

MARKET UPDATE

17/09/2024

Asian stocks edge higher on rate cut bets.

Most Asian stocks rose slightly on Tuesday in anticipation of an interest rate cut by the Federal Reserve, while Japanese markets were dented by a stronger yen before a Bank of Japan meeting.

Regional markets took middling cues from a mixed overnight session on Wall Street, where losses in technology stocks dragged the NASDAQ Composite lower. But the Dow Jones Industrial Average hit a record high as bets on lower interest rates drove some flows into economically sensitive sectors.

U.S. stock index futures were flat in Asian trade. Regional trading volumes were muted on account of market holidays in China and South Korea.

Asian markets buoyed by prospect of 50 bps Fed cut

Asian stocks advanced amid growing bets that the Fed will cut interest rates by 50 basis points at the conclusion of a two-day meeting on Wednesday.

Gold prices keep record highs in sight.

Gold prices fell slightly in Asian trade on Tuesday, but remained close to record highs amid growing conviction that the Federal Reserve will cut interest rates by a wide margin this week.

The yellow metal hit a record high on Monday and traded just below those levels as traders began pricing in a 50 basis point rate cut by the Fed on Wednesday. Strength in gold came following weakness in the dollar and Treasury yields.

Spot gold fell 0.2% to \$2,578.03 an ounce, while gold futures expiring in December fell 0.1% to \$2,605.05 an ounce by 23:56 ET (03:56 GMT).

Gold benefits from bets on 50 bps cut

Spot prices hit a record high of \$2,589.69 an ounce on Monday, as the dollar fell on bets of a bigger rate cut. The Fed is set to conclude a two-day meeting on Wednesday.

Traders were seen pricing in a 68% chance the Fed will cut rates by 50 bps at the conclusion of a meeting on Wednesday, and a 32% chance of a 25 bps cut, CME Fedwatch showed.

Lower rates bode well for gold and other precious metals, given that they reduce the opportunity cost of investing in non-yielding assets.

Bitcoin price today Steady at \$58k.

Bitcoin's price fell slightly on Tuesday with focus remaining on an upcoming Federal Reserve meeting where the central bank is widely expected to cut interest rates.

Crypto prices were little enthused by the release of more details on an upcoming project by Republican presidential candidate Donald Trump, which appears to be a banking or exchange platform.

Bitcoin fell 0.1% to \$58,291.4 by 00:48 ET (04:48 GMT). The token remained squarely within a \$50,000 to \$60,000 trading range seen through most of the year.

Trump unveils more details on crypto project

The team behind World Liberty Financial- an upcoming crypto project backed by the Trump family- unveiled some key details on the project during a launch event on X on Monday evening.

The project appears to be a crypto banking and exchange platform, and will have its own native token- WLFI- which will be distributed among the founding team and released for sale to the general public. About 20% of the tokens will be reserved for the founders, 17% will be reserved for rewards, and 63% of the float will be released to the public.

Trump spoke briefly during the event, which was hosted on X. He reiterated plans to make America the "crypto capital" of the world, but gave scant details on said plans.

Trump has campaigned on a largely pro-crypto stance for the 2024 presidential election race. But he was seen lagging Democratic candidate Kamala Harris after a fiery debate last week.

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