



APRIL 20 - 2023

DAILY MARKET REPORT



SECURE
DIGITAL MARKETS

Institutional research.

OVERVIEW

Markets Insights

	S2	S1	R1	R2	24HR %	7D %	30D %	YTD %
Bitcoin	26,600	28,450	30,600	31,800	-4.60%	-4.62%	3.44%	74.14%
Ethereum	1,825	1,915	2,150	2,300	-7.01%	-1.17%	9.64%	61.95%
Nasdaq	12,350	12,700	13,700	14,300	0.03%	-0.07%	3.14%	16.15%
US Dollar Index	99.25	100.80	102.55	103.65	-0.01%	0.93%	-0.56%	-1.51%

Next FOMC meeting: May 3rd 2023.

- Probability of a 0bps hike → 11%
- Probability of a 25bps hike → 89%
- Probability of a 50bps hike → 0%



BITCOIN

A snapshot of Bitcoin's spot price as of this writing is \$28,817 representing a 2.06% decrease the last 24 hours and 7.39% decrease in trading volume. The funding rate of BTC is 0.0073%.



ETHEREUM

ETH is trading at \$1,973 as of this writing, representing a 24-Hour decrease of 0.99% and a funding rate of 0.0038%. Over the last 24 Hours, the trading volume decreased by 4.59%. As of today, ETH holds 18.3% of the cryptocurrency market, making it the second-largest coin traded.



OVERVIEW

Latest Digital Asset News

1- EU Parliament Approves Crypto Licensing, Funds Transfer Rules

Lawmakers in the European Union on Thursday voted 517-38 in favor of a new crypto licensing regime, MiCA, with 18 absentions, making it the first major jurisdiction in the world to introduce a comprehensive crypto law. The European Parliament also voted 529-29 in favor of a separate law known as the Transfer of Funds regulation, which requires crypto operators to identify their customers in a bid to halt money laundering, with 14 abstentions. The vote follows a Wednesday debate in which lawmakers largely supported plans to make crypto wallet providers and exchanges seek a license to operate across the bloc, and require issuers of stablecoins tied to the value of other assets to maintain sufficient reserves.

2 - Berachain raises \$42 million to launch yet another Layer 1 blockchain

Berachain, a bear-themed crypto project run by a group of pseudonymous co-founders known as Homme Bera, Dev Bear, Papa Bear and Smokey the Bera, has raised \$42 million to launch a new Layer 1 blockchain. Polychain Capital led the funding, with Hack VC, Shima Capital, Robot Ventures, Goldentree Asset Management and others participating, Berachain said Thursday. Angel investors, including Tendermint co-founder Zaki Manian and Celestia co-founder Mustafa Al-Bassam, also backed the round.

3 - Tesla Didn't Sell BTC During Q1 of 2023

The EV manufacturer, led by Elon Musk, announced it had kept its Bitcoin possessions untouched during the first three months of the year. The company continues to hold 11,950 BTC, equivalent to approximately \$345 million. This is the third consecutive quarter where Tesla has not sold or bought any BTC. Its latest major transaction in the crypto scene occurred in Q2, 2022, when it parted with \$936 million worth of the leading digital asset (75% of its total stash).

(1) <https://www.coindesk.com/policy/2023/04/20/eu-parliament-approves-crypto-licensing-funds-transfer-rules/>
(2) https://www.theblock.co/post/227344/berachain-funding-new-layer-1-blockchain?utm_source=cryptopanic&utm_medium=rss
(3) <https://cryptopotato.com/tesla-didnt-sell-btc-during-q1-of-2023/>



OVERVIEW

TradFi

Tesla is down 8% in premarket trading as the firm's net income and GAAP earnings fell more than 20% YoY while IBM is up by 2% as their margins have reportedly expanded. Earnings reports have been mixed thus far.

After the UK posted inflation figures beating estimates yesterday, many are concerned about further interest rate hikes, and the fact that rates may very well stay elevated for longer — a concept that many Fed officials have also hinted at.

Today, investors will be scanning remarks from Fed Governor Christopher Waller, Atlanta Fed President Raphael Bostic and Cleveland Fed President Loretta Mester for fresh policy hints.

The S&P500 is pulling back from a major resistance level that we've been sharing with clients for a while now. Based on risk-reward, it seems that the short trade looks much more attractive than being long. We don't expect big moves to take place in the next two weeks as the Fed is set to announce their interest rate decision on May 3rd which the market is convinced that another 25bps hike is on the table. If anything, we think market participants would shave their positions ahead of the Fed and not the other way around.





TradingView



TradingView

The US Dollar Index is showing signs of a potential rebound ahead. If the index breaks above 102.55, it will have confirmed the short-term rebound which in turn should put risk assets under a bit of pressure. A breakout of 103.65 would be much more significant. If the index breaks below 100.80, it could trigger major bullish implications for risk assets as a whole.

