



Bridge Markets

08 Sep
2024

Context

FOREX MARKET

- Swiss Franc Carry Trade Faces Safe-Haven Rally Risks
- BoA Explains Why CHF Hasn't Weakened as Expected
- Political Polarization in Germany Threatens Euro Stability
- Rupee Hits Record Low Amid Global Weakness; RBI Steps In
- Dollar Falls on Weak Economic Data and Fed Rate Cut Bets
- Stocks Plunge in Worst Week Since March as Jobs Data Disappoint
- Swiss Franc Strength May Lead SNB to Easing Measures

Commodities

- Oil Prices Drop to Multi-Month Lows Amid Libyan Dispute and China Demand Concerns
- Putin's Visit to Mongolia Highlights Key Gas Pipeline Project
- Second Wave of Lithium Supply Set to Transform Market
- US Gasoline Prices Hit 3-Year Low as Driving Season Ends
- OPEC+ Delays Oil Output Hike Amid Market Concerns
- Global Gold ETFs Record Fourth Straight Month of Inflows

CRYPTO MARKET

- SEC Questions FTX's Crypto Repayment Plan Amidst Political Fundraising Efforts
- Crypto Market Slips Below \$2 Trillion Amid Whale Activity Decline and Stock Market Losses
- Crypto Market Reacts to Political Moves and ETF Effects
- Institutional Bitcoin Holdings Surge 580% in Four Years

Our platform

- As a Trader
- Use Our Trading Tools and Trade on a Top Broker
- As an Analyst
- Organizational Deals
- As a Vendor
- Platform Joint Venture
- Participate in Our Workshops
- As a Signal Provider

Trusted Platforms

- MetaTrader
- TradingView
- cTrader
- Axi Financial Services
- Pepperstone
- Robinhood Broker
- MultiBank Group
- IG Broker
- Forex.com Broker
- FXCM Broker
- XM Global
- FP Markets Broker

FOREX MARKET

Swiss Franc Carry Trade Faces Safe-Haven Rally Risks

As investors turn to the Swiss franc for carry trades due to low interest rates, its role as a safe-haven currency introduces the risk of sudden, sharp rallies. Previously overshadowed by Japan's yen, the franc has gained appeal after yen carry trades collapsed in August. The Swiss National Bank's relatively low interest rate of 1.25% makes it an attractive funding currency, especially as the franc remains near its highest levels against the dollar and euro. However, the inherent volatility of safe-haven currencies, like the franc, can quickly erode gains from carry trades, making it a risky option despite favorable borrowing conditions. Central banks are expected to continue intervening to prevent excessive currency appreciation.

BoA Explains Why CHF Hasn't Weakened as Expected

Despite widespread expectations of Swiss franc (CHF) weakness this year, the currency has remained relatively resilient, supported by its traditional role as a safe-haven asset. Bank of America (BoA) Securities attributes the franc's stability to geopolitical factors and shifts in global risk sentiment, which have bolstered CHF as a "risk-off" hedge. Although the currency showed significant weakness in the first half of the year, it recovered in the second half. BoA expects the Swiss National Bank's upcoming policy decision on Sept. 26 to influence CHF trends moving forward.



Political Polarization in Germany Threatens Euro Stability

Recent state elections in Germany have seen a significant rise in support for far-left and far-right parties. This shift echoes the political upheaval in France, where centrist parties also lost ground. Analysts warn that this growing strength of extremist parties could threaten the stability of the euro, especially if these parties gain more power or if Germany's current coalition collapses before the 2025 federal elections. The political uncertainty could further strain Germany's manufacturing sector, already affected by reduced Russian energy supplies and competition in the electric vehicle market. The potential for a fragmented political landscape makes effective governance challenging and raises fears of higher deficits, increased sovereign risk, and protectionist policies—all of which could negatively impact the euro.



