FEBRUARY 17 - 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	$24,127	-3.01%	$23,460	$25,134	0.0100%
ETH/USD	$1,672	-2.53%	$1,636	$ 1,732	0.0100%
XAU/USD	$1,836.40	-0.03%	$1,818.40	$1,842.00	
USD/CAD	1.3495	0.29%	$1.3445	$1.3438	
EUR/CAD	$1.4389	0.19%	$1.4340	$1.4408	

BITCOIN

A snapshot of Bitcoin's spot price as of this writing is $24,127 representing a 3.01% decrease the last 24 hours and 29.58% increase in trading volume. The funding rate of BTC is 0.0100%.

ETHEREUM

ETH is trading at $1,672 as of this writing, representing a 24-Hour decrease of 2.53% and a funding rate of 0.0100%. Over the last 24 Hours, the trading volume increased by 41.79%. As of today, ETH holds 18.3% of the cryptocurrency market, making it the second-largest coin traded.

OVERVIEW

Latest Digital Asset News

1- Mt. Gox's 2 Largest Creditors Pick Payout Option That Won't Force Bitcoin Sell-Off

The two biggest creditors of Mt. Gox, the crypto exchange that failed due to a hack nine years ago, have elected to get their bankruptcy recovery paid out mostly in bitcoin (BTC), according to people familiar with the matter. Defunct New Zealand-based crypto exchange Bitcoinica and MtGox Investment Funds (MGIF) – which together represent about a fifth of all Mt. Gox claims – will, as a result, get paid 90% of their collectable funds (which are calculated at approximately 21% of what they had locked on the platform at the time of the hack in 2014). Their decision to pick the former option could soothe longstanding fears among bitcoin holders that a wave of simultaneous liquidations tied to Mt. Gox bankruptcy recoveries could drive down the price of bitcoin. Had these two creditors opted to take the payout in fiat, the trustee overseeing the bankruptcy estate would likely have been compelled to sell off a significant portion of Mt. Gox's recovered bitcoin holdings to fulfill all the fiat requests.

2 - Japan Will Launch Pilot for Issuing Digital Yen In April

Japan will launch a pilot programme in April to test the use of its version of the central bank digital currency (CBDC) known as the digital yen, its central bank said on Friday. "We plan to develop a system for experiments," Bank of Japan (BoJ) Executive Director Shinichi Uchida said in remarks during the fifth meeting of the BoJ Liaison and Coordination Committee on Central Bank Digital Currency. "The aim of the pilot program is twofold: first, to test the technical feasibility...and second, to utilize the skills and insights of private businesses in terms of technology and operation for designing a CBDC ecosystem in the possible event of social implementation," Uchida said.

3 - SEC poised to sue Terraform Labs, the company behind the failed TerraUSD stablecoin

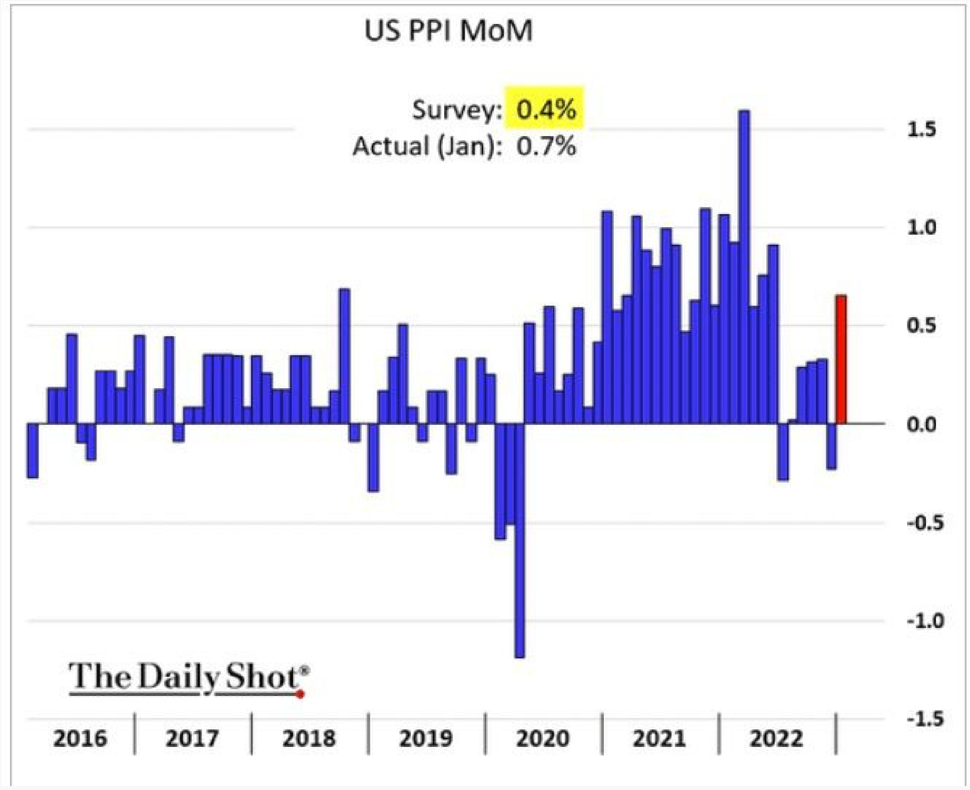
The U.S. Securities and Exchange Commission accused stablecoin issuer Terraform Labs and its founder Do Kwon of transferring thousands of bitcoin worth millions of dollars to a Swiss bank account following the enterprise's collapse in May last year, court filings from Thursday show. The SEC filed suit against the company and Kwon for misleading customers on a number of issues, including the sale of unregistered securities. The filing alleges the defendants first transferred more than 10,000 bitcoin "from Terraform and Luna Foundation Guard crypto asset platform accounts to an un-hosted wallet," which was used to store crypto outside of custody or exchange platforms.

