



Bridge Markets

15 Dec
2024

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FOREX MARKET



Disappointing UK Data: GBP/USD Weakens Below 1.2700

After momentarily hitting three-week highs, the pound sterling (GBP) declined versus the US dollar (USD), falling below the 1.2700 mark. Strong demand for the USD, fueled by rising US Treasury rates, a hawkish Federal Reserve outlook, and geopolitical unrest in the Middle East, which increased the USD's appeal as a safe haven, offset the GBP/USD pair's early gains. While poor UK economic data, such as an unexpected GDP contraction and weaker industrial production, weighed on the Pound, strong US inflation data, with the Producer Price Index (PPI) beating forecasts, further strengthened the USD. In a week of intense market activity, the GBP/USD pair is anticipated to be impacted by central bank decisions, important economic indicators, and geopolitical concerns.



Euro Weakens as ECB Cuts Rates, US Dollar Strengthens

As the US dollar gained momentum in a cautious market, the EUR/USD pair declined, falling below 1.0500. While ECB President Lagarde stressed data-driven policy, the European Central Bank lowered rates by 25 basis points, took a dovish approach with inflation projections close to 2% through 2027, and anticipated weak growth. With the CPI at 2.7% and the PPI at 3%, US inflation increased somewhat, but there was no change in the outlook for a rate cut by the Fed. As 2025 draws near, investors now expect a busy macroeconomic calendar that includes retail sales, inflation data, and central bank decisions from the Federal Reserve, Bank of Japan, and Bank of England.



ECB Signals Potential for Further Rate Cuts

European Central Bank (ECB) officials have signaled the likelihood of further interest rate cuts, with François Villeroy de Galhau suggesting that reductions exceeding 100 basis points by the end of 2025 are reasonable. This follows concerns about the euro-zone's economic slowdown, with minimal growth projections for next year and potential risks from external factors like US trade policies and political instability. Despite previous rate cuts this year, ECB policymakers, including Gabriel Makhoul, emphasized the need to monitor inflation and broader economic trends to guide future cuts, potentially in January and March. While the ECB has room for further reductions, as current rates remain above the neutral level, flexibility in rate adjustments will depend on economic data, with some officials suggesting larger cuts if conditions worsen. The ECB remains committed to supporting recovery in the euro-zone amid weak growth and inflation.



China Prepares Aggressive Economic Stimulus to Boost Growth

China is preparing to implement its most aggressive economic stimulus in years, potentially raising its fiscal deficit to 4% of GDP, up from the historical 3% ceiling, and enacting significant interest rate cuts. This shift towards a "more proactive" fiscal policy and a "moderately loose" monetary policy reflects China's commitment to boosting economic growth amid signs of revival, despite challenges like weak domestic demand and potential trade tensions with the U.S. The government plans to expand borrowing for public expenditure and infrastructure projects, with other funding mechanisms such as local and special treasury bonds expected to play a key role. Economists anticipate large rate cuts by the People's Bank of China, including a 250 basis-point reduction in the reserve requirement ratio, and initiatives like direct government purchases of unsold homes and consumption vouchers. While the measures demonstrate a strong policy commitment, uncertainties around their scope and effectiveness remain, especially in a volatile global economic environment.

• Commodities

• Oil Prices Surge on Tight Supply and Rate Cut Hopes

Expectations of tighter oil supply as a result of sanctions on Russia and Iran, as well as possible lower interest rates in the U.S. and Europe, drove oil prices up almost 2% on Friday to a three-week high. Both benchmarks saw notable weekly increases, with Brent futures rising \$1.08 to \$74.49 a barrel and West Texas Intermediate (WTI) crude rising \$1.27 to \$71.29. Tighter sanctions on Russia's tanker fleet, the potential for further penalties against Iran, China's increased oil imports, and positive economic indicators all contributed to the surge. The prognosis for oil prices remained positive, supported by the possibility that lower interest rates would boost demand, even as forecasts of an oil surplus in 2025 owing to growing non-OPEC+ output were made.



