MARKET UPDATE

24/07/2024

Gold prices edge higher.

Gold prices rose in Asian trade on Wednesday, although gains were limited by strength in the dollar as uncertainty over the U.S. presidential race and anticipation of a Federal Reserve meeting kept traders on edge.

Industrial metals, however, were nursing deep declines, with copper prices trading at a near four-month low amid worsening sentiment over top commodity importer China. Copper's latest decline was sparked by weak growth data from China.

Spot gold rose 0.3% to $2,416.72 an ounce, while gold futures expiring in August rose 0.4% to $2,417.65 an ounce. Spot prices were nursing a tumble from record highs over the past two weeks.

Gold steady as dollar recovers

Gains in the yellow metal were limited by a rebound in the dollar, which benefited from a mix of safe haven demand and positioning before a Fed meeting next week.

Copper falls further on China woes.

Traders were also cautious towards metal markets before a Fed meeting next week, where the central bank is widely expected to keep interest rates steady. But focus will be on when the bank plans to begin trimming rates, with general consensus pointing to a September cut.

Benchmark copper futures on the London Metal Exchange fell 0.4% to $9,132.50 a tonne, while one-month copper futures fell 0.6% to $4.1427 a pound. Both contracts were at near four-month lows.

Copper and broader industrial metals were battered by persistent concerns over demand in top commodity importer China, after the country logged slower-than-expected growth in the second quarter.

The Third Plenum of the Chinese Communist Party yielded scant cues on plans for more stimulus from Beijing, while an unexpected interest rate cut largely underwhelmed earlier this week.

Sentiment towards China was also dented by uncertainty over the U.S. elections, specifically in what a change in administration meant for Washington's stance towards China.

Bitcoin price today down to $65k.

Bitcoin price fell on Wednesday, extending losses seen this week as weak risk appetite-amid uncertainty over the U.S. political outlook- kept traders averse towards crypto.

The launch of spot exchange-traded funds tracking Ether also did little to improve sentiment towards the sector, with Ether prices dropping on Tuesday and trading sideways on Wednesday.

Bitcoin fell 1.7% in the past 24 hours to $65,793.5 by 01:56 ET (05:56 GMT). The token had rebounded as far as $69,000 over the weekend, but was now steadily reversing course.

Bitcoin struggles amid political uncertainty, weak risk appetite

Bitcoin came under pressure from increased uncertainty over the U.S. presidential race, especially after President Joe Biden dropped his reelection bid and endorsed Vice President Kamala Harris.

Harris was seen swiftly gaining support in the Democratic party, and is now widely expected to be nominated as the party's presidential candidate.

This sets her up for a showdown with Republican candidate Donald Trump, who, before Harris' endorsement, was seen polling ahead of both Biden and Harris.

Expectations of a Trump presidency had fueled some gains in crypto, especially given that he has maintained a positive stance towards crypto in recent campaigning efforts. Trump is also set to speak at the Bitcoin Conference in Nashville this Saturday.