APRIL 17 - 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	31,800	33,000	-1.20%	4.50%	14.87%	82.86%
Ethereum	1,825	1,915	2,150	2,300	0.07%	11.09%	20.66%	-37.34%
Nasdaq	12,350	12,700	13,700	14,300	-0.35%	0.29%	4.24%	15.83%
US Dollar Index	99.25	100.80	102.55	103.65	0.18%	-0.83%	-1.50%	-0.46

Next FOMC meeting: May 3rd 2023.

- Probability of a 0bps hike → 13%
- Probability of a 25bps hike → 87%
- Probability of a 50bps hike → 0%

BITCOIN

A snapshot of Bitcoin's spot price as of this writing is $29,482 representing a 2.74% decrease the last 24 hours and 53.41% increase in trading volume. The funding rate of BTC is 0.0100%.

ETHEREUM

ETH is trading at $2,076 as of this writing, representing a 24-Hour decrease of 0.49% and a funding rate of 0.0100%. Over the last 24 Hours, the trading volume increased by 51.96%. As of today, ETH holds 18.3% of the cryptocurrency market, making it the second-largest coin traded.

OVERVIEW

Latest Digital Asset News

1- U.S. SEC sees decentralized crypto platforms as exchanges, seeks public input

The U.S. Securities and Exchange Commission met on Friday to open public comment again on its proposal to expand the definition of an "exchange," clarifying that its existing rules on exchanges also apply to decentralized cryptocurrency platforms. The SEC voted 3-2 to take additional comments from the public after crypto firms criticized the plan as vague and aimed at roping in decentralized finance platforms, also known as DeFi platforms that would otherwise not be subject to the regulator's oversight. DeFi-platforms allow users to lend, borrow and save in digital assets, bypassing the traditional gatekeepers of finance such as banks and exchanges. The plan, first proposed in January 2022, would expand the definition of an exchange to include platforms that use "communication protocols" such as request-for-quote systems. The change, if adopted, is expected to capture many more venues for regulation beyond traditional exchanges that bring together orders from multiple buyers and sellers in a marketplace.

2 - One million ether has been withdrawn since Ethereum's Shanghai hard fork

The amount of ether withdrawn since Ethereum's Shanghai hard fork has surpassed one million coins. The Shanghai hard fork — part of an upgrade package called Shapella — went live just before 6:30 p.m. EDT on April 12 at block height 6209536. It allowed Ethereum stakers to withdraw their ether rewards for the first time since Beacon-chain deposits began in late 2020. The total amount of withdrawn ether currently stands at 1.02 million coins, according to data from token.unlocks. Deposited ether since the Shanghai hard fork, meanwhile, stands at 373,040 — creating a net staking balance of -646,210.

3 - New stablecoin bill draft introduced in US House of Representatives

Members of the U.S. House of Representatives are taking another crack at creating a comprehensive regulatory framework for stablecoins, like USDC and Tether, digital assets intended for payments whose price is supposed to remain the same at all times. The House Financial Services Committee released a new discussion draft bill with no official notice on Saturday, in apparent anticipation of a hearing on the topic on Wednesday by the committee's new panel focused on digital assets and financial technology.

(1) https://www.reuters.com/markets/us/us-sec-weigh-taking-more-feedback-plan-expand-exchange-definition-2023-04-14/
(2) https://www.theblock.co/post/226591/1-million-ether-shanghai-ethereum
(3) https://www.theblock.co/post/226575/new-stablecoins-bill-draft-introduced-house-of-representatives

OVERVIEW

TradFi

We are anticipating a few corporate firms to report their quarterly earnings this week. The biggest names on the list would be Bank of America, Goldman Sachs, Netflix, Tesla, Morgan Stanley, IBM, TSMC and American Express. Their financials are obviously going to be important but their outlook on the economy will be even more important as many firms are still grappling with sticky inflation and higher rates. Last week, 90% of firms reporting beat their EPS estimates.

In other news, the Empire State manufacturing index surprised everyone with a reading of 10.8, beating estimates of -17.7, up from the previous figure of -24.6. This represents the highest reading since July 2022. Risk assets were under pressure after this release while the US dollar index gained strength.

Both the S&P500 futures and Nasdaq futures are flat this morning despite the 2-year and 10-year yields trading higher. It seems that they're both breaking out which can cause pressure for risk assets.

Upcoming:

- Tuesday →
  - CAD CPI
  - —Earnings: Bank of America, Goldman Sachs & Netflix
- Wednesday →
  - GBP & EUR CPI
  - —US Beige Book
  - —Earnings → Tesla, Morgan Stanley and IBM.
- Thursday →
  - US, EUR & GBP PMIs
  - Earnings: TSMC and American Express.

