APRIL 24 - 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	29,400	30,600	-0.49%	-6.98%	-0.06%	67.34%
Ethereum	1,690	1,805	1,980	2,150	-1.10%	-10.51%	5.34%	56.20%
Nasdaq	12,350	12,700	13,700	14,300	0.11%	-0.42%	2.10%	15.34%
US Dollar Index	99.25	100.80	102.55	103.65	-0.01%	-0.28%	-1.01%	-1.65%

Next FOMC meeting: May 3rd 2023.

- Probability of a 0bps hike → 10%
- Probability of a 25bps hike → 90%
- Probability of a 50bps hike → 0%

BITCOIN

A snapshot of Bitcoin's spot price as of this writing is $27,612 representing a 0.08% decrease the last 24 hours and 20.69% decrease in trading volume. The funding rate of BTC is 0.0046%.

ETHEREUM

ETH is trading at $1,866 as of this writing, representing a 24-Hour decrease of 0.49% and a funding rate of 0.0066%. Over the last 24 Hours, the trading volume increased by 20.13%. As of today, ETH holds 18.3% of the cryptocurrency market, making it the second-largest coin traded.

OVERVIEW

Latest Digital Asset News

1- Chinese City To Pay Government Staff in CBDC

Civil servants and government employees living in Changshu, a city in East China’s Jiangsu province, will reportedly be paid in the country’s central bank digital currency (CBDC) from June onwards. Professionals in school teaching, medicine, technicians and journalists will be among those paid under the new system, South China Morning Post reported, citing an affiliate of China’s official state news agency. China is one of the first developed countries to experiment with fully-fledged CBDC. CBDCs differ from typical cryptocurrencies like bitcoin (BTC) and ether (ETH). They’re issued and maintained entirely by governments or central banks, rather than decentralized networks of nodes and validators.

2 - Terra Classic is not a security, Korean court rules

Terra Classic (LUNC), the renamed native token of the Terra blockchain that dramatically imploded last year, is not a security, a Korean court has ruled. "It is difficult to see LUNC as a financial investment product regulated by The Capital Markets Act," the Seoul Southern District Court ruled again on Feb. 16, according to a report from local news outlet Ilyo Shinmun today. The court had earlier ruled it on Nov. 15, but both rulings have been only revealed today by the news outlet. The latest ruling is the first time the court has categorically expressed LUNC is not a security as opposed to its previous expressions, such as "there is room for dispute in terms of the law" and "it is questionable whether the Capital Market Act can be applied," per the report.

3 - Digital Asset Fund Flows Weekly Report

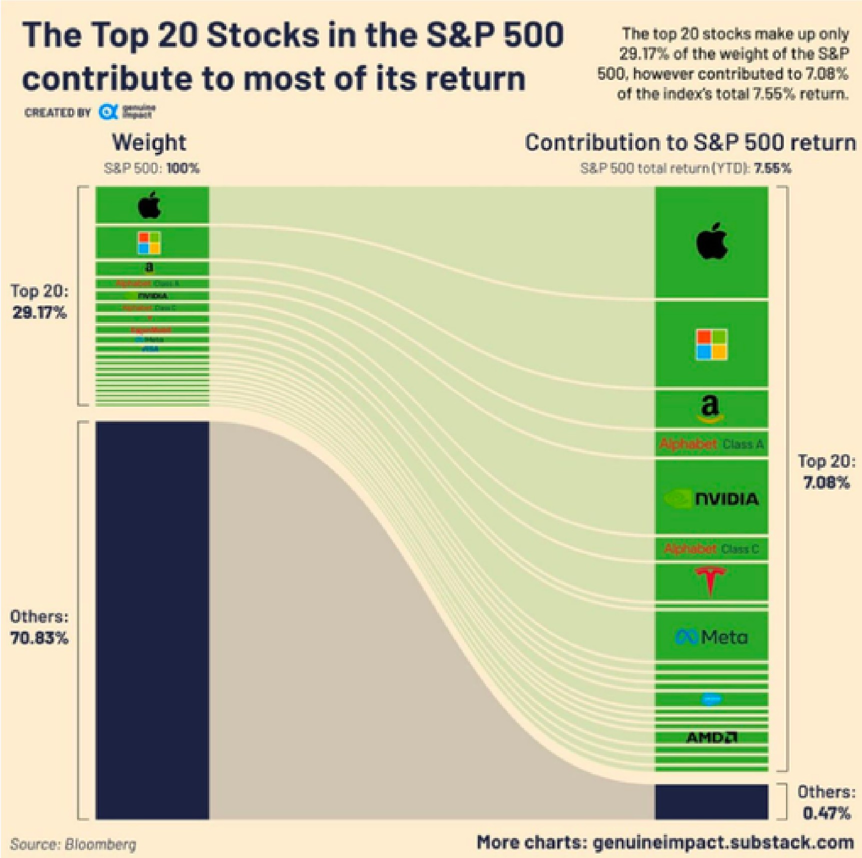
Ethereum’s Shapella brings investor inflows of US$17m, Bitcoin sees profit taking. Digital asset investment products saw outflows totalling US$30m last week, ending a 6 week run of inflows. The outflows began the prior Friday (14th April) when Bitcoin reached the very psychological level of US$30,000, suggesting the most recent sell-off was a result of profit-taking, particularly in the absence of any macro-economic triggers. Ethereum saw inflows totalling US$17m last week, suggesting there is increasing confidence amongst investors following the implementation of the Shapella.

