MARCH 24 - 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	1.64%	7.28%	20.47%	70.78%
Ethereum	1,475	1,610	1,910	2,030	1.06%	4.62%	11.94%	51.53%
Nasdaq	11,950	12,350	12,900	13,250	1.01%	0.60%	1.70%	12.62%
US Dollar Index	99.25	100.85	103.65	105.90	0.62%	-0.53%	-1.95%	-0.35

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 $27,930 representing a 2.13% increase the last 24 hours and 1.74% decrease in trading volume. The funding rate of BTC is 0.0044%.

ETHEREUM

ETH is trading at $1,756 as of this writing, representing a 24-Hour increase of 0.84% and a funding rate of -0.0116%. Over the last 24 Hours, the trading volume increased by 2.84%. As of today, ETH holds 18.3% of the cryptocurrency market, making it the second-largest coin traded.

OVERVIEW

Latest Digital Asset News

1- Nasdaq Eyes Crypto Custody Launch by End of Second Quarter

Nasdaq Inc. expects its custody services for digital assets to launch by the end of the second quarter as it joins a growing pool of traditional financial firms that could fill the role of crypto middlemen following a spate of bankruptcies in the industry. The global exchange group is pushing ahead to get all the necessary technical infrastructure and regulatory approvals in place, Ira Auerbach, senior vice president and head of Nasdaq Digital Assets, said in an interview in Paris. Nasdaq has applied to the New York Department of Financial Services for a limited-purpose trust company charter, which would oversee the new business.

2 - Do Kwon Charged With Fraud by US Prosecutors in New York

Do Kwon, Terraform Labs CEO and creator of the TerraUSD stablecoin, has been charged with fraud by US prosecutors hours after his arrest in Montenegro on Thursday. Prosecutors at the US attorney's office in New York have slapped an eight-count indictment against Kwon, including securities fraud, wire fraud, commodities fraud and conspiracy, according to a Reuters report. The criminal case comes after the US Securities and Exchange Commission charged Kwon and Terraform Labs with alleged fraud last month. He was already a fugitive from an arrest warrant issued by authorities in his native country South Korea.

3 - Tether Expects First-Quarter Profit of $700 Million, CTO Says

Tether Holdings Ltd., the issuer of the biggest stablecoin, expects to post a profit of about $700 million for this quarter, Chief Technology Officer Paolo Ardoino said. That's similar to what Tether reported for the three months through December. The circulation of Tether's stablecoin, USDT, has increased by 18% to since year-end, to $78 billion. Tether expects to end this quarter with an $1.6 billion surplus in the reserves it holds to back USDT's peg to the dollar, Ardoino said in an interview on Wednesday.

(1) https://www.bloomberg.com/news/articles/2023-03-24/nasdaq-eyes-crypto-custody-launch-by-end-of-second-quarter#xj4y7vzkg
(2) https://www.bloomberg.com/news/articles/2023-03-23/do-kwon-charged-with-fraud-by-us-prosecutors-in-new-york?srnd=cryptocurrencies-v2#xj4y7vzkg
(3) https://www.bloomberg.com/news/articles/2023-03-24/tether-usdt-expects-first-quarter-profit-of-700-million-ardoino-says#xj4y7vzkg