Rupee Hits Record Low Amid Global Weakness; RBI Steps In

The Indian rupee fell to a record low of 83.98 against the U.S. dollar on Wednesday, closing at 83.9650. The currency remained within a narrow range as negative global signals and support from the Reserve Bank of India (RBI) influenced its movement. The RBI's interventions have kept the rupee stable, preventing it from falling further. Weak U.S. manufacturing data contributed to market unease, increasing the likelihood of a 50-basis-point rate cut by the Federal Reserve at its upcoming meeting. The market has already factored in a 25-basis-point cut, but further negative data could prompt a more substantial reduction.



Dollar Falls on Weak Economic Data and Fed Rate Cut Bets

The dollar index fell 0.48% on Wednesday, pressured by a widening U.S. trade deficit and weaker-than-expected job openings. The July trade deficit increased to \$78.8 billion, its largest in two years, impacting Q3 GDP outlook. JOLTS data revealed a significant drop in job openings to a 3.5-year low, which is likely to influence the Federal Reserve's policy. Despite a 5% rise in factory orders, the dovish Fed Beige Book highlighted reduced economic activity and cautious hiring. Markets now fully expect a 25-basis-point rate cut at the Fed's September meeting, with a 41% chance of a 50-basis-point reduction.



Stocks Plunge in Worst Week Since March as Jobs Data Disappoint

Stocks experienced their worst week since March 2023, with the S&P 500 dropping 1.7% and the Nasdaq 100 falling 2.7%, following a disappointing U.S. jobs report. Nonfarm payrolls rose by 142,000 in August, falling short of forecasts and marking the lowest three-month average since mid-2020. The unemployment rate decreased to 4.2%, but the data revived concerns about economic slowdown and the Federal Reserve's pace in responding. The market is now focused on the Fed's upcoming decision in mid-September, with debates ongoing about the need for a larger or smaller rate reduction.



Swiss Franc Strength May Lead SNB to Easing Measures

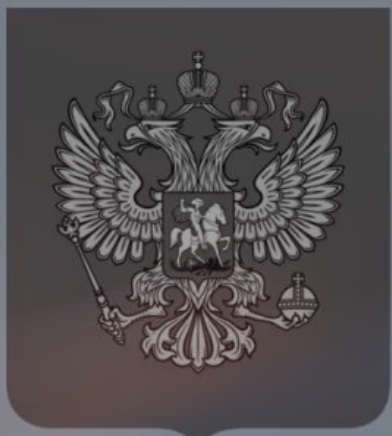
The Swiss National Bank (SNB) may embark on a prolonged easing cycle due to recent economic developments. Inflation in Switzerland fell to 1.1% in August, lower than anticipated and below the SNB's target. This, combined with a strong Swiss franc, suggests the current monetary strategy might harm exporters and risk deflation. The franc's strength has diminished Switzerland's international competitiveness, impacting both domestic and imported goods. The SNB has already cut its policy rate twice this year and may further reduce it, alongside increasing foreign exchange purchases to manage the franc's appreciation.

Commodities



Oil Prices Drop to Multi-Month Lows Amid Libyan Dispute and China Demand Concerns

Oil prices fell to eight-month lows on Tuesday, driven by expectations of a resolution to the Libyan production dispute and concerns about potential increases in OPEC+ output. The Libyan central bank governor suggested that an imminent agreement between rival factions could restore the country's oil output, which had been significantly reduced due to the dispute. Production had plummeted from 1.28 million barrels per day in July to around 591,000 barrels per day in late August. Additionally, worries about weak crude demand from China, as indicated by recent economic data, and the potential for OPEC+ to ease output restrictions in October have further pressured oil prices. While some analysts believe OPEC+ might extend current output cuts due to sluggish demand, particularly from China, others remain cautious about the broader market outlook.



Putin's Visit to Mongolia Highlights Key Gas Pipeline Project

Mongolia and Russia are focusing on enhancing their bilateral trade and cooperation, particularly with the Power of Siberia 2 pipeline project, which aims to transport natural gas from Russia to China via Mongolia. The pipeline is a key part of Russia's strategy to compensate for lost European gas sales due to the Ukraine conflict.



