



JUNE 2 - 2023

DAILY MARKET REPORT



SECURE
DIGITAL MARKETS

Institutional research.

Markets Insights

	S2	S1	R1	R2	24HR %	7D %	30D %	YTD %
Bitcoin	25,250	26,300	28,500	29,500	0.13%	0.13%	0.35%	62.65%
Ethereum	1,710	1,790	1,995	2,150	1.13%	3.25%	-5.38%	57.34%
S&P 500	4,065	4,120	4,315	4,390	0.79%	1.16%	2.86%	3.55%
Nasdaq	13,900	14,250	14,850	15,275	+0.45%	1.27%	9.39%	32.58%
US Dollar Index	101.70	102.55	104.30	105.30	+0.15%	-0.11%	2.41%	1.14%

Next FOMC meeting: June 14 2023.

- Probability of a 0bps hike → 70%
- Probability of a 25bps hike → 30%



BITCOIN

Price: \$26,934

Change (24hrs): +0.10%

Trading Volume (24hrs): +7.7%

Funding rate: 0.0082% (-11%)



ETHEREUM

Price: \$1,883

Change (24hrs): +1.4%

Trading Volume (24hrs): +15.5%

Funding rate: 0.0069% (-33.4%)



Latest Digital Asset News

1- What is the Secret Behind Litecoin's Uptick in Activity?

Litecoin starts the month of June with strong momentum as over the past 30 days the LTC price has soared - printing a 7.5% increase.

This holds significance in the current environment as it represents the third-best result among crypto assets over that period, and topping bitcoin, which is down 6.2% and ether, which has edged lower by 0.5%.

Why are we interested? The halving event scheduled for August is where the investors' eyes are. The halving, which reduces the block reward for miners by half, is expected to trigger a further surge in activity and for Litecoin to maintain higher prices.

2- Why Signs of a Bear Market will Spark an Opportunity for those with Strong Belief...

The daily trade volume on centralized exchanges (CEX) has dropped to levels last seen in late 2020, indicating a lack of interest and market apathy.

Data from Kaiko reveals a pattern of declining CEX trade volume since May 2021, with a double top at \$100 billion in April.

Currently, the daily volume hovers around \$5 billion, reminiscent of the bear market cycle. Will Clemente, co-founder of Reflexivity Research, suggests that this period of market indifference can present opportunities for those with strong conviction and belief in the market.

3- What happened to Gate.io - What Triggered the Speculation this week?

Coinsumption, a Twitter account with nearly 31,000 followers, suggested on May 31 that Gate.io was "having insolvency problems" and advised users to withdraw their funds from the exchange.

What actually happened? Speculation emerged earlier on as members of a separate blockchain project, Multichain, had moved \$3 million of the MULTI token to Gate.io, whilst there were significant project related issues such the team being unable to contact their CEO or access project servers.

MULTI was then halted for deposit on the leading exchange Binance, which is said to be responsible for the snowball effect of rumors like the Coinsumption example that followed relating to Gate.io.

4- How might the U.S. Commodities Agency Change Risk Rules to Consider Crypto?

The U.S. Commodity Futures Trading Commission (CFTC) is considering updating its risk management rules to include cryptocurrencies. These potential changes aim to enhance risk monitoring and evaluation in line with the unique characteristics of digital assets.

By adapting regulations, the CFTC seeks to ensure comprehensive oversight and regulation of cryptocurrencies within the United States, aligning with broader efforts to integrate them into traditional financial frameworks.

The proposed amendments could have significant implications for the regulatory landscape surrounding cryptocurrencies.



TradFi

From the latest economic data, the United States economy reported an addition of 339,000 jobs in May, which significantly outpaced the predicted 180,000, demonstrating considerable strength in the job market. There was a minor elevation in the unemployment rate, moving to 3.7% from the previous month's 3.4%.

Federal Reserve officials are meticulously scrutinizing these statistics in anticipation of their forthcoming bi-monthly meeting commencing on June 13th. The strategic softening of the labor market has served as a fundamental component of the continuous ten rate hikes observed recently.

Theoretically, a deceleration in the demand for labor could potentially induce a slowing of price growth, facilitated by a reduction in wage pressure. This current and future trajectory of labor market conditions remains a critical factor for ongoing monetary policy decisions.

Looking at an intraday chart of the S&P500, we can see that it might breakout of its rising wedge pattern soon which would attract another wave of buyers. If prices break below 4222, it might continue its path lower towards our next target levels of 4165 and possibly 4113 in extension.

Upcoming:

- Friday: US Non-farm Employment





TradingView



TradingView

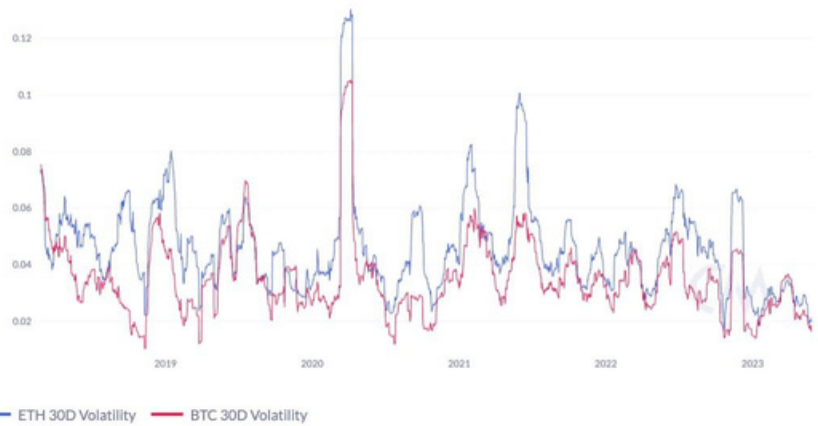


Bitcoin

A challenging macroeconomic environment coupled with the scaling down of market making operations has led to a reduction in overall market liquidity.

