MARCH 3 - 2023

DAILY MARKET REPORT

SECURE DIGITAL MARKETS

Institutional research.

OVERVIEW

Markets Insights

	S2	S1	R1	R2	24HR %	7D %	30D %	YTD %
Bitcoin	20,200	21,400	24,000	25,250	-3.94%	-2.84%	-2.80%	37.74%
Ethereum	1,365	1,500	1,680	1,780	-3.51%	-1.30%	-3.16%	33.61%
Nasdaq	11,350	11,650	12,350	12,900	0.73%	0.60%	-4.53%	9.52%
US Dollar Index	102.65	103.75	105.60	108.00	-0.32%	-0.52%	1.70%	1.10%

BITCOIN

A snapshot of Bitcoin's spot price as of this writing is $23,398 representing a 3.90% decrease the last 24 hours and 16.51% increase in trading volume. The funding rate of BTC is 0.0001%.

ETHEREUM

ETH is trading at $1,571 as of this writing, representing a 24-Hour decrease of 3.43% and a funding rate of 0.0005%. Over the last 24 Hours, the trading volume increased by 31.55%. As of today, ETH holds 18.3% of the cryptocurrency market, making it the second-largest coin traded.

OVERVIEW

Latest Digital Asset News

1- Tether Has No Exposure to Sinking Crypto Bank Silvergate, Says CTO

The chief technology officer of Tether has said his company has no exposure to Silvergate, as companies across the crypto industry line up to distance themselves from the troubled bank. The San-Francisco bank last month revealed a $1 billion net loss, as well as a decline in customer deposits of roughly $14 billion in the last quarter of 2022. Yesterday, it delayed its annual 10-K report filing with the U.S. Securities and Exchange Commission because it needed “additional time” to allow an independent accounting firm to complete certain audit procedures. Now, its stock is plunging fast and crypto companies are severing ties with the firm. America’s biggest crypto exchange Coinbase earlier today said it was halting payments to and from the bank. In a Thursday tweet, Tether CTO Paolo Ardoino said: “Tether does not have any exposure to Silvergate.”

2 - Bitcoin Miner Riot Delayed 10-K Filing Due to Impairment Calculation Issues

Bitcoin miner Riot Platforms delayed the filing of its annual 10-K report with the Securities and Exchange Commission due to issues raised by its accounting firm about the company's impairment calculations related to its bitcoin assets. “After assessing the impact of this revised impairment assessment methodology, the Registrant determined that material errors in certain of its financial statements and reports resulted,” Riot wrote in its SEC filing on Thursday. Riot said its previously issued financial statements for 2022, 2021 and 2020 “contained material errors and should not be relied upon.” For those reasons, Riot said it needed additional time to complete its 10-K and it has since done so and filed its report for 2022.

3 - France on the verge of passing stringent crypto firm licensing laws

The French National Assembly has voted in favor of legislating stricter licensing rules for new cryptocurrency firms in order to harmonize local laws with proposed European Union standards. The vote was passed with 109 votes in favor to 71 against. The French Senate has already passed the bill, which now goes to President Emmanuel Macron, who has 15 days to either approve it or send it back to the legislature. If passed, the new law would oblige France-based cryptocurrency service providers to comply with stricter anti-money laundering rules, show that customer funds are segregated, adhere to new guidelines on reporting to regulators and provide more detailed risk and conflict of interest disclosures as a means to strengthen consumer protection.

