MARCH 21 - 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	0.44%	10.14%	12.83%	68.23%
Ethereum	1,475	1,610	1,910	2,030	-1.26%	1.13%	3.97%	45.62%
Nasdaq	11,950	12,300	12,900	13,250	0.39%	4.35%	-0.95%	11.55%
US Dollar Index	100.85	102.65	105.90	108.00	0.12%	-0.18%	-0.74%	-0.11

Next FOMC meeting: March 22nd 2023.

- Probability of a 0bps hike → 15%
- Probability of a 25bps hike → 85%
- Probability of a 50bps hike → 0%

BITCOIN

A snapshot of Bitcoin's spot price as of this writing is $27,963 representing a 0.05% decrease the last 24 hours and 28.32% decrease in trading volume. The funding rate of BTC is 0.0029%.

ETHEREUM

ETH is trading at $1,819 as of this writing, representing a 24-Hour increase of 2.91% and a funding rate of 0.0100%. Over the last 24 Hours, the trading volume decreased by 13.78%. As of today, ETH holds 18.3% of the cryptocurrency market, making it the second-largest coin traded.

OVERVIEW

Latest Digital Asset News

1- U.S. Supreme Court to Hear First Crypto Case

The U.S. Supreme Court will hear arguments in its first-ever crypto-related case on Tuesday, when lawyers for San Francisco-based crypto exchange Coinbase will attempt to convince the nine Justices to pause a pair of class-action lawsuits against the crypto exchange. Though the case the high court will hear Tuesday (March 21) involves crypto, it is not itself a crypto case. Instead, this case is a fairly esoteric, procedural argument over whether a lawsuit can proceed in federal court while one party – in this case, Coinbase – is attempting to send the dispute to arbitration.

2 - Celsius lawyer and adviser fees on track to reach $144M

Crypto lender Celsius Network's lawyer and adviser fees amid its bankruptcy proceedings are projected to reach $144 million, triggering responses from crypto community members. In a March 21 tweet, software developer Cam Crews shared a spreadsheet compiling the reported fees and projected fees the bankrupt crypto lender must pay. According to the data, almost $102 million has been filed so far. The developer also noted that some months were missing and estimated around $42 million in fees have yet to be paid and filed.

3 - Mastercard Partners Australian Fintech Stables to Enable Stablecoin Payment

American multinational financial services firm Mastercard Inc has entered into a strategic partnership with Stables, an Australian fintech startup to help advance stablecoin adoption in the APAC region. As reported by CoinTelegraph, the partnership will see users of the Stables platform make payments for goods and services using their USD Coin (USDC) anywhere Mastercard is accepted. The collaboration was unveiled on March 20 and the service is billed to go live in the second quarter of this year. Stables is set to design a stablecoin-only digital wallet to support payment integration.

(1) https://www.coindesk.com/policy/2023/03/20/us-supreme-court-to-hear-first-ever-crypto-case-tomorrow/
(2) https://cointelegraph.com/news/celsius-lawyer-and-advisor-fees-on-track-to-reach-144m-community-responds
(3) https://www.coinspeaker.com/mastercard-stables-stablecoin-payment/

OVERVIEW

TradFi

Treasury Secretary Janet Yellen revealed that the US government is ready to take concise action to guarantee more bank deposits are safe. “Similar actions could be warranted if smaller institutions suffer deposit runs that pose the risk of contagion.” She added “The situation is stabilizing. And the U.S. banking system remains sound.”

The ETF tracking midsize bank stocks, the SPDR Regional Banking ETF ($KRE), rose 3.3% in premarket trading.

Bloomberg revealed a report on Monday indicating that regulators are looking into ways to guarantee all deposits, including a tiered pricing system in which depositors would pay more to guarantee funds above the $250,000 threshold.

In light of the banking crisis, investors now expect a slower pace of tightening from the Fed. The probability of a 25bps hike is now 85% vs. no hike at all at 15%.

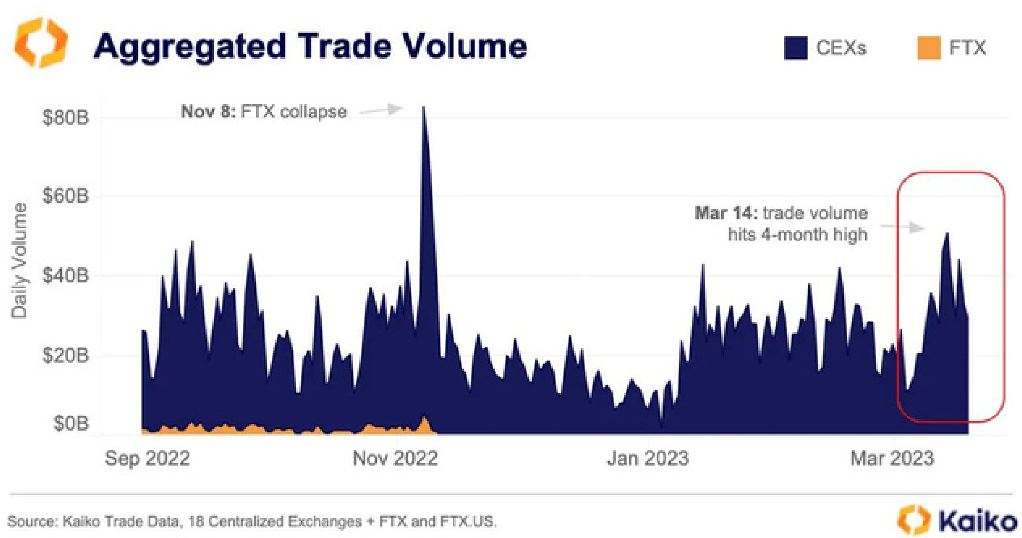
The question is the following: Are recession risks going to increase more than inflation pressures?

