



MAY 2 - 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%

Next FOMC meeting: May 3rd 2023.

- Probability of a 0bps hike → 4%
- Probability of a 25bps hike → 96%
- Probability of a 50bps hike → 0%



BITCOIN

A snapshot of Bitcoin's spot price as of this writing is \$28,092 representing a 1.66% decrease the last 24 hours and 15.77% decrease in trading volume. The funding rate of BTC is 0.0003%.



ETHEREUM

ETH is trading at \$1,826 as of this writing, representing a 24-Hour decrease of 4.43% and a funding rate of 0.0086%. Over the last 24 Hours, the trading volume increased by 54.52%. As of today, ETH holds 18.3% of the cryptocurrency market, making it the second-largest coin traded.



OVERVIEW

Latest Digital Asset News

1- Ava Labs founder awarded \$3M in crypto defamation suit

Ava Labs founder and CEO Emin Gün Sirer has reportedly won a defamation suit against a crypto influencer, awarding him \$3 million in damages. The lawsuit stemmed from claims made in a February 2021 YouTube video by crypto influencer Emre Aksoy linking Sirer to an Islamist group the Turkish government calls the Fethullah Terrorist Organization (FETO). Aksoy told his large YouTube following that Sirer was a group member, directing them to short the Avalanche token. According to Sirer, the defamation cost him millions and crashed the price of AVAX at the time. The token fell 57% from its \$55.51 high on Feb. 11, 2021, to \$23.85 by the end of the month.

2 - UK Crypto Tax Advisors Welcome Proposed Changes to DeFi Lending, Staking Treatment

Tax advisors in the U.K. have welcomed proposed rules for decentralized finance (DeFi) lending and staking activities, calling it a positive step that offers some “certainty” for the crypto industry. On Thursday, the U.K. government's tax branch, His Majesty's Revenue and Customs (HMRC), announced it will be consulting crypto stakeholders for the next eight weeks on its plan. The new framework proposes that capital gains tax charges for DeFi lending or staking be triggered only with some activities – and not for all transactions.

3 - MicroStrategy records \$461.2m net income in Q1 2023

MicroStrategy, the self-proclaimed largest independent publicly-traded business intelligence company, has released its financial results from January to March 31, 2023. The company recorded a total revenue of \$121.9 million in Q1, 2023, a 2.2% increase compared to Q1, 2022, and a 5.7% increase on a non-GAAP constant currency basis. Subscription services and product licenses for Q1 2023 were \$36.2 million, a 23.4% increase or a 29.5% increase on a constant currency basis compared to Q1 2022. The company's president and CEO, Phong Le, said that the company's BI platform and the existing customer base are the main drivers of the revenue recorded. The company's Bitcoin strategy is still foolproof as the digital asset industry matures.

(1) <https://cointelegraph.com/news/ava-labs-founder-awarded-3m-in-crypto-defamation-suit>
(2) https://www.coindesk.com/policy/2023/05/02/uk-crypto-tax-advisors-welcome-proposed-changes-to-defi-lending-staking-treatment/?utm_medium=referral&utm_source=rss&utm_campaign=headlines
(3) <https://crypto.news/microstrategy-records-461-2m-net-income-in-q1-2023/>



OVERVIEW

TradFi

Since the banking collapse in mid-March, the US terminal rate, which is the expected peak of interest rates, has gradually increased and is presently at approximately 5.13%. Traders are predicting a 25 bps rate hike on the upcoming Fed meeting that concludes on Wednesday, with a 97% chance, as per the CME's FedWatch tool.



Although there is a common belief among market participants that this will be the last rate hike from the Fed, the question remains whether the rising recessionary risks will push the Fed to cut rates multiple times this year or if the fear of inflation getting out of hand will prompt them to maintain these high rates for a while.

