
Carlsquare/Vontobel weekly trading note: Full-throttle FOMO for bitcoin

Bitcoin is one of the top 2024 winners with a gain of around 140%. In our view, bitcoin has now entered a FOMO (fear of missing out) phase, where we believe there is currently some overshooting in the market. The market is expecting a 25bp rate cut from the Fed today, Wednesday 18 December. Technical analysis suggests that the Nasdaq is currently overbought, while the MACD has given a soft sell signal for the S&P500.

Markets are driven by a fundamental psychological principle: fear and greed dictate behaviour. At its peak, euphoria sets in, as it is now in the case of bitcoin, as everyone rushes in to avoid missing out, creating the FOMO effect. At the top, buyers exhaust themselves, leaving prices fragile and vulnerable to even small shocks. A single large sale can cause panic, triggering a rush for the exits and sending prices tumbling.

The Fed's interest rate announcement today, Wednesday 18 December, will be the main event on the macro agenda this week. Unlike the ECB, the Fed has to adjust to a more dynamic US economy, with the latest PMIs pointing to particular strength in the services sector.

In our technical analysis, we see bearish signals for the US equity indices, with the Nasdaq continuing to rally despite increasing yields.

Please find out more in our weekly letter on certificates Vontobel.com: [Read the weekly newsletter here](#)

[Link to the Swedish-translated version](#)

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As a globally operating financial expert with Swiss roots, Vontobel specializes in wealth management, active asset management and investment solutions. Structured Solutions & Treasury bundles different investment solutions for private investors either directly or via ecosystems. [Read more](#)

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Attachments

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