MARCH 22 - 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	1.22%	14.30%	16.99%	69.78%
Ethereum	1,475	1,610	1,910	2,030	3.54%	7.67%	10.07%	50.06%
Nasdaq	11,950	12,300	12,900	13,250	1.58%	3.78%	3.20%	13.32%
US Dollar Index	100.85	102.65	105.90	108.00	-0.06%	-1.38%	-1.33%	-0.11

Next FOMC meeting: March 22nd 2023.

- Probability of a 0bps hike → 12%
- Probability of a 25bps hike → 88%
- Probability of a 50bps hike → 0%

BITCOIN

A snapshot of Bitcoin's spot price as of this writing is $28,389 representing a 1.66% increase the last 24 hours and 25.34% decrease in trading volume. The funding rate of BTC is 0.0060%.

ETHEREUM

ETH is trading at $1,804 as of this writing, representing a 24-Hour decrease of 0.61% and a funding rate of 0.0067%. Over the last 24 Hours, the trading volume decreased by 10.66%. As of today, ETH holds 18.3% of the cryptocurrency market, making it the second-largest coin traded.

OVERVIEW

Latest Digital Asset News

1- IRS Seeks to Tax NFTs Like Other Collectibles

The U.S. Internal Revenue Service is considering whether to tax non-fungible tokens (NFT) on a par with other collectibles such as stamps, works of art and fine wine, in a move likely to have an impact on those including the digital assets within their retirement plan, according to a document published Tuesday. The proposed guidance represents the first move by the U.S. tax authority in a while to clarify the tax treatment of digital assets, addressing a vacuum that has left some taxpayers guessing about their liability. The IRS and Treasury Department are "soliciting feedback for upcoming guidance regarding the tax treatment of a non-fungible token (NFT) as a collectible under the tax law," implying a less favorable treatment under capital gains tax rules, and with implications if the assets are acquired by individual retirement accounts, the statement said.

2 - Judge approves Celsius custody account settlement to return 72.5% of crypto assets

Celsius custody account holders can receive 72.5% of the cryptocurrency in their custody accounts after a federal judge approved a settlement in the defunct crypto lender's bankruptcy case. Judge Martin Glenn gave the green light to a settlement between the Celsius debtors, the unsecured creditors committee and an ad hoc group of custodial account holders during a hearing on Tuesday in the U.S. Bankruptcy Court for the Southern District of New York. Individual custody account holders must opt into the settlement. In turn, the Celsius debtors will agree to settle all causes of action against custody account holders with respect to their custody assets, according to the terms of the deal.

3 - Bitcoin rally is 'pure gravy' for miners finally seeing a light at the end of the tunnel

Bitcoin miners are finally getting some good news thanks to the rally in cryptocurrencies this year. The first three months of this year are "shaping up to be a better quarter" than the previous one, investment firm Stifel said in an analyst note on Monday. Hashprice, which measures how much miners earn based on a number of factors, is up 36% compared to March 12, at $0.08 per terahash. "This for us is pure gravy," CleanSpark Executive Chairman Matthew Schultz told The Block. "When you look at the price appreciation in bitcoin, it's essentially another $200,000 a day in free cash flow if you're mining 20 bitcoin a day, which is about where we are."

(1) https://www.coindesk.com/policy/2023/03/21/irs-seeks-to-tax-nfts-like-other-collectibles/
(2) https://www.theblock.co/post/221642/judge-approves-celsius-custody-settlement-account-holders
(3) https://www.theblock.co/post/221222/bitcoin-rally-is-pure-gravy-for-miners-finally-seeing-a-light-at-the-end-of-the-tunnel

OVERVIEW

TradFi

The moment we've all been waiting for.

The Federal Reserve is expected to announce its interest rate decision at 2pm EST today with a 88% probability of a 25bps hike bringing the federal funds rate at 4.75%-5%, its highest level since 2007.

The decision is one element to follow, but the projections might be even more important than the decision itself: The Fed will release their projections for unemployment, inflation, GDP and of course the terminal rate (peak rate).

There's a heavy air of uncertainty as the Fed will have to make an effort to cool down inflation and stabilize the troubled banking sector. Both of these goals seem to be in conflict: the higher interest rates that are needed to tame inflation are what inflicted the recent banking crisis.