(1) https://blockworks.co/news/china-cbdc-government-salaries
(2) https://www.theblock.co/post/227899/terra-luna-not-security-korean-court
(3) https://jbutterfill.medium.com/volume-128-digital-asset-fund-flows-weekly-report-ecaa1a72e7b8

OVERVIEW

TradFi

We're getting ready for an important week of earnings season as the tech heavy giants are set to report. It's especially important to track the earnings of Microsoft, Alphabet, Meta and Amazon as they hold an important weight in the index. As of Friday morning, 76% of S&P 500 firms reporting earnings so far have beaten analyst EPS estimates, according to FactSet. However, it's important to note that a lot of these earnings figures were revised to the downside.



US treasury yields declined this morning but remain in breakout territory. Investors are debating what is next for the economy after the mixed economic data last week.

US stock futures are flat to start the week as market participants are awaiting a slew of corporate earnings, most notably from the tech giants. All major indices were in the red last week with Nasdaq declining the most by 0.42%.

The S&P500 and Nasdaq are showing signs of exhaustion on the 4h charts but nothing has been confirmed so far. The former definitely looks weaker than the latter on both the daily and intraday charts but we will have to continue to monitor the technical outlook for a clear direction. For now, it seems better to play the S&P500 on the short side with a stop at the top of the right shoulder (within the the previous Head-and-Shoulders pattern) near 4182.


yacine.ouldchikh published on TradingView.com, Apr 24, 2023 08:40 UTC-4
S&P 500 E-mini Futures, 4h, CME_MINI +3.50 (+0.08%)
S&P500 - 4h timeframe
Head
Left Shoulder
Right Shoulder
USD
ESM2023
4209.00
4182.00
4159.00
4156.00
4151.00
01:19:54
4142.50
4100.00
4060.75
47.67
-1.23
-3.18
-4.42
Feb
Mar
Apr
May
TradingView


yacine.ouldchikh published on TradingView.com, Apr 24, 2023 08:38 UTC-4
NASDAQ 100 E-mini Futures, 1D, CME_MINI −14.50 (−0.11%)
NASDAQ
61.80%(14352.50)
50.00%(13622.25)
38.20%(12892.00)
USD
14300.00
13700.00
13076.00
08:21:13
12700.00
12350.00
11950.00
11650.00
11350.00
55.40
173.14
134.84
-38.30
2022
Mar
May
Jul
Sep
Nov
2023
Mar
May
Jul
TradingView

Upcoming:

- Tuesday →
  - CB Consumer Confidence
  - US New Home Sales
  - Earnings →Microsoft and Alphabet
- 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

