MARCH 1 - 2023

DAILY MARKET REPORT

SECURE
DIGITAL MARKETS

Institutional research.

OVERVIEW

Markets Insights

KEY METRICS					
PAIRS	SPOT PRICE	24 HR CHANGE	LOW	HIGH	FUNDING RATES
BTC/USD	$23,640	0.63%	$23,077	$23,880	0.0100%
ETH/USD	$1,652	0.86%	$1,601	$ 1,662	0.0100%
XAU/USD	$1,837.10	0.51%	$1,829.80	$1,846.20	
USD/CAD	1.3640	-0.03%	$1.3583	$1.3660	
EUR/CAD	$1.4525	0.66%	$1.4419	$1.4533	

BITCOIN

A snapshot of Bitcoin's spot price as of this writing is $23,640 representing a 0.63% increase the last 24 hours and 13.57% increase in trading volume. The funding rate of BTC is 0.0100%.

ETHEREUM

ETH is trading at $1,652 as of this writing, representing a 24-Hour increase of 0.86% and a funding rate of 0.0100%. Over the last 24 Hours, the trading volume increased by 20.42%. As of today, ETH holds 18.3% of the cryptocurrency market, making it the second-largest coin traded.

OVERVIEW

Latest Digital Asset News

1- France passes new crypto registration rules for firms

The French National Assembly passed a set of licensing rules for crypto firms operating in the country as part of a broader bill aimed at harmonizing French law with European Union standards.The final National Assembly vote tally was 109 in favor to 71 against. The French Senate already passed the bill, so it will travel next to French President Emmanuel Macron, who has 15 days to either approve it or send it back to the legislature, though the bill is expected to become law. Following an industry push, the provisions will take a milder form than French policymakers originally proposed amid a regulatory push after the collapse of FTX — taking a step toward broader anticipated EU rules.

2 - Visa's Crypto Strategy Remains Intact Despite Crypto Winter

U.S. payments giant Visa remains committed to investing in the crypto sector and supporting the technology despite recent failures in the industry, the company said Tuesday. Reuters reported earlier Tuesday that Visa is “slamming the brakes” on new partnerships with crypto-related firms as the industry is facing renewed scrutiny after the collapse of once-popular crypto exchange FTX. “The recent failures do not change our crypto strategy and focus to serve as a bridge, helping connect both platforms and technologies emerging in the crypto ecosystem,” the spokesperson said. “That is where we have been investing and plan to continue to invest.”

3 - Solana proposes network upgrade changes following recent outage

The Solana network suffered a significant outage on Feb. 25, leading to downtime that lasted close to 20 hours. It was the first interruption of service to occur this year. However, 2022 saw 11 major outages and 3 minor ones – cementing a reputation for poor network reliability. Addressing the issue will focus on improving the software release process for updates. This will involve using external developers and auditors to hunt for bugs and exploits. Other changes include forming an adversarial team to “build additional hooks and instrumentation into the validator code” for more thorough testing. Also, looking into simpler, more efficient network restart procedures.

(1) https://www.theblock.co/post/215461/france-passes-new-crypto-registration-rules
(2) https://www.coindesk.com/business/2023/02/28/visas-crypto-strategy-intact-despite-crypto-winter/
(3) https://cryptoslate.com/solana-proposes-network-upgrade-changes-following-recent-outage/

OVERVIEW

Trader's Digest

According to Glassnode, the amount of Bitcoin held in dormant wallets (2.6m), referring to holders who haven't moved their Bitcoin in over 10 years, currently exceeds the amount of Bitcoin held on centralized exchanges (2.2m). Clearly, many market participants are confident in Bitcoin's future and are moving away from centralized exchanges towards non-custodial wallets where they feel more safe.

From a chartist point of view, Bitcoin rebounded by 3% as it approached an important support level. Prices are currently ranging within a rising wedge pattern which is usually a bearish reversal pattern but only if prices break below. Right now, we are looking at the bottom-end of this pattern as well as the 50-day moving average as key support for this recent uptrend. Looking at the indicators below, we can see that this trend is exhausted and is most likely looking for a major catalyst to continue higher.

As long as prices trade above $22,700, we expect further upside. However, if prices break below $22,700 we would anticipate further pressure towards $21,400 and possibly $20,200.

Many were expecting DEXs to take over CEXs after the FTX collapse. That didn't exactly happen.

As much as investors and traders understand the need for a decentralized exchange, the competition doesn't yet offer a better user experience than its centralized counterparts.

In 2022, Coinbase's volume was very similar to Uniswap's. This trend has shifted since the start of the year. As of Tuesday, Coinbase recorded $93 billion vs. $57 billion on Uniswap according to Kaiko.

