

# MARKET UPDATE

**24/04/2025**

## **Oil prices ticked up on Thursday.**

Oil prices ticked up on Thursday after falling nearly 2% in the previous session, with investors weighing a potential OPEC+ output increase against conflicting tariff signals from the White House and ongoing U.S.-Iran nuclear talks.

Brent crude futures rose 8 cents, or 0.12%, to \$66.20 a barrel by 0505 GMT, while U.S. West Texas Intermediate crude gained 9 cents, or 0.14%, to \$62.36 a barrel.

Prices settled down 2% in the previous trading session after Reuters reported that several OPEC+ members would suggest the group accelerate oil output increases for a second month in June, citing three sources familiar with the OPEC+ talks.

"While a risk-on move lifted most risk assets yesterday, oil was left behind thanks to OPEC+ discord," ING analysts wrote in a note.

Kazakhstan, which produces about 2% of global oil output and has repeatedly exceeded its quota over the past year, said it would prioritise national interest, rather than that of OPEC+ in deciding production levels, Reuters reported on Wednesday.

There have previously been disputes among OPEC+ members over compliance with production quotas, one of which resulted in Angola exiting OPEC+ in 2023.

Signs that the U.S. and China could be moving closer to trade talks supported prices. The Wall Street Journal reported that the White House would be willing to lower its tariffs on China to as low as 50% in order to open up negotiations.

## **Gold prices rebound.**

Gold prices rose sharply in Asian trade on Thursday, rebounding from recent losses as doubts over a deescalation in the U.S.-China trade war persisted, while a new Russia-Ukraine clash also buoyed haven demand.

Gold had fallen from record highs this week after U.S. President Donald Trump raised the prospect of eventually reducing steep trade duties on China. But a lack of clarity on Trump's comments, coupled with less optimistic statements from other officials, made gold's fall short-lived. Traders remained cautious towards the dollar and Treasuries, keeping gold and the Japanese yen as the main sources of safe haven.

Spot gold rose 1.3% to \$3,331.34 an ounce, while gold futures expiring in June rose 1.4% to \$3,341.25/oz by 01:37 ET (05:37 GMT).



## Dollar rebound loses steam with trade in focus.

The dollar took a breather on Thursday, following a sharp bounce after U.S. President Donald Trump backed away from threats to fire Federal Reserve Chair Jerome Powell and his administration opened the door to a softer stance on China tariffs.

After dipping below 140 yen on Tuesday, the dollar has rebounded off major chart support and was last at 142.75 yen on Thursday.

It caught an extra boost when Treasury Secretary Scott Bessent said the U.S. did not have a specific currency target in mind, ahead of talks with his Japanese counterpart. Bessent has also said the current de-facto embargo on U.S.-China trade was unsustainable, while cautioning that the U.S. would not move first in lowering its levies of more than 100% on Chinese goods.

The dollar has recovered from a 3-1/2 year low of \$1.1572 per euro, but encountered a little selling in the Asia morning to steady around \$1.1338.

It is clear, by now, that no other currency is as sensitive to trade headlines as the dollar, said ING currency strategist Francesco Pesole in a note to clients.

"We still think the balance of risks remains skewed to the downside for USD in the near term, but we don't expect a repetition of the one-way traffic in dollar selling we have witnessed of late," he said.

"That said, EUR/USD remains almost entirely a function of USD moves. And another leg higher above \$1.15 remains possible should fears about the Fed's independence take centre stage again."

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