

MARKET UPDATE

13/01/2025

Bitcoin price today falls for 3rd straight day.

Bitcoin edged lower on Monday, falling for a third straight day as stronger-than-expected U.S. payroll data stoked caution among traders, reinforcing the Federal Reserve's view of fewer interest rate cuts in 2025.

Bitcoin fell 0.3% to \$94,268.7 by 01:12 ET (06:125 GMT).

Bitcoin prices fell sharply last week, having declined six out of the previous seven sessions as potential token sales by the U.S. government eroded sentiment towards crypto.

US rate jitters spark liquidity concerns

Robust U.S. employment data released on Friday has backed the Federal Reserve's forecast of fewer rate cuts this year. In December, the U.S. economy added 256,000 jobs, surpassing forecasts of 153,000, and the unemployment rate declined to 4.1% from 4.2% in November.

This strong labor market performance suggests that the Fed may adopt a more cautious approach to monetary easing.

Higher interest rates can exert downward pressure on Bitcoin and other cryptocurrencies, as they often lead to a stronger U.S. dollar and reduced liquidity in financial markets.

Additionally, elevated Treasury yields have been associated with declines in Bitcoin's price, with some analysts suggesting that sustained high yields could push Bitcoin's value down to around \$90,000.

Asia stocks tumble.

Asian stocks fell sharply on Monday led by losses in Australian and Hong Kong shares as investors reassessed the likelihood of U.S. interest rate cuts following stronger-than-expected payroll data released last week.

Stock markets in Japan were closed for a holiday, contributing to softer trading volumes.

U.S. stock index futures were largely steady in Asian trade, while investors awaited crucial inflation data due later this week.

Asia shares under pressure as markets lower Fed rate cut expectations Hong Kong's Hang Seng index slumped xx%, while China's Shanghai Shenzhen CSI 300 fell and Shanghai Composite indexes inched lower on Monday.

Surging dollar pressures peers.

The dollar charged higher on Monday and drove its peers to multi-year lows after a blowout U.S. jobs report underscored the strength of the world's largest economy and muddled the outlook for further Federal Reserve rate cuts this year.

The greenback surged to its highest in over two years on Monday against a basket of currencies to peak at 109.98, extending a rally from last week.

Trading was thinned in the Asian session with Japan markets closed for a holiday, but nonetheless moves in the foreign exchange market were volatile and other currencies notched fresh lows on the back of the dollar's strength.

The euro hit its weakest level since November 2022 at \$1.0275, while sterling was one of the biggest losers as it slid more than 0.5% to a 14-month low of \$1.2128

The pound has been under pressure by concerns at home over rising borrowing costs and growing unease over Britain's finances. It tumbled 1.8% last week.

Friday's data showed U.S. job growth unexpectedly accelerated in December while the unemployment rate fell to 4.1% as the labour market ended the year on a solid footing, leaving traders heavily scaling back bets of Federal Reserve rate cuts this year.

Markets are now pricing in just 27 basis points worth of Fed rate cuts this year, down from roughly 50 bps at the start of the year.

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