On the other side of the ocean, inflation in the UK jumped to 10.4% in February, beating estimates of 9.9% and breaking a 3-month stretch of declines. The Bank of England is set to announce its latest monetary policy decision on Thursday.

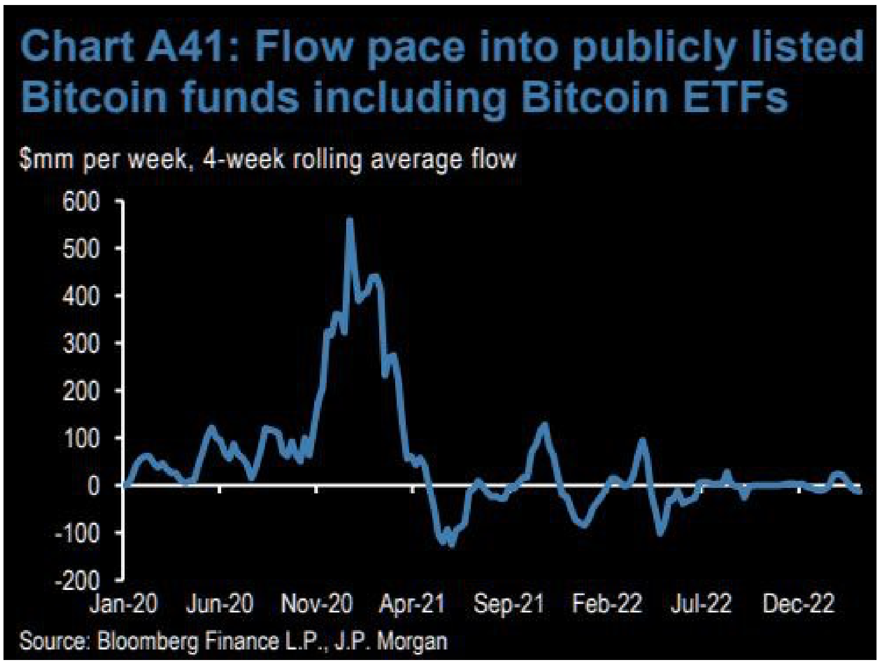
No rate hikes should push Nasdaq to break above its recent high towards $13,250 while a 25bps hike may serve as temporary pressure for a pullback towards the support level of $12,300.

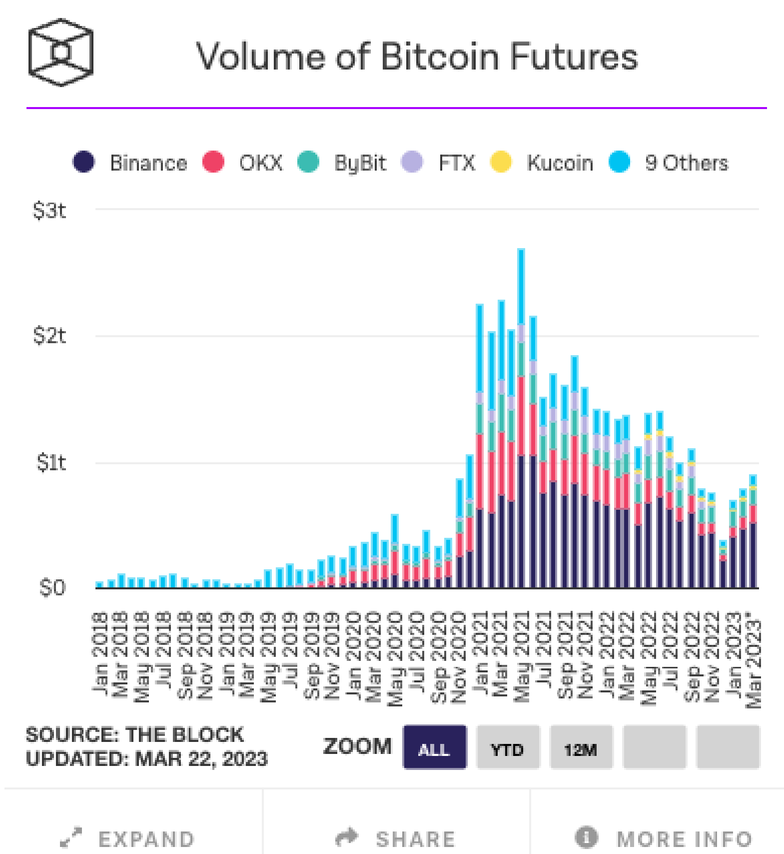
Upcoming
- FOMC meeting (2pm EST decision; 2:30pm EST press conference)

OVERVIEW

Bitcoin & Ethereum

Looking at the graph below, we can see that flows into Bitcoin ETFs have been flat for almost 2 years. With the recent rise in prices, this can be seen as an attractive opportunity. Bitcoin shot up from $16k to $28k without the participation of ETF products and also with a futures market that represents ⅓ of the volume in 2021.