Gold Prices Rise and Fall: China's Gold Buying Balanced by US Rate Cut and Geopolitical Ease

China's central bank resumed purchasing gold for its reserves for the first time in six months, which bolstered an optimistic forecast for gold demand and gave gold a lift early in the week. Gold prices increased by almost 1% as a result of China's ambitions to implement looser fiscal and monetary policies to boost economic growth as well as a growing trade surplus. Inflation data in the US was in line with forecasts, but gold's appeal as a safe haven was further diminished by rising US Treasury yields and a reduction in geopolitical tensions, such as calls for an end to the Israel-Hamas conflict. As a result, gold faced sell pressure and reached \$2648. Market participants are now awaiting the Federal Reserve's expected 25 basis point rate cut, looking for clues on future interest rate projections, which could affect gold's direction. Volatility is expected to increase as key economic data is released heading into the holiday season.

600
400
800
25
400
45

Coffee Prices Hit Near 50-Year Highs on Supply Concerns

Coffee prices surged to near 50-year highs in November, with Arabica reaching US\$335/lb, driven by a 70% increase in the year due to ongoing drought conditions in Brazil and supply concerns for the next season. Vietnam, the leading Robusta producer, also faced challenges, tightening the Arabica-Robusta price spread. The market's volatility was further fueled by short covering as traders bought back positions amid rising prices. The upcoming European Union Deforestation Regulation (EUDR), effective in December 2024, adds uncertainty to the coffee trade. Brazil's coffee output for the 2024/25 season is expected to decline by 5%, exacerbating concerns for the 2025/26 crop. The global coffee market faces a potential fifth consecutive deficit season, keeping prices volatile and high until more is known about the Brazilian harvest.

CRYPTO MARKET

Bitcoin Breaches \$100K Amidst Volatility and Institutional Demand

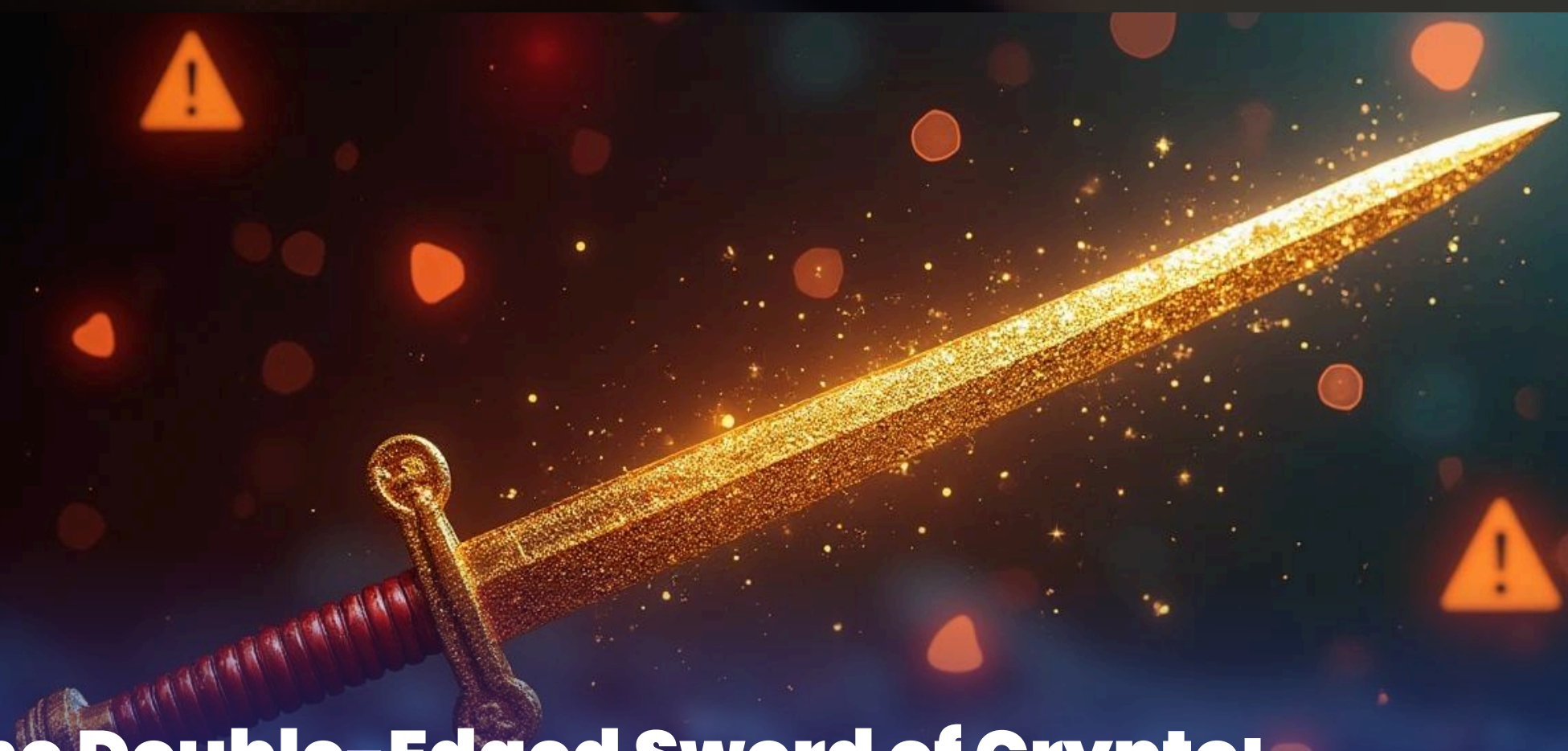
Bitcoin (BTC) briefly surpassed the \$100K mark on Friday after a dip earlier in the week triggered by profit-taking and high-leverage liquidations, with over \$1.69 billion in liquidations across the crypto market. Microsoft's rejection of a proposal to add Bitcoin to its balance sheet added further pressure, though institutional demand remained strong, with \$1.72 billion in inflows recorded by Thursday. Bitcoin surged past \$100K following the US November CPI report, which raised speculation of a Federal Reserve rate cut. Despite concerns over quantum computing's potential threat to Bitcoin's security, experts indicated no immediate risk. Market sentiment remains mixed, but strong institutional interest and upcoming developments continue to shape Bitcoin's price trajectory.



