

# MARKET UPDATE

**30/09/2024**

## **Oil forecasts cut for 5th straight month.**

Analysts have cut their 2024 oil price forecasts for a fifth consecutive month, citing weaker demand and uncertainty over OPEC's plans, with prices expected to remain under pressure despite geopolitical risks, a Reuters poll found on Monday.

A Reuters poll of 41 analysts and economists conducted in the past two weeks projected Brent crude would average \$81.52 per barrel in 2024, the lowest poll projection since February and down from \$82.86 projected in August.

U.S. crude prices are expected to average \$77.64, below last month's forecast of \$78.82.

"The recent weakness in oil prices is partly attributable to market concerns over how and when OPEC will return barrels to the market, alongside weaker Chinese demand indicators," said Roger Read, Senior Energy Analyst at Wells Fargo.

Global oil demand is now expected to grow by 0.9 to 1.2 million barrels per day (mbpd) in 2024, down from previous estimates of 1 to 1.3 mbpd, as per the poll.

Both OPEC and the International Energy Agency (IEA) have cut their forecasts, citing slower Chinese demand, with OPEC reducing its 2024 oil demand growth outlook for the second time.meeting next week.

## **European carmakers warn on profits.**

European carmaker Stellantis (NYSE:STLA) joined on Monday bigger rival Volkswagen (ETR:VOWG\_p) and others in warning about the worsening outlook for auto demand and rising costs, wiping billions of euros off the sector's market value.

The automakers are struggling with weak demand in China and the United States and a potential trade war between Beijing and the EU as the bloc prepares to finalise import tariffs on Chinese electric vehicles over alleged subsidies.

British luxury carmaker Aston Martin also issued a full-year profit warning on Monday, partly blaming falling demand in China, as Mercedes-Benz (OTC:MBGAF) and BMW (ETR:BMWG) also did earlier this month.

Aston Martin's shares plunged as much as 20% to their lowest in nearly two years.

Shares in Stellantis were down nearly 11%, hitting their lowest since December 2022 as investors digested the scale of the world No. 4 automaker's problems. Stellantis shares have lost 38% in value this year, making it Europe's worst performing automaker.



## Stellantis, Ford and Boeing fall premarket.

US stock futures traded marginally lower Monday, starting the final session of the quarter on a downbeat note ahead of a closely-followed speech by Fed chair Jerome Powell.

Here are some of the biggest premarket US stock movers today

Stellantis (NYSE:STLA) stock fell 13% after the auto giant slashed its annual forecasts and said it would burn through more cash than expected, citing worsening trends in the industry, higher costs to overhaul its U.S. business and Chinese competition on electric vehicles.

Ford (NYSE:F) stock fell 3.3% and General Motors (NYSE:GM) stock dropped 3.7%, retreating in the wake of Stellantis' comments about rising Chinese competition.

Boeing (NYSE:BA) stock fell 0.7% after the International Association of Machinists and Aerospace Workers said late on Friday that its pay deal talks with the aircraft manufacturer had broken off and that there were no further dates scheduled for negotiations at this time.

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