FEBRUARY 28 - 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	$23,460	-1.66%	$23,205	$23,611	0.0057%
ETH/USD	$1,635	-1.62%	$1,615	$ 1,662	0.0065%
XAU/USD	$1,824.10	0.32%	$1,804.70	$1,827.40	
USD/CAD	1.3608	0.23%	$1.3559	$1.3615	
EUR/CAD	$1.4477	0.52%	$1.4372	$1.4485	

BITCOIN

A snapshot of Bitcoin's spot price as of this writing is $23,460 representing a 1.66% decrease the last 24 hours and 8.80% increase in trading volume. The funding rate of BTC is 0.0057%.

ETHEREUM

ETH is trading at $1,635 as of this writing, representing a 24-Hour decrease of 1.62% and a funding rate of 0.0065%. Over the last 24 Hours, the trading volume decreased by 3.35%. As of today, ETH holds 18.3% of the cryptocurrency market, making it the second-largest coin traded.

OVERVIEW

Latest Digital Asset News

1- Ethereum conducts successful rehearsal of Shanghai upgrade

Ethereum enthusiasts and developers took to Twitter to announce that the Shapella network is now live and finalized on the Sepolia testnet. Named Shapella after the upcoming Shanghai and Capella hard forks, the upgrade will enable validators to withdraw rewards earned from adding or approving blocks to the blockchain. These tests on the testnets allow developers to trial changes to their applications without risking real-world stakes. Sepolia is the second of three testnets to run through the simulation, and unlike the previous test, it was a closed one, with only Ethereum's core developers running validators on this testnet. The next upgrade will be on the Goerli testnet, followed by the mainnet, ultimately finalizing the Shanghai upgrade.

2 - Visa, Mastercard pause crypto push in wake of industry meltdown - sources

Despite making multiple advances in opening their business toward the cryptocurrency sector, payment giants Visa and Mastercard have decided to put on hold their further venturing into the sector due to fears over its stability. As it happens, multiple high-profile collapses of crypto businesses and increased regulatory scrutiny have shaken both companies' faith in the industry, unnamed individuals with knowledge on the matter have revealed, according to the report by Reuters published on February 28. In addition to having already made specific steps in crypto adoption, both Mastercard and Visa were planning to launch a number of financial services and products related to cryptocurrencies, which have now been postponed until the market and regulatory conditions improve.

3 - Wrapped Bitcoin supply drops to negative after 11,500 wBTC burn linked to Celsius

The supply of wrapped Bitcoin (wBTC) dropped to its lowest since May 2021 after the second-largest single-day burn on Feb. 27. A total of 11,500 wBTC ($260 million) linked to now-bankrupt crypto lender Celsius was burned, turning its growth rate negative. The current total supply of the wrapped token is 164,396 wBTC, with a monthly growth rate of -7.39%. A similar scenario occurred in November 2022 after the FTX collapse, where reports indicate the now-bankrupt crypto exchange tried redeeming 3,000 wBTC just before filing for bankruptcy. After the FTX collapse in November, wBTC experienced its largest monthly coin redemption, with over 28,000 wBTC redeemed back to the original coin.

(1) https://crypto.news/ethereum-conducts-sucessful-rehearsal-of-shanghai-upgrade/
(2) https://www.reuters.com/article/idUSL4N3583BX
(3) https://cointelegraph.com/news/wrapped-bitcoin-supply-drops-to-negative-after-11-500-wbtc-burn-linked-to-celsius

OVERVIEW

Trader's Digest

As I mentioned yesterday, we're in a data-dependant environment, and we need to trade day by day, data point by data point.

Today's main two data releases came out relatively weaker than expectations:

U.S CHICAGO PMI (FEB) ACTUAL: 43.6 VS 44.3 PREVIOUS; EST 45.5

U.S CB CONSUMER CONFIDENCE (FEB) ACTUAL: 102.9 VS 107.1 PREVIOUS; EST 108.5

So, since the narrative still stands "BAD NEWS IS GOOD NEWS", the trade was quite simple;

