



FEBRUARY 16 - 2023

DAILY MARKET REPORT



SECURE
DIGITAL MARKETS

Institutional research.

Markets Insights

KEY METRICS					
PAIRS	SPOT PRICE	24 HR CHANGE	LOW	HIGH	FUNDING RATES
BTC/USD	\$24,430	7.52%	\$22,697	\$24,769	0.0100%
ETH/USD	\$1,678	6.57%	\$1,572	\$1,700	0.0100%
XAU/USD	\$1,828.60	-0.47%	\$1,827.20	\$1,845.50	
USD/CAD	1.3477	0.62%	\$1.3356	\$1.3480	
EUR/CAD	\$1.4359	0.32%	\$1.4299	\$1.4368	



BITCOIN

A snapshot of Bitcoin's spot price as of this writing is \$24,430 representing a 7.52% increase the last 24 hours and 29.58% increase in trading volume. The funding rate of BTC is 0.0100%.



ETHEREUM

ETH is trading at \$1,678 as of this writing, representing a 24-Hour increase of 6.57% 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- Hong Kong to legalize cryptocurrency trading

Hong Kong will legalize the purchase, sale, and trading of cryptocurrencies for all of its citizens in June. The move will also include mainland Chinese institutions. The bullish sentiment related to Hong Kong is based on publicly available information from December, which highlighted the government's legislative framework that seeks to allow certain crypto service providers under the same regulatory umbrella as banks. The financial secretary for Hong Kong, Paul Chan, has expressed his belief that in 2023, local regulators and the government will be willing to work with fintech and cryptocurrency startups. Speaking at an event hosted by the government-run incubator Cyberport, Chan asserted that Hong Kong had become a hub for the world's leading virtual asset companies.

2 - Crypto Lender Celsius to Be Acquired by Novawulf, Exiting Chapter 11

Crypto lender Celsius, which filed for bankruptcy in July 2022, has announced that it will be acquired by Novawulf Digital Management. The company was selected out of more than 130 bids, and Celsius has described the proposed acquisition as a "value-maximizing conclusion." Celsius' committee of unsecured creditors also tweeted about the deal on Wednesday, stating that the reorganization plan will distribute "liquid crypto to all account holders." Alongside this, the committee said the scheme would create a "litigation trust" while also providing creditors with common equity in a new company called "Newco" that will hold illiquid assets such as mining.

3 - Hong Kong Successfully Offered Inaugural \$100M Tokenized Green Bond

Hong Kong's government successfully issued its first tokenized green bond of 800 million Hong Kong dollars (\$101 million UDS), according to an announcement today. The bond was offered by the government of the Hong Kong Special Administrative Region of the People's Republic of China (HKSAR) under its Green Bond Program, and is the first green bond to be issued by a government globally, the announcement by the Hong Kong Monetary Authority said. "Processes of the bond lifecycle, including coupon payment, settlement of secondary trading and maturity redemption, will also be digitalized and performed on the private blockchain network," the government said.

(1) <https://crypto.news/hong-kong-to-legalize-cryptocurrency-trading/>
(2) <https://news.bitcoin.com/crypto-lender-celsius-to-be-acquired-by-novawulf-exiting-chapter-11/>
(3) <https://www.coindesk.com/policy/2023/02/16/hong-kong-successfully-offered-inaugural-100m-tokenized-green-bond/>



OVERVIEW

Trader's Digest

Bitcoin had a tremendous rally yesterday afternoon, pushing all the way to the \$25,000 pivot point. This was the biggest on-day increase in a month as the broader crypto rally outperformed the rise in tech.



Two major things are in the way of Bitcoin breaking the \$25,000 resistance.

Frist, Bitcoin is now trading right at the death cross - 50 and 200 day moving averages.



Second, PPI (Producer Price Index) came out very HOT and will add to the worries about sticky inflation.

- *y/y PPI +6.0 vs +5.4 expected (prior 6.2%)
- *m/m PPI +0.7% vs +0.4% expected (-0.4% prior)
- *PPI ex-food and energy +5.4% y/y vs 4.9% expected (5.5% prior)
- *PPI ex-food and energy +0.5% m/m vs +0.3% expected (+0.1% prior)

What does it mean?

- *Positive USD
- *Positive US Yields
- *Negative Gold
- *Negative Bonds
- *Negative Equities/Risk

Additionally, Fed Mester and Bullard are also speaking today. It's their chance to shine; both are seen as hawkish.

Fed's Mester commented the following:

"Fed will need to go above 5% and stay there for a while."
"How far Fed goes above 5% depends on the data."

There was some contrast to her January 18 comments when she said, "we're beginning to see the kind of actions we need to see," and that rates should rise "a little bit above 5-5.25%". This time she didn't specify how much higher the Fed needs to go, leaving it open-ended.

Eyes will also be on US Equities today; there could be a lot of selling pressure if the Fed members confirm their hawkish stance from the most recent PPI figures we saw this morning. Technically, they are approaching key support levels...

