

MARKET UPDATE

21/10/2024

Gold prices hit record high above \$2,730.

Gold prices hit a record high in Asian trade on Monday, extending a rally from last week as uncertainty over the U.S. election and anticipation of Israel's retaliation against Iran fueled safe haven demand.

Other precious metals also advanced, with silver in particular racing to a 12-year peak, while industrial metal prices, specifically copper, also firmed following an interest rate cut in top importer China.

Metal prices rose even as the dollar remained close to its highest levels since early-August, as traders penciled in a slower pace of interest rate cuts by the Federal Reserve.

Precious metal prices were buoyed chiefly by increased safe haven demand, especially as reports over the weekend showed Israel was planning a strike against Iran over a missile strike earlier in the month.

Hostilities between Israel and Hamas and Hezbollah also continued, pointing to little deescalation in Middle East tensions.

Bitcoin price today hits 3-month high at \$69k.

Bitcoin's price rose on Monday, briefly hitting a three-month high amid increased speculation that Donald Trump will win the 2024 elections, with the token coming back in sight of record highs.

The world's biggest cryptocurrency rose sharply over the past week as recent polls and prediction markets pointed to a greater chance of a Trump victory, although analysts still called the presidential race too close to call.

Bitcoin rose 1.1% to \$69,007.1 by 00:56 ET (04:56 GMT), and was about \$5000 away from a record high. Crossing \$70,000 is also set to be a key bullish signal for the token.

Trump bets buoy Bitcoin

Recent polls and prediction markets showed increased odds of a Trump victory over Democratic nominee Kamala Harris. Crypto prediction market Polymarket showed a 60.7% chance of a Trump victory and a 39.1% chance of a Harris victory. 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.



Asia stocks muted.

Most Asian stocks kept to a tight range on Monday as focus remained on the upcoming earnings season, while Chinese markets rose in choppy trade after the People's Bank cut rates slightly more than expected.

Regional markets took some positive cues from Wall Street, as U.S. stock indexes closed near record highs on Friday. Wall Street futures were mildly positive in Asian trade.

A slew of major U.S. and Asian earnings are due in the coming weeks, offering up more cues on corporate profits amid high global interest rates and softer economic conditions.

Chinese stocks rise after PBOC cuts rates

China's Shanghai Shenzhen CSI 300 and Shanghai Composite indexes rose around 0.7% in volatile trade after the People's Bank of China cut its benchmark loan prime rates slightly more than expected.

The LPR cut comes amid a flurry of stimulus measures from Beijing, and was largely expected by markets.

Beijing over the past month unveiled its most aggressive round of stimulus measures yet, flagging both monetary and fiscal steps to improve economic growth.

But while enthusiasm over the new measures initially drove Chinese stocks to two-year highs, they retreated in recent sessions as investors were underwhelmed by a lack of details on the timing and scale of the new measures.

Hong Kong's Hang Seng index fell 0.2%, reflecting limited optimism among foreign investors over China's interest rate cut.

A string of recent economic readings also showed little improvement in Asia's biggest economy.

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