(1) https://decrypt.co/122591/tether-exposure-crypto-bank-silvergate
(2) https://www.coindesk.com/business/2023/03/02/bitcoin-miner-riot-delays-10k-filing-due-to-impairment-calculation-issues/
(3) https://cointelegraph.com/news/france-on-the-verge-of-passing-stringent-crypto-firm-licensing-laws

OVERVIEW

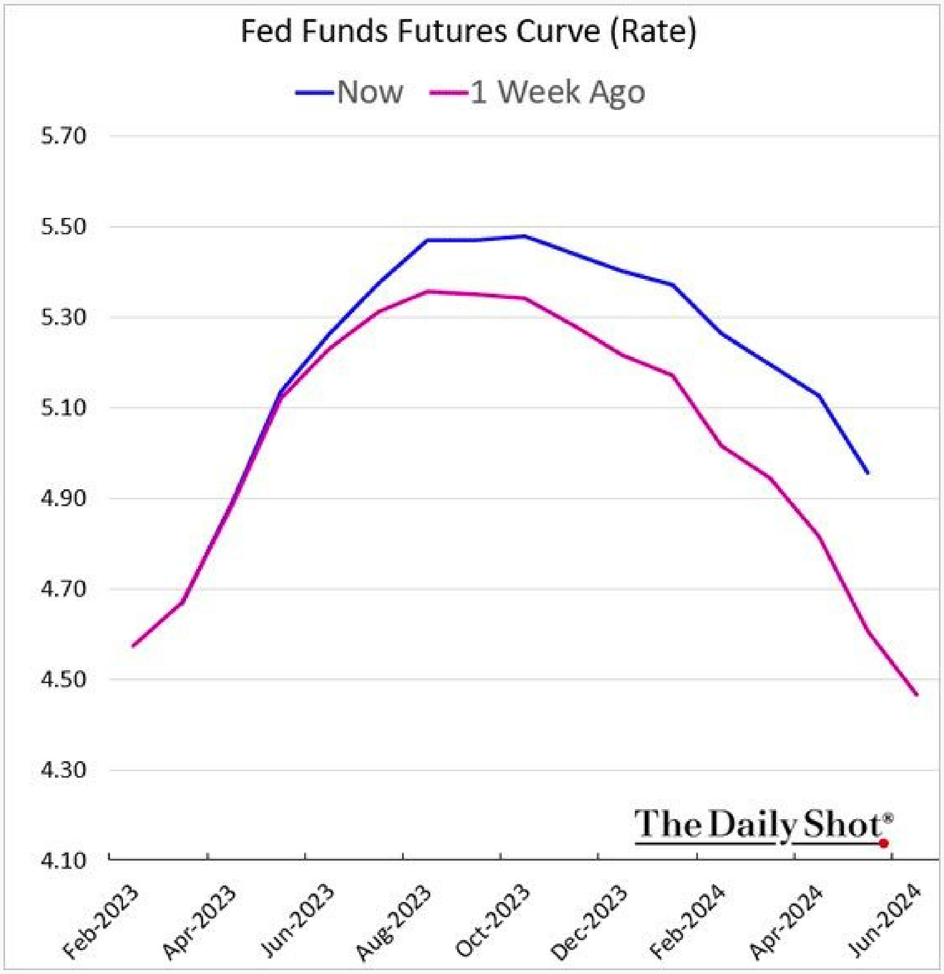
TradFi

The US equity market is trying to recover this morning as treasury yields pullback further. The 2yr and 10yr yield both went down 7bps and 8bps respectively to 4.87% and 4.01%.

Fed Governor Christopher J. Waller struck a tough tone regarding the possibility of a higher terminal rate if inflation doesn't soften further. Referring to the January payrolls figure as well as the recent CPI, he added "if those data reports continue to come in too hot, the policy target range will have to be raised this year even more to ensure that we do not lose the momentum that was in place before the data for January were released [...] I would endorse raising the target range for the federal funds rate a couple more times, to a projected terminal rate between 5.1% and 5.4%."

Atlanta Fed President Raphael Bostic reiterated that he still favored raising rates by 25bps in March and added "there is a case to be made that we need to go higher. Jobs have come in stronger than we expected. Inflation is remaining stubborn at elevated levels. Consumer spending is strong. Labor markets remain quite tight."

