MAY 1 - 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 → 16%
- Probability of a 25bps hike → 84%
- Probability of a 50bps hike → 0%

BITCOIN

A snapshot of Bitcoin's spot price as of this writing is $28,509 representing a 2.96% decrease the last 24 hours and 83.54% increase in trading volume. The funding rate of BTC is -0.0009%.

ETHEREUM

ETH is trading at $1,840 as of this writing, representing a 24-Hour increase of 3.36% and a funding rate of -0.0028%. Over the last 24 Hours, the trading volume increased by 99.52%. As of today, ETH holds 18.3% of the cryptocurrency market, making it the second-largest coin traded.

OVERVIEW

Latest Digital Asset News

1- PayPal extending crypto transfers to more than 60 million Venmo customers

Nearly a year after PayPal allowed users to transfer crypto between its platform and other wallets, the company is set to roll out a similar feature for its more than 60 million Venmo customers located in the United States. “Customers will also be able to transfer to a PayPal account and to external wallets and exchanges,” the company said in a statement. External wallets include PayPal customers. In June of last year, PayPal began allowing users to send supported tokens like bitcoin, ether, bitcoin cash and litecoin to external wallets. The move to open the service to tens of millions of Venmo customers starting next month comes at a time when the crypto industry as whole is being confronted with intense scrutiny in the U.S.

2 - Crypto Tax Guidance Could Come in '12-ish' Months, Says IRS Official

The U.S. Internal Revenue Service hopes to issue crypto tax guidance ready in "12-ish" months, Julie Foerster said from the stage at Consensus 2023 on Friday. The digital assets project director also said the IRS is planning to change how it looks at cryptocurrency and wants to work more with the industry. Foerster, who stressed her views are her own and not necessarily those of the IRS, said her five-person team was with her at Consensus, presumably moving through the convention center, talking to people about taxes and what the U.S. agency can do better.

3 - Crypto-friendly Cross River Bank faces FDIC scrutiny over 'unsafe' practices

The Federal Deposit Insurance Corporation issued a consent order to crypto-friendly Cross River Bank regarding “unsafe or unsound banking practices.” Cross River Bank is a venture-backed New Jersey regional bank that does business with major crypto firms like Coinbase and Circle. “The FDIC considered the matter and determined, and the bank neither admits or denies, that it engaged in the unsafe or unsound banking practices related to its compliance with applicable fair lending laws and regulations by failing to establish and maintain internal controls, information systems, and prudent credit underwriting practices,” the 34-page consent order said.

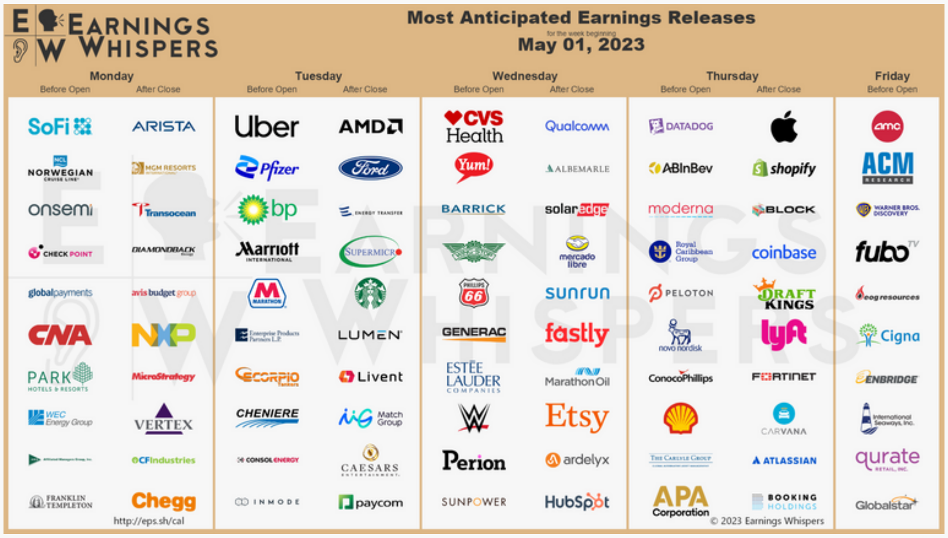
(1) https://www.theblock.co/post/228824/paypal-extending-crypto-transfers-to-more-than-60-million-venmo-customers
(2) https://www.coindesk.com/business/2023/04/28/crypto-tax-plan-could-come-in-12-ish-months-says-irs-official/
(3) https://www.theblock.co/post/228835/cross-river-bank-fdic

OVERVIEW

TradFi

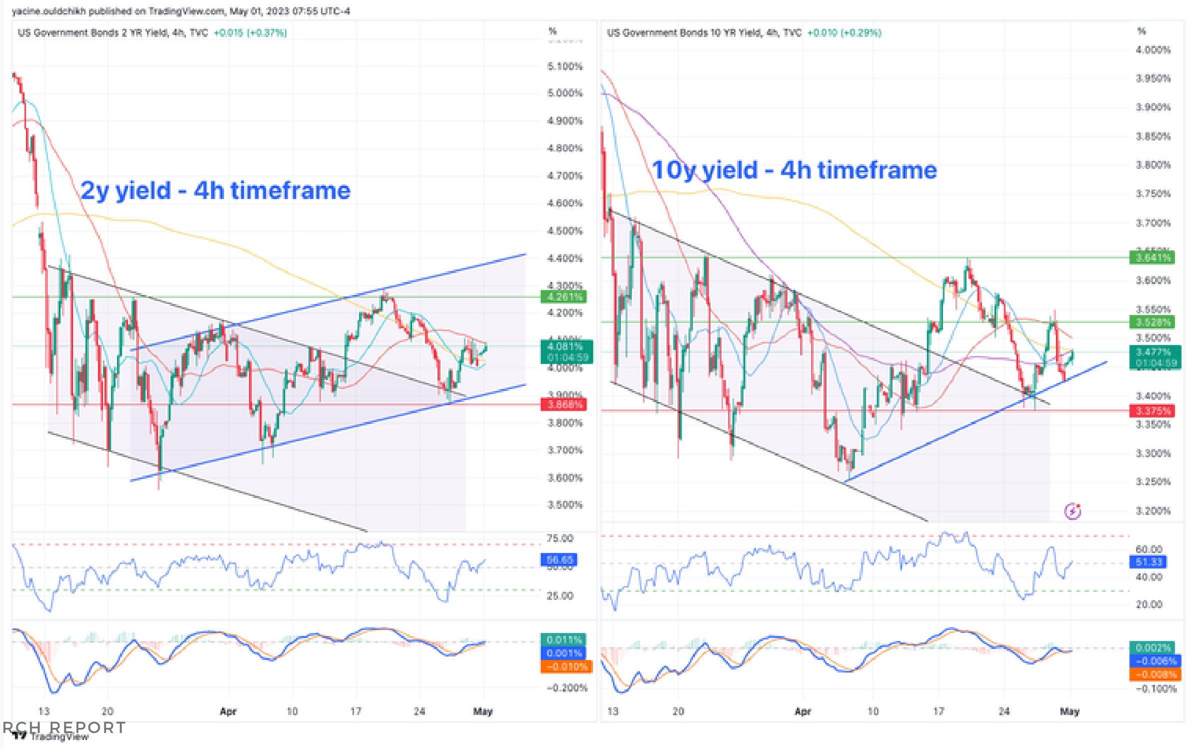
Earnings season continues this week. The most notable for crypto enthusiasts would be Apple and Coinbase, both reporting after the bell on Thursday. Just over half of S&P 500 companies have reported earnings thus far and 80% have beaten expectations, according to data from FactSet.

