APRIL 26 - 2023

DAILY MARKET REPORT

SECURE DIGITAL MARKETS

Institutional research.

OVERVIEW

Markets Insights

	S2	S1	R1	R2	24HR %	7D %	30D %	YTD %
Bitcoin	24,800	26,600	30,600	31,800	3.55%	-3.87%	1.95%	71.32%
Ethereum	1,690	1,805	1,980	2,150	2.06%	-7.03%	5.87%	56.51%
Nasdaq	12,350	12,700	13,700	14,300	-1.98%	-2.95%	-1.07%	12.73%
US Dollar Index	99.25	100.80	102.55	103.65	-0.11%	-0.22%	-0.87%	-1.71%

Next FOMC meeting: May 3rd 2023.

- Probability of a 0bps hike → 27%
- Probability of a 25bps hike → 73%
- Probability of a 50bps hike → 0%

BITCOIN

A snapshot of Bitcoin's spot price as of this writing is $29,562 representing a 8.26% increase the last 24 hours and 64.76% increase in trading volume. The funding rate of BTC is 0.0076%.

ETHEREUM

ETH is trading at $1,936 as of this writing, representing a 24-Hour increase of 6.63% and a funding rate of 0.0068%. Over the last 24 Hours, the trading volume increased by 40.50%. As of today, ETH holds 18.3% of the cryptocurrency market, making it the second-largest coin traded.

OVERVIEW

Latest Digital Asset News

1- Wood’s ARK, 21Shares Again Seek Spot Bitcoin ETF

Cathie Wood’s ARK Investment Management and Swiss fund issuer 21Shares are again making their case to issue a spot bitcoin exchange-traded fund, with their third attempt focusing on how their product would be safer for investors after last year’s crypto debacles. The proposed ARK 21Shares Bitcoin ETF would track the performance of the S&P Bitcoin Index, which has gained 65% so far this year. ARK would be charged with helping to market the fund, according to a filing. 21Shares manages bitcoin ETFs trading on European exchanges and presumably would use its knowledge gleaned from that experience. The filing follows numerous efforts to issue a spot bitcoin ETF in the U.S., where regulators skeptically view issuers’ abilities to safeguard against fraud. The highest-profile effort to date has been Grayscale Investments’ request to convert its $17.2 billion Grayscale Bitcoin Trust, which invests in pools of trusts that hold bitcoin. That effort was rejected by the Securities and Exchange Commission and is currently the subject of a lawsuit between the parties.

2 - Crypto group DCG says bankrupt unit Genesis' creditors renege on deal

Digital Currency Group (DCG) said on Tuesday some creditors of its bankrupt unit Genesis Capital have decided to walk away from a prior restructuring agreement for the cryptocurrency lender. DCG, a conglomerate in the digital asset space, had been looking to sell Genesis to repay at least a part of the $3.4 billion it owes creditors. In February, DCG struck a deal that could have either resulted in a sale of Genesis or turned its equity over to creditors.

3 - FTX Finalizes $50 Million Sale of LedgerX Crypto Derivatives Exchange

FTX bankruptcy lawyers agreed on Tuesday to sell LedgerX, the FTX-owned derivatives trading platform, to M7 Holdings. The interest purchase agreement is expected to fetch $50 million for debtors of the failed cryptocurrency exchange. Based in Akron, Ohio, M7 Holdings is an affiliate of Miami International Holdings, Inc., a global operator of financial exchanges and execution services. On April 4, the court held the auction of LedgerX, with M7 Holdings entering the winning bid. “We are pleased to reach this agreement with MIH, which is an example of our continuing efforts to monetize assets to deliver recoveries to stakeholders,” said FTX CEO and Chief Restructuring Officer John J. Ray III.