*BUY: Gold, Bonds, (Mixed for Risk assets)
*SELL: US Dollar, US Yields

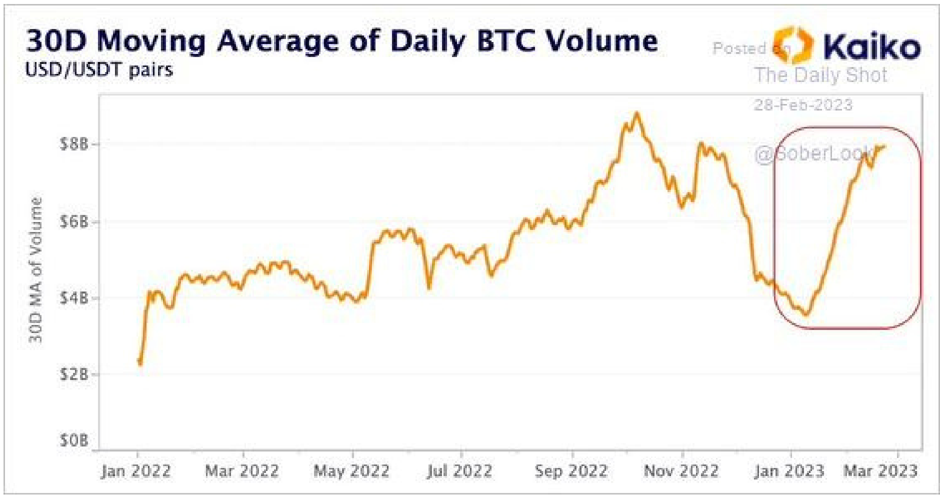
Now the Equity market still holds support, with the S&P 500 holding at the 200-day moving average. Still, nothing is sure this week as every data being released daily brings another wave of volatility that can go in either direction.