OVERVIEW

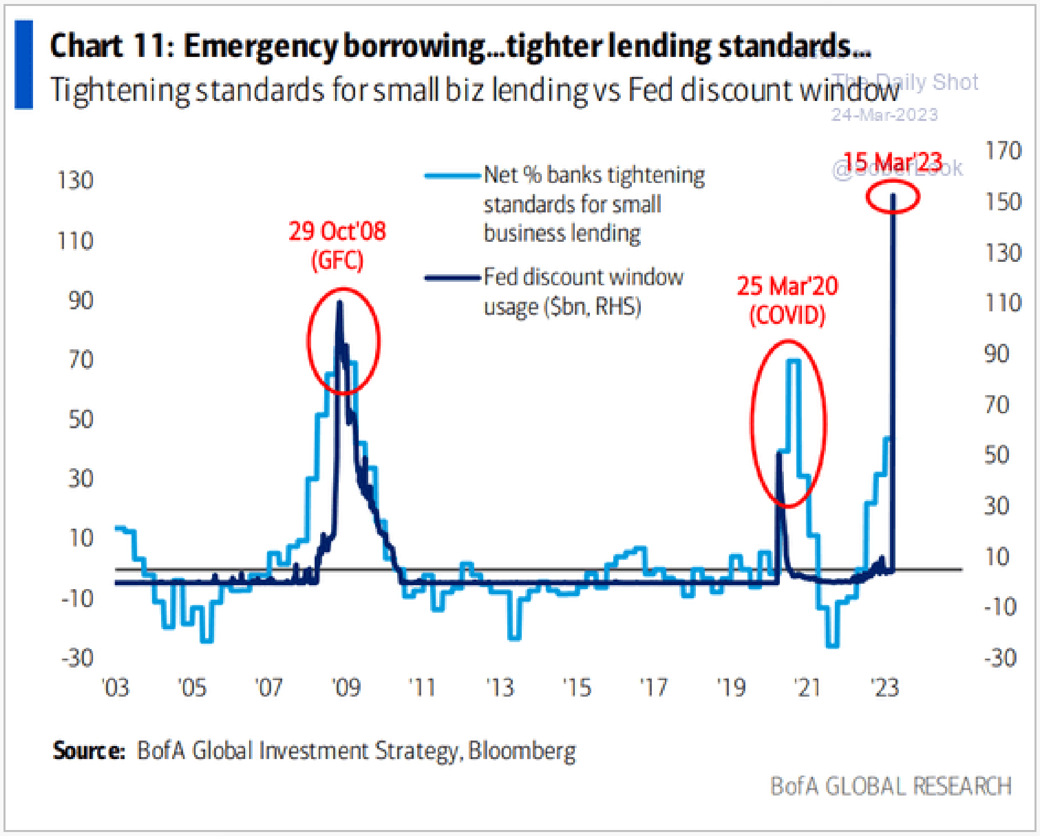
TradFi

The state of global banking is on everyone's mind.

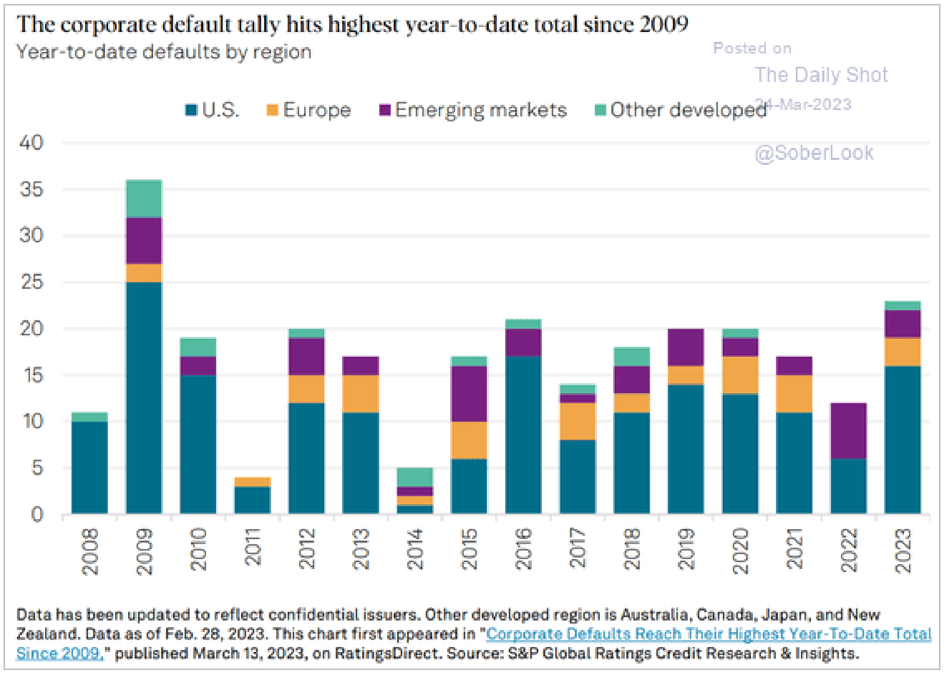
The distressed US regional and small banks continue to rely heavily on the emergency financing from the Fed. Institutions borrowed $53.7 billion from the Bank Term Funding Program as of Wednesday, up sharply from $11.9 billion last week. These banks are currently facing unrealized losses from bond holdings given the sudden rise of interest rates.

On Thursday, Treasury Secretary Janet Yellen said regulators are willing to take more action if needed to stabilize U.S. banks.

The trend of emergency funding tends to coincide with tighter lending conditions.



According to the S&P Global Ratings, the tally of corporate defaults reaches its highest YTD total since 2009.