This is also reflected in the 30D volatility for BTC and ETH, descending to historically low levels at 0.016 and 0.019 respectively.

BTC & ETH 30D VOLATILITY



Digging deeper into market volatility by analyzing it across different asset sectors gives a fuller picture of its current state.

So far in 2023, the Decentralized Finance sector has shown the most volatility, with assets fluctuating around 40% during this period.

Similarly, the Business Services sector has shown high volatility levels, comparable to related sectors within the Blockchain Applications asset class, such as Intermediated Finance and Information Technology.

On the other hand, Stablecoins and Tokenized Assets are the least volatile, except for USDC and DAI during the Silicon Valley Bank collapse, when they momentarily lost their peg.

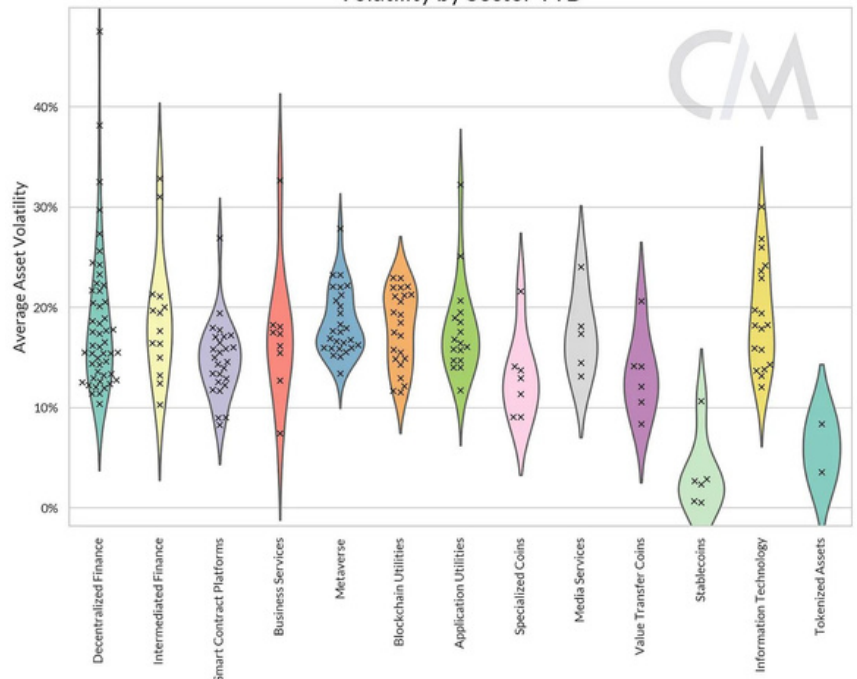
Looking at BTC/USDT, we have pulled back to our support target of 26,600 and have since rebounded from this area of high volume.

We anticipate further sideways price action with a slight bullish bias back towards 27,600.

A correction towards 25,900 would serve as an attractive entry point for a long position while a breakout of 28,500 would trigger bullish implications sending prices higher towards 29,550.

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

Volatility by Sector YTD



Bitcoin / TetherUS, 4h, BINANCE -58.39 (-0.22%)



TradingView

Bitcoin / TetherUS, 1D, BINANCE +261.96 (+0.98%)



TradingView



Ethereum

ETH has remained in breakout territory on an intraday basis as prices haven't broken below the trend line breakout area yet.

As long as 1860 holds, we should be expecting higher prices towards 1935.

ETHBTC keeps trading higher, indicating more optimism for ETH compared to BTC.

If this ratio breaks above 0.071, it might open the door for a period of outperformance of ETH vs. BTC in the near future.

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

yacine.ouldchikh published on TradingView.com, Jun 02, 2023 09:22 UTC-4





TradingView



TradingView



Altcoin Analysis

The esteemed blockchain platform, Solana (SOL), celebrated for its superior scalability and economical transaction costs, has been experiencing a substantial influx of new users, placing it squarely in the spotlight of the blockchain community. This sudden surge in popularity can be attributed in part to the persistently high gas fees associated with Ethereum (ETH), which are prompting users to explore more cost-effective alternatives.

In a recent significant development, Solana has made a remarkable disclosure concerning its integration of artificial intelligence (AI) via a ChatGPT plugin. This pioneering advancement designates Solana as the inaugural Layer 1 blockchain platform to incorporate AI in such an innovative capacity. Leveraging the capabilities of the plugin, users can effortlessly engage with Solana's data and protocols. This enhancement streamlines a variety of activities, such as purchasing Non-Fungible Tokens (NFTs), executing token transfers, and accessing transactional data.

From a technical perspective, SOLUSDT has been trading within a symmetrical triangle pattern since the start of the year. More recently, prices rebounded off the bottom-end of this pattern and have formed a short-term declining trend channel that has capped price action since mid-April. We are about to break above this trend channel which would confirm the rebound and push prices higher. The RSI is also about to breakout, thus reinforcing the bullish momentum ahead.

As long as \$19 holds, we expect further upside towards \$23.90 and possibly \$26.



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