FEBRUARY 9 - 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	$22,694	-1.18%	$22,458	$23,023	0.0100%
ETH/USD	$1,638	-1.54%	$1,615	$ 1,658	0.0100%
XAU/USD	$1,879.70	0.17%	$1,876.40	$1,891.20	
USD/CAD	1.3403	-0.32%	$1.3371	$1.3460	
EUR/CAD	$1.4446	0.31%	$1.4391	$1.4464	

BITCOIN

A snapshot of Bitcoin's spot price as of this writing is $22,694 representing a 1.18% decrease the last 24 hours and 8.92% increase in trading volume. The funding rate of BTC is 0.0100%.

ETHEREUM

ETH is trading at $1,638 as of this writing, representing a 24-Hour decrease of 1.54% and a funding rate of 0.0100%. Over the last 24 Hours, the trading volume decreased by 2.34%. As of today, ETH holds 18.3% of the cryptocurrency market, making it the second-largest coin traded.

OVERVIEW

Latest Digital Asset News

1- Tether reports $700 million Q4 net profit in latest attestation report

Stablecoin issuer Tether released its latest attestation report on Thursday, reporting a "net profit" of $700 million in the fourth quarter of 2022, which it says is additional to its reserves. "Tether's reserves remain extremely liquid, with the majority of its investments being held in cash, cash equivalents, and other short-term deposits," the company said in a statement while releasing its December report attested by accounting firm BDO. The report notes Tether's consolidated assets exceeded its liabilities as of Dec. 31, 2022. Tether's consolidated total assets amounted to at least $67.04 billion as of the date, while its consolidated total liabilities amounted to $66.08 billion, per the statement, reflecting excess reserves of at least $960 million.

2 - Bitcoin ATM Operator Coin Cloud Files for Bankruptcy With Liabilities of $100M-$500M

Coin Cloud, which operates more than 4,000 bitcoin ATMs across the U.S. and Brazil, has filed for bankruptcy protection with estimated liabilities of between $100 million and $500 million. The Las Vegas-based firm has assets of between $50 million and $100 million and as many as 10,000 creditors, according to a filing in the U.S. Bankruptcy Court for the District of Nevada dated Feb. 7. The company's largest creditor is Genesis Global Trading, which has an unsecured loan of just over $100 million. Genesis is a subsidiary of Digital Currency Group, which is also the parent company of CoinDesk. Genesis also discussed injecting equity into the ATM operator, Bloomberg reported in November.

3 - German DekaBank plans to launch tokenization platform by 2024

105-year-old German bank DekaBank is planning to launch a blockchain-based tokenization platform in collaboration with the digital asset firm Metaco. DekaBank targets the release of its blockchain platform sometime in 2024, while the infrastructure is expected to be ready in 2023, DekaBank’s digital asset custody executive Andreas Sack told Cointelegraph. “The tokenization platform infrastructure will be ready in the foreseeable future, and that will launch the first minimum viable product in our crypto custody solution,” Sack stated. He added that the first test transactions of the tokenization platform are likely to take place this year. The upcoming offering will involve tokenizing assets like bonds, stocks and funds in order to enable a new token economy