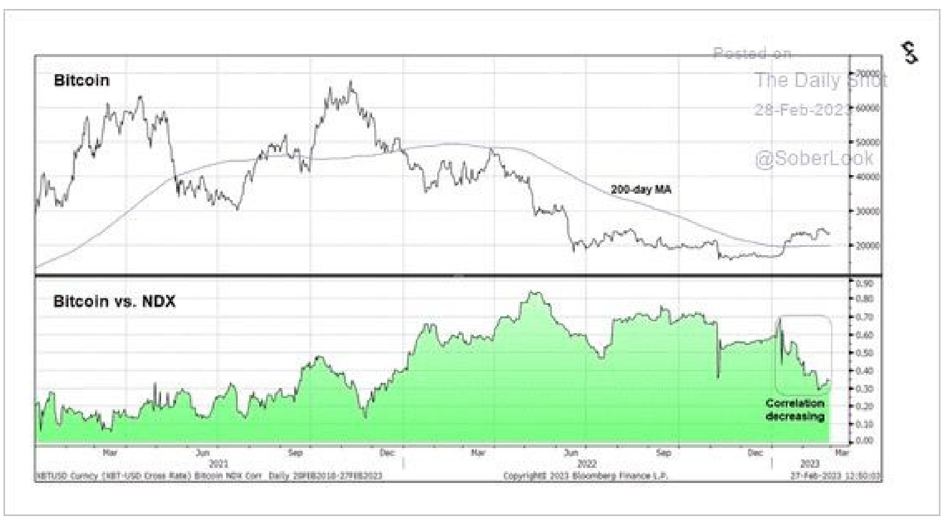
Tomorrow - Wednesday

*9:45 AM - Man PMI
*10:00 AM - ISM Manufacturing

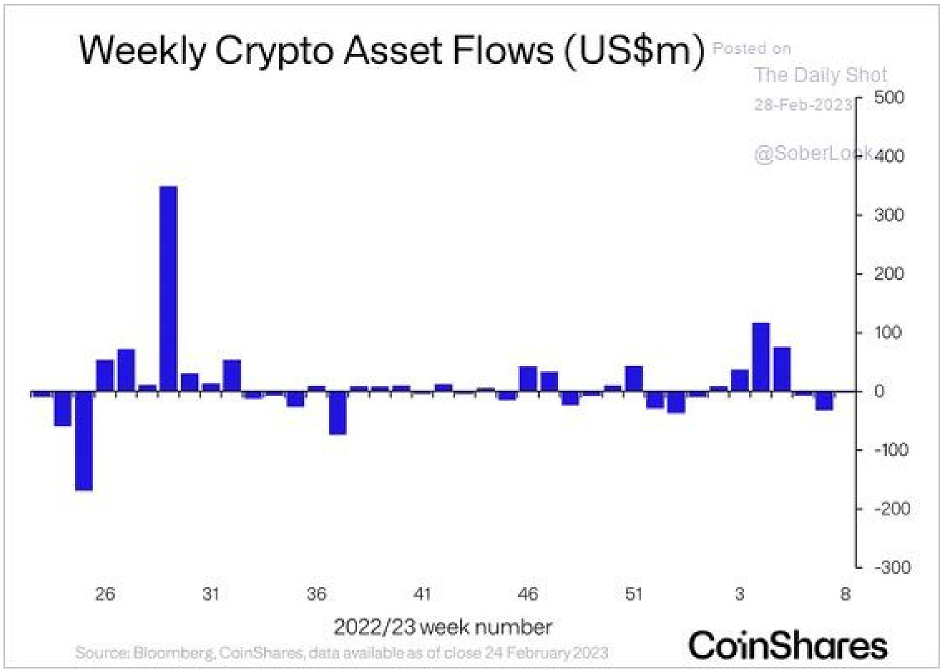
On the cryptocurrency side, Bitcoin is still hovering right around the 2023 uptrend line, while its trading volume accelerated over the past month.

Additionally, Bitcoin's correlation with the Nasdaq 100 index keeps on decreasing. The relationship is now more in-line with mid-2021 when BTC fluctuated in a tight range.





Finally, crypto funds saw minor outflows last week, while investors continued to exit long-bitcoin funds and add to short-bitcoin funds.



Flows by Asset (US$m)

CoinShares	Week flows	MTD flows	YTD flows	AUM
Bitcoin	-11.7	-16.8	146	19,327
Ethereum	-0.2	-1.6	8	7,040
Multi-asset	-1.1	-7.4	-24	2,441
Binance	-	0.3	0	317
Short Bitcoin	9.9	14.0	48	154
Litecoin	-0.2	-0.2	0	149
Tron	-	-	-0	68
Solana	0.5	1.5	4	66
Polygon	0.6	0.3	1	39
XRP	-	0.3	0	36
Other	0.3	2.7	6	171
Total	**-1.9**	**-6.8**	**189**	**29,806**

Source: Bloomberg, CoinShares, data available as at 24 Feb 2023

* Independent daily attestation by Armanino

OVERVIEW

Altcoin Analysis

Cardano successfully passed its “Valentine” upgrade.

This upgrade will improve the cross-chain functionality for DeFi applications which is crucial for the growth of the blockchain as users will have the ability to interact with different blockchains and access a wider range of services.

The hype behind this coin has definitely come down since the last bull run but there is still a group of loyal fanatics online hoping for a revival.

From a chartist point of view, ADAUSDT has been trading within a declining trend channel in place since the month of May. Recently, prices have been pulling back from the top-end of this pattern and have now created the formation of a potential double top pattern. If prices break below the lows, it would trigger bearish implications that would send prices much lower.

ADABTC is clearly indicating that ADA has been underperforming BTC since September.

As long as prices remain below $0.44, we expect more downside towards $0.324 and $0.27 in extension.


yacine.ouldchikh published on TradingView.com, Feb 28, 2023 10:44 UTC-5
Cardano / Bitcoin, 1D, BINANCE −0.00000008 (−0.52%)
BTC
0.00003000
0.00002800
0.00002600
0.00002400
0.00002200
0.00002117
0.00002000
0.00001800
0.00001600
0.00001543
08:15:26
0.00001477
0.00001200
75.00
50.00
34.09
25.00
−0.00000011
−0.00000020
−0.00000031
2022
Mar
May
Jul
Sep
Nov
2023
Mar
May
TradingView

Let’s move on with the price action.

DOTUSDT has recently broken above a falling wedge pattern in mid-January and has since squeezed by over 45%. After having reached the 50% fibonacci level, prices pulled back by 20% to reach $6.3. Recently, prices have been trading within a rising trend channel and are about to rebound off the bottom-end of the pattern.

Looking at DOTBTC, the coin has been underperforming BTC by 30% since November.

As long as prices are above $6.10, we expect further upside towards $8 and $9.50 in extension.

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