

MARKET UPDATE

15/11/2024

Gold prices steady but head for worst week since 2021.

Gold prices steadied in Asian trade on Friday, but were nursing their worst weekly performance in over three years as strong U.S. inflation and less dovish signals from the Federal Reserve sparked doubts over lower interest rates.

The yellow metal was also battered by a risk-on rally in the wake of a Donald Trump victory in the 2024 presidential election. Markets were also uncertain over the outlook for interest rates under Trump.

Spot gold rose 0.2% to \$2,569.47 an ounce, while gold futures expiring in December rose 0.1% to \$2,574.05 an ounce by 23:40 ET (04:40 GMT).

Gold set to lose over 4% this week

Spot gold was trading down about 4.3% this week, its worst performance since June 2021. The yellow metal had initially tumbled from record highs after Trump's election victory ramped up risk appetite last week.

Losses deepened this week as the dollar shot up to one-year highs amid increasing uncertainty over the near-term outlook for interest rates.

Dollar headed for weekly gain.

The dollar was set for its best week in more than a month on Friday, buoyed by expectations of fewer Federal Reserve rate cuts and the view that Donald Trump's policies could further stoke inflation when he assumes office in January.

The greenback hovered near a one-year high against a basket of currencies at 106.81 and was eyeing a weekly gain of 1.76%, which would mark its best performance since September.

Sterling was in turn on track for its steepest weekly fall since January 2023 at roughly 2%. It last ticked up 0.06% to \$1.2676.

The euro last bought \$1.0541, languishing near a one-year low hit in the previous session. It was headed for a weekly fall of 1.67%, also its worst in over a month.

Fed Chair Jerome Powell said on Thursday the central bank does not need to rush to lower interest rates, citing ongoing economic growth, a solid job market and sticky inflation as reasons for caution against easing policy too quickly.



Bitcoin price today down to \$87k.

Bitcoin fell from near record highs on Friday as optimism over a Donald Trump presidency cooled, while broader risk appetite was hit by increased uncertainty over U.S. interest rates.

The world's biggest cryptocurrency was still sitting on stellar gains for the week, as it notched record highs above \$90,000 on bets that U.S. regulations will favor crypto under Trump.

Bitcoin fell 2.6% to \$87,634.6 by 00:26 ET (05:26 GMT), after hitting a record high of \$93,226.6 earlier in the week. Markets were now watching for the crypto to cross \$100,000, which is seen as a key level.

Bitcoin set for best week since February

Bitcoin was set to add about 14% this week- its best weekly performance since late-February. The coin was also headed for a third straight week of gains.

Gains in Bitcoin were driven chiefly by optimism over a Trump presidency, after he won the 2024 presidential elections. Institutional inflows into crypto exchange-traded funds were seen as a major driver of recent price gains.

Trump has vowed to enact more crypto-friendly regulation, and has also floated the possibility of a national Bitcoin reserve.

But optimism over Trump now appeared to have cooled, especially as traders now awaited more clarity on what his policies will entail.

Trump is also expected to enact expansionary policies that could push up inflation and keep interest rates relatively high in the coming years.

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