MAY 5 - 2023

DAILY MARKET REPORT

SECURE DIGITAL MARKETS

Institutional research.

OVERVIEW

Markets Insights

	S2	S1	R1	R2	24HR %	7D %	30D %	YTD %
Bitcoin	24,800	27,000	30,600	31,800	1.30%	6.11%	8.77%	77.86%
Ethereum	1,690	1,790	1,980	2,150	0.01%	0.82%	9.05%	56.51%
Nasdaq	12,350	12,700	13,700	14,300	2.43%	0.58%	-0.65%	16.01%
US Dollar Index	97.75	100.35	102.30	103.20	0.20%	-0.11%	-0.78%	-1.76%

BITCOIN

A snapshot of Bitcoin's spot price as of this writing is $29,206 representing a 1.38% increase the last 24 hours and 18.51% decrease in trading volume. The funding rate of BTC is 0.0050%.

ETHEREUM

ETH is trading at $1,936 as of this writing, representing a 24-Hour increase of 2.59% and a funding rate of 0.0100%. Over the last 24 Hours, the trading volume decreased by 18.22%. As of today, ETH holds 18.3% of the cryptocurrency market, making it the second-largest coin traded.

OVERVIEW

Latest Digital Asset News

1- Montana governor signs pro-cryptocurrency mining bill into law

Greg Gianforte, the governor of Montana, has signed into law a bill largely preventing local governments in the state from passing laws prohibiting cryptocurrency mining. According to records with the Montana legislature, Gianforte signed S.B. 178 into law on May 2 after the bill had passed both the state House and Senate. The legislation effectively enshrines crypto miners' rights in the state by revising existing laws, prohibiting discriminatory electrical rates for mining firms and not allowing taxation for crypto used as a method of payment. The latest version of the bill suggested that the legislation was introduced partly as a preventive measure in response to certain proposals in other states — i.e. "digital asset mining has often faced difficulty with regulations at the state and local level."

2 - Voyager could distribute cash and crypto to creditors in 'next few weeks'

Bankrupt lender Voyager Digital could start distributing cash and crypto to creditors "within the next few weeks," according to the Official Committee of Unsecured Creditors in the troubled crypto lender's bankruptcy case. The firm is finalizing the liquidation procedures after crypto exchange Binance.US pulled out of a $1.3 billion deal to buy its assets. "Voyager is also finalizing everything internally that is necessary to make distributions to creditors," the creditors committee said on Twitter. "We are hopeful that initial distributions will begin within the next few weeks.

3 - Kenya eyes 3% tax on digital asset transfers

The plan will cover cryptocurrencies and non-fungible token transfers by exchanges and individuals. Monetized online content will also be subject to a 15% tax. The Kenyan Treasury classifies digital assets as property and any gains from their sale, exchange or disposal are subject to capital gains tax. National Treasury and Economic Planning Cabinet Secretary Njuguna Ndung'u will present the budget statement to Parliament on June 8. Some 8.5% of Kenya's population owns crypto, ranking the east African nation fifth globally behind Ukraine, Russia, Venezuela and Singapore, according to an August 2022 report by the United Nations Conference on Trade and Development.

(1) https://cointelegraph.com/news/montana-governor-signs-pro-cryptocurrency-mining-bill-into-law
(2) https://www.theblock.co/post/229588/voyager-distribute-cash-crypto-creditors
(3) https://forkast.news/headlines/kenya-plans-to-tax-transfer-of-digital-assets/

OVERVIEW

TradFi

Apple reported after the bell yesterday and surpassed expectations

- Revenue of $94.8 billion vs. $92.6 billion expected
- Adj. EPS: $1.52 versus $1.43 expected
- iPhone sales of $51.3 billion vs. $48.9 billion expected
- Apple's board authorized $90 billion in share repurchases and dividends
- AAPL +3% in premarket trading

On the economic data front, job growth totals 253,000 in April, beating forecasts of 180,000. This has pushed the US Dollar Index higher, thus placing pressure on risk assets such as equities and cryptocurrencies. The unemployment rate improved to 3.4%, higher than estimates of 3.6% and tied for the lowest level since 1969.

Stock futures were in positive territory this morning after Apple lifted the market. Despite the positive earnings report, Wall Street is headed for a week of losses, representing the worst performance for all major US indices since March 10th.

