JUNE 1 - 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	0.84%	0.84%	-0.78%	62.33%
Ethereum	1,710	1,790	1,995	2,150	0.41%	3.22%	-0.79%	55.63%
S&P 500	4,065	4,120	4,245	4,315	0.03%	0.72%	2.95%	0.10%
Nasdaq	13,575	13,900	14,850	15,275	-0.03%	2.81%	9.75%	30.24%
US Dollar Index	101.70	102.55	104.30	105.30	-0.31%	-0.11%	2.61%	2.56%

Next FOMC meeting: June 14 2023.

- Probability of a 0bps hike → 71%
- Probability of a 25bps hike → 29%

BITCOIN

Price: $26,885

Change (24hrs): -0.6%

Trading Volume (24hrs): -21%

Funding rate: 0.0092% (+24%)

ETHEREUM

Price: $1,859

Change (24hrs): -0.1%

Trading Volume (24hrs): -21%

Funding rate: 0.0104% (+21%)

Latest Digital Asset News

1- Bitcoin posted first monthly loss in 6 months

The depreciation trend due to the narrative of decreased inflation has now finished its cycle. The market now requires a fresh stimulus and theme to boost prices.

Since last Thursday, Bitcoin (BTC) has shown some signs of stability, but recorded its first monthly loss since December.

Despite the recent increase, the price remains approximately 5% lower for the month, assuming this loss continues through to the close of Wednesday UTC time. This has marked Bitcoin's first monthly decline this year. Despite this, Bitcoin has recorded positive performances in January, March, and April, while it remained stable in February.

In comparison to Ether (ETH), Bitcoin seems set for nearly a 7% monthly decline, as indicated by CoinDesk data.

2- Optimism Token Prices Slide 7% Ahead of $580M OP Unlock, Doubling Token Supply

Tuesday marked the conclusion of the initial vesting period for early investors and contributors, which will result in nearly a twofold increase in the circulating supply of the tokens.

Optimism tokens, the Ethereum scaling protocol, valued at over $587 million were scheduled for release into the open market Tuesday following an established unlock plan. This has contributed to a 7% fall in the prices of OP tokens.

As of now, more than 386 million Optimism tokens are held by early contributors and investors. This action will nearly double the current circulating supply of OP, which as of Tuesday morning, stood at 335 million tokens.

OP's trading price is currently $1.40 per token as of this morning, with a trading volume that has recently reached $103 million in a 24 hour period.

TradFi

Nasdaq closed the month of May with a 5.8% gain as enthusiasm around AI continued to boost related stocks. Outside of tech, gains were hard to come by, however. The S&P 500 inched up 0.3% in the month, while the blue-chip Dow fell almost 3.5%.

Equity futures were mixed to start the day on Thursday, following the U.S. House successfully passing a debt ceiling bill, a crucial measure aimed at averting a potential default by the United States. The bill has now progressed to the Senate for further consideration.

The Fiscal Responsibility Act garnered bipartisan support, achieving a voting outcome of 314-117. Senate Majority Leader Chuck Schumer, representing the Democratic Party of New York, expressed his desire for swift action within the Senate, with the intention of presenting the bill to the President at the earliest opportunity.

Nasdaq concluded the month of May with a notable 5.8% increase, primarily fueled by enthusiasm surrounding artificial intelligence-related companies. Stocks outside of the tech sector struggled to secure gains, as evidenced by the S&P 500's modest 0.3% rise during the month, contrasted by the nearly 3.5% decline experienced by the blue-chip Dow index.

In addition to monitoring the progress of the debt ceiling issue, investors are now turning their attention to the upcoming policy meeting of the Federal Reserve on June 13-14, which has the potential to act as another significant catalyst for the market.