Meanwhile, Treasury Secretary Janet Yellen stated that the US could breach the debt ceiling sooner than anticipated, by June 1st. President Joe Biden has called a special meeting on May 9th with congressional leaders at the White House to discuss the details of the debt limit. The market has not yet witnessed much upheaval regarding the increasing risk of a debt default, but Goldman Sachs believes that this could change.

As long as the US dollar is trading above its 20-day moving average near 101.35, we expect the market to be under pressure. Shorts are preferred over long positions in both equity futures and cryptocurrencies.



Looking at an intraday chart of the S&P500, prices are pulling back from the top-end of the broadening wedge pattern and are pushing for further downside. Next targets to the downside are located at 4140 and 4080.



Upcoming:

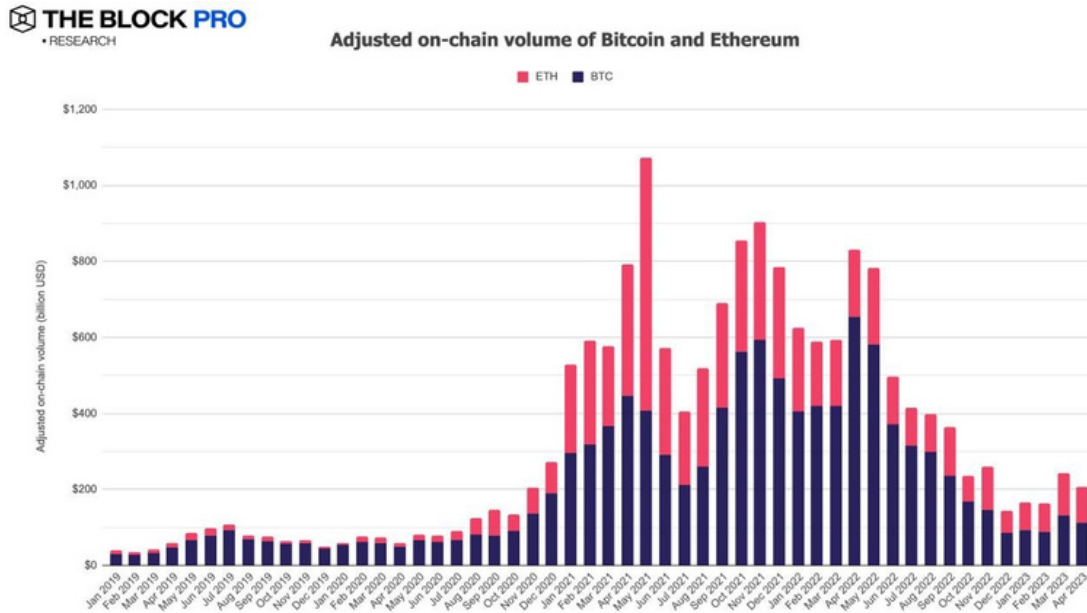
- Tuesday:
 - JOLTS Job Openings
 - Earnings: Uber, Pfizer, AMD and Ford
- Wednesday:
 - Fed Rate Decision + Press Conference
 - Earnings: Qualcomm
- Thursday:
 - ECB Rate Decision
 - Earnings: Apple, Shopify, Block and Coinbase
- Friday:
 - Non-farm payrolls