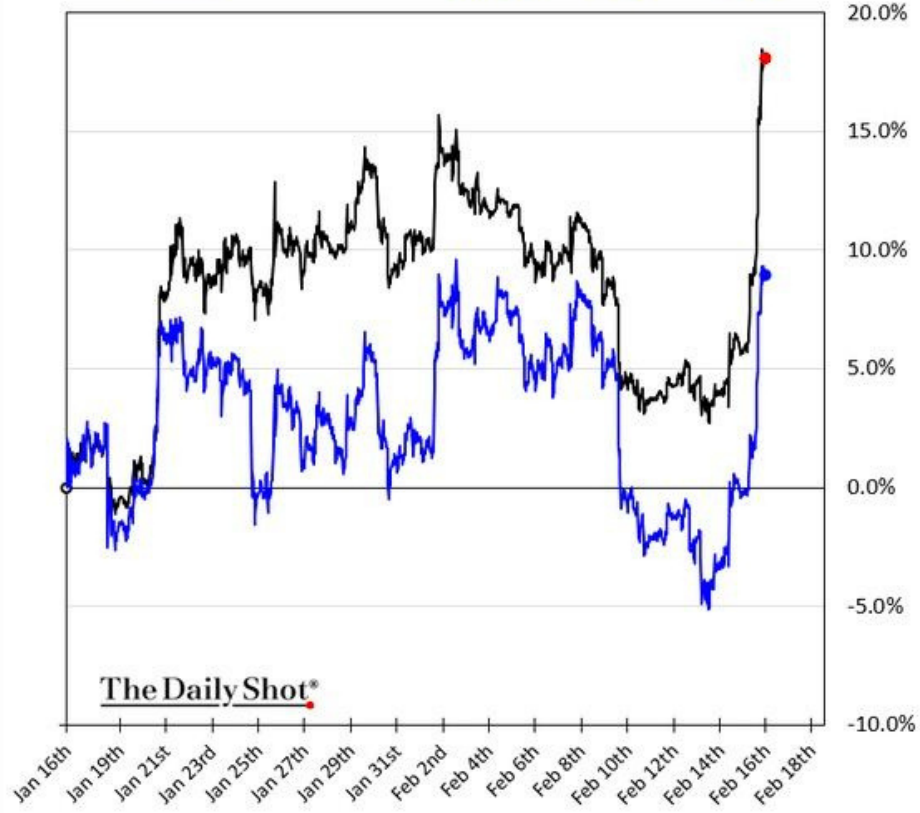
15-Feb-2023 23:00

Since Jan-15th

Thursday Session

Bitcoin 18.11% 2.12%

Ethereum 8.98% 1.56%



OVERVIEW

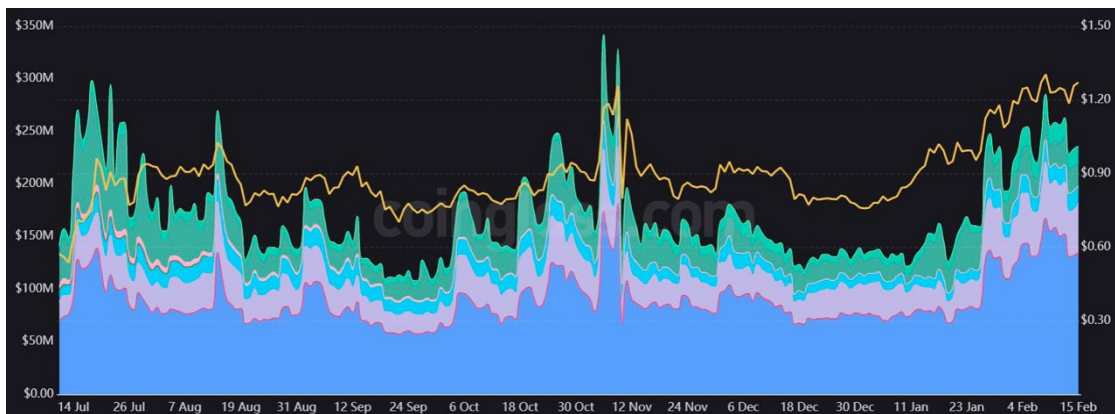
Altcoin Analysis

Polygon once again pushes to dominate the L2 space.

Polygon Labs unveiled the release date of the beta version of its zero-knowledge Ethereum Virtual Machine (zkEVM) which is expected to be released on March 27th 2023.

The technology of Zk-based roll-ups is considered the standard for proper scaling. L2 rollups are expected to become even cheaper after Ethereum's Shanghai upgrade in March with cost savings ranging from 10x-100x.

In terms of price action, MATIC squeezed by almost 90% since the start of the year and outperformed BTC by over 40% since January 24th especially as the open interest for futures contracts almost doubled.



Looking at the technicals, MATICUSDT has been trading within a rising trend channel since June. More recently, as prices rebounded from the bottom-end of this pattern, prices created a new rising trend channel since the start of the year, advocating for further advance.

MATIC is currently trading at the top-end of this pattern and is getting closer to the next resistance of \$1.50. If we surpass this level, we may very well continue higher towards \$1.75 and possibly \$1.87 which represents the 61.8% Fib level taken from the falling wedge breakout formed last year.

If prices start to pull back from the top-end of this pattern, we would be looking at the next support levels of \$1.16 and \$0.95.



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