Upcoming:

- Thursday: US unemployment claims & ISM manufacturing PMI
- Friday: US Non-farm Employment

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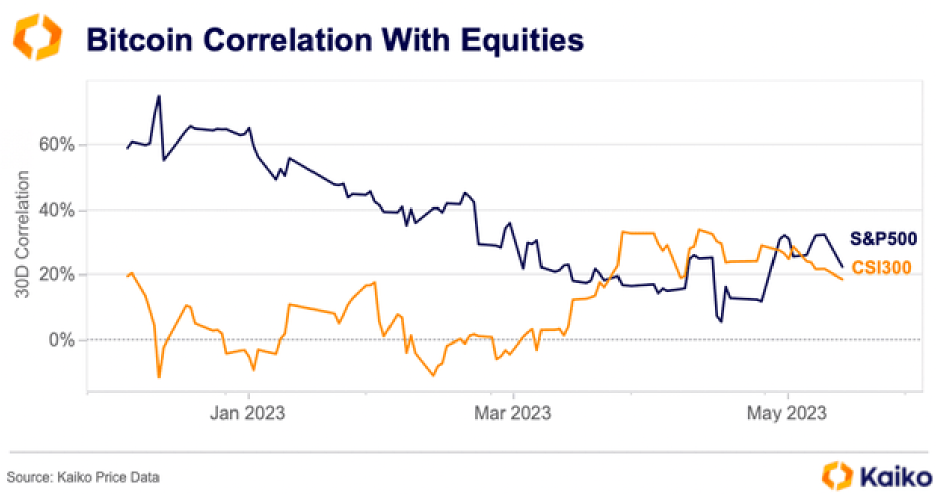
Bitcoin

The correlation between Bitcoin (BTC) and Chinese equities, specifically the CSI 300 index, has strengthened this year, reaching a level of 20%.

In contrast, the correlation between BTC and US equity markets has witnessed a decline, hitting a multi-year low in April.

It is important to acknowledge that the integration of cryptocurrencies within the Chinese financial system is significantly lower compared to the United States, primarily due to China's stringent approach towards cryptocurrencies in recent times.

This emerging pattern indicates that the regulatory and economic reopening occurring in China is progressively exerting influence on market sentiment within the cryptocurrency sphere.



BTCUSDT has recently pulled back towards the support level of 26,600 and has been rebounding off this level since.

Given that we're back in the previous trading range, we can expect choppy price action in the near future.

On the daily chart, we continue to trade below the 50-day moving average and recently broke below the 20-day as well.

As long as prices remain below these levels and the RSI is still capped by the declining trend line, then we can expect further downside.

