

# MARKET UPDATE

**20/03/2024**

## **Asian stocks muted before Fed meeting.**

Most Asian stocks steadied in cautious trade on Wednesday as markets awaited more cues on U.S. interest rates from the conclusion of a Federal Reserve meeting later in the day.

Regional markets were cheered by the Bank of Japan striking a largely dovish chord on Tuesday, even as it raised interest rates for the first time in 17 years. But Japanese markets were closed on Wednesday, limiting Asian trading volumes.

Wall Street indexes closed higher overnight on some strength in technology and energy stocks. But U.S. stock index futures fell slightly in Asian trade, amid growing anxiety over the Fed.

Barring the KOSPI, other Asian stock indexes largely tread water on Wednesday, with investors keeping away from big bets ahead of the Fed.

## **Gold prices steady with Fed in focus.**

Gold prices moved little in Asian trade on Wednesday, steadying from recent volatility as markets looked to the Federal Reserve for more cues on interest rate cuts in 2024.

Among industrial metals, copper prices pulled back sharply from recent 11-month peaks, amid a mix of profit-taking and as strength in the dollar weighed on broader metal markets.

Bullion prices remained well below record highs hit earlier in March. But they also appeared to have found support around the \$2,150 an ounce level.

Spot gold hovered around \$2,159.19 an ounce, while gold futures expiring in April rose 0.1% to \$2,162.15 an ounce by 00:37 ET (04:37 GMT).

Fed meeting awaited for more rate cut cues

Metal markets were now focused squarely on the conclusion of a Fed meeting later on Wednesday, where the central bank is widely expected to keep interest rates on hold.

But any signals on its plans to cut interest rates in 2024 are expected to drive the next leg of movement for gold. In particular focus will be a press conference with Fed Chair Jerome Powell after the meeting.

The central bank could potentially sing hawkish and trim its outlook for interest rate cuts this year, especially after inflation read hotter-than-expected for the past two months.

## Bitcoin price tests \$60,000.

Bitcoin sank to a two-week low on Wednesday, deepening losses to as far as \$60,000 as investors locked-in profits ahead of a Federal Reserve meeting, while heavy capital outflows from a major exchange-traded fund also weighed.

A broader risk-off move in currency markets saw traders pivot into the dollar while collecting profits in Bitcoin after it surged to record highs of over \$73,000 earlier in March.

The dollar index hit a two-week high before the conclusion of a Fed meeting later in the day, where the central bank is widely expected to keep rates steady and offer more cues on when it plans to begin cutting interest rates.

Bitcoin traded at \$61,287.9 by 00:51 ET (01:48 GMT). It had fallen as far as \$60,850.9 earlier in the day.

Adding to the downward pressure on Bitcoin, the token saw a flash crash on crypto exchange BitMEX, where it sank as low as \$8,900 following a series of massive sell orders on Tuesday. BitMEX said it was investigating potential wrongdoing.

Bitcoin capital inflows continue, but Grayscale a point of contention

Data from digital asset manager CoinShares showed earlier this week that Bitcoin-linked investment products saw total inflows of \$2.86 billion in the past week, as its recently-approved ETFs continued to garner investor interest.

**Important Note:** The information found on Ausprime platform is intended only to be informative, is not advice nor a recommendation, nor research, or a record of our trading prices, or an offer of, or solicitation for a transaction in any financial instrument and thus should not be treated as such. The information provided does not include any specific investment objectives, financial situation and needs of any specific person who may receive it. The past performance is not a reliable indicator of future performance and/or results. Past Performance or Forward-looking scenarios are not a guarantee of future performance. Actual results may differ materially from those anticipated in forward-looking or past performance statement

