

MARKET UPDATE

17/10/2024

Asia FX muted amid China stimulus watch.

Most Asian currencies were muted on Thursday as investors awaited cues on more stimulus in China, while the dollar steadied at 2-½ month highs amid growing speculation over a second Donald Trump presidency.

Most regional currencies were nursing losses over the past week as traders bet that the Federal Reserve will cut interest rates at a slower pace, which bolstered the dollar.

Underwhelming signals on Chinese stimulus also dented sentiment towards regional markets.

Dollar steadies near 2-½ mth high as Trump trade picks up

The dollar index and dollar index futures fell slightly in Asian trade, retreating from their highest levels since early-August.

The greenback was buoyed by increased speculation that Trump will secure a second term, especially as prediction markets, such as crypto betting site Polymarket, showed him pulling ahead of Vice President Kamala Harris.

Recent media polls, however, showed Harris holding a small lead, with about three weeks left to the ballots.

Oil edges up from two-week lows.

Oil prices edged higher on Thursday from two-week lows, with investors eyeing developments in the Middle East and more details on China's stimulus plans, as well as awaiting the release of official U.S. oil inventory data.

Brent crude futures rose 17 cents, or 0.2%, to \$74.39 a barrel by 0408 GMT, while U.S. West Texas Intermediate crude futures were at \$70.58 a barrel, up 19 cents, or 0.3%.

Both benchmarks settled down on Wednesday, closing at their lowest levels since Oct. 2 for a second day in a row.

The benchmarks are down 6-7% so far this week after the Organization of the Petroleum Exporting Countries (OPEC) and the International Energy Agency cut demand forecasts for 2024 and 2025.

Prices have also fallen as risk premiums have cooled with fears having eased that a retaliatory attack by Israel on Iran could disrupt oil supplies, though uncertainty remains over conflict in the Middle East.

Bitcoin price today hovers around \$67k.

Bitcoin's price rose on Thursday, hovering near three-month highs as speculation over a second Trump presidency, friendlier regulation and improved capital inflows boosted cryptocurrency markets over the past week.

Bitcoin rose 0.5% to \$67,328.4 by 01:05 ET (05:05 GMT), after briefly breaching \$68,000 earlier this week. The token had broken reliably out of a tight \$50,000 to \$65,000 trading range seen through most of the year.

Broader cryptocurrency prices also rose on speculation over an improved regulatory outlook in the U.S., after Vice President Kamala Harris pledged a regulatory framework for the industry.

Bitcoin in particular was supported by defunct crypto exchange Mt Gox postponing its timeline for returning stolen tokens to creditors.

Bitcoin buoyed by speculation over Trump victory

Recent gains in Bitcoin came amid increasing speculation that Republican candidate Donald Trump will clinch a second term.

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