

# MARKET UPDATE

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## Gold prices steady near record highs.

Gold prices steadied in Asian trade on Thursday, remaining close to record highs as focus turned to an upcoming address by Federal Reserve Chair Jerome Powell, while key U.S. economic readings also loomed.

Among industrial metals, copper prices steadied after a recent rally to two-month highs, as sentiment over more stimulus measures in top importer China cooled.

Metal markets were pressured by an overnight rebound in the dollar, as the greenback surged from over one-year lows amid persistent speculation over just how the Fed will reduce rates further after a 50 basis point cut last week.

Spot gold rose 0.2% to \$2,661.78 an ounce, while gold futures expiring in December steadied at \$2,685.0 an ounce by 00:18 ET (04:18 GMT). Spot prices briefly hit a record high of \$2,670.52 on Wednesday.

The yellow metal remained perched near recent peaks, with focus turning squarely to an address by Powell due later in the day.

## Asian stocks rise as China cheer persists.

Most Asian stocks rose on Thursday amid persistent cheer over stimulus measures in China, while technology stocks- particularly chipmakers- rallied tracking strong earnings from U.S. peer Micron.

Regional markets shrugged off a weak overnight session on Wall Street, where U.S. stock indexes fell from record highs amid anticipation of more cues from the Federal Reserve this week.

But Wall Street futures rose in Asian trade, buoyed by gains in tech and chipmakers. Micron Technology Inc (NASDAQ:MU) led these gains after the memory chip maker clocked strong earnings on artificial intelligence demand.

Focus this week is on an upcoming address by Fed Chair Jerome Powell, as well as PCE price index data- the Fed's preferred inflation gauge.

Asian tech gains as Micron boosts chipmakers

Tech-heavy indexes were the best performers in Asia, with South Korea's KOSPI up 2.1%, while Japan's Nikkei 225 and TOPIX indexes rose 2.4% and 1.8%, respectively.

## Dollar firm following sharp rebound.

The dollar held firm on Thursday following its sharpest rally since early June as traders looked ahead to speeches from key Federal Reserve policymakers later in the day for clues on the pace of interest rate cuts.

The U.S. currency rebounded strongly overnight from a more than one-year low to the euro and 2 1/2-year trough versus sterling.

While there was no obvious catalyst for the rebound, investors appeared to take a more nuanced view on just how aggressive future U.S. rate reductions would be, with Fed speakers this week not presenting a unified view on the path forward.

On Wednesday, Fed Governor Adriana Kugler said she "strongly supported" the decision to cut rates by half a point earlier this month to kick off the easing cycle, but did not talk about her preferences for the pace of reductions from here.

Earlier this week, Chicago Fed President Austan Goolsbee said policymakers "can't be behind the curve" if the economy is to have a soft landing. Atlanta Fed President Raphael Bostic said the central bank need not go on a "mad dash" to lower rates.

"I'm not getting the feeling at this point that it's particularly unanimous," said Kenneth Crompton, chief rates strategist at National Australia Bank (OTC:NABZY).

"It sort of feels like they've done their catch up ... and from here it's probably more 25s than 50s."

Later on Thursday, Fed Chair Jerome Powell gives pre-recorded remarks at a conference in New York, where New York Fed President John Williams will also speak. Boston Fed President Susan Collins and Fed Governors Michelle Bowman and Lisa Cook take to the podium at various other venues as well.

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