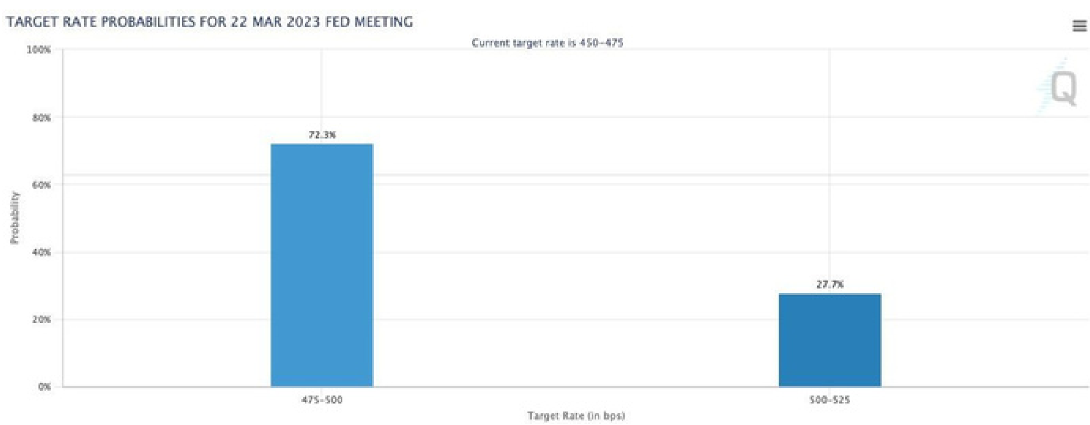
The market-implied terminal rate is nearing 5.5%.



The Nasdaq rebounded off its 200-day moving average and is trying to break out. If we zoom into an intraday chart (1h timeframe) we notice that the Tech-heavy index has been ranging within a declining trend channel in place since Thursday February 23rd. For now, we have to expect that this pattern holds. This would entail a pullback back to the $12,000 and $11,900 range.

In terms of the levels to watch out for, we are eyeing the $12,150 as the first warning level of an upside breakout. Another would be $12,250 and the final would be $12,350 which would intersect with the breakdown of the previous double top pattern in the daily chart, meaning it would invalidate the bearish pattern and push for further upside.

Finally, the probability of a 25bps hike increased from 69.4% yesterday to 72.3% today.



Upcoming:

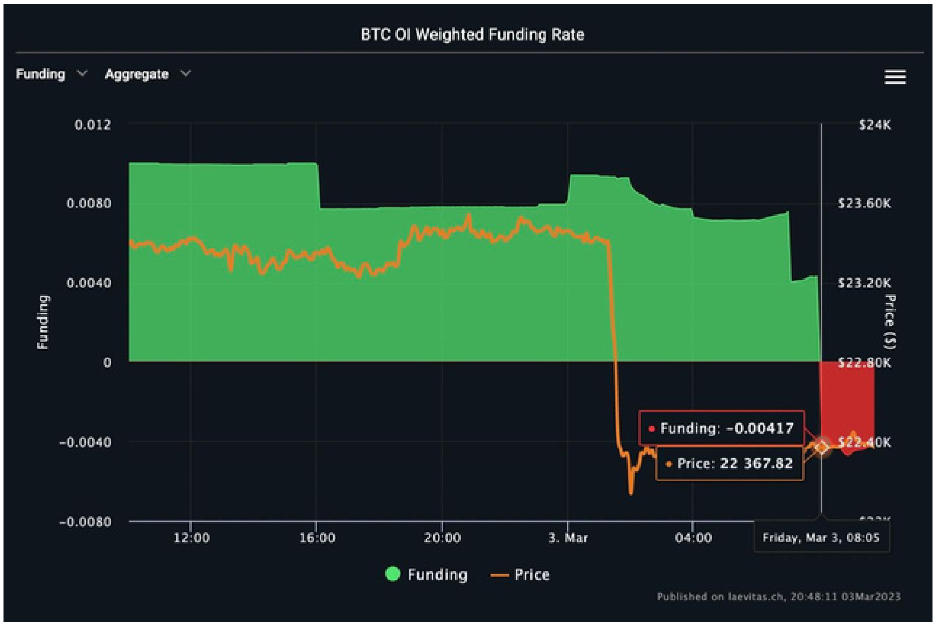
- March 7th → Fed Chair Powell Testifies at Senate Banking Committee
- March 8th → ADP Non-Farm Employment Change
- March 10th → Non-Farm Employment Change
- March 14th → CPI
- March 15th → Retail sales & PPI
- March 22nd → FOMC meeting