ECB Explores Digital Euro Launch in 2025

ECB Explores Digital Euro Launch in 2025

The European Central Bank (ECB) is exploring the launch of a Digital Euro by 2025, pending legislative approval, aiming to modernize Europe's payment systems and reduce reliance on non-European providers. This initiative seeks to provide citizens direct access to central bank digital money while complementing existing financial systems. The Digital Euro would prioritize security, privacy, and offline use, with limits on holdings and no interest, aiming to coexist with traditional banks. Critics argue it lacks boldness in challenging banking power, while supporters believe it could foster innovation and strategic autonomy. As global central bank digital currencies (CBDCs) gain traction, the ECB's cautious approach contrasts with more aggressive plans in countries like China, with the future of the Digital Euro dependent on balancing privacy concerns, financial stability, and innovation.



The Double-Edged Sword of Crypto: Development Despite Danger

The cryptocurrency industry is experiencing significant growth, with global transaction values surpassing 2021 bull market levels. However, this progress is overshadowed by scandals like the collapse of the FTX exchange, which revealed vulnerabilities and continues to impact investor confidence. Scams, such as phishing attacks and rug pulls in decentralized finance (DeFi) and meme tokens, are increasing in sophistication, with AI technology making it harder to distinguish legitimate projects from fraud. To protect assets, experts advise using self-custody, hardware security keys, strong passwords, and two-factor authentication, while also staying informed and cautious about sharing holdings.



Memecoins: A Risky Gamble or a Calculated Strategy?

Memecoins have emerged as a significant phenomenon in the crypto world, combining humor, culture, and financial speculation. While critics view them as risky and unregulated, memecoins are more than just speculative assets—they involve complex planning, capital investment, and strategic marketing. Successful launches require insider connections, a strong meme concept, and substantial resources, often relying on influencers to generate hype. Despite the risks, including insider schemes that leave retail investors vulnerable, some memecoins succeed through genuine community engagement. The ethical debate surrounding memecoins highlights the tension between decentralization and influencer-driven marketing. For investors, understanding the mechanics of memecoin launches and conducting thorough research are essential to navigating this volatile and potentially rewarding space.