(1) https://www.etf.com/sections/news/woods-ark-21shares-again-seek-spot-bitcoin-etf
(2) https://www.reuters.com/technology/crypto-group-dcg-says-bankrupt-unit-genesis-creditors-renege-deal-2023-04-25/
(3) https://decrypt.co/137943/ftx-finalizes-50-million-sale-of-its-crypto-derivatives-exchange-ledgerx

OVERVIEW

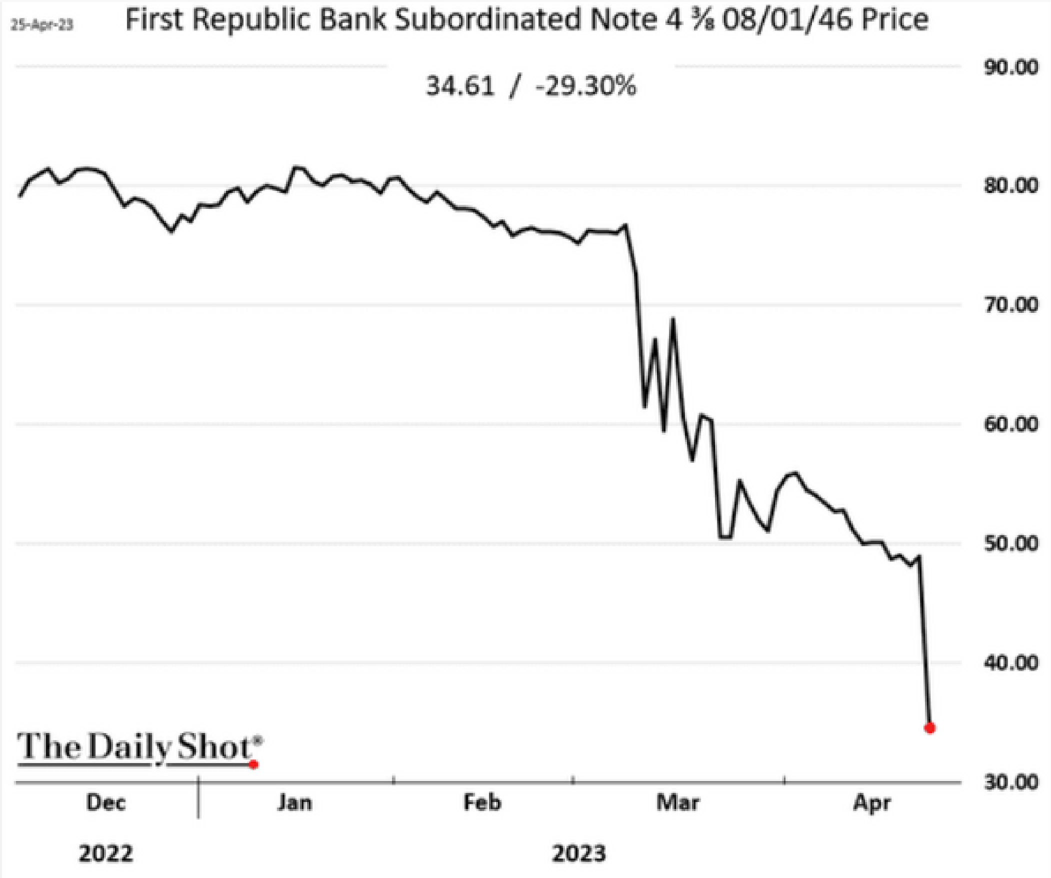
TradFi

Both tech giants, Microsoft and Alphabet reported after the bell yesterday and the results were good.

Microsoft
- Posted earnings and revenue beating estimates ($2.45 per share and $52.86 billion respectively)
- Forward guidance surpassing expectations with 4Q revenue expected to range between $54.85 billion and $55.85 billion in revenue, higher than forecasts of $54.84 billion.
- The firm expects A.I. to drive revenue growth moving forward.
- +8% in premarket trading

Alphabet
- Authorized a $70 billion share buyback plan
3Q earnings and revenue beating estimates with revenue reaching $69.79 billion.
- When asked about the challenging economic environment, the CFO said "the outlook remains uncertain."
- The firm is cutting costs to manage through a weak online ad market.
- +0.5% in premarket trading

It seems like the banking crisis is not over yet.
- First Republic announced on Monday that its deposits dropped 40% to $104.5 billion in Q1
- Shares were down 50% on Tuesday and -15% in premarket trading this morning
- The firm is "reviewing strategic options to help reshape its balance sheet".
- The steep decline in deposits came despite a group of 11 larger banks infusing $30 billion of deposits into the bank in the intent to instill confidence to avoid a potential bank run.



On the economic data front, the demand for long-lasting goods increased far more than expected in March, indicating a resilient U.S. economy. New orders for manufactured durable goods jumped 3.2% for the month to $276.4 billion, above the 0.5% estimate.

In other news, US consumer confidence fell to a 9-month low due to fears surrounding the job market and a potential recession.