Centralized exchanges are clearly doing a better job at onboarding the average Joe. There is no doubt that decentralized exchanges will grab more market share in the future, but there remains a lot of work in terms of providing more order execution features and fixing their vulnerability to hacks in order to truly push for widespread adoption.

Let's go over a chart of Uniswap.

UNIUSDT has been trading within a tight range between $6 and $7.4 since mid-January after having broken out of the previous range posted in 4Q2022. Looking at the RSI, we can see that it's supported by a rising trend line, indicating that the uptrend is still intact.

Moving on with UNIBTC, it seems that the pair is rebounding off a potential support zone. If this pair continues to trade higher and breaks above the declining trend line, then we would witness Uniswap outperforming Bitcoin in the short term.

If prices break and close above $7.4, which intersects with the top-end of a bigger trend channel, then we can expect further upside towards $7.8 and $8.3 in extension.

yacine.ouldchikh published on TradingView.com, Mar 01, 2023 10:18 UTC-5

TradingView

OVERVIEW

Altcoin Analysis

The equity market continues to trade in a tight range and is looking for direction.

Looking at the technicals briefly, we see that Nasdaq is still being supported by the 50-day and 200-day moving averages despite trading below the 20-day moving average. The index broke below a double top pattern on February 21st and since then has been trending lower.

A recent Bloomberg article unveiled that some Quants are expecting a sell-off if the S&P500 breaks below its 200-day moving average. There is no doubt that this level is an important one in terms of market psychology, but it remains to be seen if market participants will pull the trigger when that happens.

02/28/2023 03:06:08 [BN]

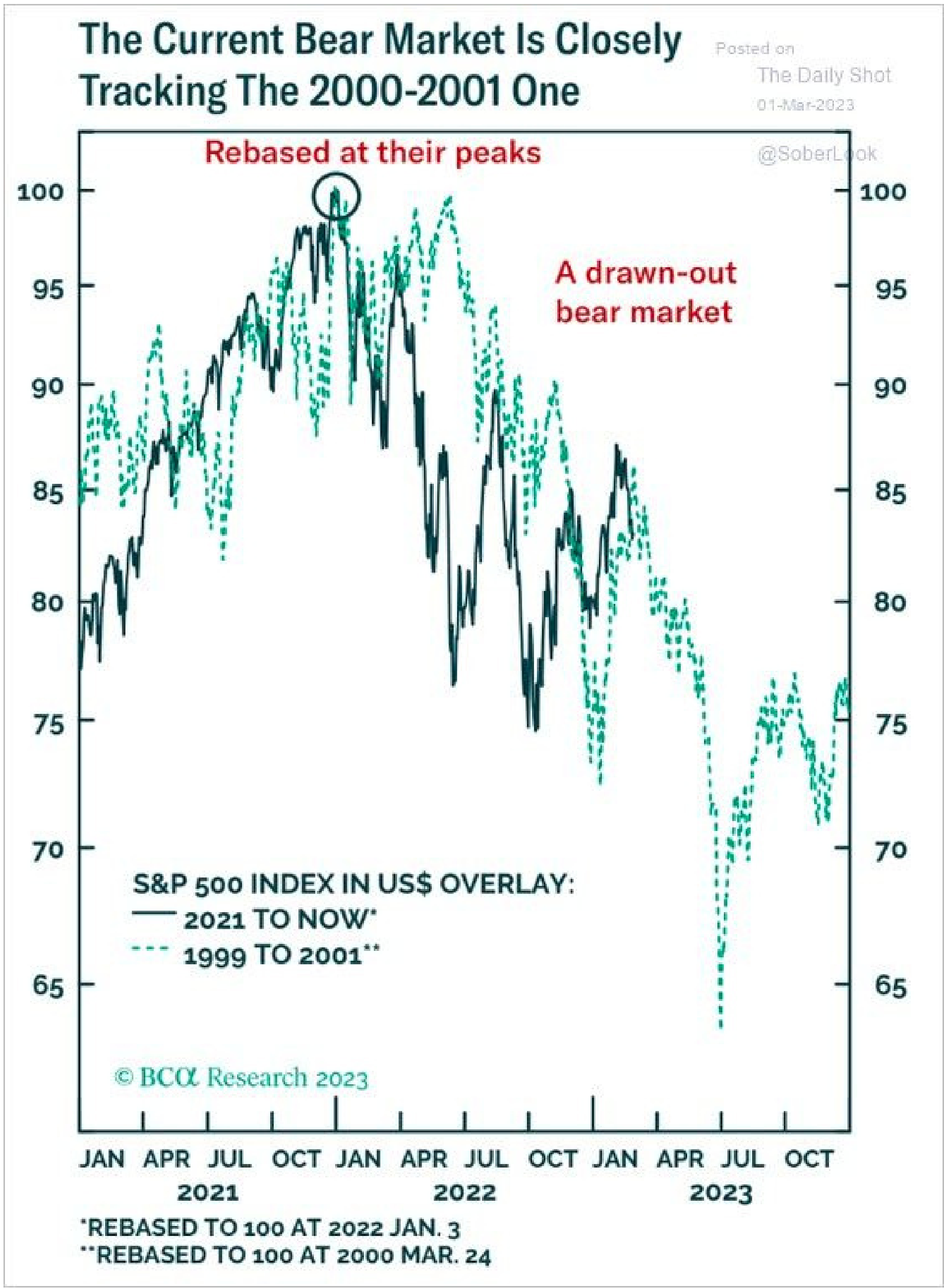
(Bloomberg) -- After fueling the big Wall Street rebound, trend-following quants now look poised to offload stocks if the S&P 500 falls below a key technical threshold, warns JPMorgan Chase & Co.'s trading desk.

