JUNE 16 - 2023

DAILY MARKET REPORT

SECURE
DIGITAL MARKETS

Institutional research.

Markets Insights

	S2	S1	R1	R2	24H %	7D %	30D %	YTD %
Bitcoin	22,700	24,000	26,500	27,500	1.96%	1.96%	0.13%	53.66%
Ethereum	1,475	1,570	1,795	1,850	1.17%	9.93%	-8.34%	38.78%
S&P 500	4,300	4,340	4,500	4,580	0.16%	3.11%	5.74%	20.62%
Nasdaq	14,250	14,700	15,275	15,650	+0.00%	4.52%	10.09%	38.91%
US Dollar Index	100.35	101.70	103.15	104.30	+0.01%	-0.11%	-1.01%	-2.74%

Next FOMC meeting: July 26 2023.

- Probability of a 0bps hike → 25%
- Probability of a 25bps hike → 75%

BITCOIN

Price: $25,500

Change (24hrs): +1.8%

Trading Volume (24hrs): -26%

Funding rate: 0.0093% (-62%)

ETHEREUM

Price: $1,664

Change (24hrs): +1%

Trading Volume (24hrs): -50%

Funding rate: 0.0047% (-24%)

Latest Digital Asset News

First Mover Asia: Hong Kong as Crypto Hub? The City's Strict Banking Requirements May Be an Obstacle

Hong Kong has potential as a cryptocurrency hub, however the city's strict banking regulations may be an obstacle. Hong Kong, with its proximity to China and established financial infrastructure, is viewed as an attractive location for crypto businesses. However, the city's stringent Know Your Customer (KYC) and Anti-Money Laundering (AML) requirements, along with increasing regulatory scrutiny, pose challenges for crypto companies. While some argue that these regulations protect investors and promote financial stability, others believe they hinder innovation and drive businesses to more crypto-friendly jurisdictions. Hong Kong's position as a crypto hub may depend on finding a balance between regulation and fostering innovation.

BlackRock applies for spot Bitcoin ETF — a US first if approved

BlackRock, the world's largest asset manager, has submitted an application to the U.S. Securities and Exchange Commission (SEC) to launch a Bitcoin exchange-traded fund (ETF) on the NASDAQ exchange. The ETF would allow investors to gain exposure to Bitcoin without directly owning it. BlackRock's move comes as other major financial institutions and investment firms show increasing interest in the crypto space. While the SEC has not yet approved any Bitcoin ETFs, BlackRock's entry into the market could potentially lend further credibility and mainstream acceptance to cryptocurrencies. The decision will ultimately depend on the regulatory scrutiny and guidelines set by the SEC.

Mark Cuban: SEC and Gary Gensler are throwing crypto startups 'under the bus'

Mark Cuban's has spoke criticism of the U.S. Securities and Exchange Commission (SEC) and its chairman, Gary Gensler, for their treatment of crypto startups. Cuban argues that the SEC's regulatory actions are hindering innovation and growth in the cryptocurrency industry. He believes that the SEC is overly focused on enforcement rather than providing clear guidelines, which puts startups at a disadvantage. Cuban suggests that the SEC needs to strike a balance between protecting investors and fostering innovation. He emphasizes the importance of providing regulatory clarity to enable crypto startups to thrive and contribute to the broader economy.

Binance exits the Netherlands after failing to acquire regulatory approval

Binance has decided to exit the Netherlands market. The move comes as Binance continues to face regulatory challenges in various jurisdictions. The Dutch central bank, De Nederlandsche Bank (DNB), had previously issued a warning to Binance, stating that it lacked the necessary licenses to operate in the country. As a result, Binance has suspended euro deposits via the SEPA network and will halt all trading activity for Dutch users. This withdrawal from the Netherlands highlights the ongoing scrutiny and regulatory complexities faced by cryptocurrency exchanges operating in different regions.

TradFi

Market sentiment regarding the possibility of a banking crisis in the US has diminished, but there are still indications of ongoing concerns among certain firms. The amount of money borrowed through the Federal Reserve's emergency lending facility has increased for the sixth consecutive week, remaining above $100 billion.

On Friday, stocks experienced gains as Wall Street concluded a significant week, prompted by the Federal Reserve's decision to pause rate hikes and positive inflation data, which reassured investors.

Key market milestones for the week include:

- The S&P 500 saw a 3% increase, marking its best performance since March.
- This is the fifth consecutive positive week for the S&P 500, a streak not seen since November 2021.
- The benchmark has risen by over 26% from its low point during the bear market.
- The Nasdaq Composite recorded a 4% increase, marking its best week since March.
- The Nasdaq has now seen eight consecutive weeks of gains, its strongest winning streak since 2019.
- Both the Nasdaq and S&P 500 saw six consecutive days of gains until Thursday.
- The S&P 500 and Nasdaq are currently at their highest levels since April 2022.

