FEBRUARY 14 - 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	$22,044	1.65%	$21,460	$22,293	0.0100%
ETH/USD	$1,542	3.64%	$1,470	$ 1,562	0.0100%
XAU/USD	$1,856.80	0.13%	$1,842.60	$1,871.30	
USD/CAD	1.3352	0.16%	$1.3273	$1.3391	
EUR/CAD	$1.4331	0.25%	$1.4291	$1.4367	

BITCOIN

A snapshot of Bitcoin's spot price as of this writing is $22,044 representing a 1.65% increase the last 24 hours and 12.32% increase in trading volume. The funding rate of BTC is 0.0100%.

ETHEREUM

ETH is trading at $1,542 as of this writing, representing a 24-Hour increase of 3.64% and a funding rate of 0.0100%. Over the last 24 Hours, the trading volume increased by 3.52%. As of today, ETH holds 18.3% of the cryptocurrency market, making it the second-largest coin traded.

OVERVIEW

Latest Digital Asset News

1- Siemens Issues First Blockchain-Based Digital Bond

Siemens issued a blockchain-powered digital bond worth 60 million euros on Tuesday, the company said in a press release. The bond, launched in compliance with Germany's Electronics Securities Act, has a maturity of one year. Siemens said issuing the bond on a blockchain offers several benefits, including eliminating the need for paper-based global certificates and central clearing. In addition, it allows the company to sell the bond directly to investors without an intermediary bank. Siemens' Chief Financial Officer, Ralf P. Thomas, stated that the company's success in supporting its customers' digital transformation made it only "logical that we test and utilize the latest digital solutions in finance."

2 - US Judge Approves Removal of FTX Turkish Units From Bankruptcy Case

FTX's Turkish units will be excluded from its U.S. bankruptcy proceedings after the failed crypto exchange said authorities in the country are unlikely to cooperate with U.S. courts. Delaware Bankruptcy Court Judge John T. Dorsey signed an order approving the dismissal on Monday in response to a January request by FTX representatives. Just days after FTX filed for bankruptcy last November, Turkish law enforcement announced the company's local activities were under investigation, and later ordered the seizure of a majority of FTX's assets in the country. FTX's new management in the U.S. argued it was unproductive to include FTX Turkey and SNG Investments – whose assets and activities are largely confined to Turkey – in the restructuring plans. The court found the request is "in the best interests of" FTX and its estates. Parent company FTX Trading Ltd. owns 80% of FTX Turkey while SNG Investments is fully owned by FTX's sister trading firm, Alameda Research.

3 - Credit Suisse leads $65 million Series B in digital asset firm Taurus

Taurus SA, a Switzerland-based digital asset infrastructure company focused on servicing financial institutions in Europe, raised $65 million in a Series B funding round. Credit Suisse, Switzerland's second-largest bank by assets, led the round, with Deutsche Bank, Germany's largest bank by assets, Pictet Group, a 218-year-old Swiss private bank, and Cedar Mundi Ventures, a tech-focused Lebanese investment firm, participating, Taurus announced Tuesday. The company's existing investors, Arab Bank Switzerland and Investis, a publicly listed Swiss real-estate group, also joined the round.

(1) https://tokenist.com/siemens-issues-first-blockchain-based-digital-bond/
(2) https://www.coindesk.com/business/2023/02/14/us-judge-approves-removal-of-ftx-turkish-units-from-bankruptcy-case/
(3) https://www.theblock.co/post/211162/taurus-crypto-series-b-credit-suisse?utm_source=twitter&utm_medium=social

OVERVIEW

Trader's Digest

Bitcoin has turned around and hit a session high, up 4% to $22,300. The main cryptocurrency initially traded as low as $21,600 before reversing and break the weekly high of $22,000.

It's often been a good leading indicator for sentiment in stock markets, particularly in tech stocks. Money is also flowing into meme stocks and stocks tied to AI as dip buying takes place.

This comes after the fact;

US January CPI +6.4% y/y vs +6.2% expected
Prior was +5.5%

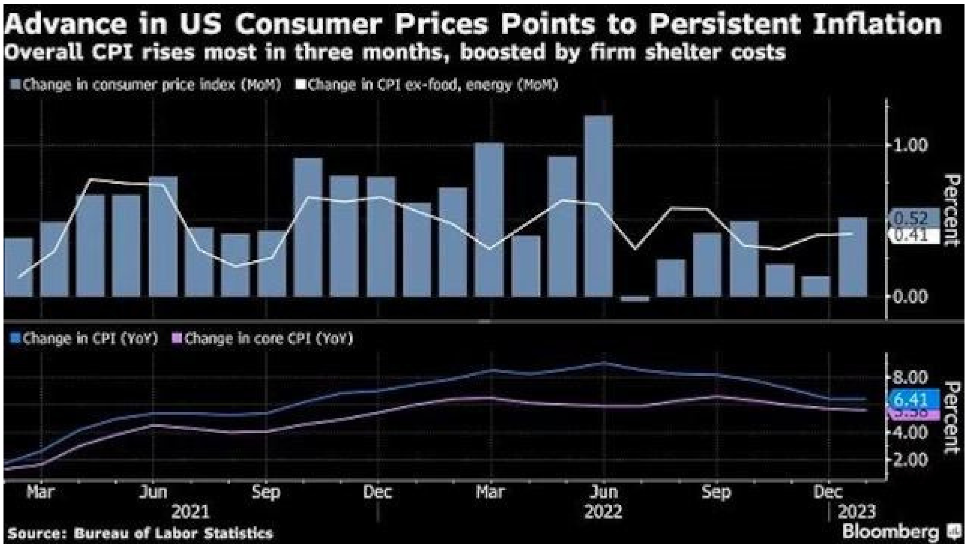
m/m CPI 0.4% vs +0.0% expected
Prior m/m reading was +0.1% (it was revised in the benchmark revisions from -0.1%)

