

MARKET UPDATE

11/04/2024

Bitcoin price today: recovers to \$70k.

Bitcoin price showed surprising resilience on Thursday, remaining close to record highs even as hotter-than-expected U.S. inflation data pushed up the dollar and battered expectations of interest rates.

Anticipation of the upcoming halving event, which will reduce the pace at which new Bitcoin is generated, appeared to be offering some support to the token. But the build-up to the halving is also expected to spur increased volatility in Bitcoin.

Bitcoin rose 2.1% in the past 24 hours to \$70,576.4 by 00:53 ET (04:53 GMT).

Bitcoin halving in close focus as ETF activity dulls

Markets were now awaiting the upcoming halving event, which is expected to take place around April 20 with the generation of block no. 840,000 on the Bitcoin blockchain.

The event will halve the rate at which new Bitcoin is mined, tying into the narrative that the scarcity of the token will increase its value.

But the halving also comes amid waning interest in spot-traded Bitcoin exchange traded funds, with recent data showing a substantial decline in daily volumes.

The Bitcoin ETFs were a key driver of the token's rally so far in 2024, with Bitcoin still trading up around 50% for the year to date.

Asian shares fall on U.S. rate scare.

Asian shares tracked Wall Street lower on Thursday as sticky U.S. inflation forced markets to slash bets on how much the Federal Reserve might ease this year, sending the dollar flying to a 34-year high against the beleaguered yen.

Europe is set for a subdued open ahead of the European Central Bank meeting, with EUROSTOXX 50 futures little changed. The ECB is all but certain to hold rates steady but the focus is on whether officials would back a rate cut in June.

In Asia, MSCI's broadest index of Asia-Pacific shares outside Japan slipped 0.3%, paring some earlier losses, while Japan's Nikkei dropped 0.5%. Chinese shares eked out some gains even as data showed consumer prices in the world's second-largest economy rose by a muted 0.1% in March from a year ago, versus a 0.7% rise in February.

Oil prices edge up on escalation in Middle East.

Oil prices ticked up during trade on Thursday, after rising a dollar a barrel in the prior session, as investors braced for a worsening of the Middle East crisis, potentially involving Iran, the third-largest oil producer in OPEC.

Brent crude futures was up 5 cents to \$90.53 a barrel at 0632 GMT, while U.S. West Texas Intermediate crude futures gained 4 cents at \$86.25 a barrel.

Both contracts rose more than 1% in the prior session after three sons of a Hamas leader were killed in an Israeli airstrike in Gaza, feeding worries that ceasefire talks between the two sides might stall. Earlier this week, Israel and Hamas began a fresh round of negotiations in their more than six-month-old Gaza war but those discussions have yielded no agreement.

"Prices remain sensitive to geopolitical developments in the Middle East, with market participants pricing for the risks of supply disruptions if tensions were to drag for longer," said Yeap Jun Rong, market strategist at IG.

"This aids to offset some risk-off sentiments overnight, as markets recalibrate their rate expectations to price out a June rate cut and for rates to be kept high for longer until September," added Yeap, referring to U.S. interest rates.

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