

# MARKET UPDATE

**21/08/2024**

## **Asian stocks fall as yen strength weighs.**

Asian stocks retreated on Wednesday as strength in the yen spurred a further unwinding in the carry trade, while losses in e-commerce major JD.com dragged down Hong Kong's Hang Seng index.

Regional markets tracked overnight weakness in Wall Street, as U.S. stocks snapped an eight-day rebound rally amid some caution before an address by Federal Reserve Chair Jerome Powell later this week.

JD.com (NASDAQ:JD) (HK:9618) was the biggest weight on the index, with the stock sinking around 11% after Bloomberg reported that Walmart Inc (NYSE:WMT) was planning to sell its stake in the e-commerce giant for \$3.74 billion.

Jd Health International Inc (HK:6618), which is a unit of the e-commerce firm, fell nearly 4%, while rival Alibaba Group (NYSE:BABA) (HK:9988) fell 2%.

Wednesday's losses saw JD largely reverse recent gains made on stronger-than-expected earnings for the June quarter. But the firm faces increased headwinds from slowing demand in China, its biggest market.

## **Oil slips on higher US crude stocks.**

Oil prices slipped on Wednesday on estimates showing swelling U.S. crude inventories and expectations that tensions in the Middle East were easing following a tour of the region by mediators.

Brent crude futures fell 11 cents, or 0.1%, to \$77.09 a barrel by 0630 GMT. U.S. West Texas Intermediate crude dipped 14 cents, or 0.2%, to \$73.03.

U.S. crude oil stocks were seen rising last week by 347,000 barrels, according to market sources citing American Petroleum Institute figures on Tuesday. Gasoline and distillate stocks, however, fell by 1.043 million barrels and 2.247 million barrels respectively, according to the sources.

The United States is the world's biggest producer and consumer of oil, and growing inventories point to oversupply that could pressure prices.

Official U.S. government inventory estimates are set to be released on Wednesday at 10:30 a.m. Meanwhile, U.S. Secretary of State Antony Blinken wrapped up a trip to the Middle East intended to help broker a ceasefire agreement in Gaza.

## Gold prices hit record highs above \$2,500.

Gold prices steadied in Asian trade on Wednesday after hitting record highs this week as the prospect of lower U.S. interest rates battered the dollar and spurred more flows into the yellow metal.

Broader metal prices also advanced, benefiting from a softer dollar and falling Treasury yields, although their pace of gains slowed amid a broader risk-off move in markets.

Spot gold rose 0.1% to \$2,515.44 an ounce, while gold futures expiring in December rose 0.1% to \$2,553.35 an ounce by 00:51 ET (04:51 GMT). Spot prices hit a record high of \$2,531.72 an ounce on Tuesday.

Gold buoyed by rate cut bets; Powell, Fed minutes in focus

Gold and broader metal prices were supported chiefly by persistent bets that the Federal Reserve will begin cutting interest rates in September.

Traders were split over a 25 or 50 basis point reduction, CME Fedwatch showed.

Focus this week is squarely on an address by Fed Chair Jerome Powell at the Jackson Hole Symposium on Friday, where he is expected to further the Fed's dovish tilt. But analysts do not expect Powell to explicitly forecast any potential rate cuts.

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