All major US indices closed in the green last week with S&P500 +0.90% and Nasdaq +1.3%.



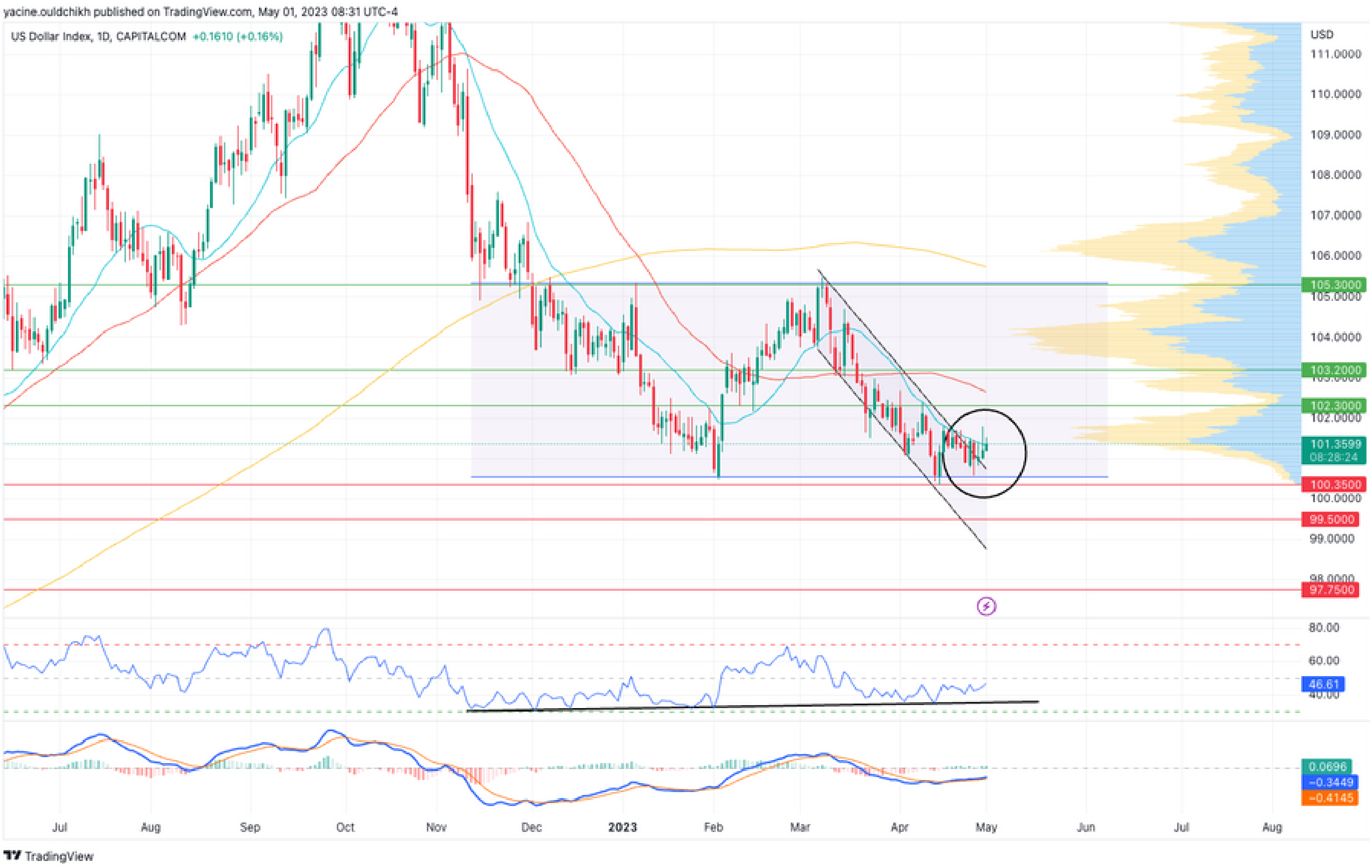
According to Berkshire Hathaway's Charlie Munger, the U.S. commercial property market is headed for some rough times. Munger said banks are loaded up with "bad loans" that will be vulnerable if the economy hits a bad patch. "There's a lot of agony out there."

The 2y and 10y-yields are both ticking higher ahead of a highly anticipated Fed meeting this week. The market expects a 25 bps hike on Wednesday afternoon. Market participants expect the central bank to ease off on rate hikes to focus on a deteriorating economy that claimed three regional banks.



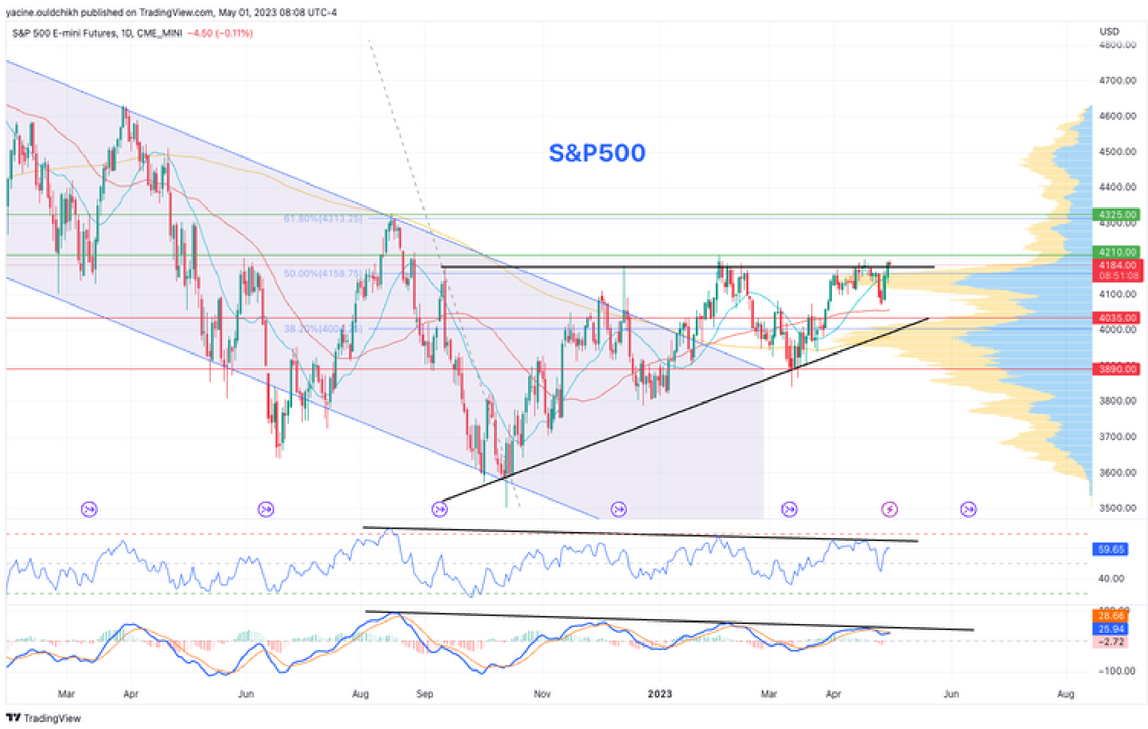
First Republic became the third US bank to fail within two months. The bank suffered more withdrawals than expected which resulted in the stock being down 97% for the year. JPMorgan emerged as winner of the weekend auction for First Republic's deposits and a majority of assets after several reportedly made bids.