BTCUSDT is approaching higher levels and is looking to break out to yearly highs. A break above 28,600 would have BTC enter in the previous range that was established after the LUNA meltdown and push prices higher towards the middle of the range near 29,750 with resistance at 31,800. Eventually, prices will have to retreat towards their 20-day moving average located near 24,000 for now as it's rare to see such a sharp rise without any concrete pullback.

Ethereum is not getting the same amount of attention but could definitely keep pumping towards 1,910 and 2,030 in extension. ETHBTC continues to show that Bitcoin is outperforming the #2 coin since the Fed announced its liquidity program for struggling banks.


yacine.ouldchikh published on TradingView.com, Mar 22, 2023 09:43 UTC-4
Ethereum / TetherUS, 1D, BINANCE −1.64 (−0.09%)
USDT
2150.00
2030.00
1910.00
1799.59
1610.00
1475.00
1365.00
1230.00
1160.00
1075.00
62.88
29.56
22.47
May
Jun
Jul
Aug
Sep
Oct
Nov
Dec
2023
Feb
Mar
Apr
May
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yacine.ouldchikh published on TradingView.com, Mar 22, 2023 09:43 UTC-4
Ethereum / Bitcoin, 1D, BINANCE −0.000529 (−0.83%)
BTC
ETH / BTC
Fed support
0.063570
30.23
−0.000678
−0.000993
−0.001672
May
Jun
Jul
Aug
Sep
Oct
Nov
Dec
2023
Feb
Mar
Apr
May
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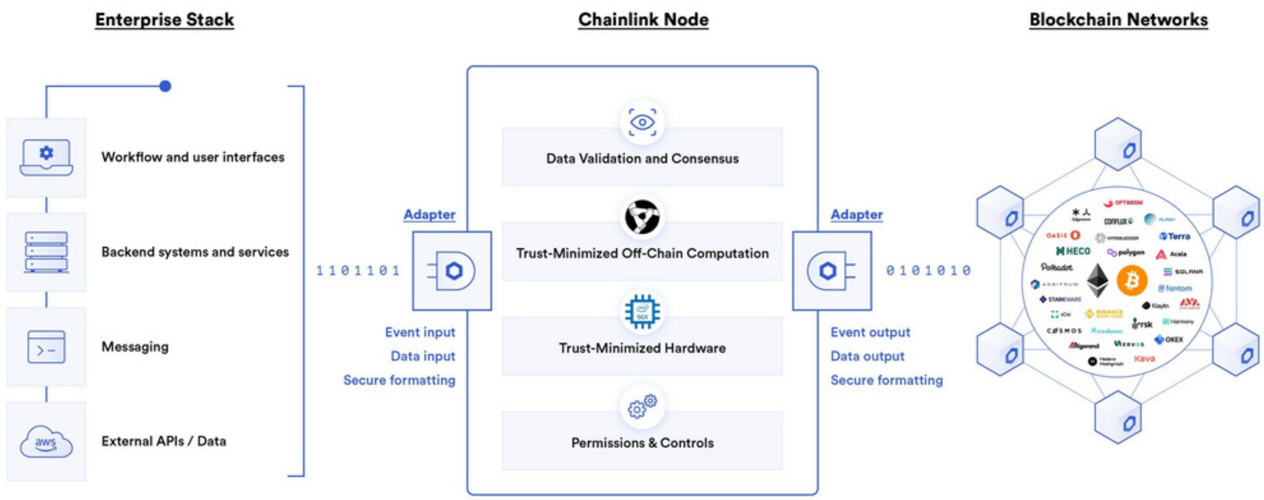
OVERVIEW

Altcoin Analysis

Chainlink continues to link Web 2.0 with Web 3.0

The oracle giant recently entered into a strategic joint business relationship with PwC Germany "to help accelerate enterprise blockchain adoption." This collaboration is useful for traditional firms seeking to interact with the blockchain ecosystem but lack "the expertise to develop smart contracts and operate node infrastructure."

