

MARKET UPDATE

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Asia stocks climb as AI rebound chipmakers.

Asian stock markets climbed in broad-based buying on Monday, led by gains in technology shares and chipmakers amid renewed optimism around artificial intelligence, while investors also assessed China's decision to keep key lending rates unchanged.

Major Wall Street indices ended mixed last week, while futures tied to them edged higher during Asia hours on Monday.

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Nikkei, KOSPI jump 2% on tech gains

Regional markets rose, tracking strength in U.S. equities late last week, where technology stocks rebounded as concerns over heavy AI-related spending and stretched valuations eased.

Chipmakers, which had come under pressure amid fears that capital expenditure could outpace near-term returns, recovered as investors judged that demand linked to artificial intelligence and data centres remains resilient.

Gold, silver hit record highs.

Gold and silver prices hit record highs in Asian trade on Monday as concerns over renewed hostilities between Iran and Israel, along with a brewing U.S.-Venezuela conflict, drove up demand for safe havens.

Spot gold jumped 1.4% to a record high of \$4,403.60 an ounce, surpassing its October peak, while gold futures for February rallied over 1% to a peak of \$4,442.55/oz.

Spot silver rallied over 3% to a record high of \$69.4545/oz, while silver futures hit a peak of \$69.515/oz.

Broader precious metal prices also advanced, extending recent gains as markets bet on lower interest rates, higher demand, and tighter supplies in the coming year.

Monday's gains in metal markets are the latest in a long-running rally in the sector, as concerns over slowing global economic growth boosted demand for havens. Increased bets on more U.S. interest rate cuts in 2026 also aided demand for physical assets.



Yen wallows near record lows.

The yen languished near record lows to the euro and Swiss franc on Monday as the lack of hawkish signals from the Bank of Japan emboldened traders, even as Japanese officials stepped up warnings about currency intervention.

The Japanese currency also loitered near an 11-month trough against the U.S. dollar and was just shy of a 17-month low on the Aussie.

Early on Monday in Tokyo, both top currency diplomat Atsushi Mimura and chief government spokesperson Minoru Kihara said they were concerned about "one-sided and sharp" currency moves, and cautioned that officials were ready to "take appropriate actions," making a widely recognized hint at intervention.

On Friday, the central bank raised the policy rate by a quarter point to a three-decade peak of 0.75%, in a clearly telegraphed move. But while the accompanying statement signalled a readiness to continue tightening policy, BOJ Governor Kazuo Ueda stuck to his usual cautious rhetoric in his news conference.

The lack of any hawkish hints sent the yen tumbling 1.3% versus the euro, 1.4% against the greenback and 1.5% against the Aussie, even as it triggered a broad selloff in Japanese government bonds that sent the 10-year yield - which moves inversely to the price - soaring past the symbolic 2% mark to the highest since 1999.

Ueda is due to speak at Japan's Keidanren business lobby on Christmas Day, offering markets another opportunity to parse any policy clues.

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