Second Wave of Lithium Supply Set to Transform Market

The global lithium market is bracing for a significant shift as a "second wave" of supply emerges, primarily from Africa and China. Analysts predict that Africa's lithium production will surge from zero in 2022 to around 290,000 tonnes of lithium carbonate equivalent (LCE) by 2028, capturing nearly 10% of global supply. China is also expanding its market presence, with lower production costs expected to drive global lithium prices down. Despite a stable long-term forecast for lithium carbonate at \$19,000 per tonne, the influx of new, lower-cost supply is likely to lead to price volatility and increased competition, impacting existing producers and investors.



US Gasoline Prices Hit 3-Year Low as Driving Season Ends

U.S. gasoline futures plunged nearly 6% to their lowest level since December 2021, settling at \$1.98 per gallon on Tuesday. This sharp decline was driven by the end of the summer driving season and a broader sell-off in the oil market.



OPEC+ Delays Oil Output Hike Amid Market Concerns

OPEC+ has agreed to postpone its planned oil output increase for October and November, following a drop in crude prices to nine-month lows. The group, which had intended to raise output by 180,000 barrels per day (bpd), extended cuts of 2.2 million bpd for two more months to stabilize prices. Weak global demand, especially from China, and easing supply concerns from Libya influenced the decision. OPEC+ may revisit its production strategy at meetings scheduled for October and December, with the option to further adjust cuts as needed.



Oil Prices Drop 2% Amid Weak U.S. Jobs Data and Demand Concerns

Oil prices fell 2% on Friday, with Brent crude settling at \$71.06 and WTI at \$67.67, marking significant weekly declines of 10% and 8%, respectively. The drop was driven by weaker-than-expected U.S. jobs data for August, which added to concerns about a potential economic slowdown impacting crude demand. The U.S. added 142,000 jobs, below the anticipated 164,000, possibly influencing the Federal Reserve's approach to rate cuts. Although OPEC+ plans to tighten output for Q4, analysts noted that weak gasoline demand could further depress crude prices. Bank of America has revised its Brent forecast to \$75 per barrel for the second half of 2024, citing rising inventories and OPEC+'s spare production capacity. Additionally, geopolitical tensions escalated with the U.S. and Europe planning sanctions against Iran over missile transfers to Russia.



Global Gold ETFs Record Fourth Straight Month of Inflows

Global gold ETFs saw a fourth consecutive month of inflows in August, driven by funds in North America and Europe. The World Gold Council reported an addition of 28.5 tons, valued at \$2.1 billion, bringing total holdings to 3,182 tons. Despite this streak, year-to-date losses still reflect a net outflow of 44 tons. Gold hit a record \$2,531.60 per ounce in August, spurred by U.S. interest rate cut expectations.

● CRYPTO MARKET



● SEC Questions FTX's Crypto Repayment Plan Amidst Political Fundraising Efforts

The SEC has challenged FTX's proposal to repay creditors using cryptocurrencies, recommending instead the use of cash and USD-pegged stablecoins. This move comes as FTX faces a court order to pay \$12.7 billion to creditors impacted by its collapse in late 2022, amidst ongoing scrutiny and high bankruptcy costs. Meanwhile, crypto industry leaders are rallying to raise \$100,000 for Vice President Kamala Harris's campaign, with hopes that a Harris administration might adopt a more favorable stance on cryptocurrency. The fundraiser, organized by the Blockchain Foundation, will take place on September 13 in Washington, D.C., with ticket prices ranging from \$500 to \$5,000.



