

MARKET UPDATE

20/03/2025

Asia stocks rise after Fed hold.

Most Asian stocks rose on Thursday, tracking gains on Wall Street after the Federal Reserve offered no surprises in its rate decision, while Chinese markets lagged after a stellar rally gave way to profit-taking.

Regional markets rose across the board, tracking an over 1% overnight jump on Wall Street after the Fed kept rates unchanged and offered no changes to its outlook for rate cuts.

U.S. stock index futures rose in Asian trade as markets were somewhat relieved by the Fed announcing no drastic action in the face of a brewing trade war and global economic disruptions. Fears of these put Wall Street at six-month lows last week.

But the central bank did trim its annual growth forecast and said it expected higher inflation.

In Asia, trading volumes were somewhat limited by a holiday in Japan. Nikkei 225 Futures fell 0.1%.

Dollar steady.

The dollar steadied near five-month lows on Thursday after the Federal Reserve indicated rate cuts were likely later this year despite uncertainties around U.S. tariffs, while the pound hit a four-month high ahead of the Bank of England's policy decision.

U.S. policymakers projected two quarter-point interest rate cuts were likely later this year, the same median forecast as three months ago, even as they expect slower economic growth and higher inflation. On Wednesday, the Fed held its benchmark overnight rate steady in the 4.25%-4.50% range.

"We're not going to be in any hurry to move," Fed Chair Jerome Powell said. "Our current policy stance is well-positioned to deal with the risks and uncertainties we face ... The right thing to do is to wait here for greater clarity about what the economy is doing."

Powell's comments and the Fed statement underscored the challenge faced by policymakers as they navigate President Donald Trump's plans to levy duties on imports from U.S. trading partners and the impact on the economy.

Traders are pricing in 66 basis points of easing this year from the Fed, about two rate reductions of 25 bps each, with a cut in July fully priced in, LSEG data showed.

Bitcoin price today rises to \$85k.

Bitcoin rose on Thursday, extending overnight gains as risk appetite improved after the Federal Reserve maintained its rate cut projections and signalled no drastic changes in the face of increased economic uncertainty.

XRP remained a standout performer in crypto, staying close to a two-week high after the Securities and Exchange Commission dropped its long-running lawsuit against issuer Ripple.

This week's gains also come on the back of some bargain buying in crypto, after the sector was walloped by increased risk aversion over the past month.

Bitcoin rose 3% to \$85,775.5 by 01:56 ET (05:56 GMT).

Bitcoin upbeat after Fed

Bitcoin's recent gains came largely tracking those in broader risk-driven markets, as sentiment was aided by the Fed signalling no drastic changes in its policy or outlook.

The central bank kept rates unchanged as widely expected, while forecasting higher inflation and softer growth.

The Fed also maintained its projections that interest rates will fall by about 50 basis point by the year-end.

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