



Source: Business Insider

Bitcoin Continues To Extend Its Lead Over Gold

Bitcoin continues to gain ground on gold after climbing above it for the first time on March 2, 2017. The cryptocurrency trades up 2.6% at 1271 a coin while the yellow metal is down 0.6% at \$1232 per ounce.

Both currencies have seen a solid start to 2017, but bitcoin's has been a bit better. It has gained about 35% so far this year after rallying 120% in 2016 and finishing as the top performing currency in each of the last two years. In recent weeks, bitcoin has managed to shrug off news that China's biggest exchanges were going to start charging clients a flat fee of 0.2% per transaction and that they were going to block withdrawals.

As for gold, it bottomed out at \$1123 shortly after the Federal Reserve raised its key interest rate back in December. Its 2017 gains have come despite a rally in risk assets and a Fed that says it expects to raise rates three times in 2017. Friday's speech by Fed Chair Janet Yellen is likely to move the precious metal as she will give her economic outlook and could provide clues as to when the next rate hike could occur. Currently, World Interest Rate Probability data provided by Bloomberg shows an 92% chance of a 25 basis point hike at the upcoming meeting on March 14/15.