

MARKET UPDATE

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Dollar limps into US Election Day.

The dollar softened on Tuesday as traders squared positions on the day of the U.S. presidential election, after recent polls dented some market bets on a victory for Republican Donald Trump.

Democrat Kamala Harris has also experienced improving odds on election gambling sites and had a slight lead on PredictIt overnight, although Polymarket continued to show Trump as favourite.

In recent weeks, financial markets and some betting platforms had leaned strongly in favour of a win for Trump, whose tariff and immigration policies are considered inflationary by analysts, leading to a rise in U.S. Treasury yields and gains for the dollar.

Overnight, though, the U.S. currency slumped as much as 0.76% against the euro to a three-week trough after a weekend opinion poll showed Harris with a surprise lead in Iowa, a traditional Republican stronghold. Overall, polls continue to show a tight race.

The dollar index, which measures the currency against six major peers including the euro, edged down slightly to 103.89 as of 0618 GMT, after slumping as low as 103.67 on Monday for the first time since Oct. 21. Last week it surged to the highest since the end of July at 104.63.

Oil trades in tight range.

Oil prices traded in a narrow range on Tuesday ahead of what is expected to be an exceptionally close U.S. presidential election, after rising more than 2% in the previous session as OPEC+ delayed plans to hike production in December.

"We are now in the calm before the storm," IG market analyst Tony Sycamore said.

Oil prices were supported by Sunday's announcement from the Organization of the Petroleum Exporting Countries (OPEC) and their allies, a group known as OPEC+, to push back a production hike by a month from December as weak demand and rising non-OPEC supply depress markets.

Still, risk-taking remains limited with a busy week - including the U.S. election, the Federal Reserve's policy meeting, and China's National People's Congress (NPC) meeting - keeping many traders on the sidelines, said Yeap Jun Rong, market strategist at IG. For now, polls suggest the U.S. presidential race will be closely contested, and any delay in election results or even disputes could pose near-term risks for broader markets or drag on them for longer, added Yeap.



Bitcoin price today drops to \$68k.

Bitcoin fell on Tuesday, extending recent declines as anticipation of a tightly contested presidential election saw traders remain largely wary of speculative assets such as cryptocurrencies.

The world's biggest cryptocurrency had come within spitting distance of a record high last week, before sharply pulling back as traders grew more uncertain over the upcoming election.

Losses in broader risk-driven markets, especially stocks, also showed that sentiment remained weak, with a Federal Reserve meeting later this week also coming into focus.

Bitcoin fell 1.2% to \$68,345.5 by 00:27 ET (05:27 GMT).

Bitcoin skittish with Trump, Harris set for tight race

Initial gains in Bitcoin were driven by increased speculation that Donald Trump would beat Kamala Harris in the upcoming elections.

But recent polls and prediction markets showed Trump's lead had largely evaporated heading into the elections, with voting set to begin later on Tuesday.

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