MAY 16 - 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 | 1.42% | 1.42% | -11.27% | 62.74% |
| Ethereum | 1,570 | 1,710 | 1,995 | 2,150 | 0.54% | 1.59% | -13.16% | 51.80% |
| S&P 500 | 3,970 | 4,065 | 4,210 | 4,325 | -0.28% | 0.13% | -0.73% | 7.43% |
| Nasdaq | 12,700 | 13,000 | 13,700 | 14,300 | +0.19% | 1.70% | 2.65% | 22.85% |
| US Dollar Index | 99.50 | 100.35 | 102.30 | 103.20 | -0.05% | -0.11% | 0.63% | -1.10% |

Next FOMC meeting: June 14 2023.

- Probability of a 0bps hike → 80%
- Probability of a 25bps hike → 20%
- Probability of a 50bps hike → 0%

**BITCOIN**

A snapshot of Bitcoin's spot price as of this writing is $26,996.60 representing a 1.09% decrease the last 24 hours and 9.1% increase in trading volume.

The funding rate of BTC is 0.0067%.

**ETHEREUM**

ETH is trading at $1,814.74 representing a 0.20% decrease the last 24 hours and 2.5% increase in trading volume.

The funding rate of ETH is 0.0073%

# Latest Digital Asset News

### 1- EU's Crypto Legal Framework Inches Towards Law With Finance Ministers' Sign-Off

The EU's Council, which represents 27 member states, unanimously approved the Markets in Crypto Assets regulation (MiCA), making the bloc set to be the first major jurisdiction in the world with a crypto licensing regime. It also agreed new anti-money laundering measures on crypto funds transfers. "I am very pleased that today we are delivering on our promise to start regulating the crypto-assets sector. Recent events have confirmed the urgent need for imposing rules which will better protect Europeans who have invested in these assets, and prevent the misuse of crypto industry for the purposes of money laundering and financing of terrorism," said a statement from Elisabeth Svantesson, minister for finance of Sweden, who chaired the talks as Council Presidency.

### 2 - Valkyrie Files 'BTFD' Ticker for Leveraged Bitcoin Futures ETF Application

The investment firm yesterday filed a fresh application for a Bitcoin futures-based exchange-traded fund that's hoped to trade on the NASDAQ under the ticker "BTFD. Neither of Valkyrie's Bitcoin-centric funds have direct exposure to Bitcoin. Instead, they use Bitcoin futures traded on the Chicago Mercantile Exchange (CME). Traders who hold futures contracts—for Bitcoin, corn, gold, or any other asset—actually hold an agreement that obligates a trader to buy or sell an asset at a specific time, quantity, and price. So far, there are four different Bitcoin futures-based ETFs on the market, with the first being ProShares Bitcoin Futures ETF (which launched in October 2021 as well).

### 3 - Bankrupt Lender Celsius Network Withdraws $780M in Staked Ethereum

Bankrupt crypto lender Celsius Network has reportedly withdrawn 428,000 staked Ethereum (stETH) valued at $780 million. Interestingly, this coincides with the introduction of a withdrawal feature by Lido Finance, a liquid staking solution for ETH 2.0. It is possible that the withdrawals could be an effort toward liquidating its assets in order to reimburse its customers or creditors amid ongoing bankruptcy proceedings. While Celsius Network has not entirely moved all of its sETH, the firm did, however, removed 0.1 stETH from Lido a few hours after enabling withdrawals.

(1) https://www.coindesk.com/policy/2023/05/16/eus-crypto-legal-framework-inches-towards-law-with-finance-ministers-sign-off/
(2) https://decrypt.co/140295/valkyrie-files-btfd-ticker-leveraged-bitcoin-futures-etf-application
(3) https://coingape.com/bankrupt-lender-celsius-network-withdraws-780m-in-staked-ethereum/

# TradFi

Stock futures experienced a slight decline on Tuesday as market participants processed Home Depot's underwhelming forecast and shifted focus towards a pivotal meeting involving congressional leaders and President Joe Biden regarding the U.S. debt ceiling. The investor community remains apprehensive as they eagerly await developments on an agreement to raise the debt ceiling before June 1, which marks the earliest point at which the Treasury Department has warned of potential default on U.S. debt obligations.

In terms of economic data, retail sales in April saw a growth of 0.4%, falling short of the estimated 0.8% increase, primarily due to a decline in sales at gas stations impacting the overall figures.

The S&P500 continues to trade sideways on an intraday basis between 4174 and 4113. No clear direction in sight, but expect further choppy action between this broadening wedge pattern until we break above 4210 or below 4065.