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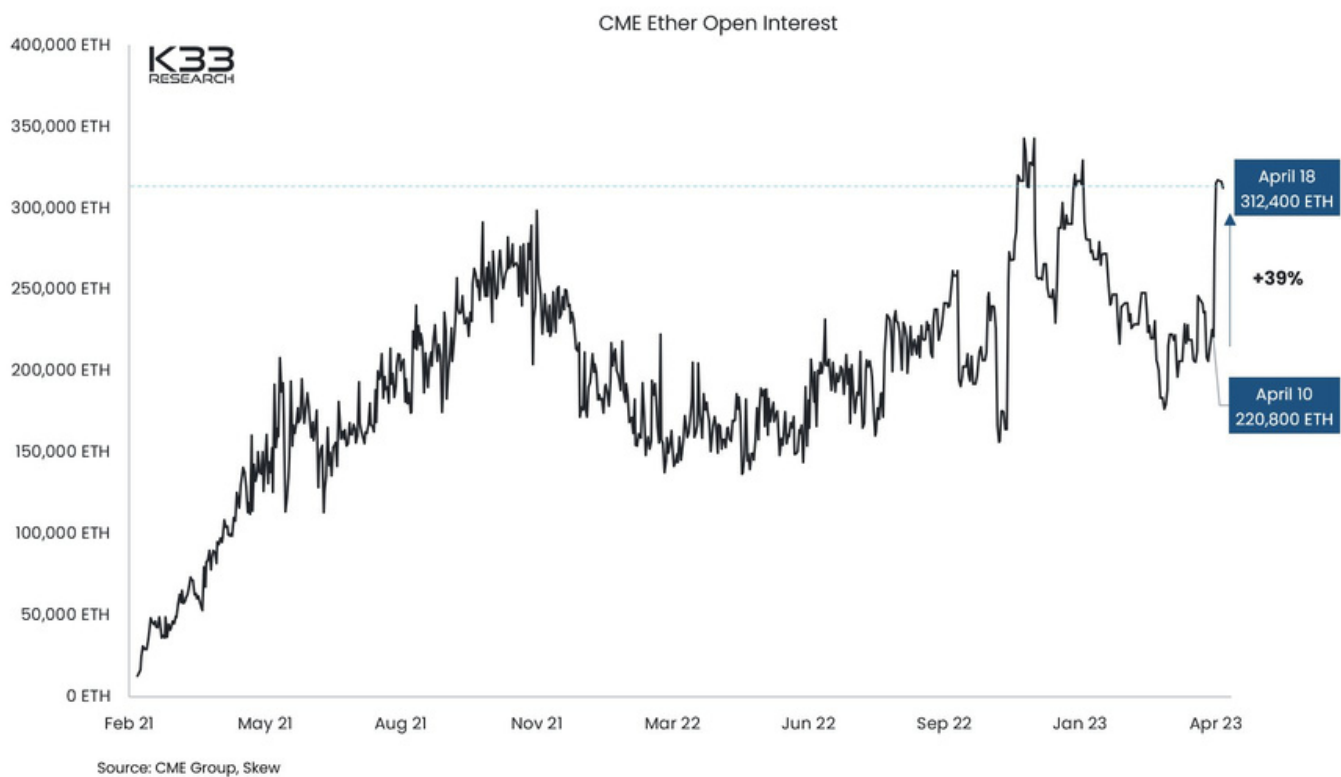


OVERVIEW

Bitcoin & Ethereum

Since the Shapella upgrade, we've noticed a serious uptick in ETH activity. Open interest on the CME surged by 39% from 220,800 ETH to 312,400 ETH between April 10th to April 18th. BTC has not witnessed the same amount of attention as the open interest there declined by 2% overall.

Let's not forget that BTC has been outperforming the overall market, including ETH, since the banking crisis in mid-March. Clearly, investors were willing to bet on ETH's dominance vs. BTC in the short-term.



A bar chart comparing the percentage of respondents who believe in the future of Bitcoin (BTC) and Ethereum (ETH). The y-axis represents the percentage, ranging from -5% to 45% in 5% increments. The x-axis lists the two cryptocurrencies. The bar for BTC is red and extends downwards to -2%. The bar for ETH is green and extends upwards to 39%.

Cryptocurrency	Percentage
BTC	-2%
ETH	39%

Source: CME Group

On an intraday basis (4h timeframe) we can see that prices have reached the bottom-end of the rising trend channel that has been in place since March 20th. A rebound from here towards 29,100 - 29,300 is very possible. If prices continue lower and break 28,350, then we should get ready for more bearish momentum towards \$27.6k and \$26.6k.



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TradingView

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TradingView



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Altcoin Analysis

Solana remains on our watchlist.

SOLUSDT has been gaining a lot of momentum recently as investors and traders are seeking for additional yield after Bitcoin's meteoric rise.

Funding rates remain positive despite the recent pullback.

Looking at the daily chart, prices are still trading above the breakout level and remain in bullish territory. SOL is still being supported by a rising trend line and is trading above all major moving averages.

As long as prices remain above \$21.50 and especially \$19.75, we expect a rebound towards \$26.75. Given the vacuum zone as you can see with the volume profile on the right side of the chart, a breakout of \$26.75 may push prices higher towards \$30.20 and \$34.10.



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OVERVIEW

Daily Insights

1. First EU-Wide Crypto Regulations Clear Final Parliament Vote

<https://www.bloomberg.com/news/articles/2023-04-20/eu-s-mica-crypto-regulations-clear-final-parliament-vote#xj4y7vzkg>

“Once implemented, MiCA will require any company offering crypto-related services in the EU to gain registration in one of the bloc’s member states, which then allows them to operate across the entire bloc. The European Banking Authority and the European Securities and Markets Authority will be in charge of making sure crypto platforms comply with the rules, including having adequate risk management and governance processes to avoid another FTX-style collapse.”

2. Bitcoin Derivatives Market Flashing Signs of Caution

<https://blockworks.co/news/bitcoin-derivatives-market-caution>

“Open interest has fallen alongside a declining bitcoin price and a negative funding rate, suggesting traders remain reluctant to throw caution to a heated rally.”

3. Pertsev Will Be Released From Pre-trial Arrest Next Week

<https://twitter.com/provoost/status/1648998961095536642>

“Alex Pertsev is expected to be released on April 26. Pertsev maintains that he did everything he could to prevent criminal abuse within the constraints of a decentralized system. Prosecutor expects smart contracts to prevent deposits of criminal proceeds, which is essentially a ban.”

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