

# MARKET UPDATE

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## **Bitcoin falls to lowest since January, in line with tumbling stock markets**

Bitcoin fell to its lowest level since January on Monday as slumping equity markets continued to hurt cryptocurrencies, which are currently trading in line with so-called riskier assets like tech stocks.

Bitcoin dropped to as low as \$33,266 in morning trade, testing the January low of \$32,951. A fall below that level would be its lowest since July last year.

It then steadied to trade around \$33,500, down 1.4%.

## **Dollar hits two-decade high amid rising U.S. rates, Ukraine war, China's lockdowns**

The dollar hit a two-decade high on Monday as investors searched for safety and yield in the face of growing concern over slowing global economic growth and rising interest rates.

Surging inflation, the war in Ukraine, and tighter lockdowns against COVID-19 in Beijing and Shanghai, have left investors uncertain on many counts, but they are sure that U.S. interest rates are going up - and the dollar has been following.

## **Dollar Soars to Two-Decade High; Safe Haven Demand on Global Growth Fears**

The U.S. dollar soared to a two-decade high in early European trade Friday, with traders seeking out this safe haven amid concerns about global economic growth as well as searching for yield.

At 2:50 AM ET (0650 GMT), the Dollar Index, which tracks the greenback against a basket of six other currencies, gained 0.5% to 104.170, rising to levels not seen in 20 years after rising for a fifth week in a row last week.

The war in Ukraine and tighter lockdowns against COVID-19 in Beijing and Shanghai have created uncertainty over economic growth in Europe and Asia.

## Markets must face up to tightening financial conditions

Already sitting on double-digit losses this year, stock market investors must brace for more, as the realisation sinks in that the U.S. Federal Reserve intends to tighten financial conditions to get on top of red-hot inflation.

Essentially, financial conditions measure how easily households and businesses can access credit, so are critical in showing how monetary policy transmits to the economy. Fed boss Jerome Powell repeated on Wednesday he will be keeping a close eye on them.

## Stocks slip, dollar up as China lockdowns stir growth risks

Asian shares slid and the dollar hit two-decade peaks on Monday as U.S. stock futures extended their decline on rate worries, while a tightening lockdown in Shanghai stoked concerns about global economic growth and recession.

"A series of rate hikes and hawkish communication came against a backdrop of plummeting Chinese and European activity, new plans for Russian energy bans and continued supply-side pressures," warned analysts at Barclays (LON:BARC).

"This creates the gloomy prospect of persistent inflation forcing central banks to hike rates despite sharply slowing growth."

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