## Upcoming:

THURSDAY

- US Unemployment claims + Home sales

FRIDAY

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

yacine.ouldchikh published on TradingView.com, May 16, 2023 08:52 UTC-4

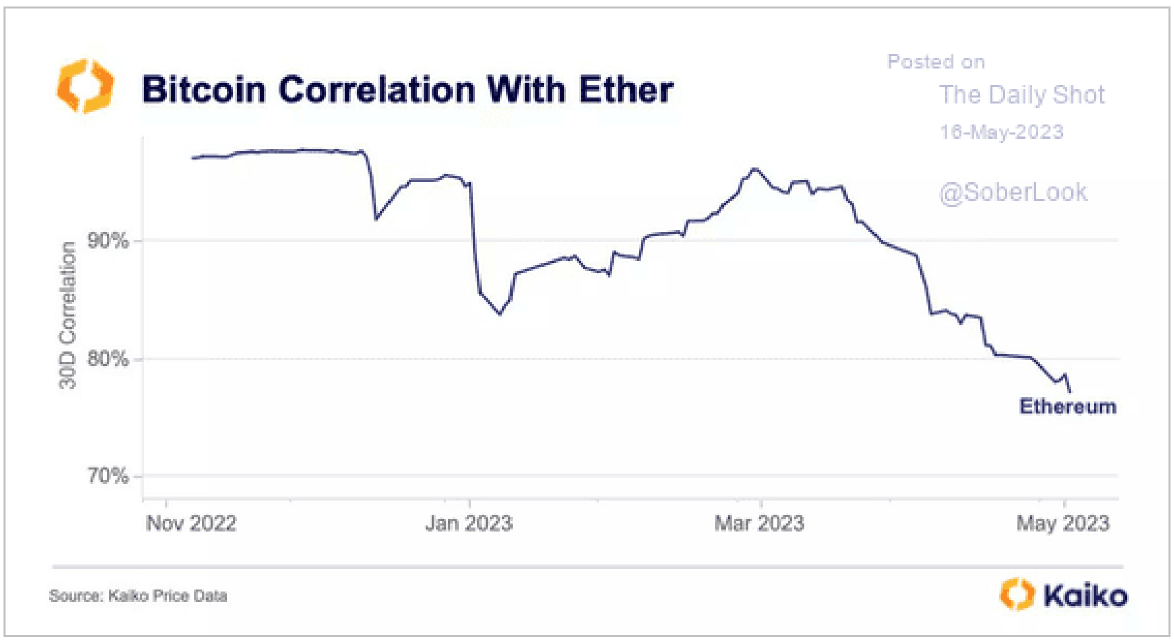

TradingView

# Bitcoin

The correlation between Bitcoin and Ethereum has recently reached its lowest level in two years, primarily influenced by the shift in market sentiment triggered by the banking collapse in March.

Illustrated in the accompanying graph, the correlation has declined from 95% to approximately 75%.

While Bitcoin continues to be associated with the concept of "digital gold," Ethereum's value proposition and utility diverge, resulting in a differential level of attention from market participants.



