

# MARKET UPDATE

**12/11/2024**

## **Asia stocks drift lower.**

Most Asian stocks moved in a flat-to-low range on Tuesday as Chinese markets struggled after recent fiscal measures from Beijing underwhelmed, with focus turning to an upcoming U.S. inflation reading this week.

Risk appetite was seen mostly cooling after global stock markets clocked strong gains in the immediate aftermath of a Donald Trump victory in the 2024 presidential election.

Regional markets took middling cues from a mildly positive overnight close on Wall Street, with U.S. stock benchmarks rising slightly to record highs. U.S. stock index futures were flat in Asian trade, as investors speculated over just what a Trump victory will entail for economic policy.

Focus this week is also on key U.S. consumer price index inflation data, for more cues on interest rates. A slew of Federal Reserve officials are also set to speak in the coming days.

## **Oil slips on China stimulus concerns.**

Oil prices eased on Tuesday as investor disappointment over China's latest stimulus plan and oversupply concerns weighed on the market, along with a stronger dollar.

Brent crude futures fell 17 cents, or 0.2%, to \$71.66 a barrel, by 0550 GMT. U.S. West Texas Intermediate crude futures were at \$67.84 a barrel, down 20 cents or 0.3%.

China unveiled a 10-trillion-yuan (\$1.4-trillion) debt package on Friday to ease local government financing strains, as the world's biggest oil importer faces fresh pressure from the re-election of Donald Trump as U.S. president.

While crude oil prices extended losses on a stronger U.S. dollar, concerns also emerged over demand in China, ANZ Research analysts said in a note.

"Data released over the weekend showed anaemic consumer inflation in October and another decline in factory gate prices," they said. The market is now looking ahead to the release of monthly oil market reports from OPEC, the International Energy Agency and the Energy Information Administration, the analysts added.

"Any further downgrades on demand, particularly from OPEC, could weigh on sentiment." The Organization of Petroleum Exporting Countries (OPEC) monthly report is set to be released later on Tuesday.

## Bitcoin price today hits record high near \$90k.

Bitcoin rose sharply on Tuesday, extending recent gains and notching new peaks as bets on friendlier regulation under a Donald Trump presidency continued to boost crypto markets.

The world's biggest cryptocurrency has been on a tear since last week after Trump won the 2024 presidential election. Bitcoin has also largely sustained its rally despite signs that risk appetite was cooling in other asset classes, especially stocks.

Major altcoins also rose sharply on Tuesday, with meme token Dogecoin rallying nearly 42% and reaching its highest level since May 2021.

Bitcoin traded up 9.4% at \$88,313.1 by 00:36 ET (05:36 GMT), after hitting a record high of \$89,436.1 earlier in the session.

Trump trade persists, Bitcoin shrugs off dollar strength

Bitcoin rose despite pressure from a stronger dollar on broader financial markets, as speculation over Trump's policies boosted the greenback.

Trump campaigned on promises of friendlier crypto regulation, vowing to make America the crypto capital of the world. Trump had also floated the idea of a national Bitcoin reserve.

The prospect of friendlier U.S. regulation is expected to give Bitcoin and crypto more legitimacy as an investment destination, potentially attracting more institutional capital. Investors were seen piling into crypto exchange-traded funds over the past week, with Blackrock's iShares Bitcoin Trust (NASDAQ:IBIT) seeing over \$1 billion inflows in a single day after Trump's victory.

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