Our platform

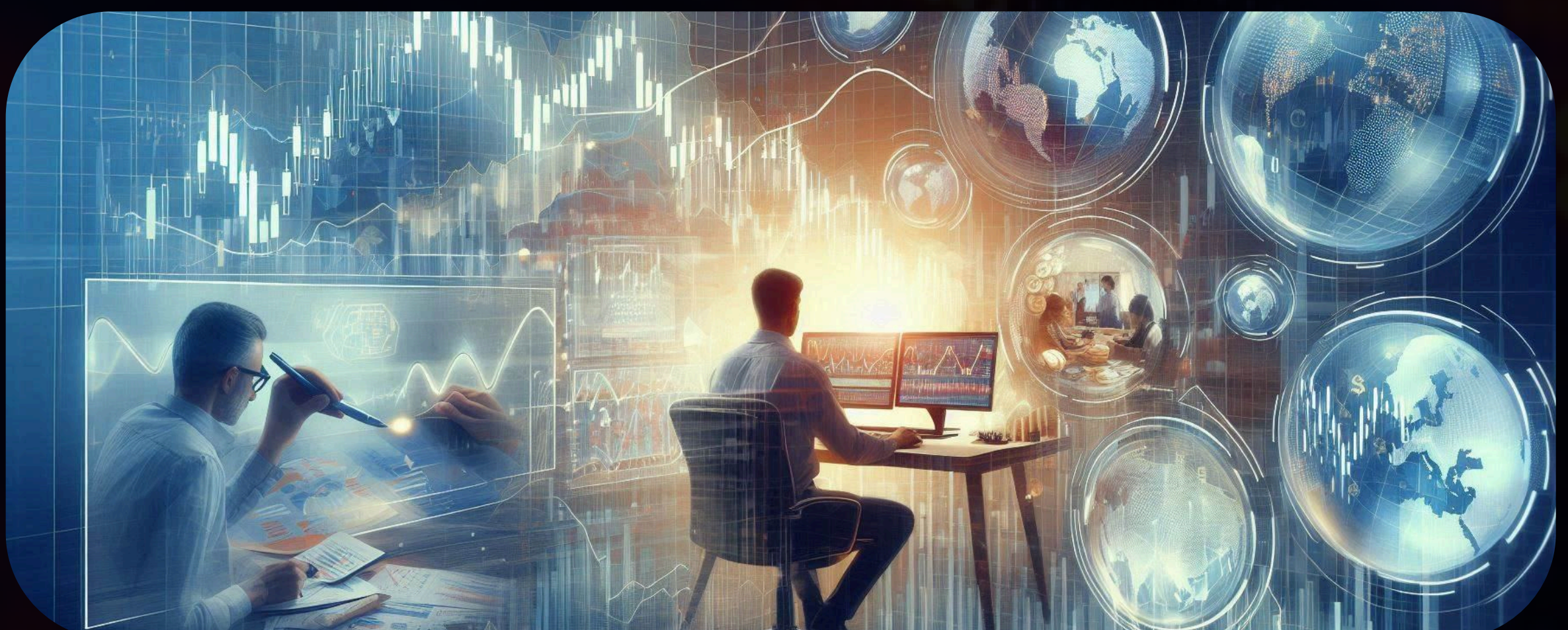
- **1. Co-Founding Programs**

Shape the future of finance by joining our Co-Founding Programs. We're looking for visionary partners who are ready to bring innovative ideas to life. As a co-founder, you'll collaborate closely with us, sharing in both the challenges and rewards of building something great. Whether you have a groundbreaking concept or are looking for a strategic partner, our Co-Founding Programs offer the support and resources you need to succeed. Let's create something extraordinary together!



- **2. As a Signal Provider**

Turn your trading expertise into profit by becoming a Signal Provider with us. Share your trading signals with a broad audience, gain visibility, and earn competitive rewards. Whether you focus on forex, stocks, or crypto, our platform offers the perfect environment to showcase your skills. Join our Signal Provider program today and start making an impact!



- **3. Platform Joint Venture**

Take your business to the next level by partnering with us through a Platform Joint Venture. Whether you're developing financial technology or a new market solution, our platform provides the resources and network needed for growth. Together, we'll create innovative products and expand your reach in the financial world. Let's collaborate on a joint venture today!



- **4. As a Manager**

Take the lead and drive success by joining our team as a Manager. We're looking for experienced professionals to oversee operations, guide teams, and execute high-impact strategies. As a Manager, you'll be instrumental in shaping our growth and ensuring smooth performance across projects. Ready to take on a leadership role? Apply now and make a difference!