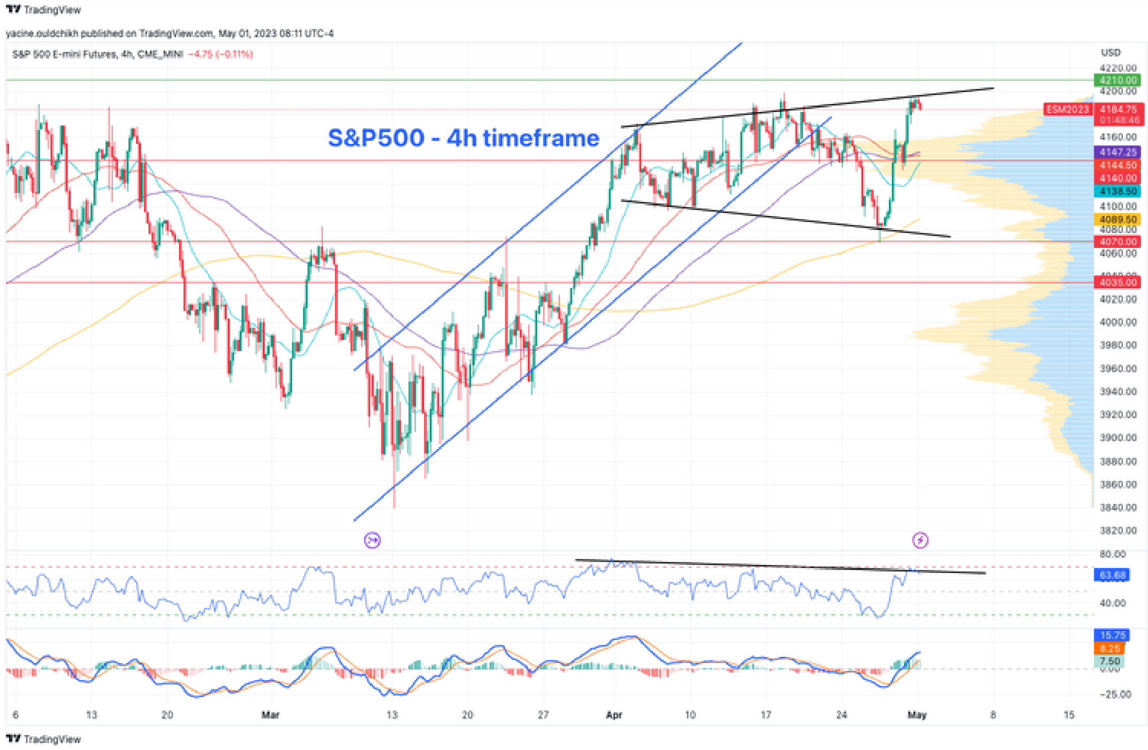
The US Dollar Index is looking like a rebound is in sight. If DXY breaks above its 20-day moving average, this will place a lot of pressure on risk assets such as the stock market and cryptocurrencies.



The S&P500 is trading at the top-end of the ascending triangle pattern that has been in play for the last couple of months. A breakout above 4210 would trigger major bullish implications sending the index much higher towards 4325.

Looking at an intraday time frame, we believe the index will pull back from the top-end of the broadening wedge pattern to reach lower levels near 4140, the midpoint of the pattern.





Upcoming:

- Monday:
  - ISM manufacturing PMI
- 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

