



MARCH 27 - 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	28,600	29,750	1.17%	0.36%	19.02%	68.96%
Ethereum	1,475	1,610	1,910	2,030	0.47%	0.49%	8.56%	48.42%
Nasdaq	11,950	12,350	12,900	13,250	0.31%	1.66%	3.76%	12.97%
US Dollar Index	99.25	100.85	103.65	105.90	-0.05%	-0.21%	-1.53%	-0.44

Next FOMC meeting: May 3rd 2023.

- Probability of a 0bps hike → 55%
- Probability of a 25bps hike → 45%
- Probability of a 50bps hike → 0%



BITCOIN

A snapshot of Bitcoin's spot price as of this writing is \$27,724 representing a 1.44% decrease the last 24 hours and 1.96% increase in trading volume. The funding rate of BTC is 0.0050%.



ETHEREUM

ETH is trading at \$1,756 as of this writing, representing a 24-Hour decrease of 1.97% and a funding rate of 0.0040%. Over the last 24 Hours, the trading volume decreased by 6.36%. As of today, ETH holds 18.3% of the cryptocurrency market, making it the second-largest coin traded.



OVERVIEW

Latest Digital Asset News

1- Euler hacker returns 58,737 ether worth about \$102 million

The Euler Finance exploiter has returned 58,737 ether to the DeFi lending protocol. The returns were in two installments, one of 51,000 and another of 7,737 ether. Euler lost \$197 million in a flash-loan attack on March 13. The Euler token price is up 43% to \$3.76. The Euler exploiter originally drained \$136 million of staked ether, \$34 million of USDC, \$19 million of wrapped bitcoin and \$8.7 million of DAI from the protocol. The perpetrator borrowed large amounts of funds and drained them from the protocol. Euler Labs, the developer of the protocol, has been working with security professionals and law enforcement since.

2 - What the EU's anti-money laundering regulations mean for crypto

Crypto assets are featured in the European Union's anti-money laundering package and have taken up considerable space in negotiations. On Tuesday, policymakers in two of the European Parliament's committees overseeing the bill will vote on adoption of the text. It currently includes several requirements for the crypto industry and firms offering services within the EU. While this vote is a step forward for the bill, it will still be subject to change. After the committees' vote, the AML bill will need to pass a plenary vote before entering inter-institutional negotiations. Unlike the EU's soon-to-be-enforced Markets in Crypto-Assets regulation, the anti-money laundering bill does include NFT platforms as obliged entities. The aim is to close the regulatory gap.

3 - Japan Set to Ask G7 & G20 to Bolster Crypto Regulation

Japan is set to make another attempt to convince G7 and G20 leaders to adopt streamlined crypto regulations. Per Kyodo News, the Japanese government is set to take advantage of the fact that it will host a G7 summit in Hiroshima this May. Host nations are allowed to add items to the summit's agenda. It also wants to raise the matter at the G7 meeting of finance ministers and central bank chiefs that will be held in Niigata in mid-May. Top financiers will conclude their meetings just ahead of the general meeting, and Tokyo also hopes to raise the matter with the G20 – when finance ministers and central bank heads meet in Washington next month.

(1) <https://www.theblock.co/post/222810/euler-hacker-returns-51000-ether-worth-about-89-million>
(2) <https://www.theblock.co/post/222858/what-eu-anti-money-laundering-regulations-mean-crypto>
(3) <https://cryptonews.com/news/japan-set-ask-g7-g20-bolster-crypto-regulation-not-for-first-time.htm>



OVERVIEW

TradFi

Silicon Valley Bank is officially sold to First Citizens Bank, which means investors can breathe a sigh of relief. First Citizens Bank will purchase around \$72 billion of SVB assets at a discount of \$16.5 billion while \$90 billion in securities and other assets will remain "in receivership for disposition by the FDIC." Following this news, the S&P Regional Banking ETF (KRE) increased by more than 3% in the premarket. According to CNBC, the deposit outflow from small banks to industry giants like JPMorgan Chase and Wells Fargo has slowed down recently.