Upcoming
- March 22nd → FOMC meeting

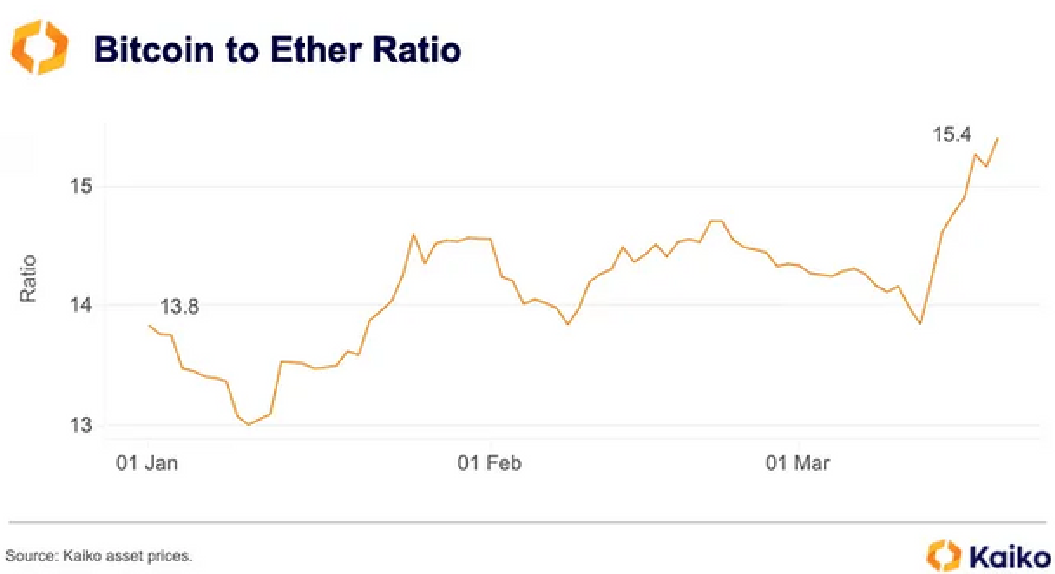
OVERVIEW

Bitcoin & Ethereum

Recent trade volumes have soared to $51 billion hitting a 4-month high since the FTX collapse. This market rally has been dominated by Bitcoin as market participants were seeking a true flight-to-safety bolstered by an ongoing banking crisis.



Even compared to Ethereum, Bitcoin is getting all the attention as it's truly outperforming the overall crypto market. The BTC/ETH ratio reached its highest level since July 2022. The #1 cryptocurrency outperformed the #2 by 13% since March 12th. The situation with ETH is a bit complex as the market is having some uncertainty over the Shanghai upgrade as well as its regulatory outlook.



Progress until next Bitcoin halving: 72.3% | 404 days left

OVERVIEW

Altcoin Analysis

Cardano is on the move.

Whale transactions (considered as higher than $100,000) have increased in the last week as these whales have moved 30 billion ADA worth over $10 billion. Usually whale transactions are accompanied by positive price trends.

In other news, Cardano's total value locked (TVL) has surged to $123 million from $103 million on March 12th.

Looking at the recent price action, we can see that prices broke below the double top pattern and reached its profit target near $0.298. Since then, the coin has rebounded and is trying to recover. If prices break above $0.368, we would then test the ultimate resistance level of $0.423. A break above this level will start a new uptrend sending ADA flying to higher levels towards $0.465.

OVERVIEW

Daily Insights

1. Florida Governor Ron DeSantis Announces Legislation to Prohibit CBDCs

https://www.flgov.com/2023/03/20/governor-ron-desantis-announces-legislation-to-protect-floridians-from-a-federally-controlled-central-bank-digital-currency-and-surveillance-state/

“The Biden administration’s efforts to inject a Centralized Bank Digital Currency is about surveillance and control. Today’s announcement will protect Florida consumers and businesses from the reckless adoption of a ‘centralized digital dollar’ which will stifle innovation and promote government-sanctioned surveillance. Florida will not side with economic central planners; we will not adopt policies that threaten personal economic freedom and security.”

2. Credit Suisse’s Buyout Shows Banks Still Have a Banking Problem

https://www.coindesk.com/consensus-magazine/2023/03/20/bitcoin-laughs-as-credit-suisse-implodes/

“During the last financial crisis in 2008 it was UBS that was saved by the long arm of the Swiss government. This time the government needed UBS to lend a helping hand. Banks don’t have a crypto problem, banks have a banking problem.”

3. U.S. Banking Cutoff Presents Opportunities for Crypto in Europe

https://www.coindesk.com/consensus-magazine/2023/03/19/us-banking-cutoff-presents-opportunities-for-crypto-in-europe/

“Regulatory clarity in Europe in the form of MiCA, the Markets in Crypto-Assets Act, paints a stark contrast to the ambiguity in the U.S., where firms face new regulatory headwinds seemingly every day. This creates an increasingly challenging environment for the operations of any crypto organization. For new and existing market entrants this is going to be a significant consideration.”

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