



Date: 1<sup>st</sup> March 2024

### **Global Market – Gold, Cryptocurrency & US averts shutdown.**

Last week, we have discussed how global market continues to trade at recent high on hope of interest rate peaked out and hope of economic stability. This week we will focus on Gold which has now trading around \$2050 & BITCOIN which is now above \$60000 almost after two years. We will also discuss China's continues effort to boost economy.

### **Congress Approves Interim Funds to Avert U.S. Government Shutdown**

The Senate passed the bill on a 77-13 vote on Thursday night, hours after the House acted on it. Congress approved temporary funding to avert a Saturday partial US government shutdown, sending the bill to President Joe Biden for his signature.

### **Fed Officials emphasize Data to Guide Pace of Interest-Rate Cuts**

Three Federal Reserve officials said the pace of interest-rate cuts will depend on incoming economic data, suggesting the path to lower borrowing costs may look different than in previous rate-cutting cycles.

Boston Fed President Susan Collins and New York's John Williams said the Fed's first-rate cut will likely be appropriate "later this year," while Atlanta's Raphael Bostic said he's currently penciling in a cut for sometime this summer. But the policymakers also offered some insight into how the Fed will assess the timing of future rate reductions.

### **U.S. Fed's Preferred Inflation Metric Increases by Most in A Year**

The Federal Reserve's preferred gauge of underlying inflation rose in January at the fastest pace in nearly a year, helping explain policymakers' patient approach to start cutting interest rates.

The so-called core personal consumption expenditures price index, which strips out the volatile food and energy components, increased 0.4% from December, data out Thursday showed. From a year ago, it advanced 2.8%. Economists consider this to be a better gauge of underlying inflation than the overall index.

### **Bitcoin Scales \$60,000 As ETF Demand Puts Record High in Sight**

A wild 24 hours for the cryptocurrency market saw Bitcoin jump as much as 13% on Wednesday to \$63,968 — its first trip above \$60,000 since November 2021. Along the way, leading US digital-asset exchange Coinbase suffered outages as traffic surged before eventually restoring services.

### **Gold trading above \$2050**

Gold has been trading around \$2000 level for some time now, gold price would rally if interest rate decline or any economic uncertainty. Gold is considered as safe heaving and asset class which comes into focus in case of any economic uncertainty.



### **China's Big Policy Meet to Chart Course for Commodities Markets**

China's growth target for the year — and how it plans to get there — plus the speed of the energy transition will be top of mind for commodities investors as the government gathers for its annual legislative meetings in Beijing next week.

### **Japanese Currency Official Warns Against Unstable FX At G-20**

Japan kept up its drumbeat of warnings against currency volatility, with a top finance ministry official saying that foreign exchange rates should reflect fundamentals, and authorities in Tokyo are watching moves closely.

Japanese financial authorities have regularly used verbal intervention to put a floor under Japan's currency as it traded around the threshold of 150. The finance ministry last entered the market to buy the yen in 2022, in a move that largely gained the tacit approval of its peers.

### **Equichain Wealth Advisors: Market View & Opinion**

This week's news focus on another round of stimulus from China, US Congress deal to avert shutdown can be seen as another round of expansion. We remain cautious on Japan's change in monetary policy which was -0.10 interest rate since 2016. Japanese currency official warning against unstable FX at G-20 needs to be seen with caution.

**Global market and risk-on sentiment remains very much strong; however, we have been cautious for past weeks, but market momentum seems to be very strong. Incoming economic data due next week could provide further cues as we remain neutral with balance view. Recent up move in Gold & Bitcoin is interesting to watch as incoming economic data needs to be watched carefully ahead US Fed meeting on 20-Mar-24.**

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