APRIL 12 - 2023

DAILY MARKET REPORT

SECURE
DIGITAL MARKETS

Institutional research.

OVERVIEW

Markets Insights

	S2	S1	R1	R2	24HR %	7D %	30D %	YTD %
Bitcoin	26,600	27,800	31,800	33,000	-0.96%	7.00%	42.01%	82.92%
Ethereum	1,690	1,790	2,030	2,150	-3.32%	-0.34%	23.60%	58.26%
Nasdaq	12,350	12,700	13,700	14,300	-0.43%	-0.78%	5.28%	-10.02%
US Dollar Index	99.25	100.85	103.65	105.90	-0.15%	0.20%	-2.48%	-1.42

Next FOMC meeting: May 3rd 2023.

- Probability of a 0bps hike → 34%
- Probability of a 25bps hike → 66%
- Probability of a 50bps hike → 0%

BITCOIN

A snapshot of Bitcoin's spot price as of this writing is $30,181 representing a 0.16% decrease the last 24 hours and 22.16% decrease in trading volume. The funding rate of BTC is 0.0061%.

ETHEREUM

ETH is trading at $1,905 as of this writing, representing a 24-Hour decrease of 0.67% and a funding rate of -0.0054%. Over the last 24 Hours, the trading volume decreased by 1.37%. As of today, ETH holds 18.3% of the cryptocurrency market, making it the second-largest coin traded.

OVERVIEW

Latest Digital Asset News

1- Glassnode Estimates $300M Ether May be Sold After Shanghai Upgrade

While analysts from traditional banks remained mixed on the market impact of ether after the much-awaited Shanghai upgrade later today, an on-chain report from Glassnode estimates at least $300 million worth of selling pressure. “We estimate a total of 170K ETH intended to be sold after the Shanghai upgrade,” Glassnode said in a Tuesday report, citing on-chain data. “We project that only 100K ETH of the total accumulated rewards will be withdrawn and sold.” Glassnode said the estimate was made based on a “50% withdrawal credential update, our segmentation of depositors, and assumptions regarding investor conviction, and profitability” by using wallet behavior, period of staking and presence of liquid staking derivative products, such as Lido.

2 - Metalpha Raising $100 Million Fund to Woo Chinese Bitcoin Buyers

Metalpha Technology Holding Ltd. is targeting a $100 million fund to invest in Bitcoin and other crypto products from Grayscale Investments LLC, offering Chinese investors with an appetite for crypto a regulated channel to get involved. The licensed digital asset wealth manager, formerly known as Dragon Victory International, has secured $20 million for its new fund since March, said Adrian Wang, Metalpha’s president.

3 - G7 Plans To Help Developing Economies Explore CBDCs

Japan is set to chair several meetings for Group of Seven (G7) financial leaders this year, and crypto policy will feature among their topics of discussion, as will central bank digital currencies (CBDCs). The G7 — which consists of Britain, Canada, France, Germany, Italy, the US and Japan — will come together in Japan next month for wide-ranging conversations on the global economy and financial markets, according to a schedule of the Hiroshima Summit. G7 ministers will explore the most effective ways to help developing economies develop CBDCs, Reuters reported, while ensuring compliance with international standards. “We have to address risks from the development of CBDC by ensuring factors such as appropriate transparency and sound governance,” Japan’s deputy minister of finance Masato Kanda reportedly said at a seminar in Washington.

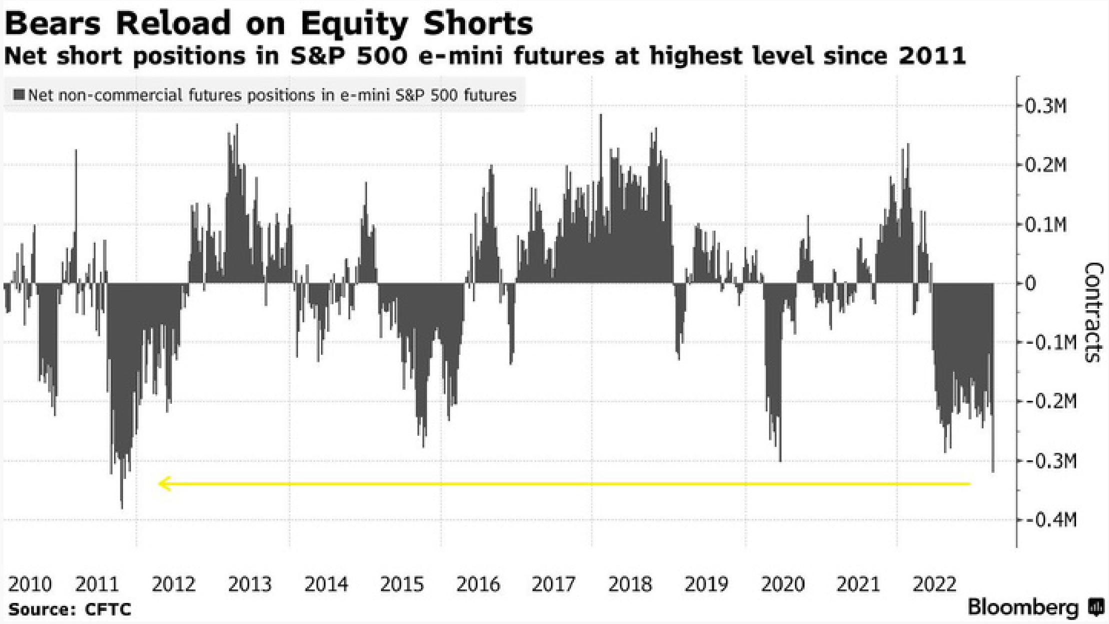
(1) https://www.coindesk.com/markets/2023/04/12/glassnode-estimates-300m-ether-may-be-sold-after-shanghai-upgrade/?utm_medium=referral&utm_source=rss&utm_campaign=headlines
(2) https://www.bloomberg.com/news/articles/2023-04-12/metalpha-raising-100-million-fund-to-woo-chinese-bitcoin-buyers?leadSource=uverify%20wall
(3) https://blockworks.co/news/g7-cbdcs-crypto-japan