Stock futures are in the green this morning despite the lack of conviction. The Nasdaq index is trading well above its 20-day, 50-day and 200-day moving averages, a clear sign of an uptrend. Prices are on their way to the next resistance levels of 13,250 and 13,700 in extension. The support of 12,350 remains key to keep this uptrend going.



Upcoming:

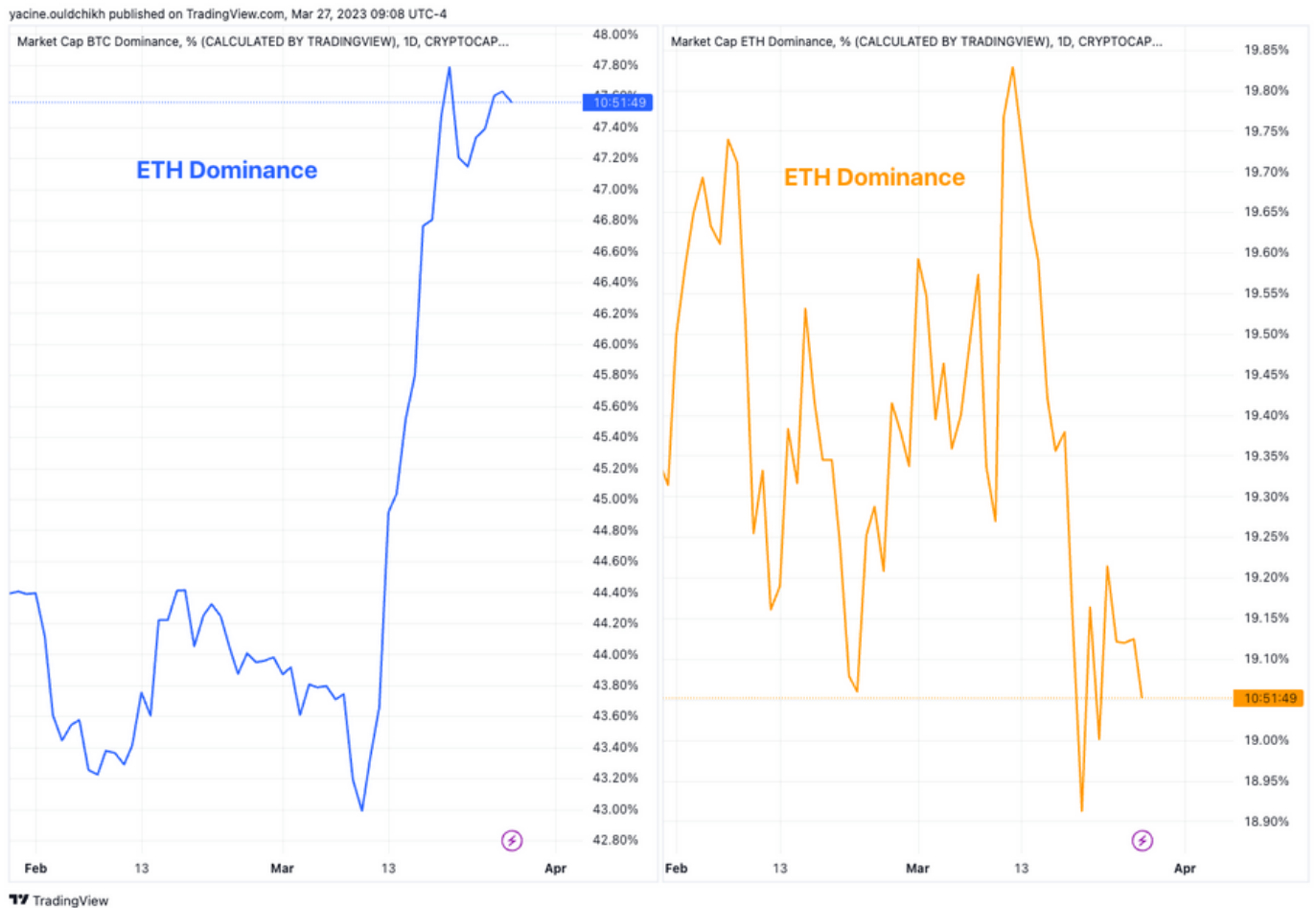
- Tuesday → Senate hearing on bank failures
- Wednesday → House hearing on bank failures
- Thursday → US 4Q GDP
- Friday → Core PCE