OVERVIEW

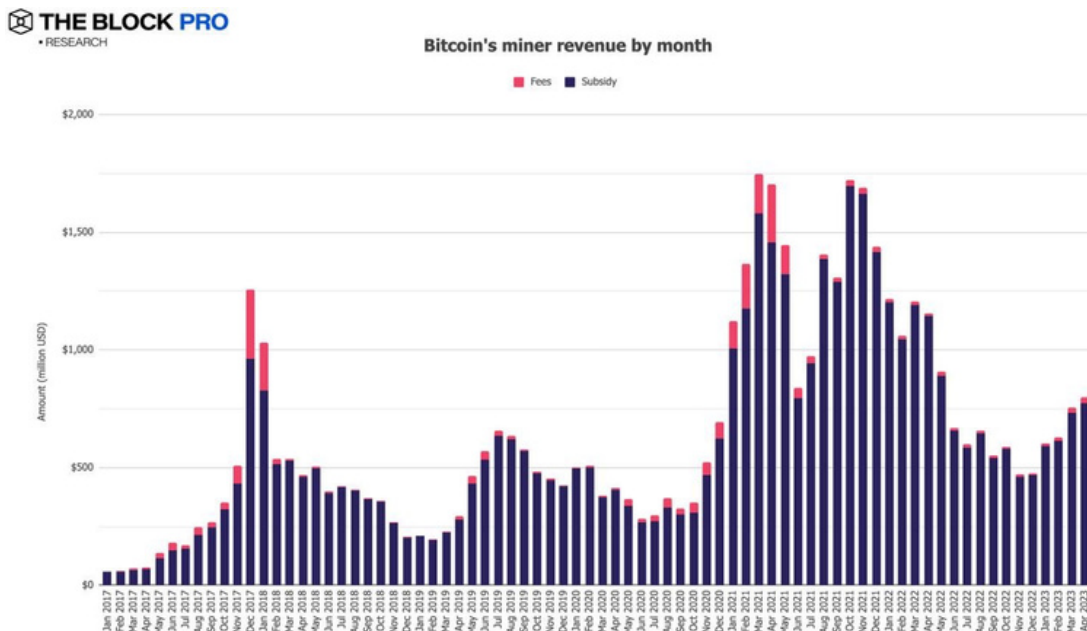
Bitcoin

Let's take a look at a few stats from the month of April —>

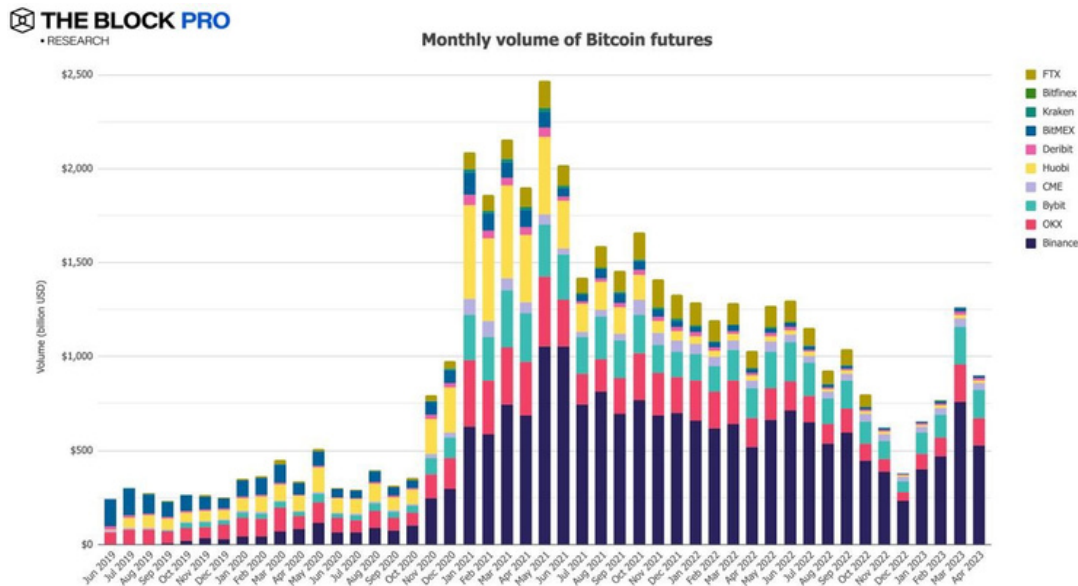
- Total adjusted on-chain volume for BTC & ETH decreased by 15.1% to \$207B



- BTC miner revenue increased by 5.5% to \$797M, while ETH staker revenue increased, by 10.6% to \$240M