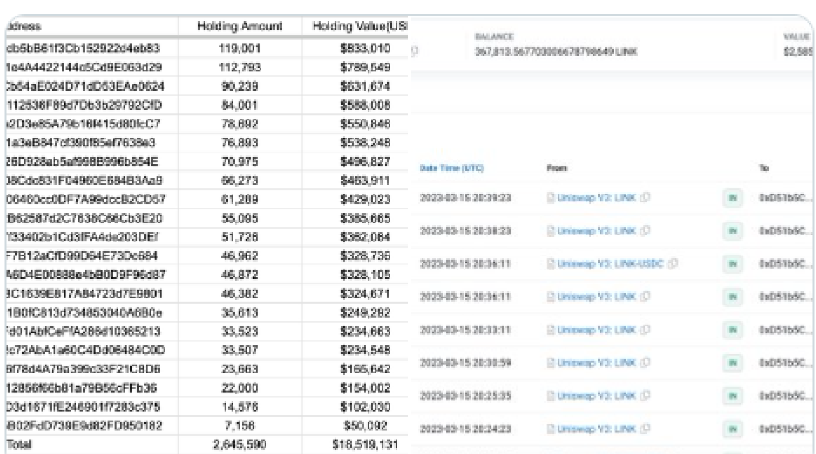


Lookonchain
@lookonchain · Follow

Whales are accumulating $LINK recently.

- 30 new addresses (maybe the same whale) accumulated a total of 2,645,590 $LINK ($18.52M) from #Binance in the past 2 weeks.

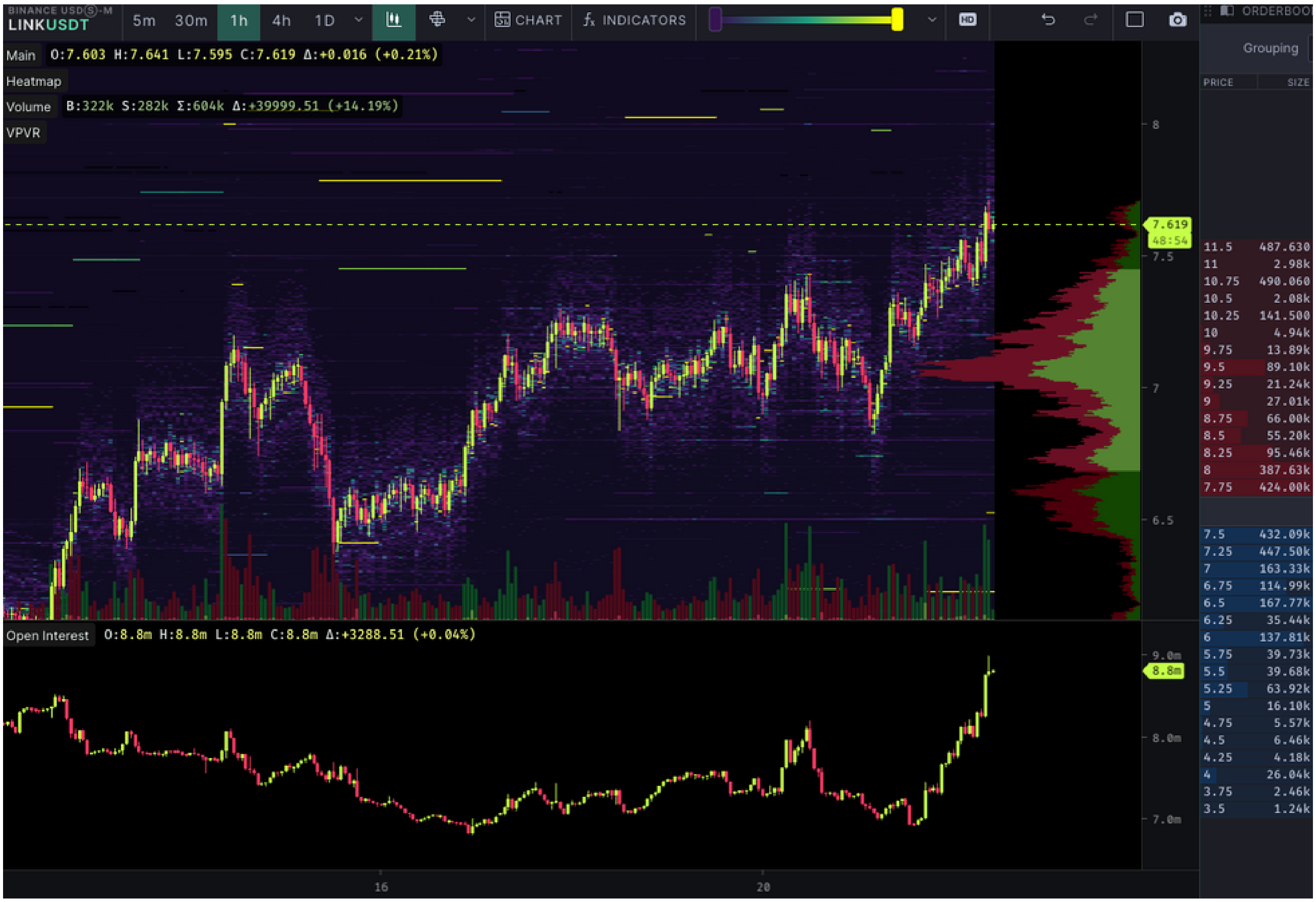
- Whale "0xD51b" bought 367,814 $LINK with 2,422,717 $USDT at a price of $6.59 on Mar 15.



