

MARKET UPDATE

23/10/2024

Gold prices at record highs.

Gold prices inched higher to a record high in Asian trade on Wednesday, extending a run of recent gains as anticipation of a tight U.S. presidential race and persistent tensions in the Middle East spurred safe haven demand.

Strength in the yellow metal came even as the dollar hit a near three-month high, amid growing bets that the Federal Reserve will cut interest rates at a slower pace. Other precious metals were also sitting on strong gains in recent sessions.

Spot gold rose slightly to a record high of \$2,750.35 an ounce, while gold futures expiring in December rose 0.2% to \$2,764.15 an ounce.

Gold boosted by safe haven demand

Gains in bullion prices were driven chiefly by increased safe haven demand, as traders positioned for a tight presidential election.

Republican nominee Donald Trump was seen gaining an edge over Democrat Kamala Harris, according to some recent polls and online prediction markets.

Oil slips on higher US crude stockpiles.

Oil prices fell on Wednesday after industry data showed U.S. crude inventories swelled more than expected, though declines were capped as the market watched diplomatic efforts in the Middle East after Israel continued attacks on Gaza and Lebanon.

Brent crude futures eased 50 cents, or 0.7%, to \$75.54 a barrel by 0640 GMT. U.S. West Texas Intermediate crude futures shed 50 cents, or 0.7%, to \$71.24 a barrel.

Crude futures settled higher in the two previous sessions this week.

"The market continues to wait for Israel's response to Iran's missile attack," ING analysts said on Wednesday, adding the price strength on Tuesday was possibly due to the lack of outcome from U.S. Secretary of State Antony Blinken's latest visit to Israel.

Blinken held "extended conversations" with Israeli Prime Minister Benjamin Netanyahu and senior Israeli leaders, urging them to get more humanitarian aid into Gaza, a senior State Department official said.

Israel on Tuesday also confirmed it had killed Hashem Safieddine, the heir apparent to late Hezbollah leader Hassan Nasrallah who was killed last month in an Israeli attack targeting the Iran-backed Lebanese militant group.

Asia stocks muted, Hong Kong rallies.

Most Asian stocks struggled for direction on Wednesday as rising U.S. Treasury yields and uncertainty over the presidential election kept investors out of risky assets.

Hong Kong stocks were the best performers for the day after sentiment was boosted by strong local IPO activity. Chinese markets also extended recent gains after Beijing unveiled a flurry of stimulus measures.

Most other regional markets took middling cues from a flat overnight session on Wall Street, as a slew of mixed earnings also did little to drive up optimism. A spike in Treasury yields and anticipation of a tight presidential election- which is about two weeks away- weighed on sentiment.

U.S. stock index futures drifted lower in Asian trade.

Hong Kong rallies on improved IPO activity

Hong Kong's Hang Seng index was the standout performer in Asia, rallying 1.7% as a strong debut by China Resources Beverage boosted sentiment towards local stocks.

The beverage maker's shares surged 14% in their debut, after the firm raised about \$540 million in its initial public offering.

China Resources Beverage is Hong Kong's second-largest IPO this year, behind Horizon Robotics, which reportedly raised \$696 million earlier this week. The firm's shares are set to begin trading on Thursday.

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