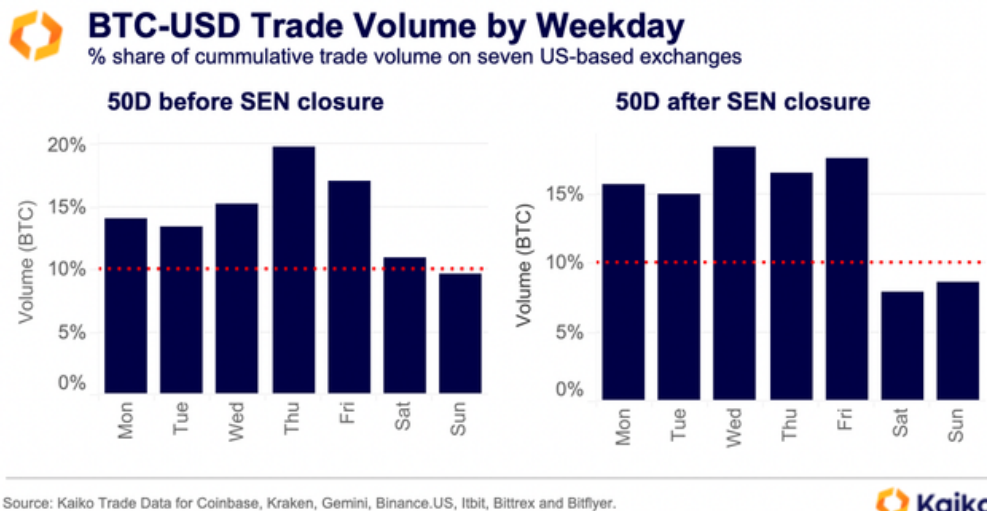
- BTC monthly futures volume decreased by 28.5% to \$901B
- Open interest declined by 1% for BTC but increased by 8.2% on ETH



Since the closure of Signet (signature's real-time payment network), we've noticed a significant decrease in weekend activity as the market is no longer truly around the clock.

Looking at the 50 days before and after the Signet closure, we can conclude that:

- Average daily weekend volume decreased by 10%
- Average daily weekday volume increased by 16%



BTCUSDT is flirting with the 50-day moving average once again with everyone watching. A breakdown and close below this level is the start of a potential trend reversal. Zooming into an intraday chart, we believe we could witness a slight rebound towards 29,150 but as long as the US Dollar Index keeps grinding higher, we should face more pressure ahead towards recent lows.