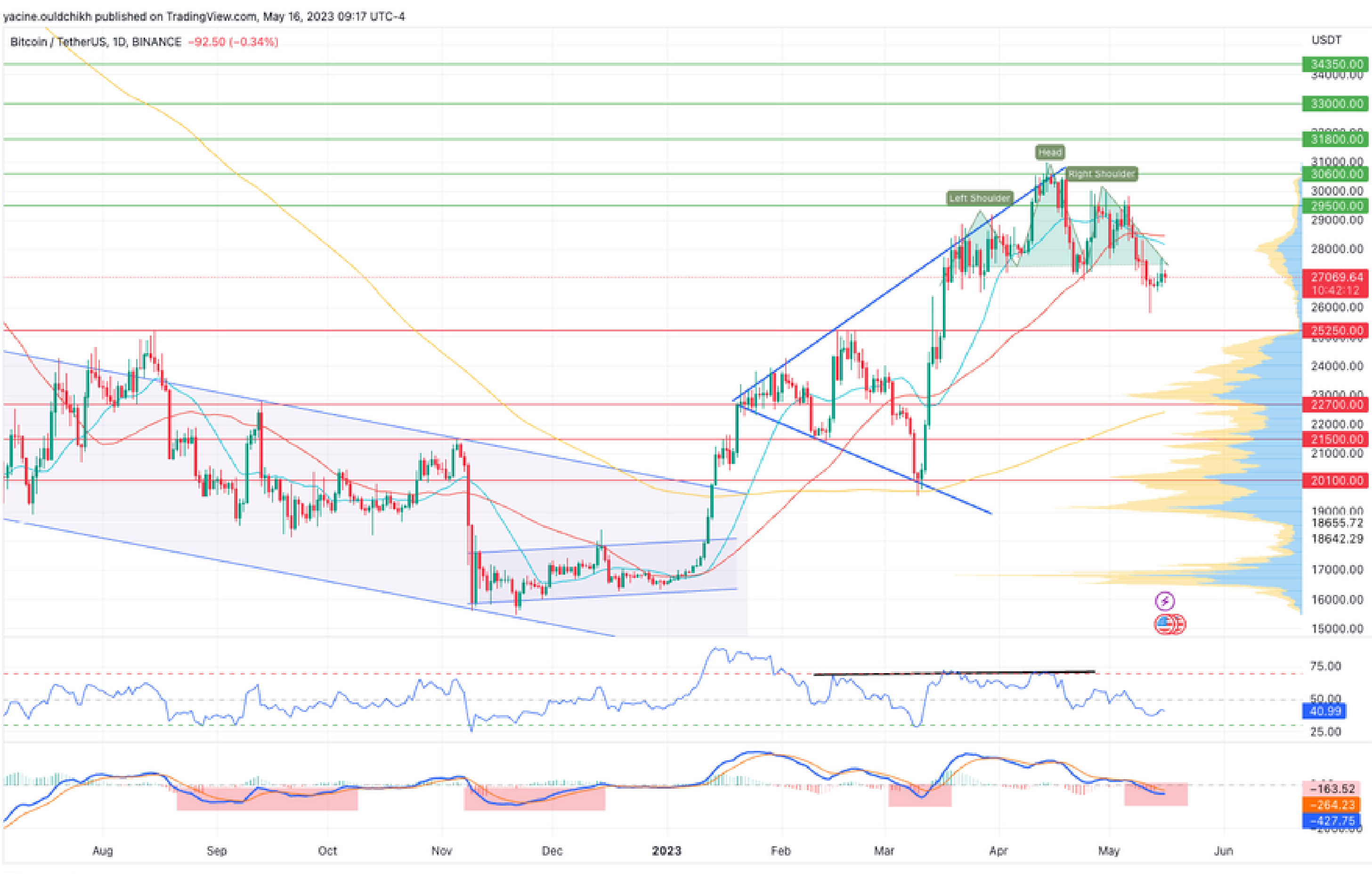

BTCUSDT is facing some difficulty to rise above its previous high on an intraday basis. As long as the RSI is capped by this declining trend line and prices remain below the breakdown of the previous symmetrical triangle pattern, we should expect further downside.

Looking at the daily chart, BTCUSDT is still trading below the neckline of the Head-and-Shoulders pattern meaning the short-term bearish outlook remains intact for now.

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

# Bitcoin

yacine.ouldchikh published on TradingView.com, May 16, 2023 09:18 UTC-4
Bitcoin / TetherUS, 4h, BINANCE +10.54 (+0.04%)
Bitcoin - 4H timeframe
USDT
31200.00
30800.00
30500.00
30000.00
29550.00
29200.00
28800.00
28502.65
28300.00
27998.64
27600.00
27194.31
BTCUSDT
27069.57
02:41:49
27056.15
26400.00
26300.00
26000.00
25900.00
25600.00
25250.00
75.00
47.93
25.00
1000.00
25.46
8.06
-17.40
20
27
Apr
12:00
10
17
24
May
8
15
22
TradingView

yacine.ouldchikh published on TradingView.com, May 16, 2023 09:17 UTC-4
Bitcoin / TetherUS, 1D, BINANCE -92.50 (-0.34%)
USDT
34350.00
33000.00
31800.00
Head
Right Shoulder
Left Shoulder
31000.00
30600.00
30000.00
29500.00
29000.00
28000.00
27069.64
10:42:12
26000.00
25250.00
24000.00
22700.00
22000.00
21500.00
21000.00
20100.00
19000.00
18655.72
18642.29
17000.00
16000.00
15000.00
75.00
50.00
40.99
25.00
-163.52
-264.23
-427.75
Aug
Sep
Oct
Nov
Dec
2023
Feb
Mar
Apr
May
Jun
TradingView

