

MARKET UPDATE

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Gold prices pulled off record high.

Gold prices fell slightly in Asian trade on Wednesday as the dollar recovered from 13-month lows, with focus remaining on key upcoming inflation data for more cues on interest rates.

But the yellow metal remained in sight of peaks hit this month, as geopolitical jitters fueled some safe haven demand, while the prospect of lower U.S. interest rates also kept gold well-bid.

Spot gold fell 0.5% to \$2,512.88 an ounce, while gold futures expiring in December fell 0.2% to \$2,547.60 an ounce by 00:37 ET (04:37 GMT). Spot prices hit a record high of \$2,532.05 an ounce last week.

Gold stalls as dollar recovers; PCE data on tap

The yellow metal was pulled off record highs as the dollar recovered from 13-month lows hit earlier this week.

But gold still retained a bulk of its gains, while the dollar's recovery was limited amid persistent bets that the Federal Reserve will begin cutting interest rates from September.

Dollar nears year-low.

The dollar held near its lowest in more than a year against a basket of peers on Wednesday, with sterling trading just off multi-year highs, as markets focussed on clues to the size of a widely expected U.S. interest rate cut next month.

Cryptocurrency bitcoin took the spotlight in Asia, dropping over 4% after breaking below support around \$60,000.

The Australian dollar rose to an eight-month high after data showed domestic inflation slowed to a four-month low in July, but the general progress on tempering price gains disappointed. It was last flat at \$.06793.

"The Reserve Bank of Australia is unlikely to pivot at the September meeting, which could add another layer of strength for the AUD in the short-term along with cyclical USD weakness and stable global growth dynamics," said Charu Chanana, Saxo's head of FX strategy.

Elsewhere, overall moves in the foreign exchange market were muted as traders awaited fresh hints on the state of the world's largest economy.

Asia stocks fall with Nvidia earnings on tap.

Most Asian stocks retreated on Wednesday with technology-heavy indexes falling in anticipation of earnings from market darling Nvidia, while Australian stocks sank on a sticky inflation print.

Persistent concerns over China also kept sentiment towards Asia on edge, after Canada said it will impose steep trade tariffs on the region's biggest economy.

Regional markets took middling cues from Wall Street, as the Dow Jones Industrial Average and S&P 500 crept higher to record highs. But the NASDAQ Composite lagged amid some caution before Nvidia's earnings. Expectations of rate cuts also spurred a pivot out of technology and into more economically sensitive sectors.

U.S. stock index futures fell in Asian trade.

Asia tech retreats, Nvidia earnings awaited

Tech-heavy Asian bourses retreated on Wednesday, with chipmaking stocks skittish ahead of earnings from NVIDIA Corporation (NASDAQ:NVDA).

South Korea's KOSPI fell 0.5%, while Japan's Nikkei 225 and Hong Kong's Hang Seng indexes lost about 0.3% and 0.8%, respectively.

Focus will be squarely on whether Nvidia continued to benefit from strong demand for artificial intelligence- a trend that saw the stock surge nearly 160% in value so far in 2024.

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