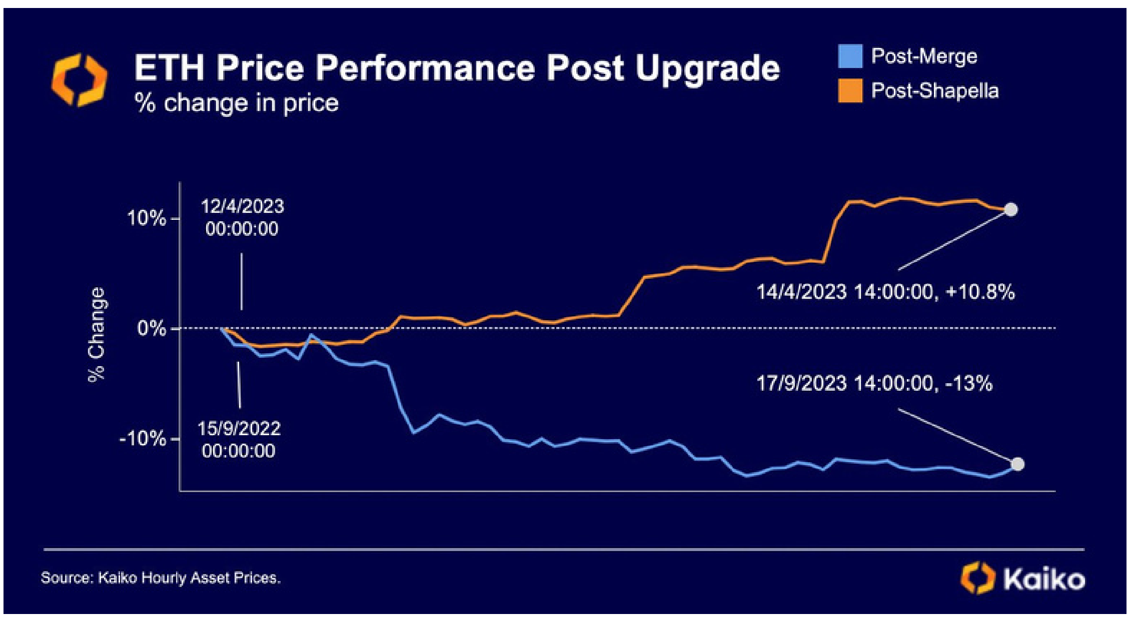
OVERVIEW

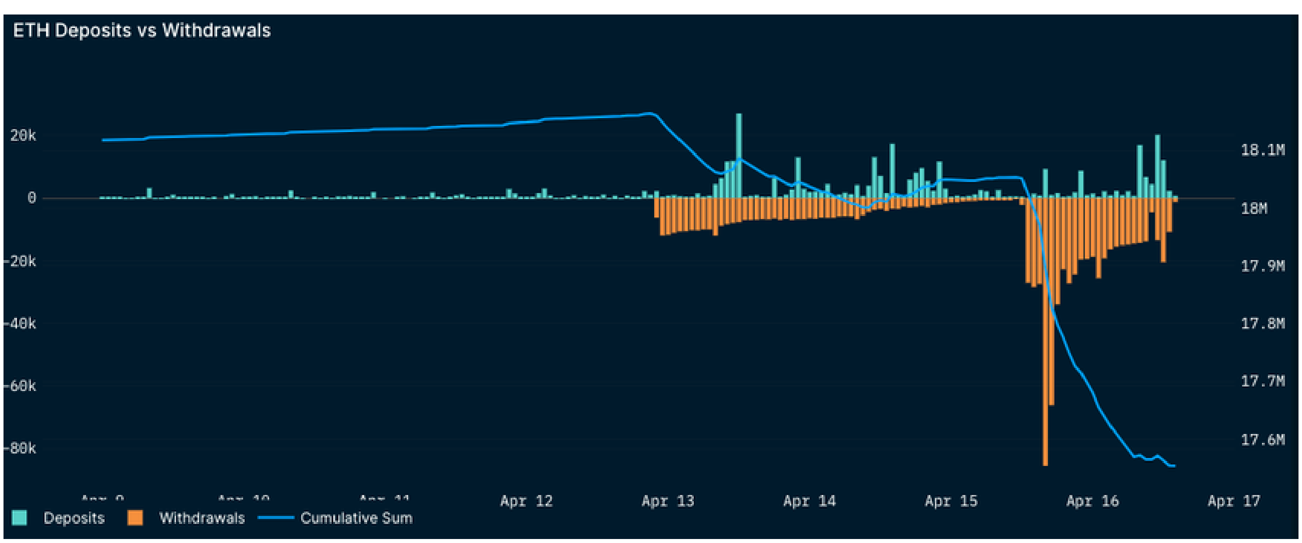
Bitcoin & Ethereum

A new stablecoin bill draft was recently introduced to the US House of Representatives. Here are highlights of what the draft bill would do if it becomes law:
1) Put the Federal Reserve in charge of nonbank stablecoins
2) A (temporary) ban on new stablecoins without fiat backing
3) Allow the government to set interoperability standards
4) Direct the Fed to study a digital dollar

Ethereum has gained a ton of traction recently after the release of the Shapella upgrade. The Merge was definitely more of a “buy the rumor, sell the news” event as prices dropped by 13% in the two days following the announcement. On the other hand, prices jumped by 11% two days after the most recent upgrade. The ability to finally withdraw your staked ETH is definitely attracting a lot of attention.