# Ethereum

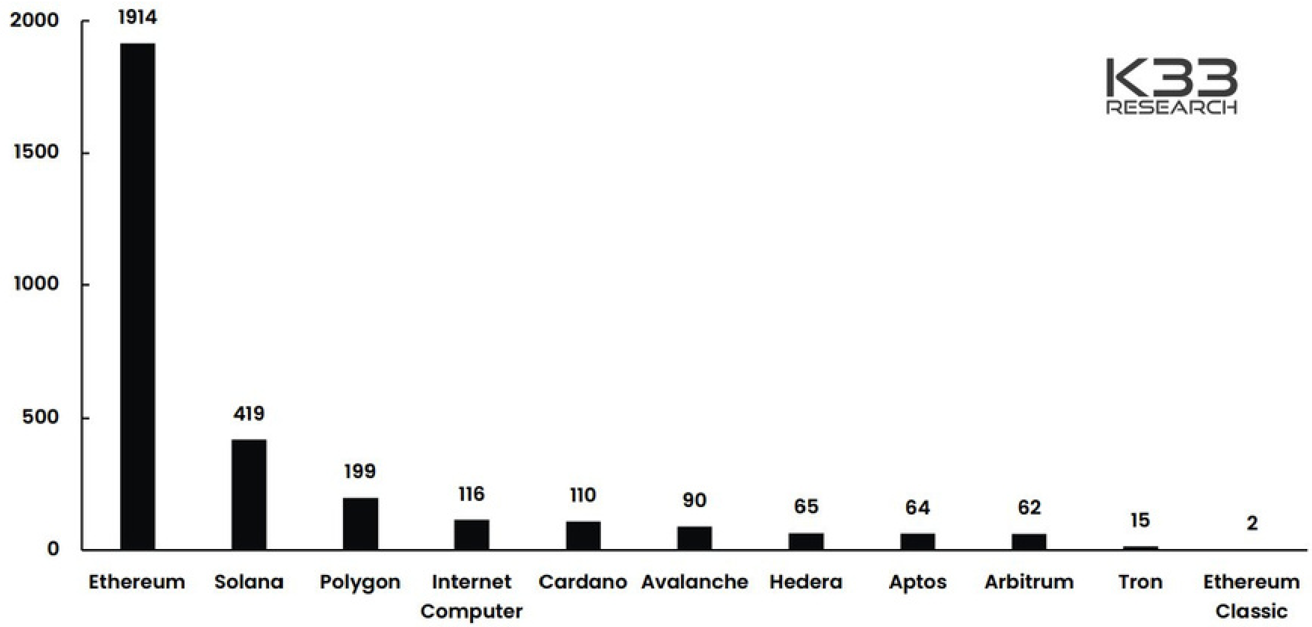
Numerous cryptocurrencies are inherently reliant on the widespread adoption of their underlying blockchain technology.

The perceived value of these digital assets are closely tied to the increasing prominence and utilization of the blockchain protocol.

As the number of participants actively engaged in developing and utilizing the blockchain network grows, its overall functionality and efficacy are expected to improve correspondingly.

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

***Figure 5 – Weekly active developers. Date: April 24, 2023***




Source: Artemis

On an intraday basis, ETHUSDT is still trading below the previous trend channel, advocating for further downside. As long as prices remain below 1875, we should expect lower prices from here.

Looking at the daily chart, the pair is trading below its 50-day moving average, a clear sign of bearish momentum ahead. As long as prices remain below 1890 on the daily chart, then we should be neutral with a bearish bias.

# Ethereum

yacine.ouldchikh published on TradingView.com, May 16, 2023 09:24 UTC-4
Ethereum / TetherUS, 4h, BINANCE +1.58 (+0.09%)
Ethereum - 4h timeframe
USDT
2125.00
2100.00
2075.00
2050.00
2025.00
1995.00
1975.00
1950.00
1935.00
1905.58
1875.00
1853.01
1818.73
ETHUSDT
1818.11
02:35:54
1811.81
1775.00
1740.00
1725.00
1690.00
1675.00
1650.00
1635.00
75.00
51.17
25.00
50.00
1.83
1.44
-0.39
20
27
Apr
12:00
10
17
24
May
8
15
22
TradingView


yacine.ouldchikh published on TradingView.com, May 16, 2023 09:23 UTC-4
Ethereum / TetherUS, 1D, BINANCE +1.91 (+0.11%)
USDT
2200.00
2150.00
2100.00
1995.00
1890.00
1818.11
10:36:05
1710.00
1600.00
1570.00
1500.00
1475.00
1400.00
1365.00
1300.00
1200.00
1100.00
1000.00
75.00
44.97
25.00
-7.30
-15.39
-22.70
Jun
Jul
Aug
Sep
Oct
Nov
Dec
2023
Feb
Mar
Apr
May
Jun
TradingView

# Altcoin Analysis

The meme coin frenzy continues.

The burn rate of the Shiba Inu token has experienced a significant surge subsequent to the incineration of two billion SHIB tokens in a singular transaction.

The rationale underlying token burning is predicated on the potential reduction of the overall token supply in circulation, with the aim of imbuing them with increased scarcity and value. Moreover, this practice is regarded as a means for token holders to demonstrate their endorsement of the Shiba Inu project.

Looking at the daily chart, SHIBUSDT is trying to rebound off the bottom-end of a symmetrical triangle pattern. If we notice a clear recovery with the RSI breaking above oversold territory above the 30 level then it might confirm the rebound.

As long as prices remain above $0.0000083 then we expect a rebound towards $0.000010 and potentially $0.0000119.

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