

# MARKET UPDATE

09/10/2024

## Asia stocks rise on tech gains.

Most Asian stocks rose on Wednesday with technology shares tracking gains in their U.S. peers, while Chinese markets fell sharply as investors were disappointed by a lack of details on more stimulus measures.

Regional markets took a positive lead-in from Wall Street, as a rally in technology stocks helped spark overnight gains.

But U.S. stock index futures were muted in Asian trade, with focus turning to more cues on the Federal Reserve and inflation, which are due in the coming days. Bets on a slower pace of U.S. rate cuts had dented stock markets at the beginning of the week.

Chinese stocks slide as stimulus rally fizzles

China's Shanghai Shenzhen CSI 300 and Shanghai Composite indexes were by far the worst performers on Wednesday, falling more than 4% each from two-year highs.

## Bitcoin price today steady at \$62k.

Bitcoin's price moved little on Wednesday, steadying after recent losses as traders hunkered down before more cues on U.S. interest rates from the Federal Reserve and inflation data.

A rebound in the world's biggest cryptocurrency ran dry this week as traders priced in a slower pace of interest rate cuts by the Fed in the coming months. Pressure from a firmer dollar also weighed on broader crypto markets, while risk appetite soured.

Bitcoin fell 0.1% to \$62,466.2 by 01:50 ET (05:50 GMT).

Fed minutes, inflation data on tap

Focus was now squarely on the minutes of the Fed's September meeting, due later on Wednesday, for more cues on interest rates. The central bank cut rates by 50 basis points in September and announced the start of an easing cycle.

Strong payrolls data released last week raised questions over just how much impetus the Fed has to keep cutting rates sharply. Traders were seen pricing in an 84.1% chance the Fed will cut rates by 25 bps in November, and a 15.9% chance rates will remain unchanged, CME Fedwatch showed.

Consumer price index inflation data due on Thursday is also in focus, given that the Fed signaled its pace of future cuts will depend on inflation and the labor market.



## Gold prices pressured by rate uncertainty.

Gold prices fell in Asian trade on Wednesday, extending a drop from record highs amid growing bets that the Federal Reserve will cut interest rates at a slower pace in the coming months.

A firm dollar also weighed on broader metal markets, as bets on a smaller Fed rate cut drove up U.S. Treasury yields.

Spot gold fell 0.2% to \$2,615.90 an ounce, while gold futures expiring in December fell slightly to \$2,634.20 an ounce by 00:57 ET (04:57 GMT). Spot prices had hit a record high of \$2,685.96 an ounce earlier this month.

Gold eases with Fed, inflation cues on tap

Bullion prices were pressured by uncertainty over U.S. interest rates, as an increasing number of traders bet that the Fed will cut rates by a smaller, 25 basis points in November.

The minutes of the Fed's September meeting are due later on Wednesday, and are expected to provide more insight into the central bank's stance. The Fed had cut rates by 50 bps in September and announced the start of an easing cycle.

But strong payrolls data for September raised doubts over just how much impetus the Fed had to keep slashing rates. This notion pushed up the dollar and weighed on precious metal prices, given that higher rates diminish their appeal.

Consumer price index inflation data is due on Thursday and is also expected to factor into the Fed's decision.

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