This week, the Federal Reserve met investor expectations by maintaining unchanged interest rates after a series of ten consecutive rate hikes. Although the Fed indicated the possibility of two more rate increases later in the year, many traders and economists on Wall Street believe that the Fed may be nearing the end of its tightening cycle.

Friday's trading session is expected to be volatile due to the quarterly rebalancing of certain indexes and the expiration of certain options, known as quadruple witching. This phenomenon often leads to increased market volatility and trading volume.


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S&P 500 E-mini Futures, 1D, CME +2.50 (+0.06%)
S&P500
USD
4700.00
4630.00
4600.00
4580.00
4500.00
4473.75
07:09:22
4400.00
4340.00
4300.00
4190.00
4120.00
4100.00
4065.00
4000.00
3970.00
3890.00
3800.00
3700.00
3600.00
61.80%(4317.75)
50.00%(4162.25)
38.20%(4007.00)
78.04
60.00
40.00
20.00
76.55
55.72
20.82
0.00
−100.00
Mar
May
Jul
Sep
Nov
2023
Mar
May
Jul
Sep
TradingView


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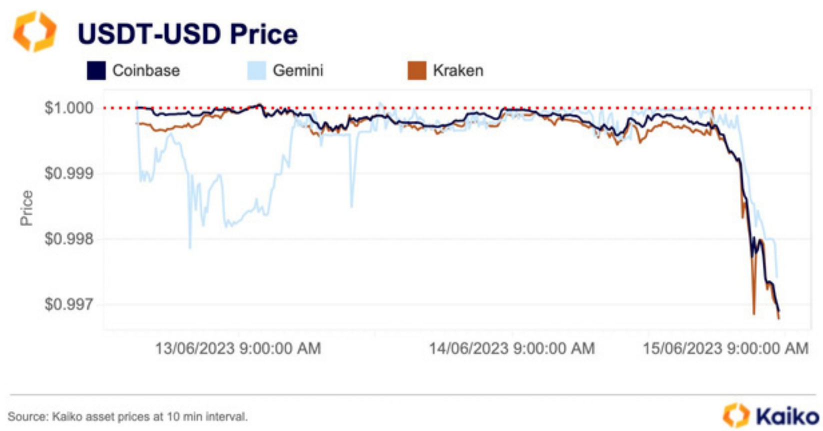
NASDAQ 100 E-mini Futures, 1D, CME −9.50 (−0.06%)
NASDAQ
USD
16400.00
16300.00
16000.00
15650.00
15364.50
07:08:52
14800.00
14700.00
14400.00
14250.00
14000.00
13900.00
13900.00
13575.00
13300.00
13200.00
13000.00
12800.00
12700.00
12350.00
11950.00
11650.00
11200.00
10800.00
61.80%(14362.50)
50.00%(13622.25)
38.20%(12882.00)
79.18
60.00
40.00
20.00
387.35
67.61
−400.00
2022
Mar
May
Jul
Sep
Nov
2023
Mar
May
Jul
TradingView

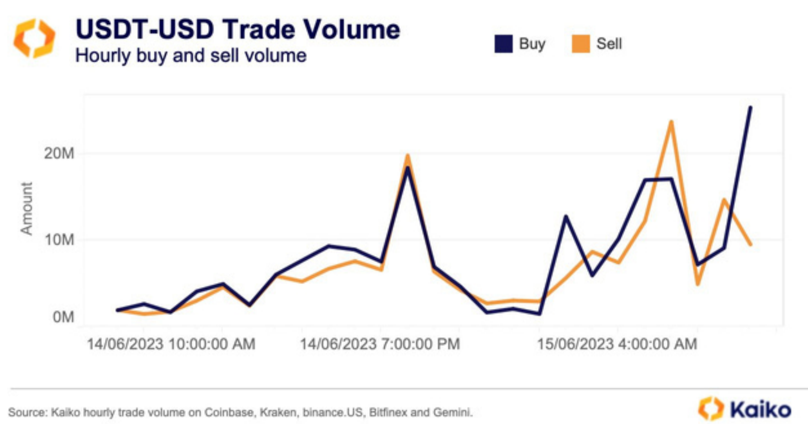
Bitcoin

Recently, the value of USDT, the leading stablecoin, faced downward pressure as it fell below its intended $1 peg. However, there have been recent indications of a recovery as buying activity on centralized cryptocurrency exchanges (CEXs) gains momentum.



