June, stoking hopes that the Federal Reserve will cut interest rates soon.

Lower rates are expected to boost economic growth, which would help raise fuel consumption.

The market, however, is still awaiting clearer signs of action. While Fed Chair Jerome Powell acknowledged the recent improving trend in price pressures, he told lawmakers that more data was needed to strengthen the case for rate cuts.

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