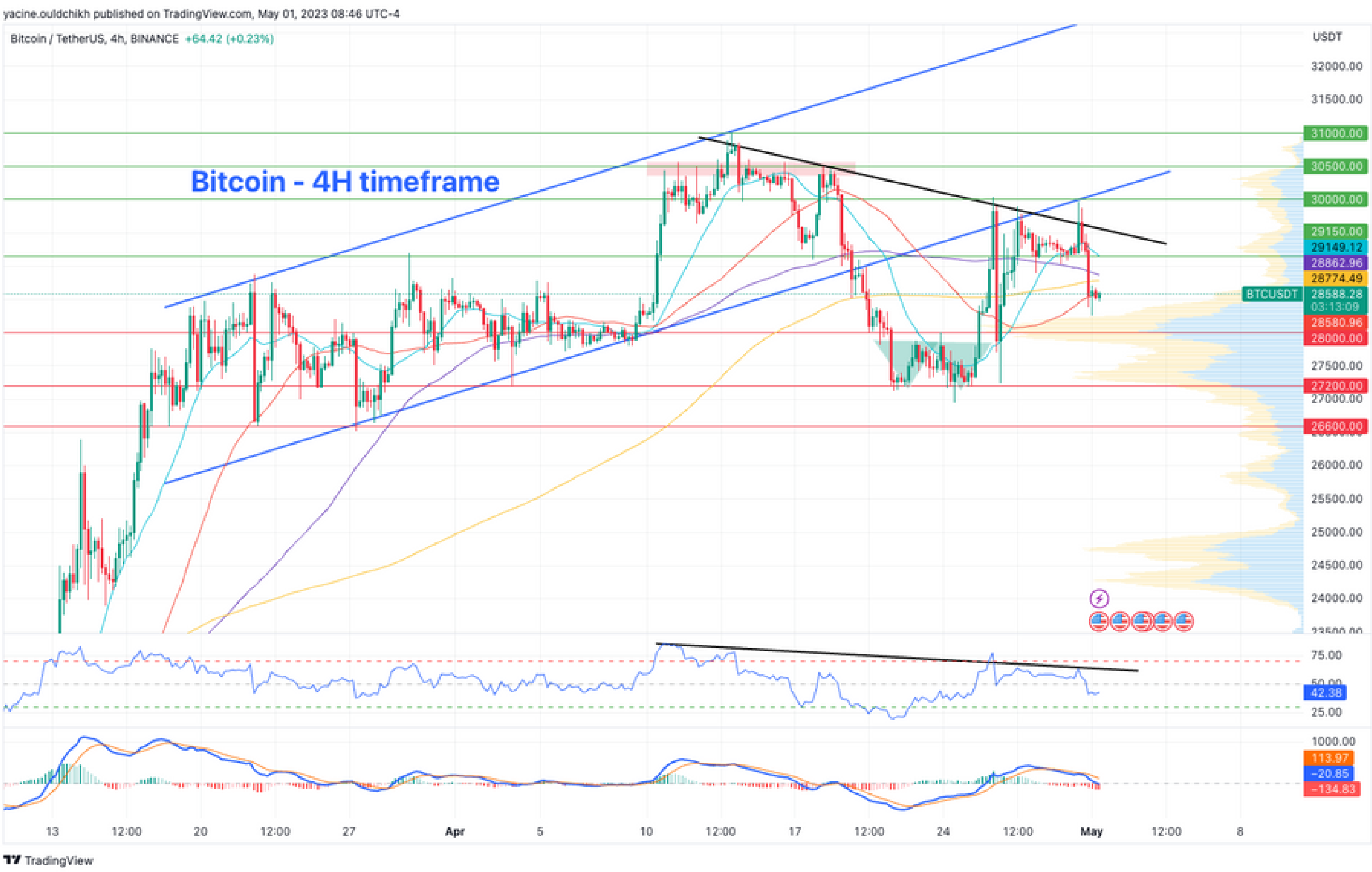
OVERVIEW

Bitcoin

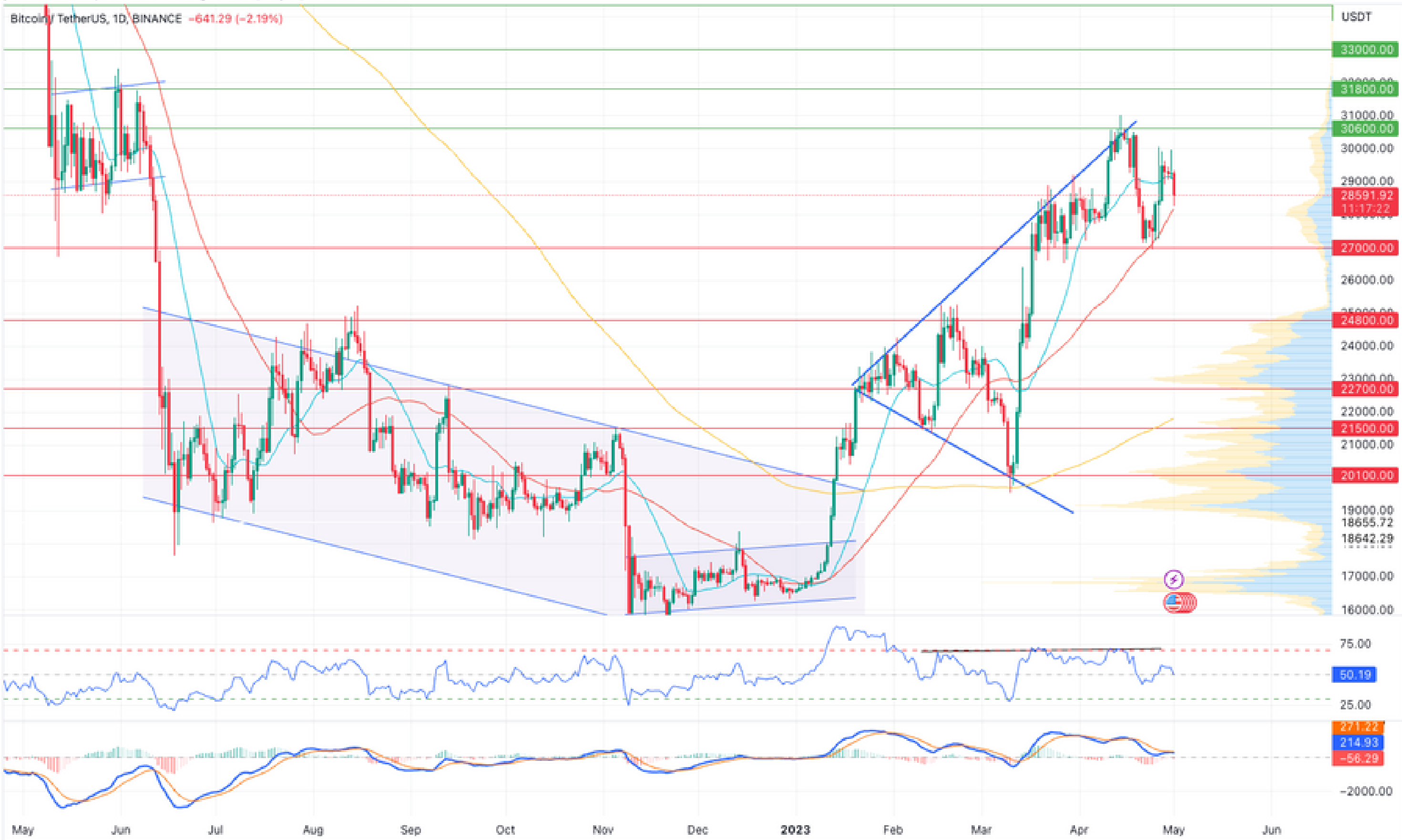
From a chartist point of view, BTCUSDT is trading above its 50-day moving average which means the uptrend is still intact. A breakdown of this level will serve as a warning sign that the trend might be near its end.

Zooming in an intraday time frame, prices were capped by a declining trend line since the yearly highs. Both the RSI and MACD are trending lower as the short-term momentum has shifted from bullish to bearish. Open interest has been accumulating since Sunday evening

