

# Monthly Market Insights

DECEMBER 2024





# 1

CHAPTER

Top 5 Pivotal Events  
Shaping the Financial  
Markets in 2024



# Overview

2024 has been a remarkable year in the financial markets, with many events having a significant impact across a variety of different asset classes. Here, we will take a look at some of the key events, how they affected individual asset classes and then take a look at a preview of how the markets will continue to be impacted going into 2025.

## 1 The Year of Elections

2024 has been a remarkable year in the financial markets, with many events having a significant impact across a variety of different asset classes. Here, we will take a look at some of the key events, how they affected individual asset classes and then take a look at a preview of how the markets will continue to be impacted going into 2025.

## 2 Ongoing Geopolitical Issues

The Russia-Ukraine war continued throughout 2024, and we also had increasing tensions in the Middle East, with Israel and Iran exchanging direct attacks on each other as well as ongoing wars in the wider region. This brought some instability to the markets, in particular towards Oil.

## 3 Easing of Interest Rates

As inflationary issues subsided, many Central Banks, including the Federal Reserve System (FED) and European Central Bank (ECB) started to reduce rates slowly in 2024, impacting the currency markets. Whilst this cycle of rate cuts is expected to continue, the outlook for 2025 and the challenges faced could impact their future decisions on interest rate cuts.



# Overview

## 4 The People's Bank of China's Intervention

In September, the People's Bank of China (PBOC) implemented a range of measures aimed at boosting the economy. It switched from a "prudent" to "monetary loose" policy stance to counter deflationary pressures.

## 5 Bank of Japan's Shift in Monetary Policy

2024 saw a significant shift in the Bank of Japan (BoJ)'s ultra-loose monetary policy, including its termination of negative interest rates and an increase in interest rates in July with further rate increases expected in December.

In the next pages, we'll explore how these events impacted each asset class in 2024.

# 02

## Forex

The Forex markets have seen some volatility in 2024, with the **USD** exhibiting strength, especially towards the end of the year with the FED's cautious approach to interest rate cuts and the prospect of a second term for Donald Trump.

The **Euro** has been weakened by concerns around economic growth, and a reluctance from the ECB to take aggressive measures to tackle inflation. Whilst the biggest shift in the Forex markets came in **JPY** pairs with the shift in policy from the BoJ creating high volatility and an increase in the value of JPY. After months of Euro gains against the Yen, the second half of the year saw the first significant shift.



Figure 1: EURJPY Weekly Chart - Source: VT Markets MetaTrader 5

## 03

## Indices

U.S. markets have been largely unaffected by the ongoing political issues and again have had a strong performance in 2024, continuing to **make new all-time highs**, bolstered by the prospect of tax cuts and deregulation for businesses under Donald Trump's second term in office.

After months of losses due to concerns over the Chinese economy, the **A50** saw significant gains initially after the PBOC's intervention. Whilst the market has pulled back from those initial gains, the outlook remains much more positive.



Figure 2: A50 Weekly Chart - Source: VT Markets MetaTrader 5

# 04

## Commodities

**Oil** and **Gold** have seen plenty of volatility in 2024. As interest rates eased, **Gold** saw consistent and unprecedented gains. However, since the U.S. elections, the price of Gold has eased slightly with the shorter-term outlook being a little weaker as investors may look to more riskier assets with higher potential returns. There are also some concerns around potential inflationary issues caused by expected Trump administration policies.

**Oil** has also seen significant volatility due to the ongoing tensions in the Middle East, with Iran and Israel attacking each other directly. Whilst the ceasefire with Hezbollah as eased tensions slightly, the issues within Syria and ongoing conflicts involving Israel will continue to create uncertainty in the region.



**Figure 3:** Oil Daily Chart - Source: VT Markets MetaTrader 5



# 2

CHAPTER

5 Key Charts of 2024 and  
the Outlook for 2025



# 01

# Bitcoin

**Bitcoin** moved over the **\$100K** mark in 2024 for the first time, driven by the prospect of deregulation and a focus on innovation under Trump's second term.

After a tough couple of years, Bitcoin has performed strongly in 2024, initially moving back to the \$70K area before breaking higher and hitting that \$100K mark.

Deregulation could see an increase in institutional participation which could help drive the price even higher in 2025. However, traders and investors should always **be aware of the inherent volatility** that comes with Bitcoin.



**Figure 4:** Bitcoin Daily Chart showing its break higher to hit \$100k  
- Source: VT Markets MetaTrader 5

# 02

# Gold

As mentioned in the Overview section, the precious metal has seen unprecedented gains in 2024. Driven by demand and investors looking for safe-haven assets to allocate their capital to Gold had a really strong year. The outlook for 2025 is a little less clear, with **Gold** prices coming under pressure toward the end of the year since Donald Trump's re-election. Whilst the concerns causing this pressure on the price of Gold will remain in 2025, demand is still expected to remain strong and there is still the potential for further rate cuts which could help drive further demand.

Traders and investors should keep a close eye on Central Bank announcements and clues in their shifts in policy when making decisions on Gold for 2025.



**Figure 5:** Gold Daily chart showing the strength of Gold in 2024

- Source: VT Markets MetaTrader 5

Much like Gold, U.S. Equities in particular, and European Indices such as the Dax have made strong gains in 2024. U.S. indices are generally up between 25-30% for the year, and the outlook for 2025 continues to remain positive with Trumps pro-US business policies set to be implemented when he takes office in January.

Technology advancements, especially in regards to AI, and a strong focus on innovation could help the **NASDAQ**, especially in 2025. However, global economic conditions, trade wars, and geopolitical events will play significant roles in shaping investor sentiment and market performance.



**Figure 6:** Weekly NASDAQ chart representing strong gains

- Source: VT Markets MetaTrader 5

All eyes will be on the FED and how it will approach 2025 with regard to further rate cuts. Weakness in the Euro and USD strength across the board has seen **EURUSD hit a 2-year low**.

Once again, we should keep an eye on the upcoming Central Bank announcements for clues into their policies going into 2025. With the ECB expected to continue to be more aggressive than the FED with future rate cuts, and concerns around potential inflationary US policy this can continue into 2025 putting more pressure on EURUSD in the early part of the year. However, any signs of an economic slowdown in the U.S. could put pressure on the USD.



**Figure 7:** EURUSD Weekly chart showing recent weakness in EUR vs USD strength  
- Source: VT Markets MetaTrader 5

**Apple** had a strong year in 2024, boosted by the successful launch of the iPhone 16 and the strong performance of the Tech Sector overall.

Consumer demand is expected to continue to be strong in 2025, especially from China. Apple has also integrated AI to enhance its user experience and the advancement of AI could also continue to help boost its share price in 2025.



**Figure 8:** Apple Daily Chart showing its strength in 2024  
- Source: VT Markets MetaTrader 5

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Ross is the Global Strategy Operations Lead at VT Markets, bringing over two decades of investment and trading expertise from major financial hubs including London and Hong Kong. His role focuses on expanding VT Markets' global presence while delivering comprehensive thought leadership content that combines technical and fundamental analysis.

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