- The S&P 500 is down 2.6%,
- Nasdaq decreased by 2.1%
- The Dow declined by 2.8%.

yacine.ouldchikh published on TradingView.com, May 05, 2023 08:37 UTC-4

TradingView

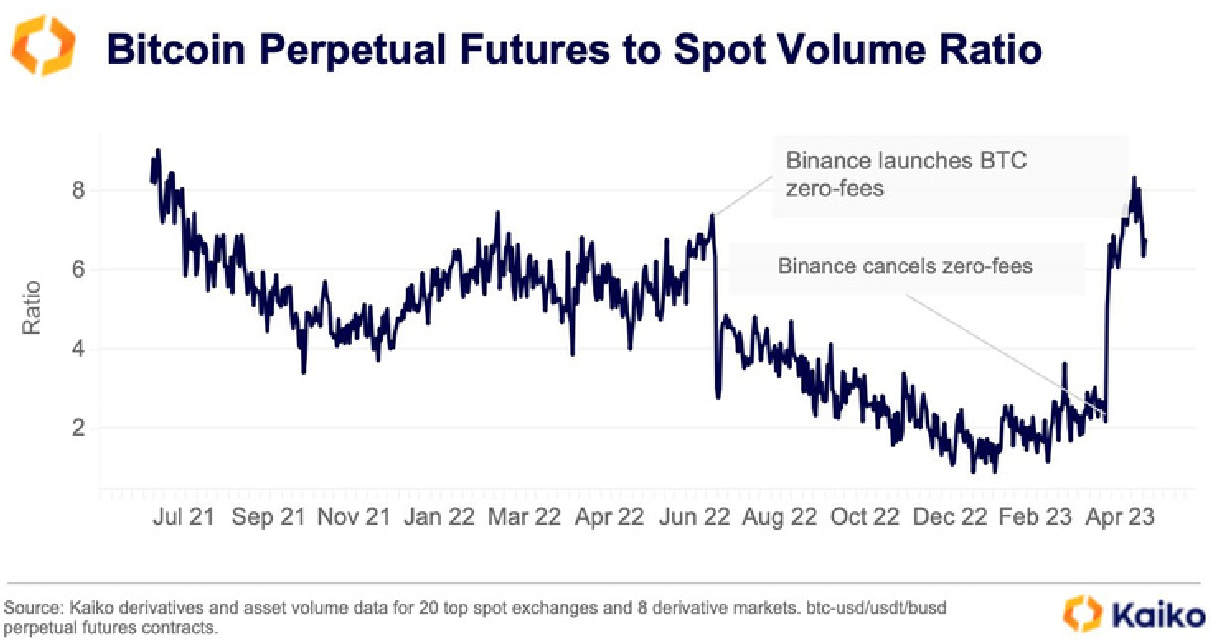
OVERVIEW

Bitcoin

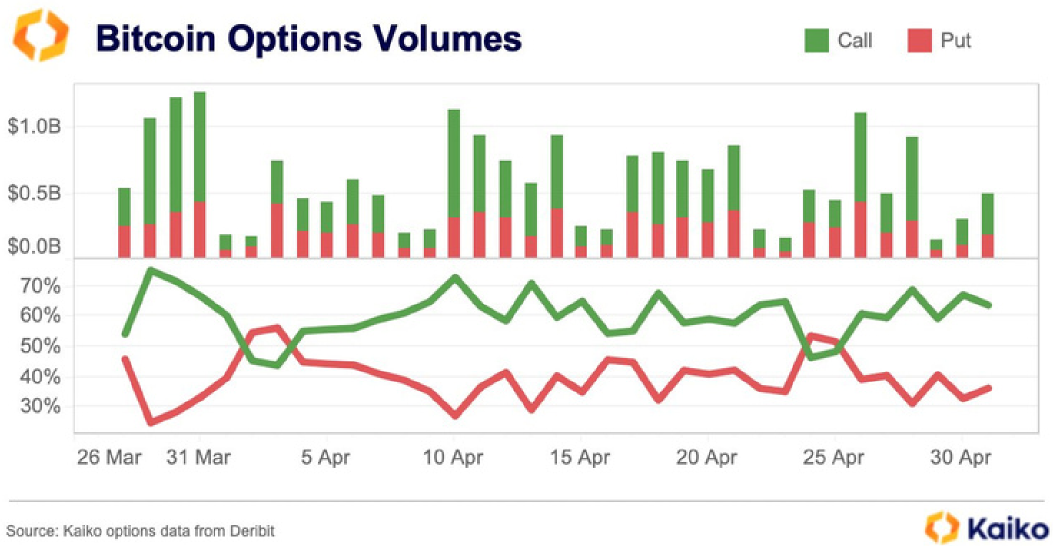
Coinbase also reported its earnings report after the bell yesterday and the result was promising.

- Total revenue of $772.5 million (+22% QoQ) above estimates of $649.4 million
- BTC & ETH represented 32% and 24% of trading volume respectively
- Q1 Trading volume reached $145 billion, flat compared to Q4.
- COIN +8% in premarket trading

If we zoom out and look at the bigger picture, the futures market has been increasingly driving price action as the futures to spot ratio reached its highest point in almost two years. The high trading volumes and leverage used in this market can have a significant impact on the spot price of BTC.