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



yacine.ouldchikh published on TradingView.com, May 01, 2023 08:42 UTC-4



TradingView

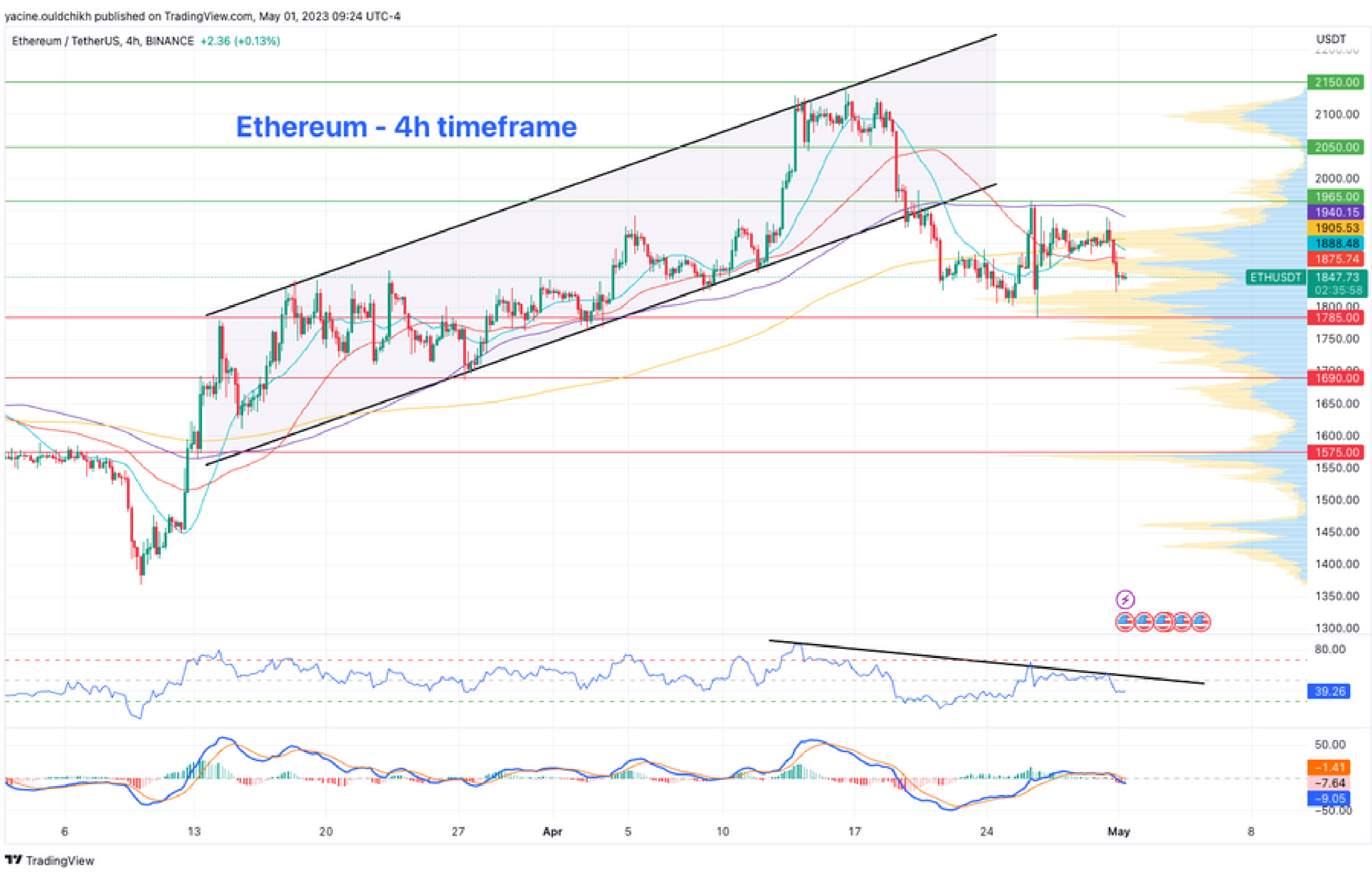
OVERVIEW

Ethereum

ETHUSDT is ranging between 1790 and 1980 and is looking for clear direction. There seems to be more downside ahead vs. upside but we haven't witnessed the right confirmation yet to make a call. A break below 1790 would trigger bearish implications sending prices towards 1690.

ETHBTC is looking quite mixed right now. As expected, BTC has gained more attention than ETH in the last two weeks as it outperformed ETH by 9% since April 18th. The ratio pulled back to the same level where the Shapella upgrade took place.

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



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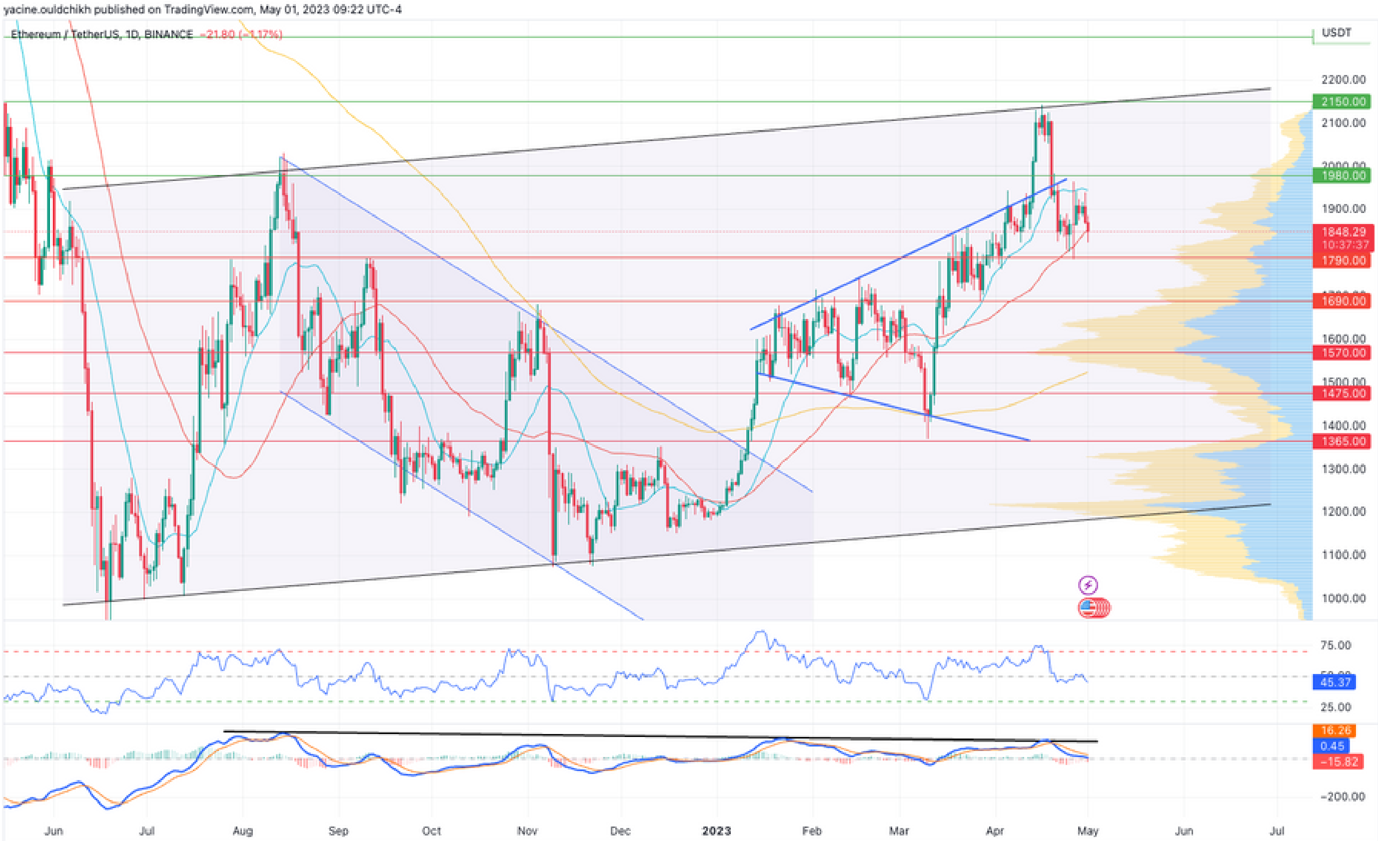