- BTC > 28,500 → Bullish
- BTC < 28,500 → Neutral with a bearish bias
- BTC < 25,250 → Bearish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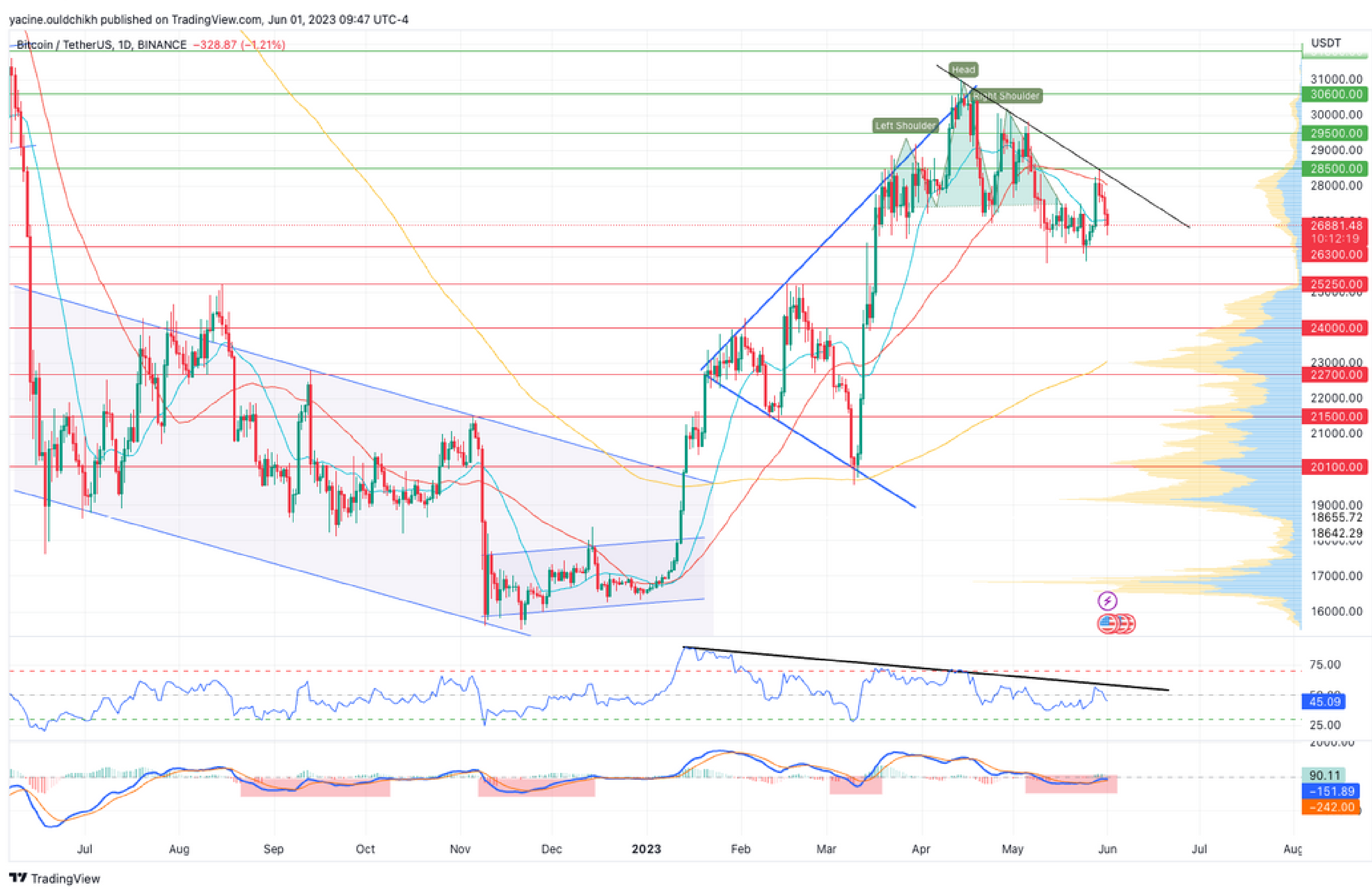
Bitcoin / TetherUS, 4h, BINANCE −11.48 (−0.04%)
Bitcoin - 4H timeframe
USDT
30500.00
30000.00
29550.00
28500.00
27600.00
27551.38
27406.61
27038.30
27018.50
BTCUSDT
26881.48
26600.00
25900.00
25250.00
75.00
41.56
25.00
500.00
−4.51
−106.07
−110.58
TradingView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Bitcoin / TetherUS, 1D, BINANCE −328.87 (−1.21%)
Head
Left Shoulder
Right Shoulder
USDT
30600.00
29500.00
28500.00
26881.48
26300.00
25250.00
24000.00
22700.00
21500.00
20100.00
75.00
45.09
25.00
90.11
−151.89
−242.00
2023
TradingView

Ethereum

The transaction fees for Ethereum have returned to their customary levels, following a surge to a yearly high of $14 per ETH transaction in early May. Recent data shared by Santiment, a crypto analytics platform, indicates that the fees have dropped to $4.28 per transaction as of June 1.

This decline in transaction fees is a positive indication of the broader adoption, accessibility, usage, and engagement of the Ethereum network. The increased affordability fosters greater utility and encourages further participation.

Moreover, the percentage of Ethereum supply held on cryptocurrency exchanges has reached a new record low of 9.9%. This decline can be attributed to the growing trend of self-custody, driven by concerns regarding security issues associated with crypto trading platforms.

ETHUSDT has pulled back towards the previous price range of high volume between 1780 and 1850 and is looking to rebound off the top-end of this range. On an intraday basis, ETH is still trading in breakout territory after breaking above the declining trend line which means our view is bullish above 1850.

On the daily chart, not much to report here as prices are hovering between the 50-day and 20-day moving averages. As long as we're trading below the 50-day moving average, then we should expect further pressure towards 1790.

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

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TradingView

Altcoin Analysis

Sandbox is one of the top performers this morning within the top 20.

As much as price action has recently improved, the trading volume and amount of active addresses are also on the rise in the past couple of weeks.

SANDUSDT is trading within a falling wedge pattern and is about to breakout any moment now. A breakout above $0.575 would imply bullish implications and attract more buyers potentially sending prices higher towards $0.6165 and possibly $0.7340 in extension.

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