FEBRUARY 24 - 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	$23,586	-1.83%	$23,582	$24,103	0.0070%
ETH/USD	$1,615	-2.58%	$1,615	$ 1,661	0.0088%
XAU/USD	$1,811.80	-0.61%	$1,808.40	$1,826.80	
USD/CAD	1.3644	0.72%	$1.3526	$1.3666	
EUR/CAD	$1.4400	0.32%	$1.4338	$1.4411	

BITCOIN

A snapshot of Bitcoin's spot price as of this writing is $23,586 representing a 1.83% decrease the last 24 hours and 23.27% decrease in trading volume. The funding rate of BTC is 0.0070%.

ETHEREUM

ETH is trading at $1,615 as of this writing, representing a 24-Hour decrease of 2.58% and a funding rate of 0.0088%. Over the last 24 Hours, the trading volume decreased by 21.51%. As of today, ETH holds 18.3% of the cryptocurrency market, making it the second-largest coin traded.

OVERVIEW

Latest Digital Asset News

1- Tencent to Offer Metaverse-Building Services for Asian Markets

Tencent, one of the biggest Chinese tech companies, has revealed its hand regarding the future of its metaverse strategy. The company announced that it will focus on offering “metaverse-in-a-box” services to its customers through its cloud division. This move, which comes as a complement to the media services offering that the company launched last year, aims to facilitate the task of developing virtual worlds for Tencent customers. The tools launched by Tencent will reportedly be used to build and design these metaverse spaces by companies in gaming, media, entertainment, and retail, with various purposes in mind. Tencent aims to bring the services to customers in Asian markets, especially in Singapore, Malaysia, Indonesia, and Thailand, which will experience significant growth in this area according to projections from the company.

2 - EA founder Trip Hawkins joins web3 studio Games For A Living

Trip Hawkins, founder of gaming behemoth Electronic Arts (EA), is switching gears from protagonist roles at gaming giants to a Barcelona-based web3 game studio startup, Games For A Living (GFAL). Hawkins will join the startup as chief strategy officer and a member of the board. He's seen startups through every stage from working alongside Steve Jobs at Apple to helping lead EA toward its initial public offering, according to a company release. "Trip is the father of modern video game publishing and one of the best visionaries in the games industry, to the extent that he was already talking about NFTs back in 2007 when I first met him," said Manel Sort, CEO of GFAL. "We're honored to have him on board to guide our strategy going forward, which I am sure will be a huge boost to our business and the future of blockchain gaming."

3 - NBA Top Shot NFTs could be unregistered securities, judge says

A New York judge has ruled that a proposed class-action lawsuit against Dapper Labs and its Top Shot Moments NFT collection can move forward because the offering could have been an unregistered securities offering. In the eyes of the plaintiffs, the offering should have registered with the SEC but instead, it opted to withhold important information from investors about the risks of investing in its NFTs. Many of these have collapsed since their purchase. In his ruling, US District Judge Victor Marrero echoed plaintiffs’ claims that Top Shot Moments likely involved an investment contract.

(1) https://news.bitcoin.com/tencent-to-offer-metaverse-building-services-for-asian-markets/
(2) https://www.theblock.co/post/215032/ea-founder-trip-hawkins-joins-web3-studio-games-for-a-living?utm_source=cryptopanic&utm_medium=rss
(3) https://protos.com/nba-top-shot-nfts-could-be-unregistered-securities-judge-says/

OVERVIEW

Trader's Digest

The Federal Reserve favorite inflation data - Core PCE Index was being released this morning, and yes it was the most anticipated event of the week.

PCE Figures were out at 8:30 AM, and investors had most importantly their eyes on the Core PCE MoM metric.

Basically;

HTX = Bad for Gold, Risk Assets, Bonds / Good for USD, US Yields
LTX = Bad for USD, US Yields / Good for Gold, Risk Assets, Bonds

From bloomberg, expectations were at 0.4%, more skewed toward 0.5%. So, with the data coming out HTX (0.6%), risk assets, bonds, and gold went down, while the US Dollar and US yields rallied.

Friday, February 24, 2023						
08:30	USD	★★★	Core PCE Price Index (MoM) (Jan)	0.6%	0.4%	0.4%
08:30	USD	★★☆	Core PCE Price Index (YoY) (Jan)	4.7%	4.3%	4.6%
08:30	USD	★★☆	PCE Price index (YoY) (Jan)	5.4%		5.3%
08:30	USD	★★☆	PCE price index (MoM) (Jan)	0.6%		0.2%
08:30	USD	★☆☆	Personal Income (MoM) (Jan)	0.6%	1.0%	0.3%
08:30	USD	★★☆	Personal Spending (MoM) (Jan)	1.8%	1.3%	-0.1%

YoY, PCE headline inflation, the Fed's "preferred" inflation gauge, hits 5.4%, above expectations of 5.0%, while the Core PCE inflation is now at 4.7%, also above expectations of 4.3%.

Yes, we now unfortunately have higher than expected PPI, jobs and PCE data.


NicolasCarrier published on TradingView.com, Feb 24, 2023 10:56 UTC-5
2-YEAR T-NOTE FUTURES (CONTINUOUS: CURRENT CONTRACT IN FRONT), 1D, CBOT O101'25'6 H101'26'7 L101'18'2 C101'19'3 −0'06'5 (−0.20%)
TradingView


NicolasCarrier published on TradingView.com, Feb 24, 2023 10:56 UTC-5
US Government Bonds 2 YR Yield, 1D, TVC O4.704% H4.826% L4.679% C4.807% +0.105% (+2.23%)
US10Y-US02Y, 1D, TVC O−0.825% H−0.825% L−0.860% C−0.860% −0.041% (−5.01%)
TradingView

As you can see, the US Dollar Index broke the $114.500 pivot point, the US2Y Bonds are trading right at the cyclical lows, Gold is on its way to $1,800 and Equities are melting further into the sandbagger dip.

The US10Y-US02Y Spread is about to invert even further, and our main cryptocurrency, Bitcoin, is now heading toward the $23,000 point of control, situated right at the 2023 uptrend line.

OVERVIEW

Altcoin Analysis

Given that the market is feeling some pressure, we are looking for potential shorts.

Today’s target: Decentraland (MANA).

According to Santiment, MANA experienced one of its largest transactions of all time on its network recently. Usually these large transactions foreshadow price swings in a new direction.

We can all agree that the Metaverse will present a ton of new investment opportunities, but it doesn’t seem that the technology is there yet to reach global adoption. We’re clearly noticing a lot of improvement as the competition increases.

Time to dive into the technicals.

MANAUSDT has been trading within a declining trend channel since the month of May. Recently, prices started to pullback from the top-end, indicating that the recent rally is losing steam. Within this price range, we also notice the formation of a Head-and-Shoulders pattern, which is a bearish reversal pattern that is found at the end of a rally.

If prices break below $0.62, it would confirm the breakout of the pattern and send prices much lower. This pattern is invalidated if prices break above the right shoulder located near $0.76.

As long as prices remain below $0.76, we expect further pressure towards $0.523 and $0.42 in extension.

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Contact Us

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

TRADING@SECUREDIGITALMARKETS.COM

SECUREDIGITALMARKETS.COM

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