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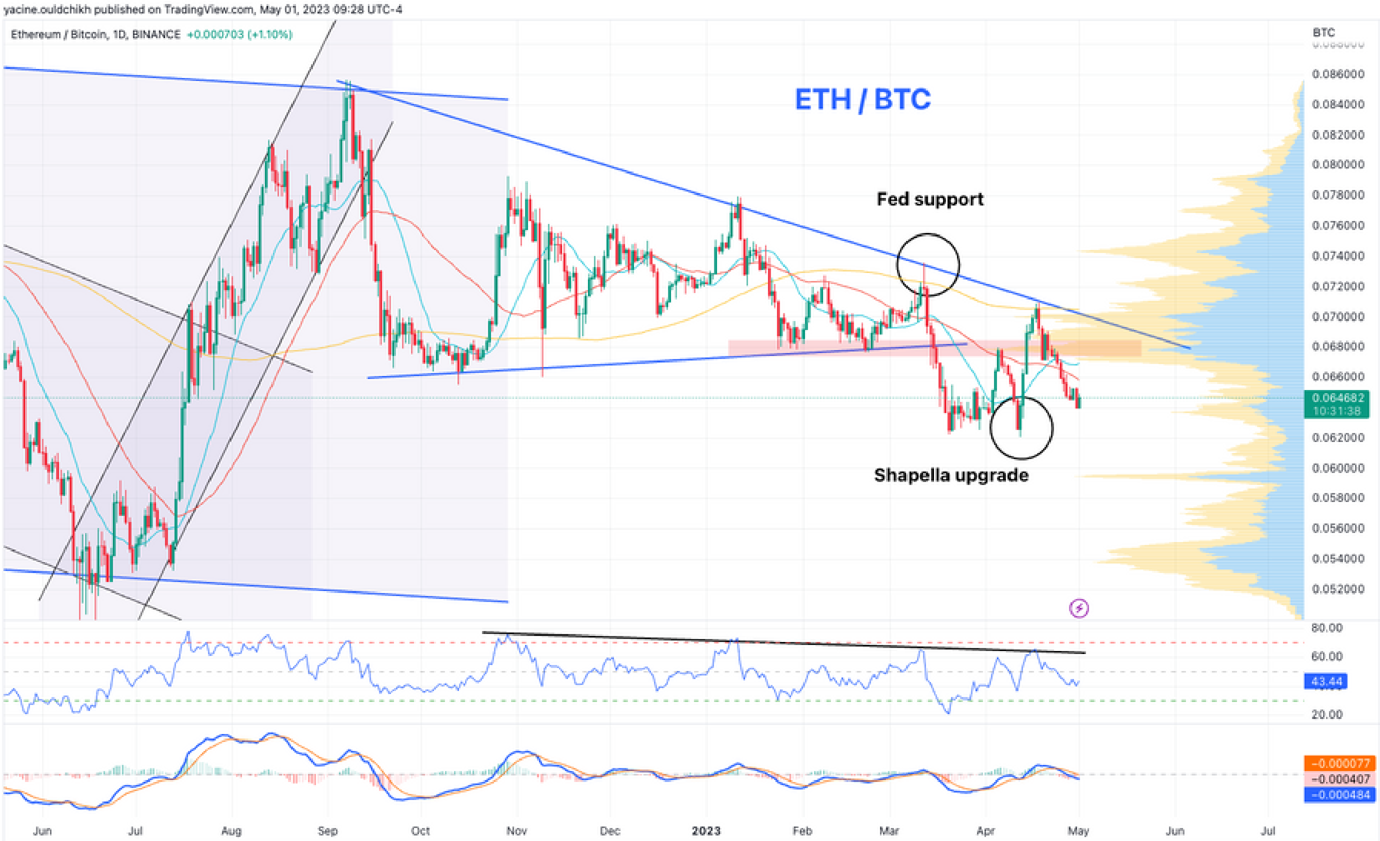


TradingView

OVERVIEW

Altcoin Analysis

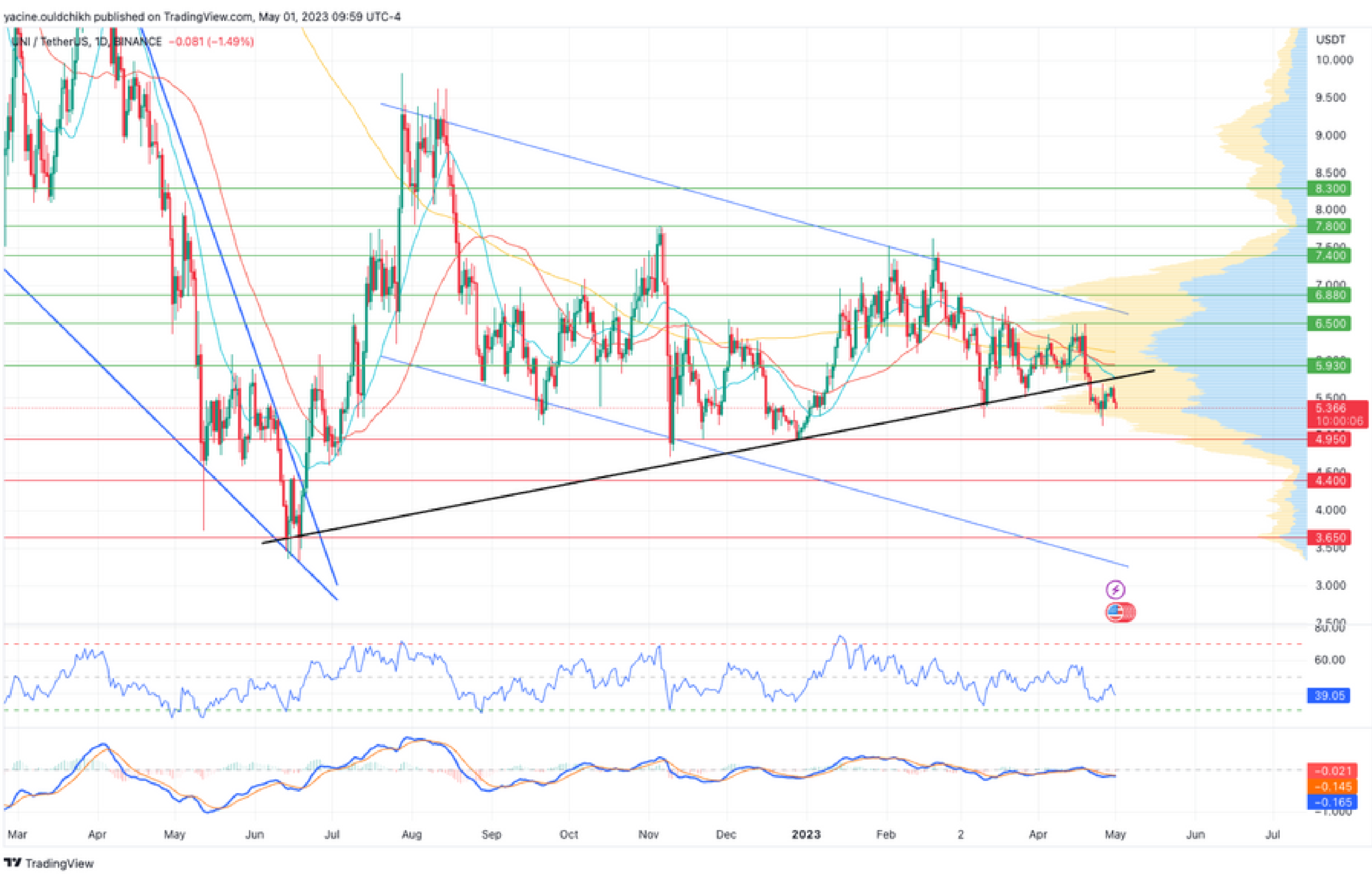
Most top altcoins are outperforming BTC this morning by a slight margin.

