

ALT 5 - DIGITAL ASSETS MORNING CALL

*Macro risks to crypto highlighted in China
| German developments*

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/EINPresswire.com/ -- ALT 5 Sigma Inc.
a global fintech that provides next
generation blockchain powered
technologies for tokenization, trading,
clearing, settlement, payment, and
insured custodianship of digital
instruments releases its digital assets
morning call.

DIGITAL ASSETS MORNING CALL

- Near-term bitcoin and Ethereum price action remains constructive
- Latest China and German data highlight global growth risks
- US 'crypto caucus' working towards constructive regulatory outcomes

The price action in bitcoin and Ethereum has turned consolidative in recent days. The sizeable gains just since mid-March—27% for BTC and 39% for ETH—might typically leave them prone to some backfilling or retracement, but the fact that they have thus far held near recent highs is one condition that will lend a bullish bias to technical and momentum traders.

China PMI's fall into contraction territory

The latest data on the global macro backdrop highlight the risks to future growth. In China, the March readings of the official Purchasing Managers Index fell below the 50% expansion/contraction level, a development consistent with slower growth going forward. The manufacturing index fell to 49.5 from 50.2 in February, and the non-manufacturing (services) PMI fell to 48.4 from 51.6.

The logo features the text "ALT5" in a large, bold, sans-serif font. The "ALT" is in dark blue, and the "5" is in a lighter blue. Below this, the words "DIGITAL ASSETS" and "MORNING CALL" are stacked in a smaller, bold, dark blue sans-serif font.

The slippage in this leading economic indicator comes alongside larger scale lockdowns to deal with the current wave of covid and in that sense, the outcome in the PMI's is not necessarily shocking. And policy makers have said they will address the issues with additional stimulus. However, for crypto prices and financial markets more broadly, the general concern is that a more pronounced slowdown in the world's second largest economy would dampen global growth in a manner that would create headwinds for financial asset prices.

Stagflation narrative in Germany

In Europe, reports that Germany is considering gas rationing to deal with reduced supplies from Russia signals a clear risk to future growth. Compounding the risks in Europe's largest economy, German inflation surged to 7.3% y/y in March, the highest since 1981. The combination of downside risks to growth and surging inflation will fuel concerns about a stagflation backdrop. Similar to the implications from China slowing, a weakening German/European economy poses global growth risks that can prove challenging to crypto assets from a macro perspective.

US congress and crypto regulation

On a positive note for crypto enthusiasts, today's Financial Times carries an article on the "crypto caucus" in the US congress that is trying to shape the US regulation towards crypto assets in a more constructive manner. It details some of the challenges they face from other law makers and regulators, as well as their recognition of the potential utility of digital assets and blockchain technology more broadly. The regulatory outlook for crypto in the US remains something of a wildcard. That uncertainty will continue to limit participation in the space until it is better clarified and will remain a key area of focus for the crypto community.

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ABOUT ALT 5 Sigma

ALT 5 Sigma is a global fintech that provides next generation blockchain powered technologies for the trading, clearing, settlement, payment, and insured custodianship of digital instruments. ALT 5 was founded by financial industry specialists out of the necessity to provide the digital asset economy with security, accessibility, transparency, and compliance. ALT 5 provides its clients the ability to buy, sell and hold digital assets in a safe and secure environment deployed with the best practices of the financial industry. ALT 5 Sigma's products and services are available to Banks, Broker Dealers, Funds, Family Offices, Professional Traders, Retail Traders, Digital Asset Exchanges, Digital Asset Brokers, Blockchain Developers, and Financial Information Providers. ALT 5's digital asset custodian services are secured by Fireblocks.

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