The major US indices were under pressure yesterday due to the current state of banking conditions. Looking at the 4h chart of the S&P500, we can see that we fell straight to our support level of 4100 and have been trying to rebound ever since. The break and close below this level will be crucial for shorts to take over in the short term.

On the daily chart, we can see that the recent move down has more downside ahead towards the support of the ascending triangle pattern near 4035.

Upcoming:

- Wednesday →
  - US Durable Goods Orders
  - Earnings → Meta and Boeing

- Thursday →
  - US 1Q2023 Advanced GDP
  - US Jobless Claims
  - Earnings: Amazon and Intel.

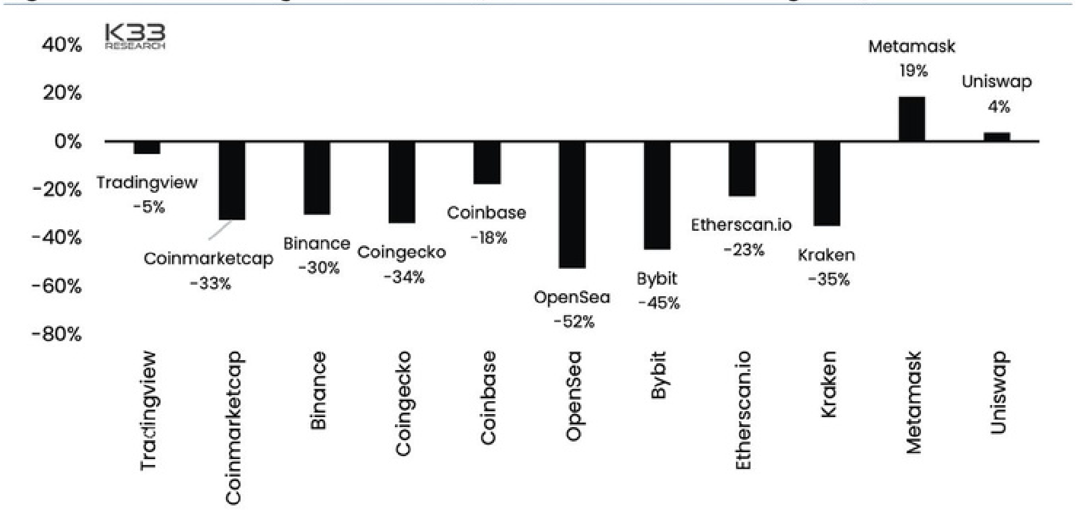
- Friday →
  - Core PCE Index

Bitcoin & Ethereum

Bitcoin reached $30,000 this morning on the back of concerns over the current state of banking, bringing back the “digital gold” narrative in full force. First Republic, a regional bank in the US with the same risk profile as SVB, announced on Monday that its deposits dropped 40% to $104.5 billion in Q1 which reignited concerns amongst market participants.

Web traffic on exchanges have fallen by 25% from the Summer of 2022. Interest in crypto has come down quite a bit among retail investors, especially since the peak of 2021, but it feels like institutional demand is starting to pick up.

