

## ALT 5 – DIGITAL ASSETS MORNING CALL

*China developments aid risk appetite and major crypto assets*

NEW YORK, NEW YORK, US, June 6, 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.

- China developments on covid, tariffs and tech aid an improvement in risk appetite
- Major crypto assets have rebounded but remain in well defined ranges

A graphic with the text "ALT 5 DIGITAL ASSETS MORNING CALL". "ALT 5" is in large, bold, black letters, with the "5" being a bright blue color. Below it, "DIGITAL ASSETS MORNING CALL" is written in smaller, bold, black letters.

Risk appetite has picked up at the start of the week, boosting the prices of major crypto tokens. Several China-related developments have helped improve sentiments in financial markets broadly.

### China relaxes covid restrictions

First, China is loosening covid-related restrictions in most areas of Beijing, highlighting material progress in addressing the latest wave of covid infections. The immediate upshot is that it will boost economic activity by reducing the economic drag of the restrictions and China's zero covid policy.

### US may reduce China tariffs

Second, the US is considering lifting tariffs on some Chinese imports in order to help reduce inflation pressures. Commerce Secretary Raimondo made the comments to CNN Sunday. The notion that US authorities could take measures to help counter inflation pressures is giving a lift

to market sentiment, even if the extent and actual impact of such measures remains to be seen.

China's tech crackdown may be concluding

Third, China is close to concluding its investigation of Didi, Full Truck Alliance and Kanzhun, according to an article in the Wall Street Journal. Recall that Beijing launched an investigation/crackdown on these tech companies last summer, after they listed on US exchanges. The move pressured China share prices broadly and put a material dent in risk appetite last year. Hence, concluding those investigations now is being viewed positively by financial markets.

The macro challenges remain formidable

Importantly, while these developments may be aiding a short-term bounce in market sentiment—and aiding crypto prices in the process—there is still a great deal of uncertainty about the path of the broader macro outlook. For example, overnight it was reported that China's Caixin (non-official) Services PMI rose to 41.4 in May from 36.3 in April, weaker than expected and well below the 50% boom/bust level that separates an expanding economy from a contracting economy.

US inflation data later this week

Last week's US employment report highlighted the still-tight conditions in the labor market, which is positive for economic growth but also for inflation. Later this week, the US May CPI report is due and is expected to show only a modest deceleration of inflation to 8.2% from the 8.3% reading in April. Such an outcome should maintain the Fed's determination to tighten monetary policy more aggressively, and most expect a 50bp rate hike at the next FOMC meeting on June 14-15.

On the charts

In the meantime, bitcoin and ether have rebounded from weaker levels evident late last week, but both remain in the reasonably well-defined trading ranges established since mid-May. Bitcoin has moved back above \$30,000 with near-term resistance at last week's highs at and just above \$32,000. Ether has rebounded after threatening potentially key support at the \$1,700 area but, at current levels near \$1,900 remains below psychological resistance at \$2,000.

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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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