APRIL 10 - 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	29,750	31,800	0.10%	-0.88%	33.33%	68.83%
Ethereum	1,690	1,790	2,030	2,150	-0.86%	2.47%	24.84%	54.06%
Nasdaq	12,350	12,700	13,700	14,300	0.76%	0.62%	6.61%	15.49%
US Dollar Index	99.25	100.85	103.65	105.90	0.27%	-0.41%	-2.38%	-1.38

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 $28,203 representing a 1.00% increase the last 24 hours and 29.66% increase in trading volume. The funding rate of BTC is 0.0089%.

ETHEREUM

ETH is trading at $1,849 as of this writing, representing a 24-Hour increase of 0.61% and a funding rate of 0.0024%. Over the last 24 Hours, the trading volume increased by 5.28%. As of today, ETH holds 18.3% of the cryptocurrency market, making it the second-largest coin traded.

OVERVIEW

Latest Digital Asset News

1- Mt Gox repayment window has opened, but repayments 'will take some time'

The deadline for Mt Gox creditors to provide their repayment information has now passed, opening the window for repayments to be made. The base, intermediate and early lump sum repayments can now be paid out up until the Oct. 31 deadline, according to an April 7 letter from the Mt Gox Trustee. The Trustee noted that he would carry out the preparations to make the repayments, coordinating with the list of financial institutions — including crypto exchanges — that will receive the payments and distribute them to creditors. "In light of this, it is expected to take some time before the repayment is commenced," the Trustee said.

2 - Bitcoin's Spot-to-Derivatives Trading Volume Ratio Slides to Lowest in 11 Months

The ratio between bitcoin's daily trading volumes in spot and derivatives markets has slipped to an 11-month low, signaling renewed speculative activity in the crypto market. The ratio has tanked by nearly 80% in three months, reaching a low of 0.117, the level last seen on May 16, 2022, according to data tracked by South Korea-based blockchain analytics firm CryptoQuant. The decline comes amid a 70% year-to-date rise in bitcoin's price and indicates improved risk appetite in the crypto market and potential for price volatility. The slide has been quite sharp since bitcoin first ran into crucial resistance above $28,500 on March 21. It shows speculators have recently piled into bitcoin at a faster rate relative to retail investors and long-term holders.

3 - SushiSwap approval bug leads to $3.3M exploit

A bug on a smart contract on the decentralized finance (DeFi) protocol SushiSwap led to over $3 million in losses in the early hours of April 9, according to several security reports on Twitter. Blockchain security companies CertiK Alert and Peckshield posted about an unusual activity related to the approval function in Sushi’s Router Processor 2 contract — a smart contract that aggregates trade liquidity from multiple sources and identifies the most favorable price for swapping coins. Within a few hours, the bug led to losses of $3.3 million.

(1) https://www.theblock.co/post/225362/mtgox-repayment-window-open
(2) https://www.coindesk.com/markets/2023/04/05/bitcoins-spot-to-derivatives-trading-volume-slides-to-lowest-since-may/
(3) https://cointelegraph.com/news/sushiswap-approval-bug-leads-to-3-3-million-exploit

OVERVIEW

TradFi

Today is the start of the week-long 2023 Spring Meetings of the World Bank Group and the International Monetary Fund which bring together central bankers, ministers of finance and more to discuss issues of global concern. It is possible that we will witness market-moving headlines this week.

The head of the IMF, Kristalina Georgieva, suggested on Thursday that “central banks around the world should keep battling inflation by hiking interest rates despite ongoing concerns about financial stability.”

Stock futures are in negative territory to start the week with the S&P500 down 0.60% and Nasdaq falling by 0.90%. Last week the market showed signs of a weakening labor market but the March jobs report on Friday showed a resilient economy and moderate inflation.

The recent data does not justify a potential pause in the recent rate-hiking campaign from the Fed. Therefore, the odds of a 25bps rate hike in May should increase.

Stocks reporting their first quarter are set to be released very soon. The first batch is coming out on Friday with JPMorgan, Wells Fargo and Citigroup.

Let’s take a look at the daily chart of the S&P500: the index wasn’t able to break above the very important resistance level of 4190 which leads us to believe that we reached a temporary top in the market and that we should expect a pullback moving forward. For those interested in buying the dip, watch for the 4035 level.