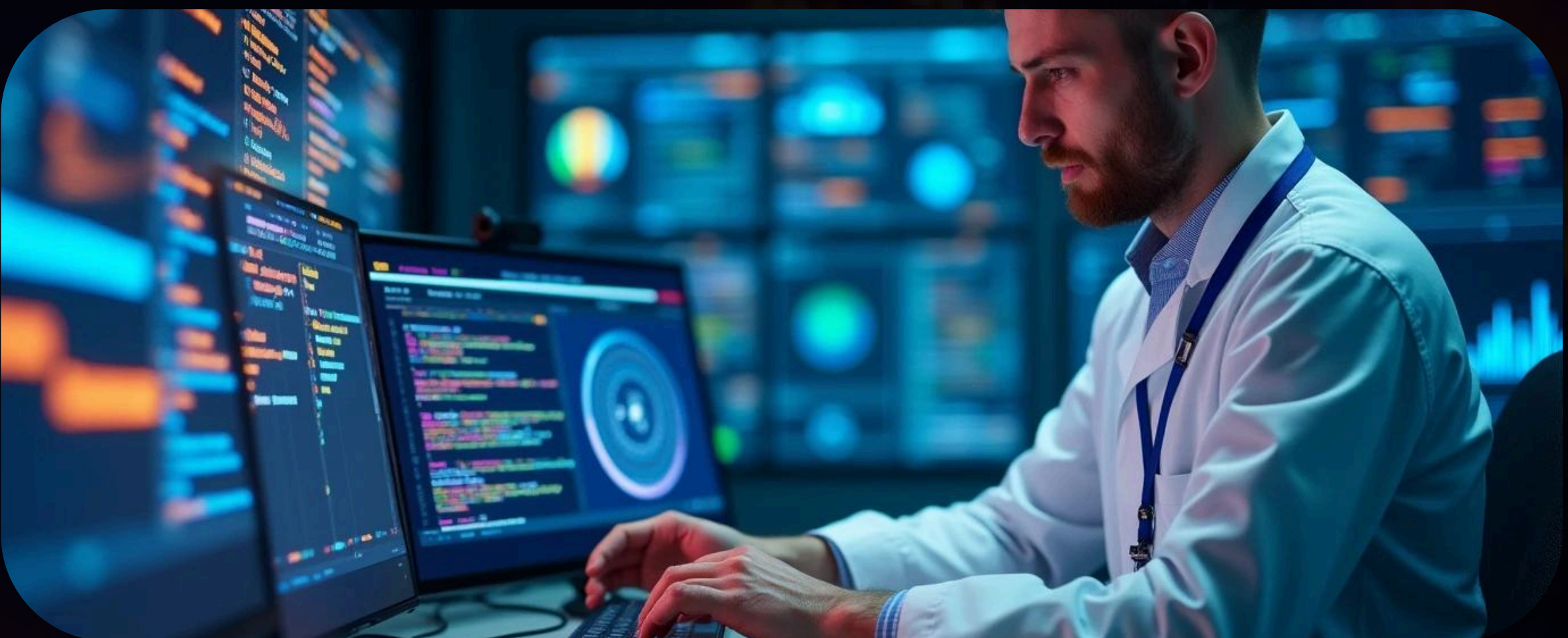
- **5. Investors Plan**

Achieve your financial goals with our Investors Plan. Tailored to your risk tolerance and objectives, this plan provides you with expert guidance and diversified investment opportunities. Whether you're a seasoned investor or just starting out, our Investors Plan helps you grow your wealth securely and strategically. Start planning your financial future today!



- **6. As an AI/Software Expert**

Are you a tech-savvy professional with expertise in AI and software development? Join us as an AI/Software Expert, where you'll work on groundbreaking projects that blend finance and technology. Bring your skills to the forefront, contribute to innovative solutions, and help revolutionize the trading industry. Apply now and be part of the future of finance!



- **7. As a Strategist**

Share your market expertise by joining us as a Strategist. We're seeking professionals who can develop and implement high-performing trading strategies. As a Strategist, you'll collaborate with our team to optimize trading performance and contribute to client success. If you're passionate about finance and strategy, we want you on our team!



- **8. Organizational Deals**

Leverage exclusive opportunities with our Organizational Deals, designed for institutions and large businesses. We offer tailored financial solutions, including investment packages and trading strategies that cater specifically to your organizational needs. Partner with us to boost your company's financial performance and reach new heights. Explore our Organizational Deals 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-require 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.



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