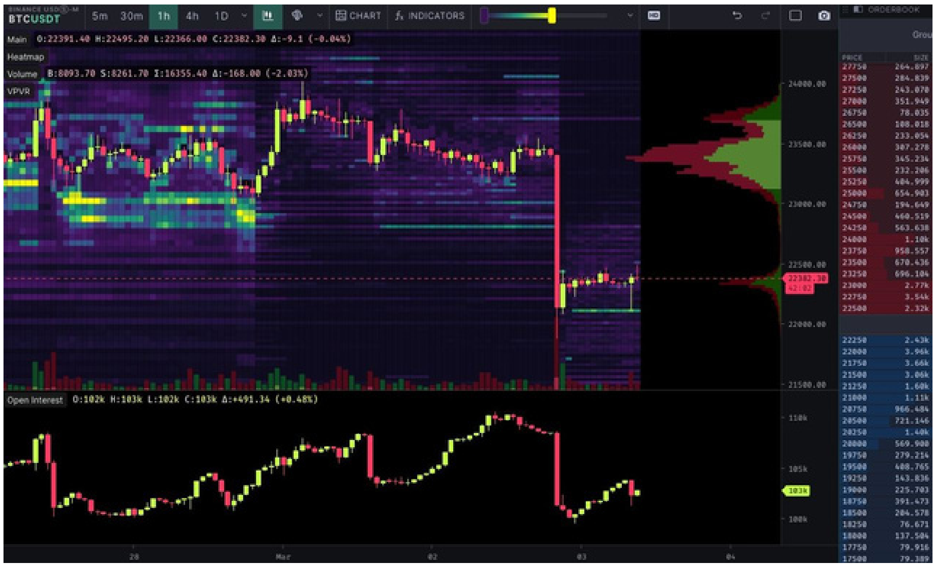
OVERVIEW

Bitcoin

Bitcoin dropped heavily overnight starting at 8pm EST from $23,400 to $22,000 (-6%) in one hour triggering around $240 million in liquidation. This took place after several crypto firms stopped accepting or initiating payments to or from Silvergate, which has been widely perceived as the go-to bank for businesses in the industry. Silvergate ($SI), down 58% that day, warned that it would not be able to operate another 12 months which would clearly have an impact on global crypto liquidity. They had around 1,600 crypto clients that helped ~80% of all funds flow into and out of the digital asset markets.

Funding rate for BTC hasn't been this low since the start of January while the open interest took a dive along with price action and rebounded off the February 28 low.





Bitcoin finally broke below the rising wedge pattern that we've been warning about. Prices also broke below the 50-day moving average for the first time since the start of the year, advocating for bearish momentum. We are now looking at the next support of $21,400 with resistance at $24,000.

OVERVIEW

Altcoin Analysis

Litecoin is facing some light pressure.

According to CoinGate, LTC was the fourth most utilized crypto as a payment option for online shopping, behind BTC, ETH and USDT. The number of Litecoin payments for last year represented a growth of over 6% from the 2021 figure of 83,620.

From a chartist point of view, LTCUSDT has recently posted the formation of a Head-and-Shoulders pattern, pushing for further downside. On the breakdown of the pattern, prices rebounded straight off the bottom-end of a rising trend channel that has been in place since November. We've noticed a period of bearish divergence where prices made new highs while the RSI was making new lows. This has finally been confirmed by the recent breakdown.

Moving on with LTCBTC, we can see that the pair is about to break below an important support level that would trigger additional bearish momentum for LTC.

As long as prices remain below $95.50 (the right shoulder), we expect further pressure towards $85, $80 and possibly $73.

yacine.ouldchikh published on TradingView.com, Mar 03, 2023 09:50 UTC-5

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