Looking at the options market, the sentiment is quite bullish. Call options are taking the lead vs. Put option



BTCUSDT continues to trade below its declining trend line on the 4h timeframe. It seems that we want to break above this level which would be very bullish. For now, the dollar index is bouncing off support which should place pressure on risk assets. As long as prices remain below 29,500, we should expect lower prices towards 27,850. A breakout on the upside should send the coin higher towards 30,000 and possibly 30,500.

yacine.ouldchikh published on TradingView.com, May 05, 2023 09:31 UTC-4

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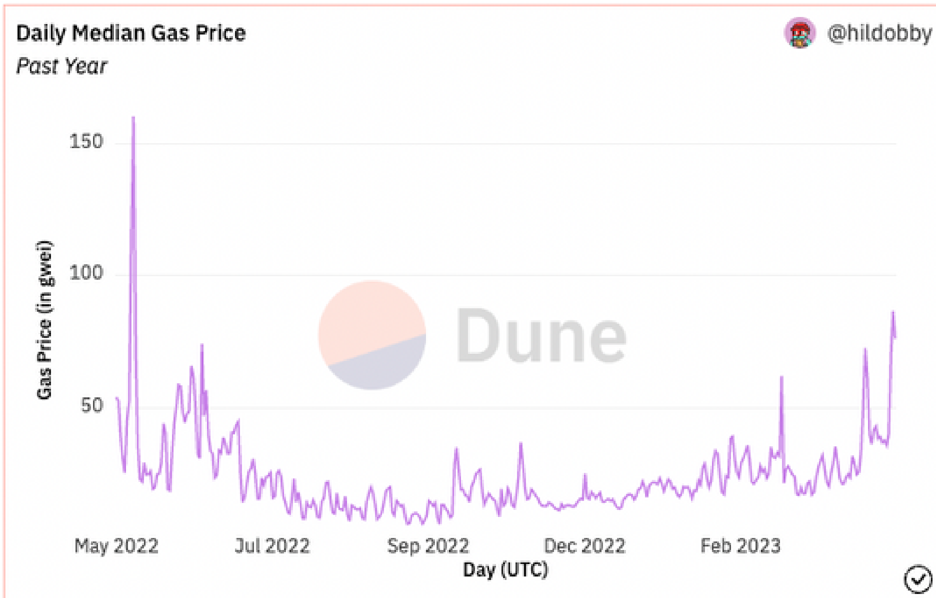
Ethereum

Median gas fees on the Ethereum network rose to levels not seen since May 2022, an indicator of the strong demand for its growing ecosystem and/or due to the recent meme coin frenzy taking place.



ETHUSDT is stuck in a tight range between 1965 and 1785 but it also looks like it wants to break above, just like Bitcoin. The options pricing for ETH offers less volatility than BTC which isn't something that the market is used to.

yacine.ouldchikh published on TradingView.com, May 05, 2023 09:38 UTC-4

yacine.ouldchikh published on TradingView.com, May 05, 2023 09:48 UTC-4

OVERVIEW

Altcoin Analysis

Pepe has been on a tear recently.

Big reputable exchanges are listing Pepe which is pushing its price higher. The frog-themed meme coin surged over 85% in the last 24 hours to surpass a $1 billion market cap. This coin was launched somewhat recently on April 14th 2023.

Dogecoin and Shiba Inu have been losing traction due to these recent meme coins that have been gaining steam all over Twitter. Since the start of March, Shiba Inu has outperformed Doge by up to 40% and has slightly pulled back.

SHIBUSDT is trading within a symmetrical triangle pattern in place since June. We are tracking this support level near 0.0000094 but it's possible that we witness a correction lower near 0.000008 which should serve as an attractive entry signal with a target at 0.0000119.

yacine.ouldchikh published on TradingView.com, May 05, 2023 10:02 UTC-4

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Daily Insights

1. Ethereum Gas Fee Surges to 12-Month High as PEPE Frenzy Grips Market

https://www.coindesk.com/markets/2023/05/05/ethereums-median-gas-price-surges-to-12-month-as-pepe-frenzy-grips-market/

“The daily median gas price, or transaction cost, hit a 12-month high of 87 gwei (one gwei is a billionth of an ether) early this week. The value has increased more than 50% since the launch of the PEPE token on April 18, according to pseudonymous analyst @hildobby's Ethereum Gas tracker on Dune Analytics. At one point on Monday, the one-minute median gas price surged well past 150 gwei.

The increase represents strong demand for the Ethereum network, mainly from meme-coin traders, according to analytics firm CoinMetrics.”

2. Visa Publishes a Detailed Study on the Inner Workings of Ethereum

https://twitter.com/digitalmustafa/status/1654198469429714944

“Cryptoeconomics blends cryptography & economics to create new communication, cooperation & organization methods, bringing the "invisible hand" to computation. Its role in blockchain success, particularly in understanding rewards & punishment mechanisms is crucial.

Ethereum's multiple monetary policy adaptations over the years ensure stability & security. The beacon chain launch in 2020, EIP 1559, fee burning mechanism & PoS consensus significantly altered its fee model, changing how network participants are incentivized.”

3. GovHub: A Smarter Way to Track Governance

https://blockworks.co/news/govhub-tracking-governance

“In a world where trillions of dollars of value flow through protocols, governance proposals play a very crucial role. Keeping up with all the proposals and determining their importance can be a daunting task. That’s why we built GovHub.

GovHub stands out from other tools on the market by tracking proposals from ideation to implementation. Our research and governance team lives in the governance forums, Discords and Telegram chats so you don’t have to.”

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