

## ALT 5 - DIGITAL ASSETS MORNING CALL

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*Crypto retraces more of March Rally*

NEW YORK, NY, USA, April 7, 2022 /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.

- FOMC minutes highlight plans for aggressive Fed tightening
- Higher yields/US dollar and weaker risk assets weigh on crypto
- Treasury Secretary Yellen speaks on digital assets

Major crypto assets are still trading defensively after pulling back sharply in the past two sessions. The decline in bitcoin and Ethereum come alongside another push higher in US yields, renewed US dollar gains and sizeable declines in the NASDAQ (i.e., risk assets) as markets grapple with the prospects of more aggressive tightening from the Fed and other central banks, the economic risks stemming from the war in Ukraine, higher oil/commodity prices, and China's latest covid-related stresses.

FOMC minutes highlights more rapid policy tightening plans

Minutes from the FOMC's March meeting highlighted the potential for a faster pace of rate hikes going forward, something that most Fed speakers have also publicly discussed in the three weeks since that meeting. In addition, it noted plans for a fairly aggressive pace of balance sheet reduction (up to \$95 bln per month) that could start at its next meeting in May.

The initial takeaway is that markets will have to contend with a fairly rapid unwinding of the massive liquidity injections the Fed implemented in the wake of the covid pandemic. The latest rise in US yields and dollar, and weakness in risk assets, would seem to account for at least some of those sentiments. Nonetheless, these dynamics have contributed to this week's pullback in bitcoin and Ethereum and need to be monitored for near-term impact on crypto assets.

US Treasury discusses crypto assets

US Treasury Secretary Yellen is set to speak on crypto later today. Text of her speech released by

the Treasury Department note the need for regulations to support responsible regulation while also managing risks to the financial system and economy. Overall, it discusses a broader agenda that is roughly in line with President Biden's executive order on digital assets released last month. And while short on specific recommendations, it underscores the notion that authorities are indeed moving towards introducing more formal regulations around the crypto space.

## Bitcoin and Ethereum retrace

The price action in major crypto assets has turned more defensive in recent days. Bitcoin's pullback in the past two sessions has seen it retrace half of the \$37,627-\$48,190 rally from the second half of March. Ethereum is currently down over 10% from Tuesday's intraday peak of \$3,555. Although short term sentiment has turned more bearish, the pullback is perhaps less surprising when viewed in the context of their outsized gains since mid-March. On a more constructive note, stability in risk assets and stabilization in yields/US dollar thus far today could allow for some relief to crypto assets as well.

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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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