MAY 19 - 2023

DAILY MARKET REPORT

SECURE DIGITAL MARKETS

Institutional research.

Markets Insights

	S2	S1	R1	R2	24HR %	7D %	30D %	YTD %
Bitcoin	22,700	25,250	29,500	30,600	1.24%	1.24%	-8.74%	61.14%
Ethereum	1,570	1,710	1,995	2,150	1.16%	3.93%	-9.25%	50.21%
S&P 500	3,970	4,065	4,315	4,390	+0.30%	-0.67%	-1.07%	7.04%
Nasdaq	12,700	13,000	14,300	14,850	0%	0.97%	2.65%	22.85%
US Dollar Index	100.35	101.70	103.20	104,3	0.39%	-0.11%	0.98%	-0.54%

Next FOMC meeting: June 14 2023.

- Probability of a 0bps hike → 60%
- Probability of a 25bps hike → 40%

BITCOIN

Price: $26,900

Change (24hrs): -1.3%

Trading Volume (24hrs): +7.4%

Funding rate: 0.0044%

ETHEREUM

Price: $1,814

Change (24hrs): -0.25%

Trading Volume (24hrs): +7.1%

Funding rate: 0.0062%

Latest Digital Asset News

1- Crypto Market Recovery Unlikely Until Stablecoin Universe Stops Shrinking: JPMorgan

According to a report by JPMorgan, the recovery of the crypto market is unlikely until the shrinking trend of the stablecoin ecosystem is reversed. The report suggests that the declining supply of stablecoins is creating a shortage of liquidity, which is hindering the market's ability to rebound. JPMorgan emphasizes the importance of stablecoins in providing stability and liquidity to the crypto market and highlights the need for increased issuance to support a potential recovery. The report also discusses the potential regulatory challenges faced by stablecoins and their impact on the market's overall health.

2- Crypto Observers Decode Large Block Trade in Ether Options

The significant influx of ether options on Tuesday exemplified a strategic approach known as a "calendar spread."

During the trading session on Tuesday, a notable transaction involving ether (ETH) call options expiring in June and September occurred on Deribit, leading to discussions within the trading community regarding the nature of this activity.

Based on data provided by Amberdata, a single entity executed a substantial block trade involving the acquisition of over 57,000 contracts of ether's June expiry call option at the $2,200 strike price. Simultaneously, an equal number of contracts of September expiry call options were sold at the same strike price.

Luuk Strijers, the Chief Commercial Officer at Deribit, explained that this bi-legged trade constitutes a "calendar spread" strategy. The objective of this approach is to profit from a substantial price movement in ether that deviates from the spread's strike price, specifically $2,200.

TradFi

Upcoming:

FRIDAY

- US Fed chair speaks "Perspectives on Monetary Policy" at Research Conference in Washington DC

On Thursday, the 2-year yield experienced its most significant increase in yield since May 5, as the 10-year yield also advanced following statements made by Federal Reserve officials. These comments, coupled with better-than-anticipated economic data and indications of an impending increase in the U.S. debt ceiling, contributed to the upward movement.

At 11 a.m. EST, Federal Reserve Chair Jerome Powell is scheduled to engage in a conversation with former Fed Chair Ben Bernanke, while New York Fed President John Williams is expected to deliver remarks as well.

According to the FedWatch tool from the CME, market expectations now reflect a 40% probability of a quarter-point hike in June, a notable increase from the 16% probability observed just a week ago.

The primary US stock market indices are poised to achieve weekly gains. The S&P 500 has recorded a 1.8% increase from the beginning of the week up until the market's close on Thursday. This marks its most substantial one-week advance since March. Similarly, the Nasdaq Composite has exhibited a 3.3% rise during the week, signifying its strongest weekly performance since March as well.

A significant portion of these gains occurred on Thursday, driven by traders' optimistic speculation regarding the possibility of a resolution to the US debt ceiling issue. Remarks made by House Speaker Kevin McCarthy on Thursday seemed to imply the potential for a deal to be reached as early as next week.

The S&P500 has recently broken above its infamous resistance level of 4210 and is trying to shoot higher towards the next target of 4315, intersecting with the 61.8% Fibonacci level. The RSI indicator hasn't confirmed the breakout yet, neither did the MACD, but the latter broke above its signal line which is another bullish element to consider.

Stocks these days have one of their most extreme valuations in history. We also know that the equity market has been lifted mostly by megacaps.

"Beware of times when the generals lead but the soldiers don't follow". Otavio Costa

yacine.ouldchikh published on TradingView.com, May 19, 2023 07:46 UTC-4

Bitcoin

BTCUSDT is severely underperforming the equity market. While Nasdaq and the S&P500 are slowly grinding higher, Bitcoin has been quite silent.

On an intraday basis, nothing significant to report between 26,300 and 27,675. The breakout in either direction may serve as an entry point to go long or short.

Until then, given the Head-and-Shoulders breakdown on the daily chart, it seems that Bitcoin is facing slightly more bearish pressure. The US Dollar Index has started to pull back this morning, which should provide some breathing room for risk assets to trade higher from here.

- BTC > 27,000 → Bullish
- BTC < 27,000 → Neutral with a bearish bias
- BTC < 25,250 → Bearish

yacine.ouldchikh published on TradingView.com, May 19, 2023 08:14 UTC-4

TradingView

Ethereum

ETHUSDT has recently broken below the recent pivot low a little more than a week ago, representing a potential pause to the previous uptrend. As long as prices remain below the 20-day and 50-day moving averages, we should expect lower prices towards 1710 and possibly 1570 in extension.

However, the US dollar has started to pull back this morning. If this trend continues, then it may provide some breathing room for risk assets to trade higher from here.

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


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Ethereum / TetherUS, 1D, BINANCE +14.05 (+0.78%)
USDT
2150.00
1995.00
1890.00
1814.61
1710.00
1570.00
1475.00
1365.00
45.13
-3.21
-18.51
-21.72
Jul
Aug
Sep
Oct
Nov
Dec
2023
Feb
Apr
May
Jun
TradingView


yacine.ouldchikh published on TradingView.com, May 19, 2023 08:29 UTC-4
Ethereum / Bitcoin, 1D, BINANCE +0.00026 (+0.39%)
BTC
ETH / BTC
Fed support
Shapella upgrade
0.06740
54.60
0.00024
0.00015
0.00010
Aug
Sep
Oct
Nov
Dec
2023
Feb
Apr
May
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Jul
TradingView

Altcoin Analysis

Polygon has been under a lot of pressure lately.

We expected the coin to feel some pressure based on our analysis on May 8th. After having reached our target to the downside of $0.82, it is time to reassess the situation.

Following a prolonged phase of diminished network activity, Polygon has recently witnessed a significant surge in momentum. According to DeFiLlama, the Ethereum sidechain observed a notable spike in active users, reaching 389,000 on May 16th, marking its highest level in a span of five weeks.

In line with the ongoing initiatives, Sandeep Nailwal, co-founder of Polygon, has unveiled the Nailwal Fellowship. This program is designed to extend financial support and resources to aspiring Web3 developers at the early stages of their endeavors.

MATICUSDT is currently trading in a price range of high volume. We are back in the consolidation area between $0.75 and $0.96. Looking at the daily chart, we see the formation of the Death Cross, where the 50-day moving average breaks below the 200-day moving average, which is technically a bearish element. For now, prices are trading within a tight declining trend channel, but if it manages to break out, it might be worth considering a long position to play the rebound to $0.95 and possibly $1.066.

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