

# MARKET UPDATE

**19/11/2024**

## **Gold prices extend recovery.**

Gold prices rose in Asian trade on Tuesday, extending a recovery from two-month lows as the dollar retreated from recent peaks, while increased tensions between Russia and Ukraine also fed safe haven demand.

The yellow metal rose sharply from a two-month low this week, as a rally in risk-driven assets, in the wake of a Donald Trump victory in the 2024 presidential election, also appeared to be petering out.

Spot gold rose 0.4% to \$2,622.59 an ounce, while gold futures expiring in December rose 0.5% to \$2,626.90 an ounce by 23:20 ET (04:20 GMT). Spot prices surged nearly 2% on Monday.

Gold benefits from safe haven demand on Russia-Ukraine tensions

Media reports over the weekend said the U.S. had authorized Ukraine's use of long-range missiles to attack targets deeper in Russian territory.

## **European markets open mixed.**

European markets opened mixed on Tuesday, as investors watched corporate earnings and data releases.

At 3:25 ET (8:25 GMT), Germany's DAX index edged down 0.10%, France's CAC 40 dipped 0.1%, and the UK's FTSE 100 climbed 0.4%.

Economic data and Central bank commentary

The eurozone's final consumer inflation reading for October due out later in the morning remains the focal point for the region, as traders await confirmation of price pressures and their potential impact on European Central Bank policy.

In the U.S., housing data slated for release later in the day is unlikely to shift market dynamics significantly, with attention instead turning to a series of speeches from key central bankers.

Adding to the day's narrative, Bank of England Governor Andrew Bailey and other officials are set to appear before Parliament.

They are expected to address concerns about the government's expansionary fiscal plans and the broader implications of potential U.S. trade policies under former President Trump, who may return to influence global trade dynamics.

## Oil prices gain on supply outages.

Oil prices edged up on Tuesday, extending the previous day's rally driven by a halt in production at Norway's Johan Sverdrup oilfield, though investors remained cautious amid fears of an escalation in the Russia-Ukraine war.

Brent crude futures for January delivery rose 15 cents, or 0.2%, to \$73.45 a barrel by 0430 GMT, while U.S. West Texas Intermediate crude futures for December delivery were at \$69.31 a barrel, up 15 cents, or 0.2%. The more active WTI January contract rose 13 cents, or 0.2%, to \$69.30.

Both benchmarks climbed more than \$2 a barrel on Monday after Norway's Equinor said it has halted output from its Johan Sverdrup oilfield, Western Europe's largest, due to an onshore power outage.

Work to restart production was under way, an Equinor spokesperson said, but it was not immediately clear when it would resume.

Additionally, Kazakhstan's biggest oil field Tengiz, operated by U.S. major Chevron (NYSE:CVX), has reduced oil output by 28% to 30% due to repairs, helping to further tighten global supplies. Repairs were expected to be completed by Saturday, the country's energy ministry said.

"A halt of production at the 755,000 barrels per day Johan Sverdrup field in Norway due to a power outage, and a drop in production at the Tengiz field in Kazakhstan provided further upside," said ING analysts in a note.

"In addition, geopolitical risks between Russia and Ukraine have increased after the U.S. said it would allow Ukraine to carry out long-range missile strikes on Russia."

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