

MARKET UPDATE

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Oil prices dip as Blinken arrives in Israel.

Oil prices eased on Tuesday as the top U.S. diplomat renewed efforts to push for a ceasefire in the Middle East and as slowing demand growth in China, the world's top oil importer, continued to weigh on the market.

Brent crude futures for December delivery were down 60 cents, or 0.8%, at \$73.69 a barrel at 0717 GMT. U.S. West Texas Intermediate crude futures for November delivery were 6 cents lower at \$70.50 a barrel on the contract's last day as the front month.

The more actively traded WTI futures for December, which will soon become the front month, fell 57 cents, or 0.8%, to \$69.47 per barrel.

Both Brent and WTI settled nearly 2% higher on Monday, recouping some of last week's more than 7% decline, with no letup of fighting in the Middle East and the market still nervous about Israel's expected retaliation against Iran potentially leading to a disruption of oil supply.

Gold hovers near record high.

Gold prices rose on Tuesday and hovered near a record high hit in the previous session, amid uncertainties around the U.S. election, the ongoing Middle East tensions and expectations of central banks cutting interest rates.

Spot gold rose 0.6% to \$2,735.14 per ounce by 0658 GMT and U.S. gold futures rose 0.4% to \$2,749.30.

Gold, considered a hedge against political and geopolitical uncertainty, hit an all-time high of \$2,740.37 on Monday and has gained more than 32% so far this year.

"A confluence of tailwinds remains in place, which includes its (gold's) status as an attractive hedge against U.S. election uncertainties and geopolitical risks, resilient central banks' demand and room for catch-up ETF buying," IG market strategist Yeap Jun Rong said.

"Buyers may seem to eye the \$2,800 level next, as political uncertainties will persist as the election draws nearer."

With the U.S. presidential election just over two weeks away, former President Donald Trump and Vice President Kamala Harris are caught in a knife-edge battle to win over some of the more competitive states.



European stocks mixed, IMF report in focus.

European stock markets traded in a mixed fashion Tuesday, as investors digested more third-quarter corporate earnings amid uncertainty over global growth and the future path of interest rates.

At 03:10 ET (07:10 GMT), the DAX index in Germany traded 0.5% higher, while the CAC 40 in France fell 0.1% and the FTSE 100 in the U.K. dropped 0.4%.

IMF to update growth forecasts

The European Central Bank cut interest rates last week, the central bank's first back-to-back rate cut since 2011 amid concerns about economic activity in the region.

The International Monetary Fund will update its global growth forecasts later Tuesday.

IMF Managing Director Kristalina Georgieva last week flagged a lackluster outlook, saying the global economy was headed for slow medium-term growth, and pointing to a "difficult future", with continued weakness in China and Europe.

The European Central Bank is likely to cut its key interest rate down to its "natural" level between 2% and 3% but it may need to reduce it even further if a fall in inflation becomes entrenched, ECB policymaker Gediminas Simkus said on Monday.

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