

# MARKET UPDATE

**16/07/2024**

## **Oil falls on lingering demand concerns.**

Oil prices slipped on Tuesday on worries about a slowing Chinese economy crimping demand, though a growing consensus that the U.S. Federal Reserve will begin cutting its key interest rate as soon as September limited declines.

Brent futures fell 21 cents, or 0.25%, to \$84.64 a barrel by 0408 GMT, while U.S. West Texas Intermediate (WTI) crude dropped 25 cents, or 0.31%, to \$81.66.

IG market strategist Yeap Jun Rong said in an email the weaker run in Chinese economic data "cast some doubts on whether market participants are being overly optimistic around Chinese oil demand outlook".

The world's second-largest economy grew 4.7% in April-June, official data showed, its slowest since the first quarter of 2023 and missing a 5.1% forecast in a Reuters poll. It also slowed from the previous quarter's 5.3% expansion, hamstrung by a protracted property downturn and job insecurity.

"Its 2Q GDP and retail sales figures had surprised on the downside by a significant margin, while anticipation for stronger stimulus measures at the Third Plenum may face the risks of disappointment," Yeap added, referring to a key economic leadership meeting in Beijing this week.

## **Bitcoin price today: rises to \$63k.**

Bitcoin price rose on Tuesday, buoyed by the prospect of friendlier crypto regulations in the U.S. as traders speculated that Donald Trump will win a second term in the 2024 presidential race.

Reports also showed that the Securities and Exchange Commission was close to approving exchange-traded funds that directly track world no.2 token Ether, further increasing optimism over a better regulatory environment.

Bitcoin rose 2.3% in the past 24 hours to \$64,073.6 by 01:27 ET (05:27 GMT). Speculation over Trump helped the token largely rise past concerns over selling pressure from distributions by defunct crypto exchange Mt Gox. This had seen Bitcoin crash to as low as \$54,000 earlier in July.

Bitcoin buoyed by Trump bets

Bitcoin's rebound came after a failed assassination attempt on Trump, over the weekend, was seen as greatly boosting the former president's popularity.



## Asian stocks drift higher as rate cut bets grow.

Most Asian stocks rose on Tuesday, tracking gains on Wall Street amid increasing expectations for a September interest rate cut, while Chinese markets lagged on concerns over a cooling economy and headwinds from U.S. politics.

Regional markets took positive cues from a strong finish on Wall Street, after dovish-leaning comments from Federal Reserve Chair Jerome Powell showed the central bank had more confidence that inflation was easing.

Increased speculation over a Donald Trump presidency also supported stock markets, on hopes that such a scenario will result in an easier regulatory environment.

U.S. stock index futures rose in Asian trade.

Chinese stocks lag on Trump fears, weak GDP

China's Shanghai Shenzhen CSI 300 and Shanghai Composite indexes moved in a flat-to-low range, while Hong Kong's Hang Seng index slid 1.5%.

Speculation over a second term for Trump dented Chinese stocks, given that the former president has maintained a strong rhetoric against China. Trump had imposed steep tariffs on China during his term, sparking a prolonged trade war between Washington and Beijing in the late-2010s.

Trump was seen gaining an edge over President Joe Biden in the 2024 presidential race, especially after a failed assassination attempt on Trump seemingly boosted the former president's popularity.

**Important Note:** The information found on Ausprime platform is intended only to be informative, is not advice nor a recommendation, nor research, or a record of our trading prices, or an offer of, or solicitation for a transaction in any financial instrument and thus should not be treated as such. The information provided does not include any specific investment objectives, financial situation and needs of any specific person who may receive it. The past performance is not a reliable indicator of future performance and/or results. Past Performance or Forward-looking scenarios are not a guarantee of future performance. Actual results may differ materially from those anticipated in forward-looking or past performance statement