

## US Fed Dovish Signal Boosts Crypto Markets

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Cryptocurrency markets and Australian equities rose on Friday after U.S. Federal Reserve Chair Jerome Powell signalled a potential shift towards interest rate cuts at the annual Jackson Hole Economic Symposium. His dovish comments lifted investor confidence globally, including in Australia, as traders weighed the prospect of cheaper borrowing costs and a stronger appetite for risk assets.

Powell said the employment risks are increasing and that with U.S. policy in restrictive territory, adjustments may soon be warranted. Analysts interpreted the remarks as an indication that the Fed could cut rates as early as September. Lower interest rates typically encourage investment in higher-risk assets, boosting both digital currencies and equities.

The announcement sent the global cryptocurrency market back above US\$4 trillion. Bitcoin rose 3.5% to trade above US\$69,000, while Ethereum gained more than 12%, nearing its previous all-time high of US\$4,878. Other altcoins, including Solana and Dogecoin, also advanced strongly.

Australian investors mirrored the trend, with the S&P/ASX 200 finishing the day 1.3% higher, supported by tech and financial stocks. Analysts noted that local crypto exchanges, such as

Independent Reserve and Swyftx, reported heightened activity as traders sought exposure to digital assets amid the global rally.

REA Group senior economist Eleanor Creagh said the Fed's tone reflects a changing global environment. "Lower borrowing costs in the U.S. flow through to global markets, including Australia. It makes equities and digital assets more attractive, especially for investors willing to take on higher risk," she said.

The Australian dollar also strengthened slightly against the U.S. dollar, trading at US\$0.67 as risk sentiment improved. However, economists cautioned that the Reserve Bank of Australia (RBA) will continue to chart its own course, with inflation and wage data likely to determine domestic policy.

Despite geopolitical tensions in the Middle East pushing oil prices up 4% to US\$76.45 a barrel, crypto markets held firm. Analysts said the resilience highlights growing investor confidence in digital assets as part of mainstream financial portfolios.

Market commentators warned, however, that volatility remains high. Crypto prices can shift rapidly in response to regulatory moves or global events. Investment advisers urged Australian retail investors to remain cautious despite the strong short-term rally.

For now, the Fed's dovish pivot has given global and Australian markets a boost, underscoring how closely linked local investors are to shifts in U.S. monetary policy.