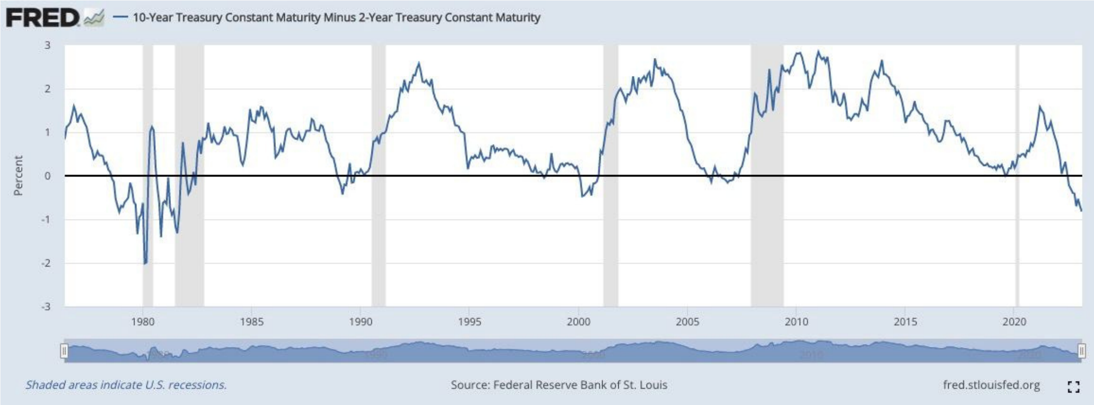
(1) https://www.theblock.co/post/210023/tether-reports-700-million-q4-net-profit-in-latest-attestation-report
(2) https://www.coindesk.com/business/2023/02/08/bitcoin-atm-operator-coin-cloud-files-for-bankruptcy-with-liabilities-of-100m-500m/
(3) https://cointelegraph.com/news/german-dekabank-plans-to-launch-tokenization-platform-by-2024

