

MARKET UPDATE

07/11/2024

Gold prices nurse steep losses.

Gold prices fell slightly in Asian trade on Thursday, extending steep losses from the prior session after Donald Trump's victory in the 2024 elections sparked a rally in the dollar and risk assets.

The yellow metal was also battered by a hefty dose of profit-taking, having notched a series of record highs in the run-up to the elections. But despite recent losses, gold still retained a bulk of its gains from the past month.

Spot gold fell slightly to \$2,658.03 an ounce, while gold futures expiring in December fell 0.4% to \$2,664.70 an ounce by 23:37 ET (04:37 GMT).

Gold pressured by dollar rally after Trump victory

Spot gold prices tumbled more than 3% on Wednesday after Trump's victory saw the dollar rally to four-month highs.

A quick conclusion to a hotly contested presidential election also cleared a key point of uncertainty for global financial markets, triggering a risk-on rally across the board, while pressuring safe haven assets such as gold.

Daimler Truck's Q3 core profit slightly.

Germany's Daimler Truck reported marginally better-than-expected third-quarter core profit on Thursday, driven by its performance in North America, even as weakness in Europe continued to weigh.

Adjusted earnings before interest and taxes came in at 1.19 billion euros (\$1.28 billion) for the quarter ended Sept. 30, compared to analysts' average estimate of 1.14 billion euros in a company-compiled poll.

Core profit rose 2% at its Trucks North America segment to reach 725 million euros but fell 47% at its Europe-focused Mercedes-Benz (OTC:MBGAF) business to 283 million euros.

Better pricing helped Daimler Truck to beat estimates, the company said, even as overall unit sales fell by about 10%.

Daimler Truck's margin at its truck- and bus-making businesses was 9.3% for the quarter, beating analysts' expectations of 8.8%.

That was still down from 9.8% a year earlier.

China asks banks to lower interbank deposit rates.

Chinese regulators have asked the country's banks to lower the rates they pay to deposits from other financial institutions to free up funds to boost the economy, Bloomberg News reported on Thursday, citing people familiar with the matter.

China's interest rate self-disciplinary mechanism, a supervisory body overseen by the central bank, said banks should benchmark the interbank deposit rate against the 7-day reverse repo rate, currently set at 1.5% annually, Bloomberg News said.

Some banks paid an annual rate of 1.8% or above to attract savings from financial counterparties, the report said.

The central bank did not immediately reply to a Reuters request for comments.

The move aims to help lenders contain excessive deposit costs so they can do more to support the real economy.

China's major lenders last month lowered interest rates on deposits across the board for the second time this year, a move to ease pressure on net interest margins (NIM) - a key gauge of profitability.

Banks' NIM has narrowed to record lows as they are pushed to offer cheaper loans and lower mortgage rates as part of the nation's stimulus package.

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