(1) https://www.coindesk.com/business/2023/02/16/mt-goxs-2-largest-creditors-pick-payout-option-that-wont-force-bitcoin-selloff-sources/
(2) https://www.coindesk.com/policy/2023/02/17/japan-will-launch-pilot-for-issuing-digital-yen-in-april/
(3) https://www.coindesk.com/policy/2023/02/17/terraform-labs-do-kwon-transferred-more-than-10k-bitcoin-out-of-platform-accounts-after-collapse-sec/

OVERVIEW

Trader's Digest

There have been plenty of reasons for US dollar strength this week, including yesterday's PPI, and the comments from Bullard and Mester - both non-voters, accentuated the pressure on risk assets.



After the HTX PPI figures, Nasdaq & the SP500 were both trading right at their respective longer-term uptrend line. Often when the narrative is bearish for the day, while the technicals are right at support (which was the case yesterday pre-open), we tend to have a big squeeze before the actual meltdown. Therefore, with the mix of bearish macro tone and Fed commentaries, the rally had to be sold!

NicolasCarrier published on TradingView.com, Feb 17, 2023 08:44 UTC-5

NicolasCarrier published on TradingView.com, Feb 17, 2023 08:42 UTC-5

Fed's Mester Says She Saw 'Compelling' Case for Half-Point Rate Hike

- Costs of undershooting rates outweigh costs of overtightening
- Mester says rates may need to go higher if inflation persists

Source: @Jonnelle, @economics **Read full article**

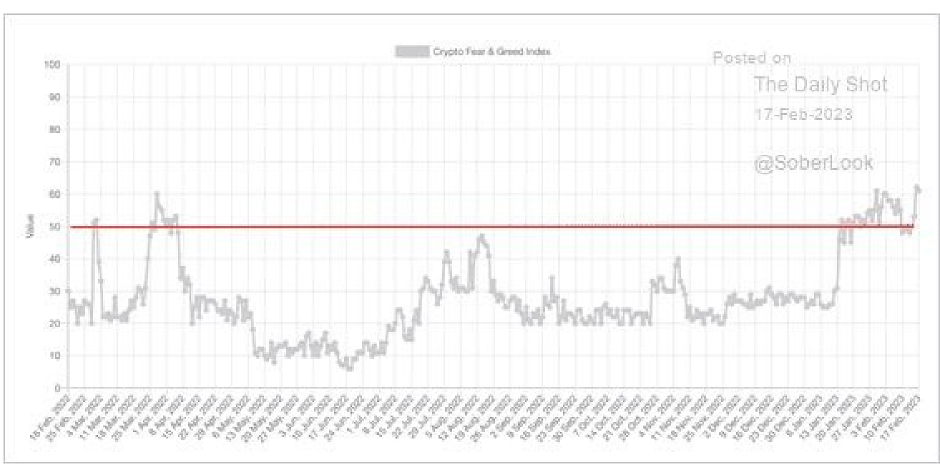
Fed's Bullard Open to Half-Point Rate Hike at Next Meeting

- Official seeks fed funds rate at 5.375% as soon as possible
- Advocated for 50 basis-point increase at last meeting

Additionally, the USD Index softened this morning after it reached the 0.236% Fibonacci retracement. This level also converges with the August 2022 pivot point, a key level that previously acted as support and is now resistance.

Cryptos rallied over the past week, with bitcoin outperforming large-cap peers. Bitcoin's dominance ratio continues to hold support, and nteresting enough, a sustained rise in the dominance ratio typically signals risk-off conditions.

Bitcoin rallied as high as $25,200 yesterday, before finding sellers as the broader market turned off their risk-on sentiment. Finally, the Crypto Fear & Greed Index returned to "greed" territory, so all eyes on the most recent pivot point ahead of the long weekend!



OVERVIEW

Altcoin Analysis

The hunt for gains within the meme coin community continues.

Recently, Elon Musk had shared a picture of a Shiba Inu dog dressed up as a CEO and tweeted “the new CEO of Twitter is amazing”. That was enough for the three major meme coins to jump with DOGE up 6.1%, Shiba Inu up 4.3%, and FLOKI up 39%.

Looking at the ratio of DOGE/SHIB, you can immediately see that Shiba has been outperforming Dogecoin since the beginning of December by over 40%. At least Shiba is trying to create something out of nothing with their new Shibairum layer 2 solution.

Moving on with a chart of DOGEUSDT, the coin has surged by 50% from the start of the year to the beginning of February but has since pulled back by over 20%. Right now, prices are trading within a consolidation channel as the meme coin is trying to figure out its next steps.

As long as prices are trading below $0.10, we expect further downside towards the next support of $0.0780 and $0.066 in extension.

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