Upcoming:

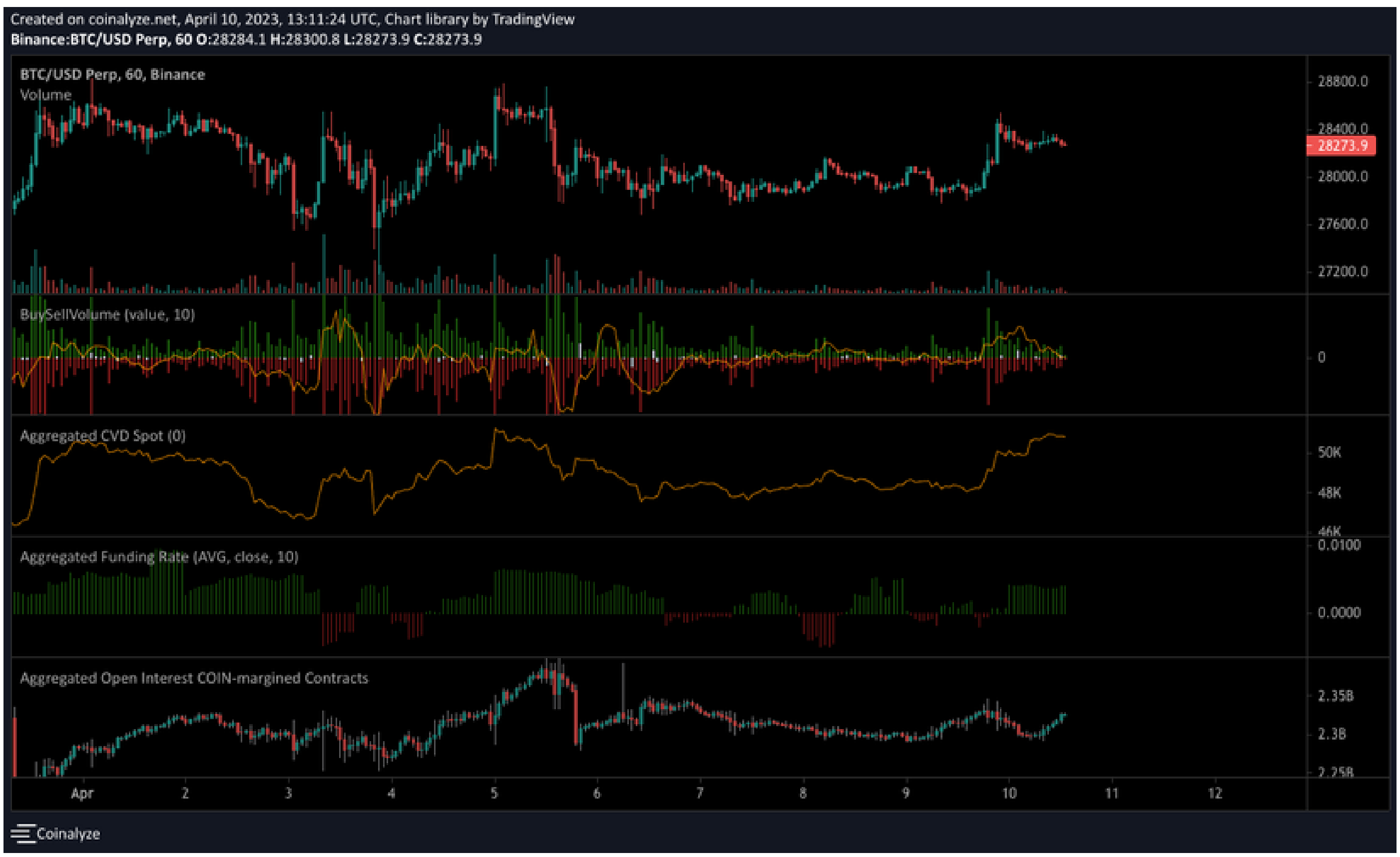
- Wednesday →
  - US CPI
  - Bank of Canada interest rate decision.
  - FOMC meeting minutes
- Thursday → US PPI
- Friday →
  - US retail sales
  - US consumer sentiment

