

MARKET UPDATE

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Bitcoin Falls Below \$19K, Near 2022 Lows as Fed Jitters Weigh

Bitcoin fell further below \$19,000 on Wednesday, coming close to its lowest levels for the year as growing fears of a hawkish Federal Reserve drove investors out of cryptocurrencies.

The world's largest cryptocurrency sank more than 5% to \$18,764 by 01:56 ET (05:56 GMT) - its lowest level in nearly three months. The token is now trading about \$1000 above its lowest level for the year.

Weakness in Bitcoin spread over to the broader cryptocurrency market, with total crypto market capitalization sinking below the \$1 trillion mark again. The market has lost nearly \$2 trillion so far this year as rising interest rates and higher inflation unwound most major crypto bets.

Bitcoin's latest losses come on the back of strong U.S. employment and service sector data, which indicates some resilience in the world's largest economy.

Oil slides to 7-mth low on renewed demand fears, rate hike expectations

Oil prices fell more than \$1 on Wednesday to their lowest since before Russia invaded Ukraine as COVID-19 curbs in top crude importer China and expectations of more interest rate hikes spurred worries of a global economic recession and lower fuel demand.

Brent crude futures fell \$1.08, or 1.2%, to \$91.75 a barrel by 0644 GMT after slipping 3% in the previous session. The contract hit a session low of \$91.20, the lowest since Feb. 18.

U.S. West Texas Intermediate crude futures shed \$1.20, or 1.4%, to \$85.68. The benchmark fell to a session low of \$85.08, the lowest since Jan. 26.

Oil pared strong gains made on Monday after the Organization of the Petroleum Exporting Countries (OPEC) and their allies, a group known as OPEC+, decided to cut output by 100,000 barrels per day in October.



More trouble ahead for bruised Indian rupee

India's battered rupee will trade not far from its lifetime low against the U.S. dollar into next year and remain vulnerable to a worsening trade balance and an aggressive U.S. Federal Reserve rate-hiking campaign, according to a Reuters poll.

Sinking with other emerging currencies against a strong dollar, the rupee has hit rock-bottom multiple times this year and weakened over 7% in 2022.

The Sept. 1-6 Reuters poll of 40 FX analysts expected the rupee to weaken to 80/\$ in a month and remain around there until end-November, despite the Reserve Bank of India's burning through dollar reserves in active defence of the currency since May.

Although it was expected to recover slightly to around 79.74/\$ by end-February and 78.50/\$ by end-August, the expected 2% gain over the 12-month horizon would fall well short of recouping that 7% loss for the year.

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