ddress	Holding Amount	Holding Value(US
db6bB61f3Cb152922d4eb83	119,001	$833,010
1e4A4422144d5Cd9E063d29	112,793	$789,549
Cb64aE024D71dD63EAe0624	90,239	$631,674
112536F89d7Db3b29792CfD	84,001	$588,008
a2D3e85A79b16f415d80fcC7	78,692	$550,846
1a3eB847cf390f85ef7638e3	76,893	$538,248
26D928ab5af998B996b854E	70,975	$496,827
08Cdc831F04960E684B3Aa9	66,273	$463,911
06460cc0DF7A99dccB2CD67	61,289	$429,023
B62587d2C7638C66Cb3E20	55,095	$385,665
Y33402b1Cd3fFA4de203DEf	51,726	$362,084
F7B12aCfD99D64E73Dc684	46,962	$328,736
A6D4E00888e4bB0D9F96d87	46,872	$328,105
3C1639E817A84723d7E9801	46,382	$324,671
1B0fC813d734853040A6B0e	35,613	$249,292
Fd01AbfCeFfA288d10365213	33,523	$234,663
c72AbA1a60C4Dd06484C0D	33,507	$234,548
Bf78d4A79a399c33F21C8D6	23,663	$165,642
12856f66b81a79B56cFFb36	22,000	$154,002
D3d1671fE246901f7283c375	14,576	$102,030
B02FdD739E9d82FD950182	7,156	$50,092
Total	2,645,590	$18,519,131

12:38 AM · Mar 20, 2023

According to Lookonchain, whales have been accumulating LINK recently. In the past 2 weeks, a list of 30 new addresses purchased a total of 2,645,590 $LINK ($18.52M) from Binance. This recent accumulation has clearly positively impacted LINK's price as prices bottomed out near $5.90 on March 10th and have since surged by over 30% while open interest followed to the upside.



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OVERVIEW

Daily Insights

1. Bitcoin Halving a Year Out: Here's What To Expect

https://blockworks.co/news/bitcoin-halving-a-year-out

"Looking at historical data, the six months following each of the prior halvings have seen an increase in price, with the most significant increase occurring after the first halving in 2012 when the price surged more than ten times its value."

2. Ethereum Deflation Accelerates Post Merge

https://beincrypto.com/ethereum-deflation-accelerates-new-record-six-months-post-merge/

"The supply has dropped by nearly 63,000 ETH since the Merge."

3. Arbitrum Announces $ARB Token

https://twitter.com/arbitrum/status/1636362096714690562

"$ARB is majority community owned (~56%). Of that community allocation, 12.75% will be distributed in the airdrop next Thursday, March 23, based upon a snapshot on Feb 6, 2023."

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