Crypto Market Slips Below \$2 Trillion Amid Whale Activity Decline and Stock Market Losses

The crypto market capitalization dropped 4.8%, falling below the \$2 trillion psychological support level to \$1.98 trillion for the first time since August 8th. This decline coincided with reduced liquidity and a \$1.05 trillion loss in the US stock market, driven by the Magnificent 7 stocks. Bitcoin fell over 2%, showing a growing correlation with traditional markets, while Bitcoin and Ethereum whale activity also dropped nearly 50% since mid-March 2024. Despite this, whales continue to accumulate BTC and ETH, with active wallets adding more Bitcoin as recently as September 2. Meanwhile, Chainlink announced a strategic partnership with South Korean firm Suhoio to explore tokenized assets and central bank digital currencies (CBDCs) across Asia, focusing on enhancing financial inclusion and real-time asset valuation.



Crypto Market Reacts to Political Moves and ETF Effects

Despite Donald Trump's announcement of plans to make America a global crypto hub and ease regulations, Bitcoin's price fell 3% on Thursday. Trump's campaign is accepting crypto donations, a move mirrored by Kamala Harris's campaign. In other news, Telegram CEO Pavel Durov, who was recently detained by French authorities, denounced the arrest as unjust, leading to a 4% rise in TON's price. Conversely, Ether's market liquidity has dropped by 20% since the launch of spot Ether ETFs in the U.S., contrasting with the positive liquidity impact seen in Bitcoin markets. Ripple co-founder Chris Larsen has voiced his support for Kamala Harris in the presidential election. Additionally, Bitcoin fell below \$55K after the August Nonfarm Payrolls (NFP) report showed job growth of 142K, falling short of the anticipated 160K.



Institutional Bitcoin Holdings Surge 580% in Four Years

Bitcoin institutional adoption has skyrocketed by 587% since 2020, with public companies now holding 683,000 BTC, according to [Bitcointreasuries.net](https://www.bitcointreasuries.net). Major holders include MicroStrategy, Tether, BitMEX, and Xapo, collectively owning 559,000 BTC—82% of total business holdings. Despite recent price drops, institutional and whale investors have not wavered, with the number of wallets holding over 1,000 BTC reaching record highs.

Our platform

- **1. As a Trader**

Maximize your trading potential by partnering with us. As a Trader, you'll gain access to exclusive tools, insightful analysis, and a supportive community that shares your passion for the markets. Whether you're a beginner or a seasoned pro, we provide the resources you need to trade smarter and achieve your financial goals. Start trading with us and take the next step in your financial journey!



- **2. Use Our Trading Tools and Trade on a Top Broker**

Enhance your trading experience with our state-of-the-art trading tools and partner with a top broker. From charting software to risk management systems, our tools are designed to give you a competitive edge in the market. Combined with the reliability of a leading broker, you'll have everything you need to trade with confidence. Get started today and experience the difference!



- **3.As an Analyst**

Join our team as an analyst and put your passion for finance to work! We're looking for sharp, detail-oriented individuals who can turn data into actionable insights. As an analyst with us, you'll work on exciting projects, contribute to high-impact decisions, and grow your career in a dynamic environment. Ready to make a difference? Apply today and be part of a team that's shaping the future of finance.



- **4. Organizational Deals**

Optimize your organization's financial strategy with our tailored Organizational Deals. We offer customized solutions that meet the unique needs of companies and institutions, from investment opportunities to specialized trading plans. With our expert team by your side, you'll benefit from exclusive rates, comprehensive support, and strategies designed to maximize your organization's growth. Explore how our Organizational Deals can give your business the financial edge it needs to thrive.



- **5. As a Vendor**

Join our team as an analyst and put your passion for finance to work! We're looking for sharp, detail-oriented individuals who can turn data into actionable insights. As an analyst with us, you'll work on exciting projects, contribute to high-impact decisions, and grow your career in a dynamic environment. Ready to make a difference? Apply today and be part of a team that's shaping the future of finance.



- **6. Platform Joint Venture**

Collaborate with us through our Platform Joint Venture and unlock new opportunities for growth and innovation. Whether you're developing cutting-edge technology or pioneering new financial services, our joint venture program offers the support and resources you need to succeed. By partnering with us, you'll have the chance to scale your platform, reach new audiences, and create lasting impact in the industry. Let's innovate together—join our Platform Joint Venture today!