Also, the 2nd wave of ETH staking withdrawals has begun. Let’s see if this trend continues and how much it will impact price action moving forward.





In the last 5 days, ETH has outperformed BTC by around 15%. The ratio ETHBTC has recovered from its yearly lows and is currently trading on a potential resistance area. Let's see who wins the race this week.

yacine.ouldchikh published on TradingView.com, Apr 17, 2023 09:26 UTC-4

TradingView

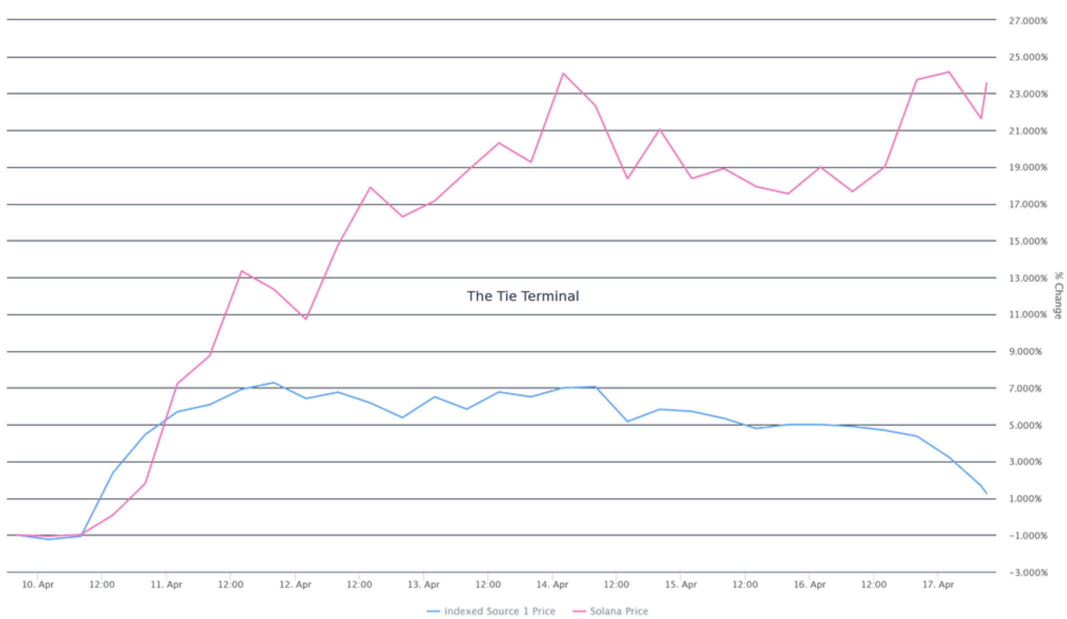
OVERVIEW

Altcoin Analysis

Solana is outperforming its peers.

Solana's Saga smartphone is expected to go on sale in less than a month on May 8th. One element that makes this phone different from others is the "Solana Mobile Stack" which are crypto add-ons that integrate to the hardware and software.

In the last 7 days, SOL has gone up by over 23% while the list of top 20 (excluding stablecoins) only increased by 1%.



Looking at the chart, SOLUSDT continues to trade higher after having broken above a key resistance level area. Right now prices are getting closer from the ultimate resistance zone of $26-$28. If prices break above this low-volume range, then we can expect much higher prices towards $30.20 and possibly $34.10.

SOLBTC is trading at the top-end of a declining trend channel and is getting ready for a breakout. Given this chart, we can see that SOL outperformed BTC by 22% in the last week.

OVERVIEW

Daily Insights

1. Making Sense of ETH Withdrawal Data

https://twitter.com/themlpx/status/1647588196535140352

"Common mistake:
Assuming validators exiting = validators selling
ETH unlocking = ETH selling

While unlocks are commonly associated with dumping, the situation with ETH is slightly different. This isn't a vesting schedule token unlock cycle, it's a PoS L1 normal unstaking.

The rise of LSDs and their utilization in DeFi is a factor here. Self-operated validators that are bullish on ETH will queue to exit if they wish to restake their ETH via a LSD. Main reason for that is the ability to be more capital efficient by leveraging LSD liquidity."

EthStakers has a Shapella livestream, starting at 6 p.m. ET.

2. Lowering Inflation Rates Globally

https://twitter.com/charliebilello/status/1647959346268057602

"We're seeing a trend of lower inflation rates not just in the U.S. but in just about every country/region around the world."

3. Draft Stablecoin Bill Pushes for Strict Rules Around the Issuance of Dollar-Pegged Digital Assets

https://blockworks.co/news/stablecoin-bill-draft

"The bill would require stablecoin providers to maintain reserves backing their coins on an "at least one-to-one basis." The reserves could be made of US currency, central bank reserve deposits, Treasury bills with a maturity of 90 days or less and certain repurchase agreements backed by Treasury bills with the same maturity period. Top stablecoins such as tether (USDT), USD Coin (USDC) and Binance USD (BUSD) essentially follow that model."

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