

# MARKET UPDATE

**31/07/2024**

## **Oil rebounds after Hamas leader killed in Iran.**

Oil futures rebounded more than \$1 a barrel from 7-week lows on Wednesday after the killing of Hamas leader Ismail Haniyeh in Iran ratcheted up tensions in the Middle East, but prices stayed under pressure from concerns about weak China demand.

Brent crude futures climbed \$1.39, or 1.8%, to \$80.02 a barrel by 0625 GMT ahead of expiry on Wednesday, while the more active October contract was at \$79.41, up \$1.34.

U.S. West Texas Intermediate crude futures rose \$1.38, or 1.9%, to \$76.11 a barrel. Both Brent and WTI fell about 1.4% on Tuesday, closing at their lowest levels in seven weeks.

Tension in the Middle East heated up on news that Hamas leader Ismail Haniyeh was assassinated in the early hours of the morning in Iran, the Palestinian militant group said on Wednesday.

This came a day after the Israeli government claimed it killed Hezbollah's most senior commander in an airstrike on Beirut on Tuesday in retaliation against Saturday's cross-border rocket attack on Israel.

## **Asian stocks rise.**

Asian stocks surged on Wednesday and the yen was volatile after the Bank of Japan raised interest rates in a hawkish pivot, while investors assessed contrasting results from Microsoft (NASDAQ:MSFT) and chipmaker AMD that suggested a divide in the AI landscape.

Oil prices rose from seven-week lows on escalating tension in the Middle East after Palestinian militant group Hamas said its leader Ismail Haniyeh was killed in Iran's capital of Tehran. [O/R]

The BOJ also laid out a detailed plan for quantitative tightening to pare monthly bond buying in stages, to about 3 trillion yen (\$19.6 billion) by January-March 2026, as it raised its overnight call rate target to 0.25% from zero to 0.1%.

"The BOJ will hope that the rate rise will be a confidence booster to the economy in that it will signal that the central bank believes the economy is on a path to something approaching 'normal'," said Gary Dugan, CEO of the Global CIO Office. Markets initial reaction was choppy as analysts said media reports ahead of the BOJ decision had set expectations of a rate hike and bond tapering program from the central bank.



## Bitcoin price today: down to \$65k.

Bitcoin price fell on Wednesday, extending a recent downturn as fears over mass token sales by the U.S. government largely offset some optimism over friendlier crypto regulations in the country.

Bitcoin fell 1% in the past 24 hours to \$65,841.6 by 01:42 ET (05:42 GMT). Positive comments from Republican presidential candidate Donald Trump saw the token rally as high as \$70,000 over the weekend, before the token swiftly reversed course.

Appetite for risk-driven assets was also undermined by anticipation of a Federal Reserve interest rate decision, as well as a potential escalation in Middle East tensions after reports said Hamas chief Ismail Haniyeh was killed by an Israeli strike in Tehran.

### Specter of US government sales dents Bitcoin

Pressure on the world's biggest cryptocurrency came chiefly from speculation over potential token sales by the U.S. government, which reportedly holds about \$12 billion worth of tokens and is among the biggest Bitcoin holders in the world.

Media reports said wallets associated with the government had moved \$2 billion worth of Bitcoin seized from online black market Silk Road, onto what could potentially be a custody service.

But a token movement of that magnitude usually heralds a sale, as seen with distributions by defunct crypto exchange Mt Gox earlier this month.

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