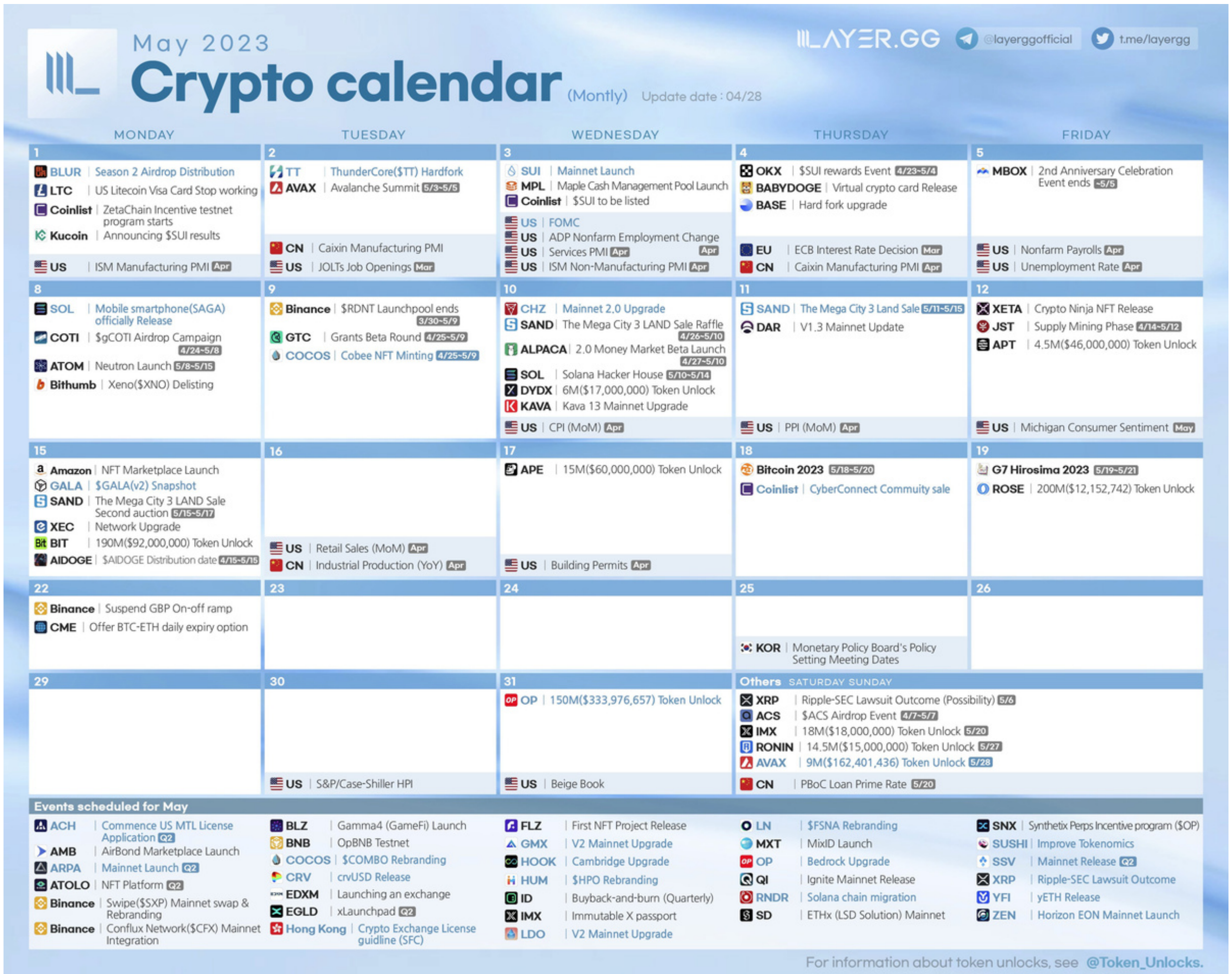
The market is going through a mem coin mania these days with $PEPE up 80% today alone. One lucky buyer turned $250 into $1.02 million in just four days—a 407,900% increase.

This is pushing the transaction count on DEXs like Uniswap. Transactions there surged by more than 66% from the previous all-time high, according to the Uniswap researcher Austin Adams who quoted data from Dune.

Daily active users on Uniswap recently surged near 85,000, the highest figure since May 2021. This has helped the protocol officially surpass $1.5 trillion in trading volume in April.

Looking at the chart, prices broke below a symmetrical triangle pattern in place since last Summer. As long as prices remain below the breakout area near $5.93, we should expect further downside towards $4.95 and possibly $4.40.