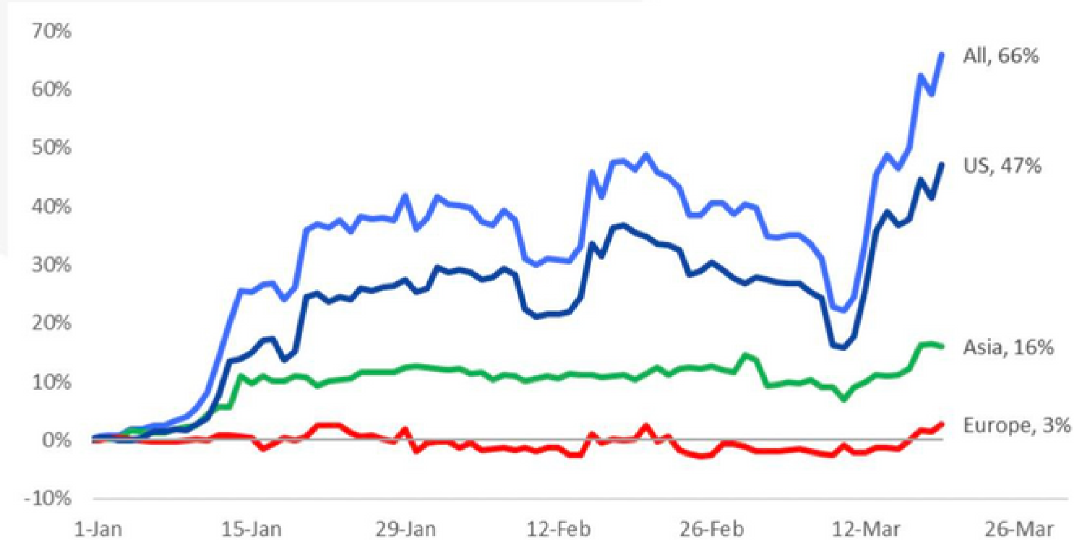
Deutsche Bank's shares in the US slid about 11% in premarket trading after the German lender's credit default swaps ("a form of insurance for a company's bondholders against its default") jumped which raised eyebrows regarding the state of European banking following the news of Credit Suisse feeling some pressure.

Nasdaq (NQ) continues to trade near its resistance level of 12,900. In terms of risk-reward, we are most likely going to witness a slight pullback towards 12,350.

Bitcoin & Ethereum

Bitcoin has been lifted by American buyers since the start of the banking turmoil. Since the correction in prices on March 10th, Bitcoin surged by over 40% and we've noticed that most of this rally was driven during the US trading hours. Since the start of the year, BTC has gone up 66%. During the US trading hours BTC increased by over 40% compared to 16% in the Asian timezone and only 3% in Europe.

Exhibit 1: The Bitcoin rally is driven by Americans



In other news, Nasdaq is looking to launch its crypto custody solution by the end of the second quarter after it gets all the necessary technical infrastructure and regulatory approvals in place.

From a chartist point of view, BTCUSDT keeps flirting with the $28k level and is looking for clear direction. The pair is hesitating near the top-end of a broadening wedge pattern which leads us to believe that a pullback is in sight towards the midpoint of the pattern.

Looking at ETHUSDT, prices are still trading above their 20-day and 50-day moving averages, signaling that the uptrend is intact. The pair is also hesitating near the top-end of a broadening wedge pattern , advocating for further downside. A break below 50 on the RSI would be a warning sign of potential correction ahead.

OVERVIEW

Altcoin Analysis

After all the hype, Arbitrum's token has finally gone live!

The ARB token has witnessed massive growth in only 24hours with over $2 billion in trading volume. The governance token allows ARB holders to participate in decision-making processes to the protocol.

There is no doubt that this token might experience further growth but that comes with extreme levels of volatility.

SDM is working on offering this token for OTC trading. Please reach out to us directly if you're interested.

From a technical point of view, the chart doesn't show much price history which makes it hard to predict future price fluctuations. Looking at a 5 mins chart, we can see that the token has been consolidating within a rising trend channel in place since yesterday at 12pm EST. A rebound above $1.4 is expected which should send the coin towards $1.46 and $1.51 in extension.

OVERVIEW

Daily Insights

1. Bitcoin and Ether Holds its Ground Amidst SEC Crackdown

https://blockworks.co/news/bitcoin-ether-sec-crackdown

“The top-two cryptocurrencies even clawed back earlier losses, climbing 4% and 4.7%, respectively, on Thursday. Bitcoin is now at its highest point since last June.”

2. Bitcoin Bulls Prepared for $1.2B Options Expiry

https://cointelegraph.com/news/bitcoin-corrects-on-fed-rate-hike-but-bulls-are-prepared-for-friday-s-1-2b-options-expiry

“The weekly BTC options expiry has $1.2 billion in open interest, but the actual figure will be lower because bears have concentrated their bets on Bitcoin trading below $26,000.”

3. Terra Founder Do Kwon Arrested and Charged with Fraud

https://markets.businessinsider.com/news/currencies/terra-founder-do-kwon-charged-fraud-crypto-us-prosecutors-terraform-2023-3

“Prosecutors at the US attorney's office in New York have slapped an eight-count indictment against Kwon, including securities fraud, wire fraud, commodities fraud and conspiracy.”

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