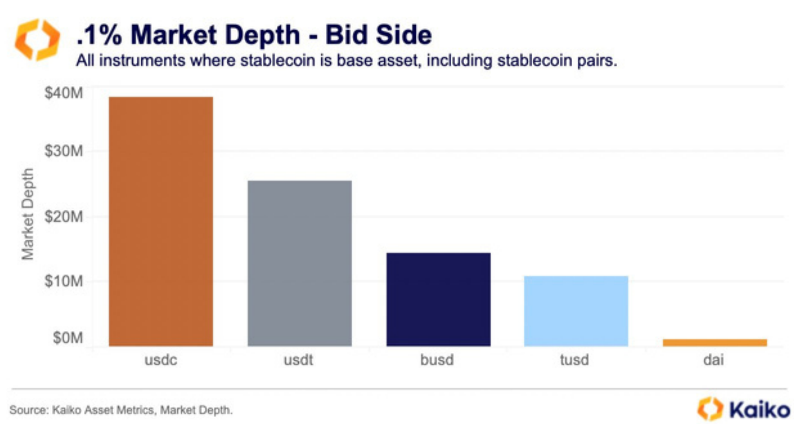
Notably, specific liquidity pools on decentralized finance (DeFi) protocols, such as Uniswap and Curve, experienced an influx of sellers looking to exchange USDT. This influx of sellers has the potential to cause a rapid depeg, as observed during the Silicon Valley Bank collapse when the highly regarded USDC stablecoin temporarily lost its peg and dropped to as low as $0.93. However, USDC managed to regain its dollar parity within a few days.

During the past three months, USDT's market capitalization has increased by approximately $14 billion, while the USDC coin has experienced nearly an equal decrease in value.



The Commodities and Futures Trading Commission (CFTC) and the Securities and Exchange Commission (SEC) have both expressed a specific interest in stablecoins. Following the depegging incident of USDC in March, any potential issues with Tether (USDT) could potentially lead to a systemic crisis that regulators and lawmakers have grown concerned about within the cryptocurrency industry.

Moving on with Bitcoin's price action, the intraday chart is showing signs of a recovery but the overall trend remains bearish. Prices rebounded off the recent pivot low of 24,800 and is trying to re-enter the previous range between 24,400 and 26,200 despite being still capped by a declining trend line.



Looking at the daily chart, prices have rebounded off a very important support level. As long as BTC remains above this zone, then there is hope for a significant recovery. If we break below this zone, especially on high volume, then we would most likely reach lower levels near $24,000 and $22,700 in extension.

- BTC > 28,500 → Bullish
- BTC < 28,500 → Neutral with a bearish bias
- BTC < 25,250 → Bearish

Bitcoin

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Ethereum

ETHUSDT is showing signs of a potential rebound ahead, just like BTC.

Prices have rebounded off their 200-day moving average, an important psychological level. What is interesting, is that this level also matches the bottom-end of a rising trend channel, reinforcing the view that this could be the bottom of the recent downtrend.

Looking at the indicators, the MACD is clearly bearish with no recovery in sight. However, the RSI bounced off the oversold level of 30 and is trying to reach higher levels. The last two times this took place in March and November, it represented the local bottom of the move and served as a great entry point for buyers.

- ETH > 1890 → Bullish
- ETH < 1890 → Neutral with a bearish bias
- ETH < 1710 → Bearish

Ethereum


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Ethereum / TetherUS, 1D, BINANCE −2.93 (−0.18%)
USDT
2150.00
1995.00
1930.00
1850.00
1795.00
1664.03
1570.00
1475.00
1365.00
32.67
TradingView


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Ethereum / Bitcoin, 1D, BINANCE
BTC
ETH / BTC
Fed support
Shapella upgrade
0.07100
0.06524
0.06500
0.06250
30.87
TradingView

Altcoin Analysis - Curve (CRV)

The Curve decentralized autonomous organization's (DAO's) governance token CRV dropped 12% on June 15 after reports surfaced of risky loans taken by its founder, Michael Egorov, on Aave.

On-chain analytics show that Egorov deposited 431 million CRV (worth around $246 million) across multiple decentralized lending protocols and borrowed $101.5 million of stablecoins on multiple platforms. The deposits by Egorov account for 50.5% of CRV's circulating supply.

The size of Egorov's loans puts the token under tremendous pressure, the negative bets on CRV have risen considerably. The open interest volume for CRV perpetual swap contracts has increased from $35.5 million to $46.3 million following the revelation of Egorov's loans.

CRV/USDT - On the daily chart, structure towards the downside is clear. However, we approach levels of support last seen in Nov '22 which experienced high volume backing a sharp move to the upside. We expect this region to provide a strong reaction.

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