Should the benchmark gauge slip under its average price from the past 200 days, so-called commodity trading advisors could be forced to unload about $50 billion of equities, the JPMorgan team estimated. The index on Friday came within 1% of the threshold, which sat near 3,940.

Fresh selling would deepen a retreat from global stocks by CTAs that is, according to Nomura Securities International, already at $40 billion in the past two weeks. CTAs were among the quant players that helped spur the equity rally since October only to turn into sellers in 2023, dimming the market's new-year advance.

Getting a clear picture of the quant world isn't easy, and models built on subjective assumptions often spit out different numbers on money flows. While far from an exact science, such projections offer a lens into the positioning among fast-money traders, a technical force that Wall Street is increasingly fixated on in a market where fundamental narratives are shifting constantly.

For now, the equity market is closely tracking the bear market of 2000-2001. If history repeats itself, we should be expecting another leg down with new yearly lows.



The Current Bear Market Is Closely Tracking The 2000-2001 One
Posted on
The Daily Shot
01-Mar-2023
@SoberLook
Rebased at their peaks
A drawn-out bear market
100
95
90
85
80
75
70
65
S&P 500 INDEX IN US$ OVERLAY:
2021 TO NOW*
1999 TO 2001**
© BCA Research 2023
JAN APR JUL OCT JAN APR JUL OCT JAN APR JUL OCT
2021
2022
2023
*REBASED TO 100 AT 2022 JAN. 3
**REBASED TO 100 AT 2000 MAR. 24

Disclaimer

This research is for informational use only. This is not investment advice. Other than disclosures relating to Secure Digital Markets this research is based on current public information that we consider reliable, but we do not represent it is accurate or complete, and it should not be relied on as such. The information, opinions, estimates, and forecasts contained herein are as of the date hereof and are subject to change without prior notification. We seek to update our research as appropriate.

Any forecasts contained herein are for illustrative purposes only and are not to be relied upon as advice or interpreted as a recommendation. The price of crypto assets may rise or fall because of changes in the broad market or changes in a company's financial condition, sometimes rapidly or unpredictably. Past performance is not a guide to future performance, future returns are not guaranteed, and a loss of original capital may occur. Fluctuations in exchange rates could have adverse effects on the value or price of, or income derived from, certain investments. We and our affiliates, officers, directors, and employees, excluding equity and credit analysts, will from time to time have long or short positions in, act as principal in, and buy or sell, the securities or derivatives, if any, referred to in this research.

The information on which the analysis is based has been obtained from sources believed to be reliable such as, for example, the company's financial statements filed with a regulator, company website, company white paper, pitchbook and any other sources. While Secure Digital Markets has obtained data, statistics, and information from sources it believes to be reliable, it does not perform an audit or seek independent verification of any of the data, statistics, and information it receives.

Unless otherwise provided in a separate agreement, Secure Digital Markets does not represent that the report contents meet all of the presentation and/or disclosure standards applicable in the jurisdiction the recipient is located. Secure Digital Markets and their officers, directors and employees shall not be responsible or liable for any trading decisions, damages or other losses resulting from, or related to, the information, data, analyses, or opinions within the report.

Crypto and/or digital currencies involve substantial risk, are speculative in nature and may not perform as expected. Many digital currency platforms are not subject to regulatory supervision, unlike regulated exchanges. Some platforms may commingle customer assets in shared accounts and provide inadequate custody, which may affect whether or how investors can withdraw their currency and/or subject them to money laundering. Digital currencies may be vulnerable to hacks and cyber fraud as well as significant volatility and price swings.

Contact Us

Start trading with Secure Digital
Market today by e-mailing:

TRADING@SECUREDIGITALMARKETS.COM

SECUREDIGITALMARKETS.COM