

# MARKET UPDATE

**13/09/2024**

## **Gold prices hit record high.**

Gold prices hit a record high in Asian trade on Friday, buoyed by persistent speculation that the Federal Reserve will cut interest rates in the coming week, while increased safe haven demand in the face of a tight U.S. presidential election also helped.

The yellow metal shot up on Thursday and Friday, tracking declines in the dollar and Treasury yields as markets maintained bets on an interest rate cut despite some stronger inflation data.

Signs of weakness in the labor market also furthered this notion.

Spot gold rose 0.3% to \$2,566.59 an ounce, while gold futures expiring in December rose 0.6% to \$2,594.70 an ounce by 23:47 ET (03:47 GMT). Spot gold surged to a record high of \$2,570.06 earlier in the session, while gold futures neared a peak of \$2,600.

Gold buoyed by rate cut speculation

Gains in the yellow metal came as investors remained convinced that the Fed will cut rates when it meets next week.

## **Oil extends recovery.**

Oil prices rose on Friday, extending a rally sparked by output disruptions in the U.S. Gulf of Mexico, where Hurricane Francine forced producers to evacuate platforms before it hit the coast of Louisiana.

Brent crude futures rose by 32 cents, or 0.44%, to \$72.29 per barrel by 0619 GMT. U.S. West Texas Intermediate crude futures rose by 34 cents, or 0.49%, to \$69.31 a barrel.

If those gains hold, both benchmarks will break a streak of weekly declines, despite a rough start that saw Brent crude dip below \$70 a barrel on Tuesday for the first time since late 2021. At current levels, Brent is set for a weekly increase of about 1.7%, and WTI is set to gain over 2%.

"A previous dip to an almost three-year low called for some near-term breather to end the week, as market participants price (in) for the disruptions to short-term oil supplies caused by Hurricane Francine," said IG market strategist Yeap Jun Rong in an email.

Oil producers assessed damage and conducted safety checks on Thursday, preparing to resume operations in the U.S. Gulf of Mexico as estimates emerged of the loss of supply from Francine.



## Asian stocks drift higher.

Most Asian stocks rose on Friday as focus turned to the Federal Reserve's first potential interest rate cut in over four years, with Hong Kong markets leading gains on bargain buying into local technology heavyweights.

Japanese stocks lagged their regional peers after seeing wild swings this week amid soft inflation signals and hawkish comments from the Bank of Japan. A BOJ meeting next week is also in focus.

Regional markets tracked some overnight gains on Wall Street, where investors looked past sticky inflation prints amid persistent bets on an interest rate cut by the Fed when it meets next week. Steady buying in the technology sector also helped.

U.S. stock index futures were steady in Asian trade.

Hong Kong buoyed by tech, Chinese markets flat

Hong Kong's Hang Seng index was the best performer in Asia on Friday, extending a rebound into a third session as traders bought into heavily discounted local internet stocks.

But Chinese markets were much less positive, with the Shanghai Shenzhen CSI 300 and Shanghai Composite indexes rising marginally from more than seven-month lows hit earlier this week.

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