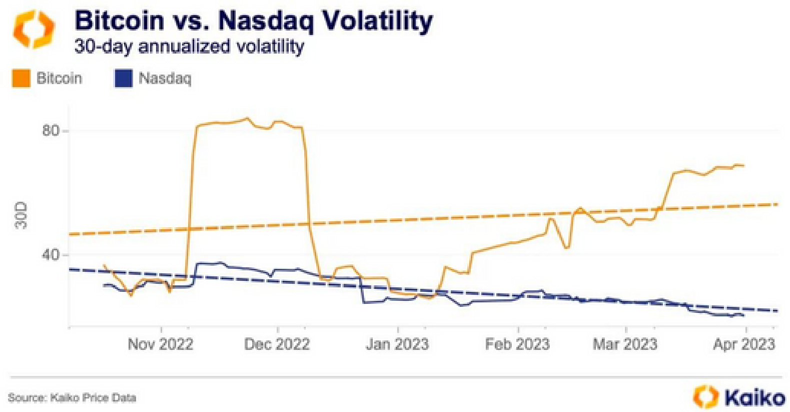
OVERVIEW

Bitcoin & Ethereum

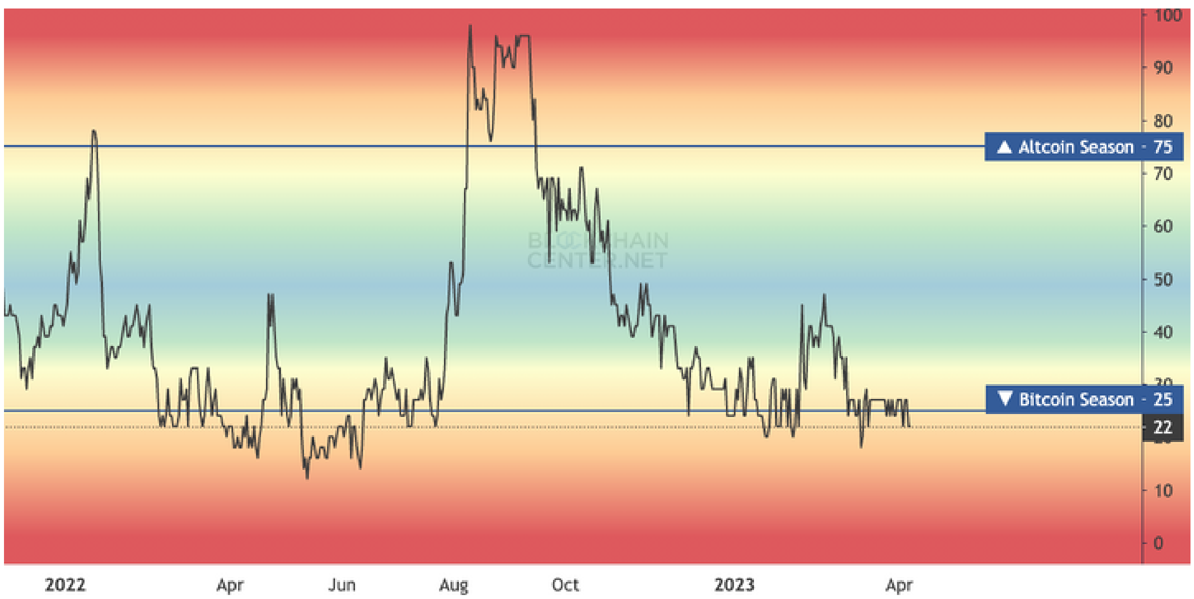
Bitcoin keeps fighting with its 20-day moving average. Everytime we get close, prices find a bid and rebound from this level. Therefore, it seems that market participants are also keeping track of this level very closely. We've noticed an uptick on spot buying on Sunday afternoon which lifted open interest a bit but it wasn't enough to break above the weekend's high.

As long as prices remain above the 20-day moving average (currently at 27,900) then the uptrend remains intact. A break below this level would trigger sell orders towards the support level of 26.6k. A break below that support would trigger more pressure towards 25k.





