

Gold, stock, and Bitcoin prices 'rise' after US inflation news

Immediately after the US announced lower-than-expected inflation data, world prices of Bitcoin and gold immediately increased sharply while the three main indexes on the US stock market all peaked.

According to a recent report from the US Department of Labor, the consumer price index (CPI) in April only increased by 0.3% over the previous month, lower than the forecast of 0.4% by Dow Jones.

Immediately after the data was released, expectations that the US Federal Reserve (Fed) would soon cut interest rates created a driving force for the world financial market.

US stocks peaked

On the US stock market, the main indexes all climbed to record highs in the May 15 trading session. In particular, the S&P 500 exceeded the 5,300 point mark for the first time in history and ended the session at 5,308.15 points, an increase of 1.17%; Nasdaq index increased 1.4% to 16,742.39 points; Dow Jones increased nearly 0.9% to 39,908 points.

According to CME FedWatch Tool, Fed fund futures trading data shows that there is a 75.3% chance that the US central bank will reduce interest rates at its September meeting. This number is a significant increase compared to the rate 65.1% recorded the day before.

According to Brian Nick, senior investment strategist at Macro Institute, the market has met investor expectations. This information will strengthen the basis for the Fed to cut interest rates this year.

Similarly, Bitcoin price also moved in agreement with US stocks, increasing more than 7% in the past 24 hours, reaching 66,000 USD. This is also the best trading day for this cryptocurrency in nearly 2 months.

With this market price, Bitcoin is trading above the MA50 line for the first time since mid-April.

'The lower-than-expected CPI data increased the chances of an interest rate cut, which still has a strong influence on Bitcoin price,' said Owen Lau, analyst at Oppenheimer.

According to the expert, after the birth of the ETF and the halving event, interest rates are the next catalyst affecting Bitcoin price.

'With the US core CPI cooling for the first time in 6 months, investor demand for risky assets such as cryptocurrencies will recover, thereby promoting more inflows spot bitcoin ETFs, which have been particularly quiet lately,' said Leena ElDeeb, analyst at 21Shares.

Typically, high interest rates make risky assets like tech stocks and Bitcoin less attractive as investors turn to safer options like U.S. Treasury bonds.

World gold "rises"

For the precious metals market, gold and silver prices both increased sharply in the trading session on May 15. According to Kitco, the decline in the USD index (DYX) and US Treasury bond interest rates are also beneficial for the precious metals market.

Gold futures price for June delivery reached its highest level in 3 weeks, increasing by 30.2 USD/ounce to 2,390.1 USD. Silver price for July delivery also increased by 0.998 USD/ounce to 29.7 USD and reached its highest level in 4 weeks.

Experts from Kitco believe that the scenario of the Fed soon reducing interest rates will be a sign of increased prices for precious metals from the perspective of consumer and commercial demand.

Comex copper futures today hit a new record high of \$5.1280/lb. Tight global supply, better world economic growth, metallurgical problems in China as well as widespread speculation in the market are causing the price of the red industrial metal to rise sharply.

Technically, June gold futures prices today reached a 3-week high. Bulls have a solid overall near-term technical advantage and aim to close above stiff resistance at \$2,448.80 an ounce.

Meanwhile, bears' next near-term downside price objective is to push futures prices below hard technical support at \$2,300/ounce.

July silver futures prices today reached their highest level in 4 months. Silver bulls have the solid overall near-term technical advantage. The next upside price objective would be a close above stiff resistance at \$30.19/ounce.

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