

# MARKET UPDATE

02/05/2024

## Oil prices rebound.

Oil prices rose on Thursday, rebounding from three days of losses, on expectations the lower levels may prompt the U.S., the world's biggest crude consumer, to start replenishing its strategic reserve, putting a floor under prices.

Still, prices fell more than 3% on Wednesday to a seven-week after the U.S. Federal Reserve kept interest rates steady, which may curtail economic growth this year and limit oil demand increase. Crude was also pressured by an unexpected increase in U.S. crude inventories and signs of an impending Israel-Hamas ceasefire that would ease Middle East supply concerns.

Brent crude futures for July gained 48 cents, or 0.6%, to \$83.92 a barrel by 0400 GMT on Thursday. U.S. West Texas Intermediate (WTI) crude for June climbed 46 cents, or 0.6%, to \$79.46 a barrel.

In the Middle East, expectations grew that a ceasefire agreement between Israel and Hamas could be in sight following a renewed push led by Egypt.

## Asia stocks rise as Fed tamps down hike fears.

Asian stocks and U.S. futures rose on Thursday after the Federal Reserve downplayed risks of an interest rate hike, while the yen was bumpy after another burst of suspected intervention from Japan.

Shortly after Fed Chair Jerome Powell had finished telling reporters the Fed may have to leave rates elevated, the yen surged against the dollar.

It was the second sudden leap in the ailing Japanese currency this week and markets suspect it was authorities stepping in as yen-buyers. The yen traded as strong as 153 to the dollar before sliding back to around 156 in Asia.

European futures were mixed, with EUROSTOXX 50 futures down 0.2% while FTSE futures added 0.4%.

S&P 500 futures rose 0.5%, pointing to the cash market recouping a late slide on Wall Street. MSCI's broadest index of Asia-Pacific shares outside Japan climbed 0.7%, led by a 2% surge in Hong Kong.

## Bitcoin price today pinned at \$57k, enters bear market.

Bitcoin price fell on Thursday, remaining pinned below key support levels as fears of high U.S. interest rates remained in play after a Federal Reserve meeting, with the token now entering a bear market from its March record highs.

Bitcoin fell 4.6% in the past 24 hours to \$57,492.3 by 01:13 ET (05:13 GMT). The token slipped below the coveted \$60,000 support this week, and was now down about 22% from its record high of \$73,740, which it hit in early-March.

### Bitcoin price in bear market amid few positive catalysts

A price drop of 20% from a recent peak signals that an asset is in bear market territory, which was now the case for Bitcoin.

The world's largest cryptocurrency struggled to make any price headway after hitting a record high in March, and had largely moved within a \$60k to \$70k trading range for over a month.

But Bitcoin broke below the trading range this week amid a storm of negative factors, with the biggest weight being growing conviction that U.S. interest rates will remain high for longer. This notion saw the token take little advantage of an overnight drop in the dollar, as the Federal Reserve said it had no plans to hike interest rates further.

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