OVERVIEW

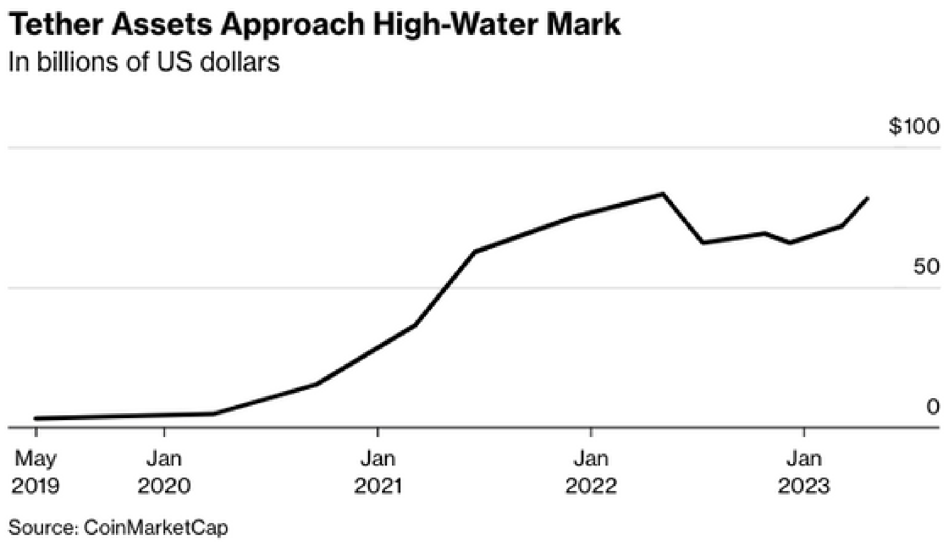
Bitcoin & Ethereum

Monitoring developments in the macro landscape is essential to assess the interest in risk assets, including Bitcoin, despite the decreased correlation with US stock indices. Factors such as market sentiment, institutional adoption, market volatility, and risk management considerations can all be influenced by macroeconomic events, regulatory changes, geopolitical tensions, and other factors in the broader economic environment.

Understanding the macro landscape provides valuable insights into potential shifts in investor sentiment, institutional interest, and market dynamics, which can impact the price and performance of Bitcoin, and help investors and traders make informed decisions in the cryptocurrency market.

The recent economic reports and comments from Fed speakers have pushed the terminal rate higher which is placing pressure on risk assets.

Tether authorizes the minting of $1 billion USDT on Ethereum, increasing the total to over $36 billion while the TRON blockchain holds the most issued USDT at $44 billion. The stablecoin is on the verge of recovering all of the market value lost from the Terra/Luna fiasco as it's now standing at a $81.4 billion market cap vs. the previous peak of $83 billion.



Bitcoin has pulled back to its 50-day moving average which serves as a temporary support level. It is probable that we will witness a rebound back towards 28,300 - 28,800.

The recent breakdown has clearly switched our stance to bearish on an intraday basis. As long as prices remain below 28,800, we expect further pressure towards the infamous support level of 26,600 that we were unable to break in the month of March.

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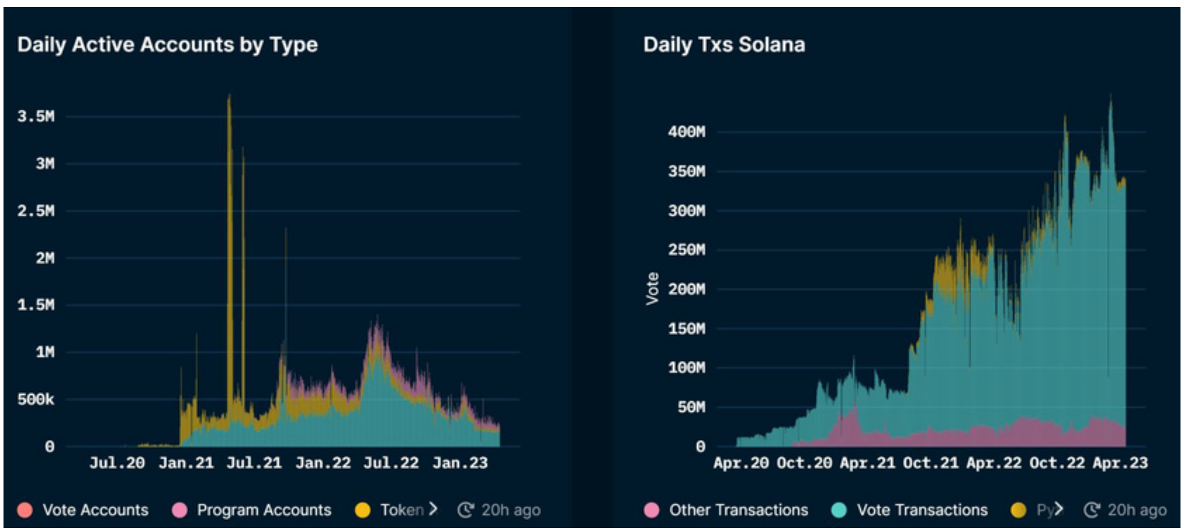
TradingView