May 2023
Crypto calendar (Montly)
Update date : 04/28
LAYER.GG
@layerggofficial
t.me/layergg
MONDAY
TUESDAY
WEDNESDAY
THURSDAY
FRIDAY
1
BLUR | Season 2 Airdrop Distribution
LTC | US Litecoin Visa Card Stop working
Coinlist | ZetaChain Incentive testnet program starts
Kucoin | Announcing $SUI results
US | ISM Manufacturing PMI Apr
2
TT | ThunderCore($TT) Hardfork
AVAX | Avalanche Summit 5/3~5/5
CN | Caixin Manufacturing PMI
US | JOLTs Job Openings Mar
3
SUI | Mainnet Launch
MPL | Maple Cash Management Pool Launch
Coinlist | $SUI to be listed
US | FOMC
US | ADP Nonfarm Employment Change Apr
US | Services PMI Apr
US | ISM Non-Manufacturing PMI Apr
4
OKX | $SUI rewards Event 4/23~5/4
BABYDOGE | Virtual crypto card Release
BASE | Hard fork upgrade
EU | ECB Interest Rate Decision Mar
CN | Caixin Manufacturing PMI Apr
5
MBOX | 2nd Anniversary Celebration Event ends ~5/5
US | Nonfarm Payrolls Apr
US | Unemployment Rate Apr
8
SOL | Mobile smartphone(SAGA) officially Release
COTI | $gCOTI Airdrop Campaign 4/24~5/8
ATOM | Neutron Launch 5/8~5/15
Bithumb | Xeno($XNO) Delisting
9
Binance | $RDNT Launchpool ends 3/30~5/9
GTC | Grants Beta Round 4/25~5/9
COCOS | Cobee NFT Minting 4/25~5/9
10
CHZ | Mainnet 2.0 Upgrade
SAND | The Mega City 3 LAND Sale Raffle 4/26~5/10
ALPACA | 2.0 Money Market Beta Launch 4/27~5/10
SOL | Solana Hacker House 5/10~5/14
DYDX | 6M($17,000,000) Token Unlock
KAVA | Kava 13 Mainnet Upgrade
US | CPI (MoM) Apr
11
SAND | The Mega City 3 Land Sale 5/11~5/15
DAR | V1.3 Mainnet Update
US | PPI (MoM) Apr
12
XETA | Crypto Ninja NFT Release
JST | Supply Mining Phase 4/14~5/12
APT | 4.5M($46,000,000) Token Unlock
US | Michigan Consumer Sentiment May
15
Amazon | NFT Marketplace Launch
GALA | $GALA(v2) Snapshot
SAND | The Mega City 3 LAND Sale Second auction 5/15~5/17
XEC | Network Upgrade
BIT | 190M($92,000,000) Token Unlock
AIDOGE | $AIDOGE Distribution date 4/15~5/15
16
US | Retail Sales (MoM) Apr
CN | Industrial Production (YoY) Apr
17
APE | 15M($60,000,000) Token Unlock
US | Building Permits Apr
18
Bitcoin 2023 5/18~5/20
Coinlist | CyberConnect Commuity sale
19
G7 Hirosima 2023 5/19~5/21
ROSE | 200M($12,152,742) Token Unlock
22
Binance | Suspend GBP On-off ramp
CME | Offer BTC-ETH daily expiry option
23
24
25
KOR | Monetary Policy Board's Policy Setting Meeting Dates
26
29
30
US | S&P/Case-Shiller HPI
31
OP | 150M($333,976,657) Token Unlock
US | Beige Book
Others SATURDAY SUNDAY
XRP | Ripple-SEC Lawsuit Outcome (Possibility) 5/6
ACS | $ACS Airdrop Event 4/7~5/7
IMX | 18M($18,000,000) Token Unlock 5/20
RONIN | 14.5M($15,000,000) Token Unlock 5/27
AVAX | 9M($162,401,436) Token Unlock 5/28
CN | PBoC Loan Prime Rate 5/20
Events scheduled for May
ACH | Commence US MTL License Application Q2
AMB | AirBond Marketplace Launch
ARPA | Mainnet Launch Q2
ATOLO | NFT Platform Q2
Binance | Swipe($SXP) Mainnet swap & Rebranding
Binance | Conflux Network($CFX) Mainnet Integration
BLZ | Gamma4 (GameFi) Launch
BNB | OpBNB Testnet
COCOS | $COMBO Rebranding
CRV | crvUSD Release
EDXM | Launching an exchange
EGLD | xLaunchpad Q2
Hong Kong | Crypto Exchange License guidline (SFC)
FLZ | First NFT Project Release
GMX | V2 Mainnet Upgrade
HOOK | Cambridge Upgrade
HUM | $HPO Rebranding
ID | Buyback-and-burn (Quarterly)
IMX | Immutable X passport
LDO | V2 Mainnet Upgrade
LN | $FSNA Rebranding
MXT | MixID Launch
OP | Bedrock Upgrade
QI | Ignite Mainnet Release
RNDR | Solana chain migration
SD | ETHx (LSD Solution) Mainnet
SNX | Synthetix Perps Incentive program ($OP)
SUSHI | Improve Tokenomics
SSV | Mainnet Release Q2
XRP | Ripple-SEC Lawsuit Outcome
YFI | yETH Release
ZEN | Horizon EON Mainnet Launch
For information about token unlocks, see @Token_Unlocks.

OVERVIEW

Daily Insights

1. JPMorgan Chase Bank, National Association, Columbus, Ohio Assumes All the Deposits of First Republic Bank

https://www.fdic.gov/news/press-releases/2023/pr23034.html

"As part of the transaction, First Republic Bank's 84 offices in eight states will reopen as branches of JPMorgan Chase Bank, National Association, today during normal business hours. All depositors of First Republic Bank will become depositors of JPMorgan Chase Bank, National Association, and will have full access to all of their deposits.

Deposits will continue to be insured by the FDIC, and customers do not need to change their banking relationship in order to retain their deposit insurance coverage up to applicable limits."

2. 2. Jack Dorsey's Block Acquires Large Volume of Bitcoin Mining ASICs from Intel

https://www.mining.build/update-on-our-bitcoin-mining-asic-program/

Most bitcoin mining ASICs on the market today are produced using five nanometer technology. It is on this node that we focused our initial development efforts. In the past year, we completed the design of a high performing bitcoin mining ASIC on the five nanometer semiconductor node. Our original plan had been to do a full tape out of this design this quarter.

However, as we were planning this tape out, we learned of an opportunity to acquire a large volume of bitcoin mining ASICs from Intel, and just completed a purchase agreement with Intel. This immediate access to production ASICs accelerates our mining system development, enabling us to get to market more quickly."

3. Bitcoin Just Processed More Transactions in a Single Day than at Any Point in its 14-Year History — Thanks to Ordinals

https://blockworks.co/news/bitcoin-transactions-record-ordinals

"The daily number of Bitcoin transactions surged beyond 568,300 on Sunday — nearly 78,000 more than its previous peak during the top of the 2017 bull run. Ordinals contributed around 54% of Bitcoin's daily transactions at its all-time record.

According to Glassnode, over 2.39M Inscriptions have been added to the Bitcoin ledger, adding 9.3GB in data, and paying 212 BTC in fees. There is a shift in preference as it relates to inscription types. Image Inscriptions dominated until very recently, but have been surpassed by text based."

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Any forecasts contained herein are for illustrative purposes only and are not to be relied upon as advice or interpreted as a recommendation. The price of crypto assets may rise or fall because of changes in the broad market or changes in a company's financial condition, sometimes rapidly or unpredictably. Past performance is not a guide to future performance, future returns are not guaranteed, and a loss of original capital may occur. Fluctuations in exchange rates could have adverse effects on the value or price of, or income derived from, certain investments. We and our affiliates, officers, directors, and employees, excluding equity and credit analysts, will from time to time have long or short positions in, act as principal in, and buy or sell, the securities or derivatives, if any, referred to in this research.

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Crypto and/or digital currencies involve substantial risk, are speculative in nature and may not perform as expected. Many digital currency platforms are not subject to regulatory supervision, unlike regulated exchanges. Some platforms may commingle customer assets in shared accounts and provide inadequate custody, which may affect whether or how investors can withdraw their currency and/or subject them to money laundering. Digital currencies may be vulnerable to hacks and cyber fraud as well as significant volatility and price swings.

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