OVERVIEW

TradFi

Investing legend Warren Buffett told CNBC that he believes there could be more bank failures in the future, but depositors should not ever be worried. “Accounting procedures have driven some bankers to do some things that have helped their current earnings a little bit”

Hedge Funds have been increasing their short positions on the S&P500 to a decade high. This is ahead of the CPI reading and earnings season. Net short positions reached levels not seen since 2011. Goldman Sachs’ clients have also cut their tech exposure at the fastest pace in the last 15 months.



US inflation YoY fell to 5%, beating estimates of 5.2%, from the previous figure of 6% while the MoM number decreased to +0.1%, better than forecasts of 0.2%, vs. 0.6% previously. The market is risk-on as both Bitcoin and the stock market are rallying while the US dollar is plunging towards its recent lows. The 2y yield looked like an upside breakout was in sight but following the news, it started to tank, thus providing more breathing room for risk assets as a whole.

Looking at the 4h chart of Nasdaq, we can see that it still hasn't broken below this rising trend channel that was in place since the start of March. As long as prices remain above 12,950 on an intraday basis, you must remain long.

Upcoming:

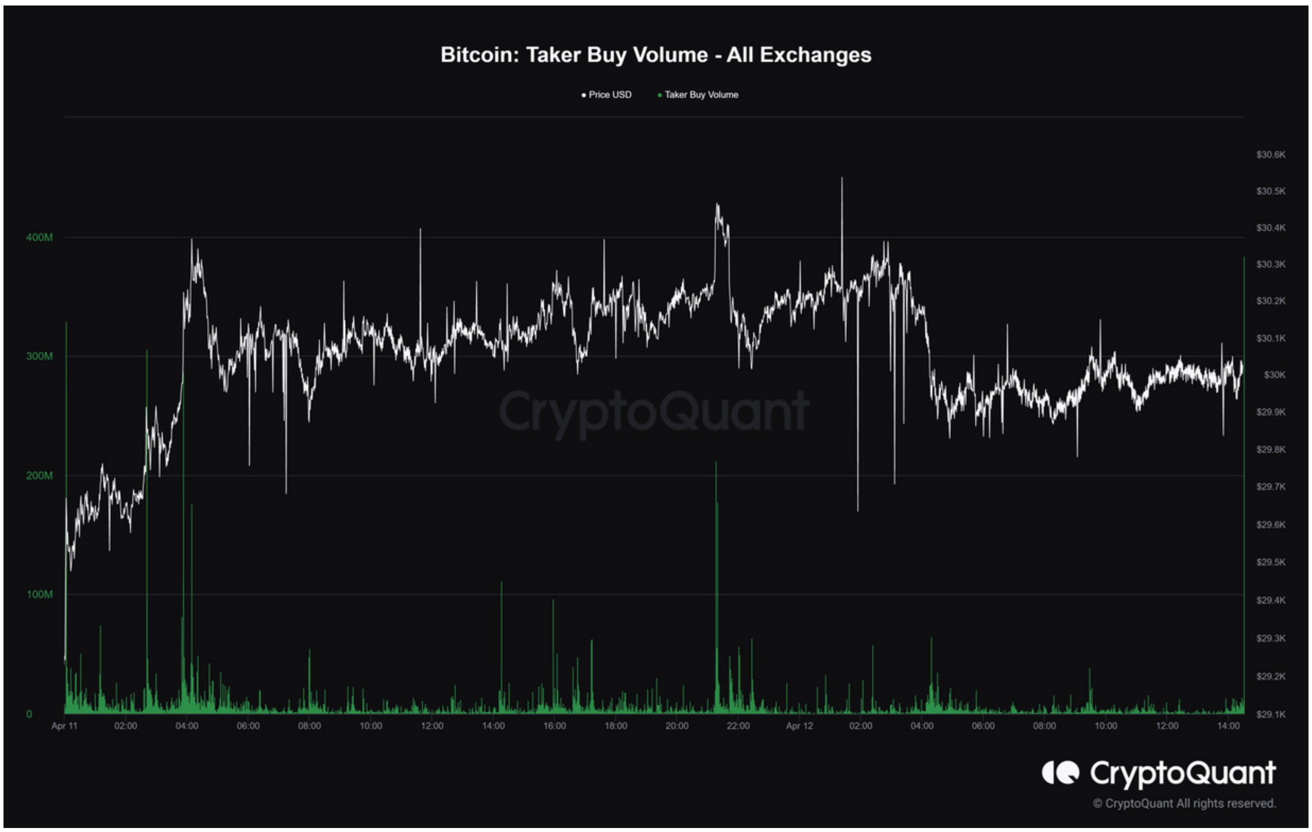
- Wednesday →
  - FOMC meeting minutes
- Thursday → US PPI
- Friday →
  - US retail sales
  - US consumer sentiment