OVERVIEW

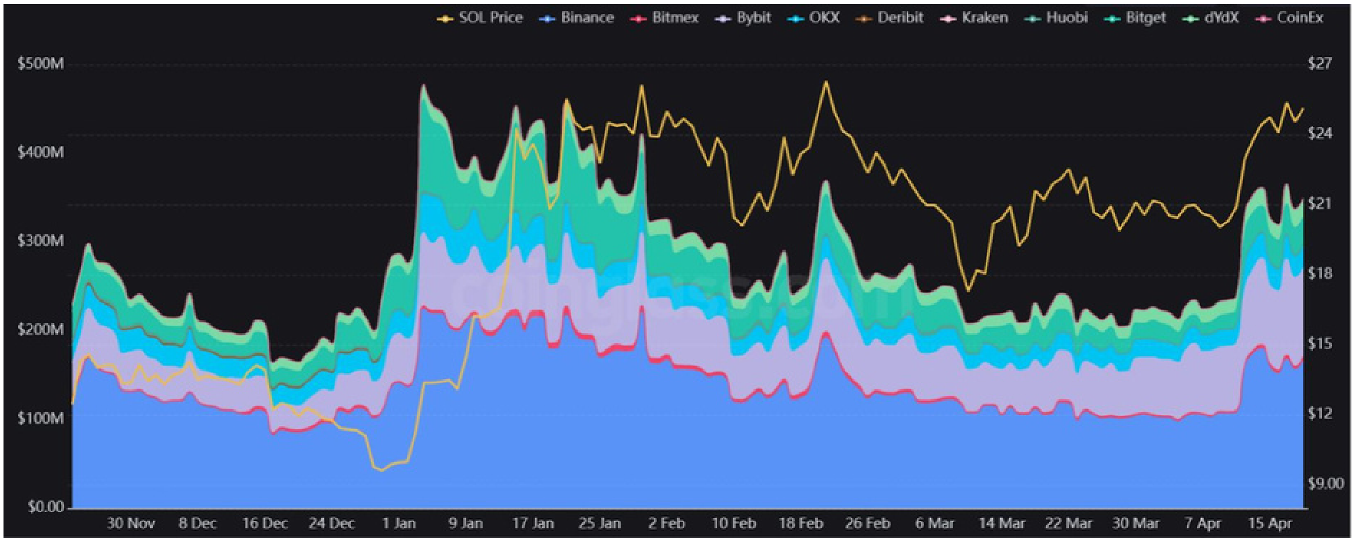
Altcoin Analysis

Solana is looking promising.
NFTs are truly carrying the Solana ecosystem as NFT trading rose from 6% to 14% of total NFT sales volume in less than a year by February 2023. It is the second-largest NFT ecosystem after Ethereum.

The number of daily transactions reached an all-time high in April. However, the number of daily accounts has come down quite a bit and is reaching the recent lows which is not a positive sign. DeFi usage across the Solana ecosystem has been limited as the TVL reaches $300m, knocking it out of the top 10 DeFi blockchains by liquidity value locked, per DefiLlama.



The open interest for SOL futures surged from $239 million toward a 2023 high of $365 million in the 48-hours following April 11th. It seems that the derivatives market is leading the charge as SOL's price coincides with the rise in open interest volume as well as funding rates.



From a technical perspective, prices are lifted by a rising trend line in place since the start of the year. The coin remains in breakout territory after breaking above a declining trend channel. As long as prices are trading above $19.75, we expect further upside towards $26.75. If prices break this resistance level then we can expect to reach higher levels near $34.10.
SOL

OVERVIEW

Daily Insights

1. Judge Rules Bored Ape Yacht Club Ripoff NFTs Violated Yuga Copyright

https://www.coindesk.com/web3/2023/04/22/judge-rules-bored-ape-yacht-club-ripoff-nfts-violated-yuga-copyright/

““The court ruled that the defendants' use of the BAYC marks was not a case of fair use, nor an artistic expression under something called the Rogers Test, because Yuga's BAYC marks were strong in the marketplace and the RR/BAYC project was intended to mislead.”

2. Real Examples of European Institutions Using Public Blockchains

https://blockworks.co/news/european-institutions-public-blockchains

“Banks and other major players have clearly paid attention to increased institutional demand for digital assets and built products accordingly. Blockchain’s potential to revolutionize the way the world does business is being recognized. European institutions are focusing on custody to digital finance strategy and tokenization — often outstripping the US for development and adoption.”

3. Arbitrum’s Transaction Fee Revenue Surpass Bitcoin

https://twitter.com/sassal0x/status/1648928515818127362

“Arbitrum One, an Ethereum layer 2 network, just did more daily fee revenue than Bitcoin. Not to mention that Ethereum itself did more than 28x the fee revenue of Bitcoin in the same time period.”

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Start trading with Secure Digital Market today by e-mailing:

TRADING@SECUREDIGITALMARKETS.COM

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