OVERVIEW

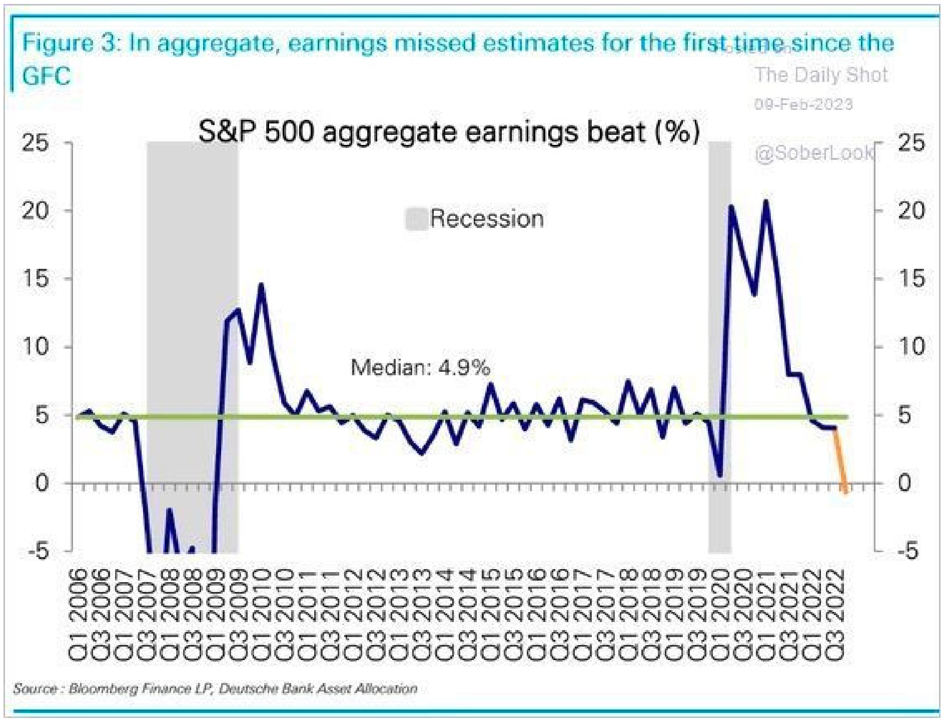
Trader's Digest

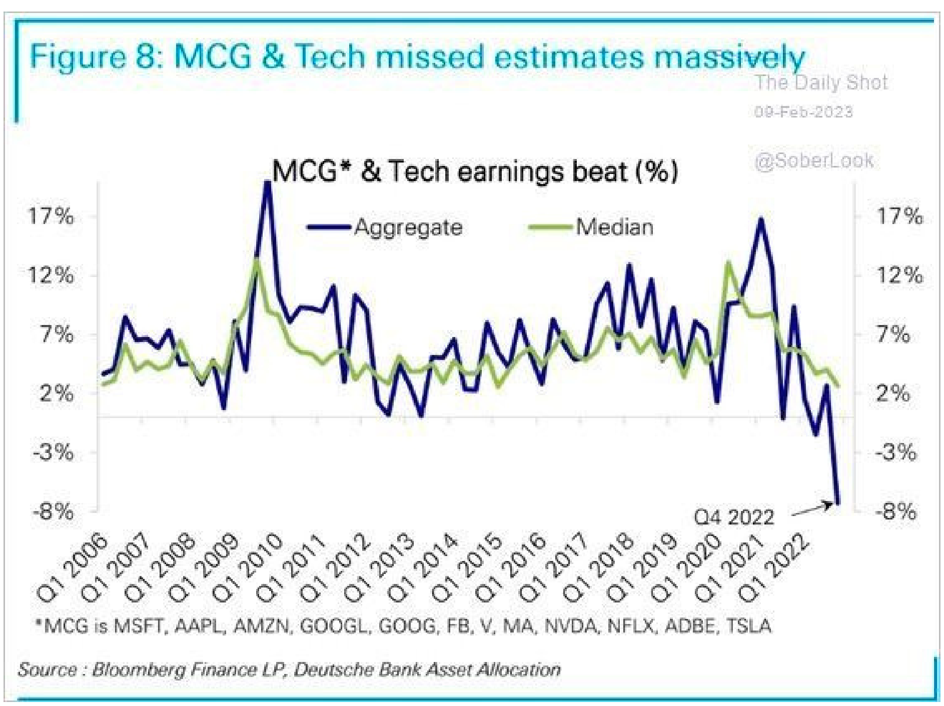
The US10-US02Y Spread, an advanced recession indicator, is trading at new cyclical lows this morning. This comes after a wave of Fed officials, all voters for 2023, commented yesterday, giving a combined hawkish message to the market.

Below, you can see the historical representation of the spread, with the shaded areas indicating US Recessions that occurred post-inversion. As we know, investors are debating whether we will be hit by the most expected recession of all time history or if the Fed will be able to deliver a soft landing...



Circling back on the most recent earnings, the aggregate S&P 500 Q4 earnings missed estimates were seen to levels last visited during the great financial crisis. Luckily, the S&P 500 median earnings beat expectations by an average amount, even though the aggregate tech sector missed estimates massively, driven by mega-cap companies.





Risk assets (BTC & Equities) are still consolidating above the January highs, confused about the next leg's direction. In that case, let's monitor the top and bottom of the consolidation for a break of structure. On a higher time frame, the S&P500 is forming a clean inverse head and shoulder, but remember, nothing is confirmed until we break the structure's neckline. With the current macro conditions, it is even more critical to await confirmation.

Bitcoin is also in consolidation mode, stuck between $24,000 and $22,500 as risk assets. The leading cryptocurrency is indeed losing steam, but something has yet to be confirmed as no break of structure has yet to happen.

Network activity on the Bitcoin blockchain has hit a level not seen since China banned crypto miners in May 2021, according to a report by CryptoQuant citing on-chain data.

This uptick in activity stems from the popularity of the Ordinals protocol, which allows for non-fungible tokens to be stored on the Bitcoin blockchain. NFT activity on Bitcoin has risen exponentially.

According to CryptoQuant's data, the seven-day moving average of transactions on the Bitcoin blockchain hit 345,000, a figure not seen since the second quarter of 2021 when miners had to pack up and leave China.

Finally, despite processing $21 billion in redemptions, stablecoin issuer Tether reported that it still generated $700 million in profits last quarter.

"After a tumultuous end to 2022, Tether has once again proven its stability, its resilience, and its ability to handle bear markets and black swan events, setting itself apart from the bad actors of the industry," Tether's chief technology officer Paolo Ardoino said.

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