

# MARKET UPDATE

**24/10/2024**

## **Dollar stands tall on bets for slower Fed cuts.**

The U.S. dollar traded close to a three-month high against major peers on Thursday, underpinned by expectations for a slower pace of interest rate cuts by the Federal Reserve and growing bets of a possible second Donald Trump presidency.

The dollar index, which measures the currency against six rivals including the euro and yen, stood at 104.30 as of 0437 GMT, not far from the overnight high of 104.57, a level last seen on July 30.

A spate of robust macroeconomic indicators and some hawkish comments from Fed officials have tempered bets for monetary easing over the rest of this year, according to CME Group's (NASDAQ:CME) FedWatch Tool.

Expectations for a total of 50 basis points of rate reductions over the remaining two meetings of 2024 dropped to about 66% from about 70% a day earlier, and about 86% a week ago. Traders currently lay 32% odds on a single 25 basis-point cut by year-end, and 2% odds on no change.

This week, Kansas City Fed President Jeffrey Schmid said he would prefer to "avoid outsized moves", and Philadelphia Fed President Patrick Harker backed "a slow, methodical approach" to further easing.

## **Asia stocks fall as rising yields dent tech.**

Most Asian stocks fell on Thursday as rising U.S. Treasury yields pressured technology stocks, while weak economic prints from several regional economies also weighed on sentiment.

Regional markets took a weak lead-in from Wall Street, as heavyweight technology stocks fell amid pressure from high yields and as increased risk aversion saw investors lock-in recent profits.

Uncertainty over a tight presidential race and a slower pace of interest rate cuts dented Wall Street in recent sessions.

But U.S. stock index futures rose in Asian trade, buoyed by positive earnings from Tesla Inc (NASDAQ:TSLA).

Asia tech tracks US losses Tech-heavy bourses were the worst performers in Asian trade, tracking overnight losses on Wall Street.

## Bitcoin price today steady at \$67k.

Bitcoin's price steadied on Thursday after pulling back from recent highs as anticipation of a tight presidential election and relatively higher U.S. interest rates kept traders averse towards crypto.

Crypto trading volumes were also mostly subdued amid increased risk aversion, while overnight losses in stock markets also provided middling cues to crypto markets. Most altcoins also tracked muted moves in Bitcoin, while Solana rallied past its peers on increased activity on the blockchain.

Bitcoin rose 0.3% to \$67,437.9 by 01:17 ET (05:17 GMT). The token tread water for the past two sessions after failing to break past \$70,000 earlier this week.

Rates, election jitters pressure Bitcoin

Bitcoin had initially rallied on increased speculation that Donald Trump will win a second term in 2024. Recent polls and prediction markets also showed Trump with a slight edge over Democratic nominee Kamala Harris.

Trump has promised to roll out friendlier crypto regulations if elected, having maintained a largely pro-crypto stance in recent campaigning.

But Trump's broader macroeconomic policies are expected to be largely inflationary- a trend that heralds relatively high interest rates and a stronger dollar. This notion pushed the dollar to a near three-month high in recent sessions, while largely pressuring risk-driven markets.

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