

MARKET UPDATE

05/08/2024

Bitcoin price today plummets to \$51k.

Bitcoin price plummeted to a more than five-month low on Monday, tracking a broader decline in financial markets as growing fears of a U.S. economic slowdown battered risk appetite.

Bitcoin slid 12% in the past 24 hours to \$51,995.0 by 02:13 ET (06:13 GMT). The token was at its weakest level since late-February, largely wiping out a rally sparked by the launch of spot Bitcoin exchange-traded funds in March.

Bitcoin slides in tandem with steep equity losses

The world's biggest cryptocurrency slid tracking steep losses in equity markets since Friday, as a swathe of weak economic readings from the U.S. pushed up concerns over a potential recession. Wall Street indexes tumbled on Friday, while Asian markets logged steep losses on Monday with Japanese stocks entering a bear market just three weeks after marking record highs.

Bitcoin- along with broader crypto markets- was hit particularly hard by the risk-off sentiment, given its highly speculative nature.

Heightened expectations of interest rate cuts by the Federal Reserve did little to stem Bitcoin's decline, with traders largely sticking to the Japanese yen and gold as safe havens.

Oil prices drop 1%.

Oil futures extended losses in a volatile session on Monday as fears of a recession in top oil consumer the United States offset supply worries stemming from mounting tensions in the Middle East, the world's largest oil producing region.

Share markets also tumbled across Asia as U.S. recession worries sent investors rushing from risk assets while wagering that rapid fire rate cuts will be needed to rescue growth.

Brent crude futures dropped 78 cents, or 1%, to \$76.03 a barrel by 0652 GMT, while U.S. West Texas Intermediate crude futures were at \$72.65 a barrel, down 87 cents, or 1.2%.

Brent and WTI tumbled more than 3% on Friday, with both contracts marking their fourth straight week of losses - the biggest losing streaks since November.

Stocks trampled, Nikkei tumbles past Black Monday milestone.

Stock markets tumbled on Monday and Japanese shares plummeted a gut-wrenching 13% as fears the United States could be heading for recession sent investors rushing from risk while wagering that rapid fire rate cuts will be needed to rescue growth.

The safe haven yen and Swiss franc surged as crowded carry trades unravelled, sparking speculation some investors were having to unload profitable trades just to get the money to cover losses elsewhere. Such was the torrent of selling that circuit breakers were triggered in exchanges across Asia. [FRX/]

Nasdaq futures sank a deep 4.7%, while S&P 500 futures dropped 12.4% as the rout went world-wide. EUROSTOXX 50 futures fell 2.1% and FTSE futures 1.2%.

Japan's Nikkei shed a staggering 13% to hit seven-month lows, a scale of losses not seen since the 2011 global financial crisis. MSCI's broadest index of Asia-Pacific shares outside Japan lost 4.2%.

Chinese blue chips dipped only 0.5%, aided by a bounce in the Caixin services PMI to 52.1.

Japanese 10-year bond yields fell a steep 17 basis points to the lowest since April at 0.785%, as markets radically reconsidered the prospect of another hike from the Bank of Japan.

Treasury bonds were in demand with 10-year yields hitting 3.723%, the lowest since mid-2023.

Two-year yields dropped to 3.807%, having already fallen 50 basis points last week, and could soon slide below 10-year yields, turning the curve positive in a way that has heralded recessions in the past.

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