

MARKET UPDATE

13/08/2024

Gold prices fall, but record high in sight.

Gold prices fell in Asian trade on Tuesday but remained close to record highs as safe haven demand was buoyed by fears of an Iranian strike against Israel.

Markets also turned risk-off ahead of key U.S. inflation data this week that is likely to factor into the outlook for interest rate cuts.

Gold also remained upbeat on the prospect of U.S. interest rate cuts, with a softer inflation reading widely expected to further this notion.

Spot gold fell 0.4% to \$2,460.78 an ounce, while gold futures expiring in December fell 0.1% to \$2,501.45 an ounce by 00:56 ET (04:56 GMT). Gold futures hit a record high of \$2,517.10 an ounce, while spot prices remained in sight of a record high of \$2,483.78 an ounce.

Iran-Israel fears keep safe haven demand elevated

Gold benefited from safe haven demand as media reports suggested that Iran could launch an attack against Israel as soon as this week.

Oil retreats as markets refocus on demand.

Oil prices edged lower on Tuesday, breaking a five-day streak of gains, as markets refocused on concerns about demand after OPEC on Monday cut its forecast for demand growth in 2024 due to softer expectations in China.

Global benchmark Brent crude futures fell 57 cents, or 0.7%, to \$81.73 a barrel at 0630 GMT. U.S. West Texas Intermediate crude futures slipped to \$79.58 a barrel, down 48 cents, or 0.6%.

Brent had gained more than 3% on Monday, while U.S. crude futures had risen more than 4%.

The Organization of the Petroleum Exporting Countries' (OPEC) global demand forecast reduction for 2024 highlighted the dilemma faced by the wider OPEC+ group in raising production from October.

The cut to OPEC's 2024 forecast was the first since it was made in July 2023, and comes after mounting signs that demand in China has lagged expectations due to slumping diesel consumption and as a crisis in the property sector hampers the world's second-largest economy.

Bitcoin price today rises to \$59k.

Bitcoin price rose slightly on Tuesday as a rout over the weekend attracted some bargain buying, although risk sentiment was limited ahead of a slew of key U.S. economic indicators this week.

Capital flows data showed bargain buying drew traders into crypto investment products all through last week, although only Ether saw major inflows on this trend.

Sentiment towards crypto markets was also undermined by a discussion between Republican presidential candidate Donald Trump and Tesla (NASDAQ:TSLA) CEO Elon Musk on X, where the topic of crypto regulations was not brought up even once.

Bitcoin rose 1.2% to \$59,305.3 by 01:53 ET (05:53 GMT).

Musk-Trump talk makes no mention of crypto

The talk between Musk and Trump underwhelmed some market participants who were hoping that the Republican nominee would reiterate his support for crypto.

But while Trump has expressed support for the crypto industry- going as far as speaking at the Bitcoin conference last month- he has rarely mentioned crypto or Bitcoin when speaking at more mainstream events.

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