OVERVIEW

Bitcoin & Ethereum

Michael Saylor does it again - MicroStrategy repaid its \$205m Silvergate loan at a 22% discount and acquired 6,455 Bitcoins for approximately \$150 million, at an average price of \$23,238 per Bitcoin. Saylor's tech company is now sitting on 138,955 BTC that was acquired for \$4.14B at an average price of \$29,817 per BTC.

Bitcoin continues to witness strong demand accompanied with upside volatility given the "digital gold" narrative. There is no doubt that BTC is grabbing more market share vs. ETH. Since March 10th, BTC's dominance has gone from 43% to 48% while ETH has come down from 19.90% to a recent low of 18.90%.



Given the liquidity pump in the financial markets and an expected pause in the rate hike cycle, we are getting ready for a new bullish trend to take place and it's just getting started.



OVERVIEW

Altcoin Analysis

Solana was once the talk of the town but has since lost its flair.

The firm is set to launch its mobile phone dubbed Saga on April 13th (luckily for them it's not a Friday). The Android operating device will be powered by the Solana blockchain and is expected to offer unique features for DeFi professionals, NFT collectors and the most demanding crypto enthusiasts.

In other news, the team behind Render recently proposed building its new burn-and-mint equilibrium (BME) model on the Solana blockchain. The Render network currently builds on the Polygon blockchain but according to a community sentiment poll, 55% of users favor migrating to Solana while 14% of users would prefer to stay on Polygon.

Looking at a daily chart, SOLUSDT continues to trade within a declining trend channel in place since the meltdown in May. We noticed the presence of a very strong resistance level near \$26.75 which is dragging prices lower. As long as prices trade below \$24, especially \$26.75, we expect further downside towards \$17.25 and possibly \$14.75.



OVERVIEW

Daily Insights

1. Bitcoin is 1 Week Away From 'Confirming' New Bull Market — Rekt Capital

<https://cointelegraph.com/news/bitcoin-is-1-week-away-from-confirming-new-bull-market-analyst>

"BTC/USD's recent gains have put it above a macro downtrend in place since its 2021 all-time highs, but the March close would be the first potential candle to complete above that trend line on monthly timeframes."

2. Illiquidity Prevents Bitcoin From Being a USD Hedge

<https://www.coindesk.com/consensus-magazine/2023/03/25/bitcoin-was-a-winner-during-the-us-banking-crisis-but-illiquidity-prevents-it-from-being-a-usd-hedge/>

"The post-FTX dip is something we call the "Alameda Gap," explaining how crypto market liquidity evaporated in the absence of one of the biggest digital asset market makers. That liquidity gap has not recovered, and continues to set new lows in the aftermath of the Silvergate and Signature banking crisis that cut off market makers from crucial USD payment rails. When market makers face this sort of unprecedented operational challenge, their reaction is to pull liquidity from order books until they receive some clarity."

3. G7 Members To Discuss Crypto Regulation in May

<https://blockworks.co/news/g7-crypto-regulation-2023-hiroshima>

"In a bid to promote what officials are calling transparency and consumer safeguards, the G7 will speed up discussions ahead of a meeting of finance ministers and central bankers in mid-May. Discussions will commence just days before the G7 summit in Hiroshima, Japan, which is expected to involve talks surrounding the risks digital assets pose to the global financial system."

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