

MARKET UPDATE

19/07/2024

Asian stocks fall as US-China jitters persist.

Most Asian stocks fell on Friday amid persistent concerns over a renewed trade war between the U.S. and China, while positive earnings from TSMC did little to stop a rout in technology stocks.

Regional markets took negative cues from their U.S. peers, as an extended rotation out of technology stocks sparked overnight losses on Wall Street. U.S. stock benchmarks tumbled from record highs over the past three sessions.

U.S. stock index futures rose mildly in Asian trade, as a rout on Wall Street appeared to be somewhat easing. Focus also turned to a slew of key U.S. earnings due in the coming days, with majors including Microsoft Corporation (NASDAQ:MSFT), Alphabet Inc (NASDAQ:GOOGL) and Tesla Inc (NASDAQ:TSLA) set to report.

Chinese stocks down on US trade jitters; stimulus hopes dampen losses

China's Shanghai Shenzhen CSI 300 and Shanghai Composite indexes fell slightly on Friday, although they were trading above intraday lows.

Gold prices slide as dollar regains ground.

Gold prices fell sharply in Asian trade on Friday, dented by a mix of profit-taking and speculation over a potential Donald Trump presidency and stricter U.S. trade policies favored the dollar.

Among industrial metals, copper prices steadied on Friday but were nursing steep losses amid scant cues on more stimulus measures from top importer China, as the country grapples with slowing economic growth.

Spot gold fell 0.9% to \$2,423.89 an ounce, while gold futures expiring in August fell 1.2% to \$2,426.45 an ounce 01:05 ET (05:05 GMT).

Gold tumbles from record highs

Spot prices were now trading about \$50 below a record high hit earlier this week, facing some profit-taking after a strong melt-up over the past seven days.

Initial strength in gold was driven chiefly by growing optimism over interest rate cuts in the U.S., with traders seen pricing in an over 90% chance the Federal Reserve will cut rates by 25 basis points in September, according to CME Fedwatch.



Oil prices fall as strong dollar.

Oil prices fell on Friday, putting them on track for a second weekly decline, as a strong dollar and mixed economic signals weighed on investor sentiment.

Brent crude prices fell by 38 cents, or 0.5%, to \$84.73 a barrel by 0035 GMT. U.S. West Texas Intermediate crude futures fell 50 cents, or 0.6%, to \$82.32 a barrel. On a weekly basis, Brent crude was down 0.3% while WTI was trading marginally higher after slipping as much as 0.2% on Friday.

The U.S. dollar index climbed for the second consecutive session after stronger-than-expected data on the U.S. labour market and manufacturing earlier in the week. A stronger greenback dampens demand for dollar-denominated oil from investors holding other currencies.

Meanwhile, a lack of concrete stimulus measures from top oil importer China has weighed on commodities, ANZ analysts said in a note.

China's economy grew at a slower-than-expected 4.7% pace in the second quarter, official data showed, sparking concerns about the country's oil demand.

"Concerns over supply in the short term kept the losses minimal," ANZ said, referring to worsening wildfires threatening production in Canadian oil sands.

Elsewhere on the economic front, Japan's core inflation perked up in June, leaving the door open for an interest rate hike in the major oil market.

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