

Navigating 2024 Impact Predictions

with **PU Prime**



Highlights

- 01** Middle East tension
- 02** Fed's Policy?
- 03** China stimulus plan
- 04** Combination of Fundamental and Technical Analysis (TA)



Oil Market

Oil Market

Why Trade Oil?

- Global Demand: Essential for transportation, industry, and energy
- Economic Indicator: Reflects global economic health
- Speculations: Supply disruption might boost up oil prices

What Causes Oil Prices to Fluctuate?

- Geopolitical Events: Conflicts, sanctions, and political instability
- Supply & Demand: OPEC decisions, production levels, and consumption rates
- Economic Data: GDP growth, unemployment rates, and manufacturing output
- Natural Disasters: Hurricanes, earthquakes affecting oil production and transport



Geopolitical tensions; Oil

Israel-Hamas

- Significant but unlikely immediate escalation

US-Iran Tensions

- Ongoing risk of sanctions/military action affecting oil supply

Russian-Ukraine War

- Adds to oil market volatility

Oil Investment

- Prices volatile, consolidate on recent events as uncertainties of geopolitical tensions prompt investors struggle to seek direction



US Economy **Versus Fed Policy** **Outlook**



US Economy Recover Challenge

Recent Performance

- Weak Growth: Subdued economic performance
- Nonfarm Payrolls: Slower job growth
- CPI Data: Low inflation
- US GDP Data: Slow Economic Growth

	Current	Expectations	Previous
US CPI (April)	0.30%	0.40%	0.40%
US NFP (April)	175K	238K	315K
US GDP (QoQ)	1.60%	2.50%	3.40%



Federal Reserve

Federal Reserve

1

Market expects Fed to maintain interest rates by

**0 bps to
5.25% - 5.5%**

12 June 2024

Interest Rate Expectations (Outlook)

2024: Median of 4.60%

2025: Median of 3.60%

2026: Median of 2.90%

source: Federal Reserve Dot Plot



Recent Fed Comments on Monetary Policy

Fed's Bostic:

- Not in a hurry to cut rates
- Prefers to wait longer before considering a rate cut

Fed Officials Collins & Mester:

- Emphasize the need for more data before cutting interest rates

Fed Chair Powell:

- Inflation remains higher than expected
- Anticipates rates will hold steady for now

Policymakers target on inflation rate at...

2%



China

Recent China Stimulus Plan for Stock Market

Key Components:

Liquidity Injection: \$140 billion into the banking system by lowering reserve requirements.

Fiscal Measures: Additional \$137 billion in central government bonds for infrastructure and disaster relief.

Monetary Policy: PBOC to further boost liquidity and lower reserve requirements.

Goals:

Support Growth: Aim to keep 2024 GDP growth above 5%.

Stabilize Market: Address deflationary pressures and real estate issues.

Boost Confidence: Improve investor sentiment with strong fiscal and monetary support.



China Economic Performance



Chinese Proxy Currencies

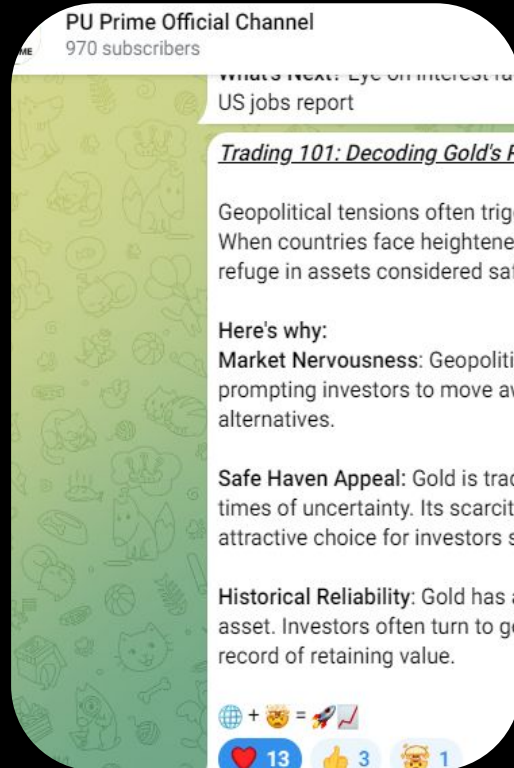
- Australian Dollar
- New Zealand Dollar



Crude Oil Prices

Technical Analysis

Where to Obtain Market Insights?





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Thank You