yacine.ouldchikh published on TradingView.com, May 02, 2023 08:34 UTC-4

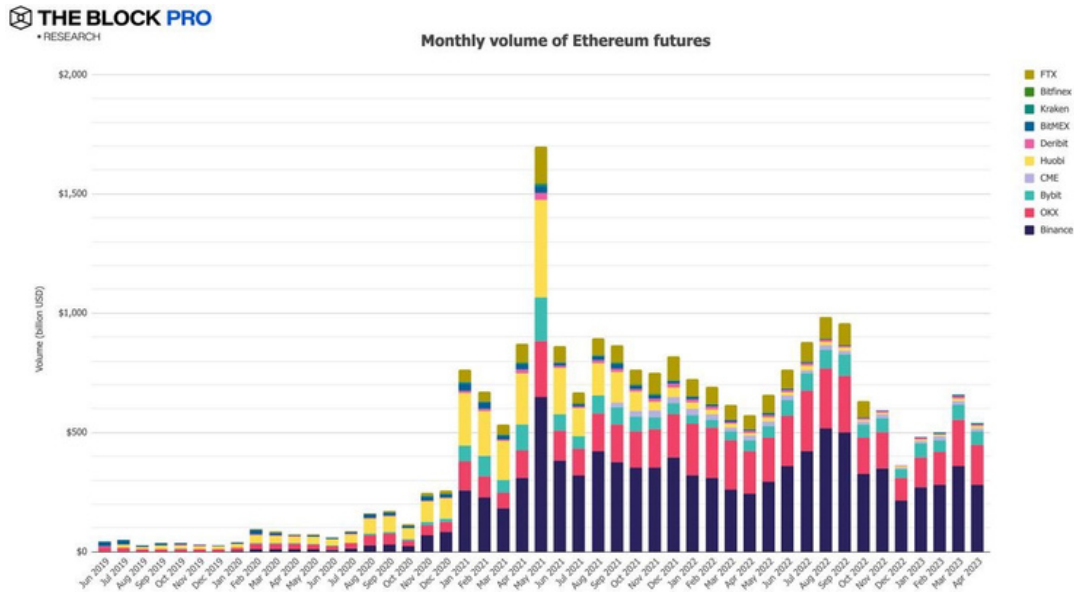


- BTC > 27,000 → Bullish
- BTC < 27,000 → Neutral with a bearish bias
- BTC < 24,800 → Bearish

OVERVIEW

Ethereum

Looking at the April volume of ETH futures, we've noticed a decrease of 18.2% to \$539B



ETHBTC looks like it wants to rebound from the lows posted during the Shapella upgrade. A rebound is in sight until the resistance zone near 0.068, which means ETH might outperform BTC by 5% in the next couple of days/weeks.



- ETH > 1790 → Bullish
- ETH < 1790 → Neutral with a bearish bias
- ETH < 1690 → Bearish

OVERVIEW

Altcoin Analysis

Let's take a look at Litecoin.

The Litecoin Community members are currently engaged in experimenting with a new standard called LTC-20, which aims to enhance fungibility. Although the token is presently in the experimental phase, there is a possibility that it may evolve into something more significant.

The development of this standard is taking place on top of the Litecoin Ordinals Protocol. The primary objective of this experimentation is to determine whether fungibility has a place on the Litecoin blockchain. The technical documentation provides a detailed description of all the functions involved in the process.

Litecoin has been in existence for a long time and is still considered a significant player in the cryptocurrency market.

It is worth noting that the Litecoin halving is less than 100 days away.

LTCUSDT pulled back near the 50% Fibonacci level and is seeking a rebound. It is possible that we continue lower towards the 61.8% level near \$78. For now, the outlook is mixed as we believe the chances of breaking out of this range to the upside or downside is 50/50. Given that the halving is taking place in the next couple of months, we believe there should be more bullish momentum ahead overall.

LTCBTC is rebounding off the recent lows and is trying to break out of a trend channel that would open the door for a period of outperformance vs BTC.



Litecoin / Bitcoin, 1D, BINANCE +0.000048 (+1.55%)



OVERVIEW

Daily Insights

1. The Fed Will Not Pivot

https://twitter.com/Claudia_Sahm/status/1652776776370733057

"Here are three reasons why:

- 1) No one wants to be Arthur Burns.
- 2) Current Fed officials experienced the 1970s and early 1980s firsthand.
- 3) Inflation is persistent and won't slow fast enough to declare victory this year.

These reasons may seem simplistic but don't underestimate the pull of history and psychology at the Fed."

2. A Thread Discussing the US Dollar

<https://twitter.com/tedtalksmacro/status/1653020725241065472>

"DXY is a measure of the dollar's performance against a basket of other fiat currencies. Narratives/news specific to a non-dollar currency, will also move the DXY. The Euro makes up ~58% of the basket, and thus moves the DXY with most power. What the Euro does, the DXY will do the opposite."

3. Chainlink Investment Thesis by DeFi Made Here

https://twitter.com/DeFi_Made_Here/status/1653042168091607040

"The long-term investment thesis for \$LINK comes from the merge of the global economy with Web3 world where Chainlink will be the main infrastructure for processing transaction value and data from all industries. At the same time, \$LINK will get a value accrual mechanism and will attract more holders and stakers."

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