OVERVIEW

Bitcoin & Ethereum

Bitcoin is up 80% YTD while Ethereum has increased by over 60% in the same time period. The cryptocurrency market tends to perform well in the run-up to its so-called “halving” which occurs every four years and reduces the supply of bitcoin over time. The expected day is set for April or May 2024.

Following the CPI figure, BTCUSDT jumped by 1.6% and attracted a taker buy volume of $350m in only one minute. Prices have started to pull back after creating around $120m in liquidations.



Bitcoin continues to outperform Ethereum as the #1 cryptocurrency beat its #2 peer by 8% in the last week. Everyone is waiting to see how the Shapella upgrade will impact ETH's prices. One thing is sure: ETH is not attracting the same amount of attention as its previous network upgrade.

yacine.ouldchikh published on TradingView.com, Apr 12, 2023 09:33 UTC-4
Ethereum / Bitcoin, 1D, BINANCE +0.000073 (+0.12%)
BTC
ETH / BTC
Fed support
0.085000
0.080000
0.075000
0.070000
0.065000
0.062651
10:26:18
0.060000
0.055000
0.050000
80.00
60.00
36.77
20.00
−0.000089
−0.000527
−0.000616
May
Jun
Jul
Aug
Sep
Oct
Nov
Dec
2023
Feb
Mar
Apr
May
TradingView

OVERVIEW

Altcoin Analysis

Polygon is getting to work.

The famous L2 is gaining traction within the gaming industry following impressive growth in daily unique active wallets last month. According to blockchain intelligence platform DappRadar, Polygon recorded 138,081 daily unique active wallets in March, an increase of 53% month-over-month.

Looking at a daily chart, we can see that prices continue to trend within a rising trend channel formed in June. Recently, the coin has formed a symmetrical triangle pattern and is looking for a clear direction.

As long as prices remain above $1.02 and $0.95 we should expect to witness a rebound towards $1.25 and $1.34 in extension.

OVERVIEW

Daily Insights

1. Ethereum’s Shanghai Upgrade: Guide to Watch Parties, Blockchain Tools

https://www.coindesk.com/tech/2023/04/11/ethereums-shanghai-upgrade-heres-our-guide-to-watch-parties-blockchain-tools/

“Various factions of the Ethereum community are planning watch parties to witness the first-ever withdrawals of staked ether, with the blockchain's Shanghai upgrade (aka "Shapella") set for Wednesday at 22:27 coordinated universal time (6:27 p.m. ET).

EthStakers has a Shapella livestream, starting at 6 p.m. ET.
Nethermind will be hosting its own livestream at 4:30 p.m. ET on how the Shanghai upgrade might impact the crypto-economic landscape.”

2. See Who is Entering and Exiting ETH Staking in Real Time On Rated.Network

https://twitter.com/ryanberckmans/status/1646133632082366464
https://twitter.com/ratedw3b/status/1645735922003214336

“1. Go to https://rated.network/overview?network=mainnet&timeWindow=1d&rewardsMetric=average
2. Click the little pie
3. See who's withdrawing.

Remember, many withdrawals are people rotating keys rather than intending to sell.
You can use this as a frame of reference as to how long it might take for your validator to activate, or for your ETH to land back to your wallet.”

3. Crypto ETFs Are Most of the Year’s Best Performing Funds

https://blockworks.co/news/crypto-etfs-blockchain

“Of the 20 best performing ETFs on the market year to date, 13 invest in the crypto sector. Investors allocate to ETFs instead of the underlying because they are widely available in traditional brokerage accounts. It allows them to gain exposure in retirement accounts like IRAs and 401K’s given that ETFs are securities that fit into existing regulatory frameworks. Still, ETFs come with additional costs and risks that don’t exist when investing in the underlying assets.”

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