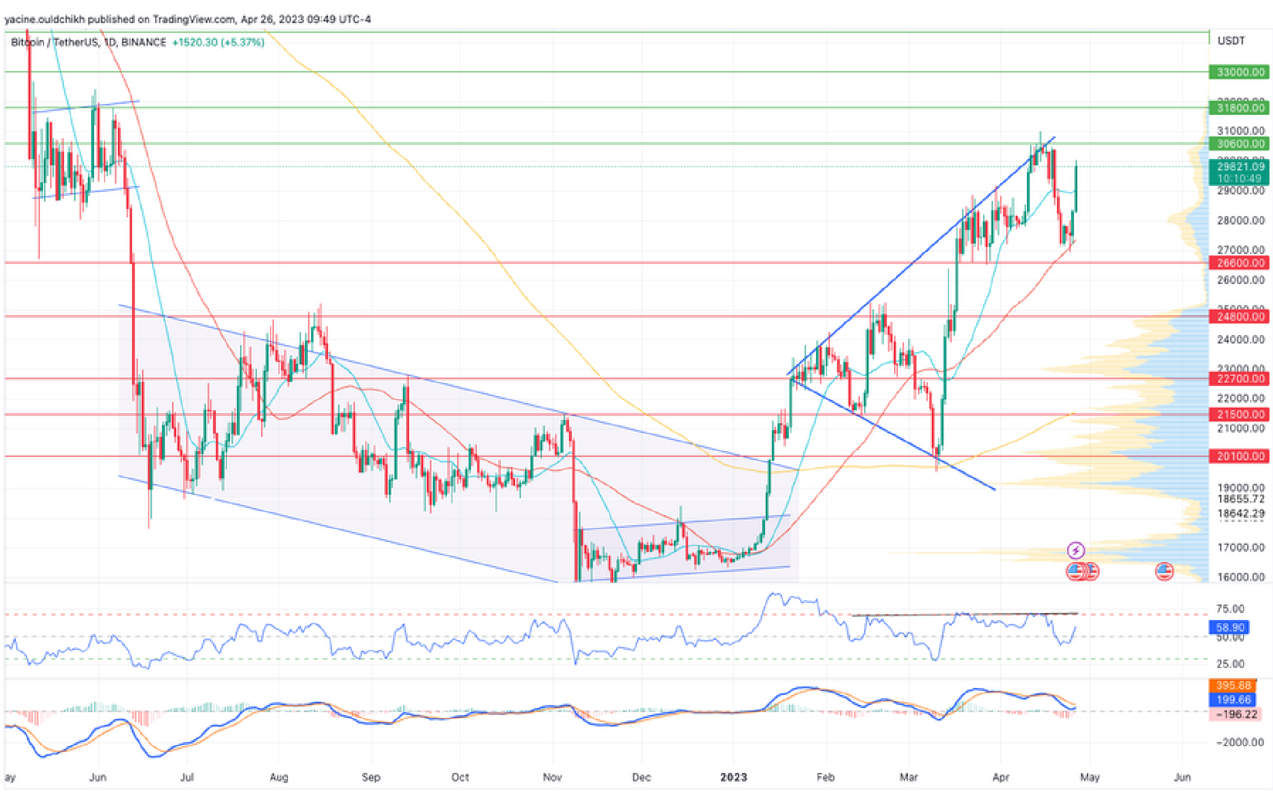
Figure 17: Relative change in web traffic (Q1, 2023 data vs. June-Aug 2022)



Source: Similarweb

The rise in Bitcoin and Ethereum's price started right after Microsoft and Alphabet reported their 3Q earnings as the tech giants lifted the overall Nasdaq index. Both continued to rise overnight, pushing for over $147 million in liquidations in the last 24 hours. BTC and ETH are both rebounding right off their 50-day moving averages as expected.

We're still seeing some intraday resistance around 30,500 and now pushed our intraday support back up to 28,000.



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OVERVIEW

Altcoin Analysis

Polygon’s rebound looks promising.

Ethereum remains the most popular blockchain for minting NFTs. However, other layer 1 blockchains and layer 2 networks have been catching up in NFT sales. Polygon experienced a rise in sales volume over the past few days. In the last 30 days, the Polygon NFT market had 2 days with volume above $1M.

Let’s take a look at the daily chart.

MATICUSDT rebounded straight off our $0.95 support level and has since increased by 10%. This rebound also intersects with the bottom-end of the major trend channel that has been in play since June 2022, reinforcing the validity of the recent move.

The RSI is also confirming this rebound as the indicator is currently supported by a rising trend line in place since September.

As long as prices remain above $0.95, we expect further upside towards $1.19 and possibly $1.25.

OVERVIEW

Daily Insights

1. There's More Bitcoin Addresses With 1 BTC Than Ever Before

https://blockworks.co/news/bitcoin-addresses-full-btc

"There are now close to one million addresses with at least one full bitcoin, up 19% since this time last year."

2. Gary Gensler Links Crypto With Cash in Viral 2018 Video

https://twitter.com/ZK_shark/status/1650689125580668931

"3/4 of the market is non-securities. It's just a commodity, a cash crypto."

3. Visa Shares Plans for 'Ambitious' Crypto Product

https://cointelegraph.com/news/stablecoin-payments-visa-shares-plans-for-ambitious-crypto-product

"Cuy Sheffield, head of crypto at Visa, took to Twitter on April 24 to announce a new cryptocurrency-related project developed by the firm. Visa's upcoming crypto product is designed to drive mainstream adoption of public blockchain networks and stablecoin payments, Sheffield noted."

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