Real weekly earnings +0.7% vs +0.1% prior (revised to 0.0%)

Core inflation:

Ex food and energy +5.6% vs +5.5% y/y expected
Prior ex food and energy +5.7%

Core m/m +0.4% vs +0.4% exp
Prior core m/m +0.4%



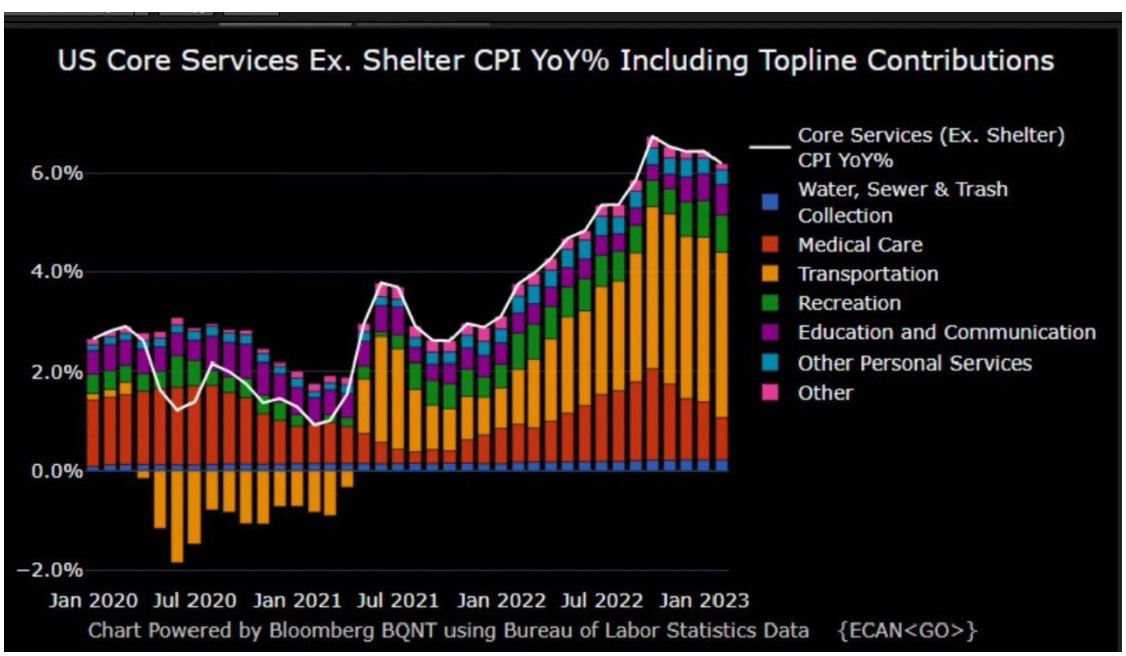
The details of the report showed shelter was “by far” the largest contributor to the monthly advance, accounting for almost half of the rise. Used car prices — a key driver of disinflation in recent months, fell for a seventh month. Energy prices rose for the first time in three months.

Shelter costs, which are the biggest services component and make up about a third of the overall CPI index, rose 0.7% last month. Owners’ equivalent rent and rent of primary residence increased by the same amount, while hotel stays also climbed.

Rates are powerful and low rates have fueled incredible returns in risk assets despite a mediocre economy but the market may still have work to do in pricing out a recession. Moreover, if the Fed hikes rates to 5.50%, that's seen by some as 550 basis points of ammunition for the next downturn, a substantial cushion and a huge Fed put. That's doubly true for those who are convinced that the AI revolution will be deflationary.

Core services excluding shelter, the Fed's most important measure, fell to 0.268% from 0.396%.


unadjusted CPI index level was 0.15% higher than forecast as well. **Shelter prices rose 0.7%, though core services excluding shelter fell to 0.286% from 0.369%, which explains the dovish market reaction -- Powell has highlighted that as a key sector of concern.**



Even though the leading two cryptocurrency, Bitcoin and Ethereum, are both up over 25% since the start of the year, stronger-than-expected jobs growth in January has muddied investors' read on future rate hikes from the Fed, while crypto faces its own challenges amid a regulatory blitz from the Securities and Exchange Commission.

This morning, Ether pushed back above $1,500 now up 2.75%. Ether did underperform in the past few days, after it found heavy sellers at the $1,700 psychological level.

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