- **7. Participate in Our Workshops**

Take your skills to the next level by joining our hands-on workshops. Led by industry experts, these sessions offer in-depth insights and practical strategies that you can implement right away. Whether you're interested in technical analysis, risk management, or trading psychology, our workshops are designed to give you the tools you need to excel. Sign up now and elevate your trading game!



- **8. As a Signal Provider**

Share your expertise and earn more by becoming a Signal Provider. We're looking for skilled traders who can deliver reliable and profitable signals to our growing community. With our platform, you'll reach a wider audience, build your reputation, and enjoy competitive rewards. Ready to make an impact? Join us as a Signal Provider today!



Fuel your passion, ignite your purpose—join us now!

Trusted Platform



MetaTrader 5

- **1. MetaTrader**

MetaTrader, developed by MetaQuotes, is a leading trading platform offering real-time access to Forex, commodities, and other markets. Known for its user-friendly interface and robust tools, it supports both manual and automated trading through Expert Advisors, catering to traders of all experience levels.

TradingView

- **2. TradingView**

TradingView is a powerful charting platform and social network for traders, providing real-time data, advanced charting tools, and a collaborative environment. Its intuitive interface and ability to integrate with brokers make it a favorite among both retail and professional traders.



cTRADER
TRADERS FIRST

- **3. cTrader**

cTrader is a professional trading platform known for its fast execution speeds and advanced charting tools. Designed for both novice and experienced traders, it supports automated trading through cAlgo and offers transparency with Level II pricing and market depth views



- **4. Axi Financial Services**

Axi, formerly AxiTrader, is a global Forex and CFD broker offering competitive spreads and fast execution. With access to over 140 trading instruments and a focus on customer support and education, Axi caters to traders of all levels through its reliable MetaTrader 4 platform.



- **5. Pepperstone**

Pepperstone is a leading online broker known for its low-cost trading, fast execution, and access to a wide range of markets, including Forex, indices, and commodities. Supporting MetaTrader and cTrader, Pepperstone offers a robust trading experience for both retail and institutional clients.



- **6. Robinhood Broker**

Robinhood is a commission-free trading platform that democratizes finance, making investing accessible to everyone. With a user-friendly app, Robinhood offers trading in stocks, ETFs, options, and cryptocurrencies, attracting millions of users with its no-fee structure.

MultiBank Group EST. 2005

- **7. MultiBank Group**

MultiBank Group is a major financial derivatives provider offering trading in Forex, metals, shares, and cryptocurrencies. Known for its competitive pricing and regulatory oversight, MultiBank provides a secure trading environment with advanced platforms like MetaTrader 4 and 5.

IG

- **8. IG Broker**

IG is a global leader in online trading, offering access to over 17,000 markets, including Forex, indices, and commodities. With innovative trading platforms, comprehensive educational resources, and strong regulatory backing, IG caters to both retail and institutional traders.

FOREX.com

- **9. Forex.com Broker**

Forex.com, part of GAIN Capital, is a top Forex and CFD broker providing access to a wide range of markets with competitive spreads. It offers advanced trading platforms like WebTrader and MetaTrader, supported by comprehensive educational tools and dedicated customer service.



- **10. FXCM Broker**

FXCM is a trusted online Forex and CFD trading platform known for its transparency and innovation. Offering multiple platforms like Trading Station and MetaTrader, FXCM provides access to various markets, fast execution, and extensive educational resources for traders.



- **11. XM Global**

XM Global is a reputable Forex and CFD broker offering access to a broad range of trading instruments. Known for competitive spreads and a no-requirement policy, XM supports MetaTrader 4 and 5 platforms and provides extensive educational resources and customer support.



- **12. FP Markets Broker**

FP Markets is an established Forex and CFD broker providing access to over 10,000 instruments. With competitive pricing, fast execution, and support for MetaTrader 4, 5, and IRESS platforms, FP Markets caters to both retail and institutional traders worldwide.



Bridge Market

BRIDGE.MARKETS