Bitcoin vs. Nasdaq Volatility
30-day annualized volatility
Bitcoin
Nasdaq
80
40
30D
Nov 2022
Dec 2022
Jan 2023
Feb 2023
Mar 2023
Apr 2023
Source: Kaiko Price Data
Kaiko



100
90
80
▲ Altcoin Season - 75
70
60
50
40
▼ Bitcoin Season - 25
22
10
0
2022
Apr
Jun
Aug
Oct
2023
Apr

yacine.ouldchikh published on TradingView.com, Apr 10, 2023 09:21 UTC-4
Bitcoin / TetherUS, 1D, BINANCE −48.23 (−0.17%)
USDT
34000.00
33000.00
31800.00
31000.00
29750.00
29000.00
28275.53
10:38:19
27000.00
26600.00
26000.00
24800.00
24000.00
22700.00
22000.00
21500.00
21000.00
20100.00
18655.72
18642.29
17000.00
16000.00
75.00
60.69
50.00
25.00
913.34
752.50
−160.84
−2000.00
May
Jun
Jul
Aug
Sep
Oct
Nov
Dec
2023
Feb
Mar
Apr
May
Jun
TradingView

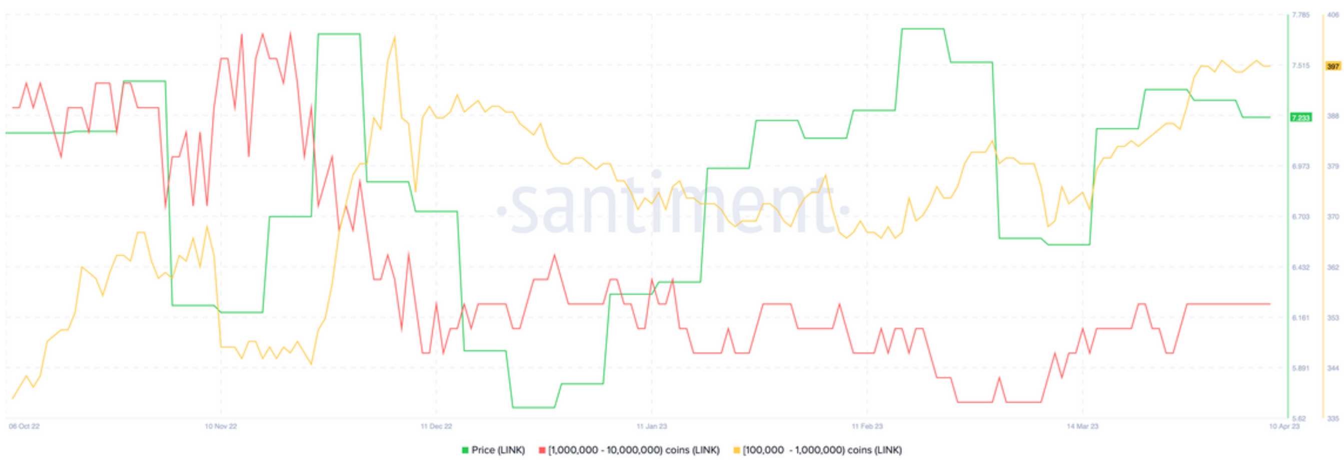
Ethereum is also showing signs of a slowdown ahead as the momentum has cooled down. ETH/BTC ratio reached a temporary top after pulling back from resistance. For now, it’s expected that Bitcoin continues to outperform Ethereum but given that the latter is going through a network upgrade very soon, things can change quite fast.

OVERVIEW

Altcoin Analysis

Chainlink whales are getting busy.

Wallets holding between 100k to 1m and 1m to 10m LINK tokens have been steadily accumulating since the first week of March despite the recent dip in pricing. Likewise, the uptrend in Mean Coin Age on the Chainlink network represents another bullish element. Mean Coin Age is a metric that tracks the number of days crypto tokens on a network have spent in their current wallet addresses. When this number increases, it indicates that long-term investors are HODLing in anticipation of a future rise in prices.



From a chartist point of view, LINKUSDT has been trading within the same consolidation channel for a long time now. The best strategy would be to accumulate when prices get close to $5.9 and to liquidate when they rise back near $8.4 for a 40% return. This has occurred 5 times since last Summer.

Given the declining trend line in prices as well as on the RSI and MACD, it seems that prices will pull back slightly towards the $6.4 - $6.8 range.

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TRADING@SECUREDIGITALMARKETS.COM

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