



FEBRUARY 1 - 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	\$23,129	-0.13%	\$22,884	\$23,225	0.0100%
ETH/USD	\$1,585	-0.03%	\$1,569	\$1,598	0.0100%
XAU/USD	\$1,928.20	-0.05%	\$1,923.30	\$1,934.20	
USD/CAD	1.3296	-0.07%	\$1.3287	\$1.3326	
EUR/CAD	\$1.4493	0.30%	\$1.4441	\$1.4523	



BITCOIN

A snapshot of Bitcoin's spot price as of this writing is \$23,129 representing a 0.13% decrease the last 24 hours and 10.48% decrease in trading volume. The funding rate of BTC is 0.0100%.



ETHEREUM

ETH is trading at \$1,582 as of this writing, representing a 24-Hour decrease of 0.25% and a funding rate of 0.0100%. Over the last 24 Hours, the trading volume decreased by 17.94%. As of today, ETH holds 18.3% of the cryptocurrency market, making it the second-largest coin traded.



OVERVIEW

Latest Digital Asset News

1- Ethereum staking withdrawal testnet for Shanghai upgrade goes live

Ethereum staking testnet Zhejiang is going live and will give users the first preview of what the withdrawal process and functionality will be like after the Shanghai upgrade. The testnet, which will go live at 10 a.m. EST on Wednesday, won't immediately offer users the ability to try out any of the withdrawal features that will be implemented in the Shanghai and Capella testnet upgrades six days later. Users will be able try out depositing to validators and get a sense of how the user interface will behave. The Shanghai hard fork is a highly anticipated event for Ethereum, as it's the first upgrade post-Merge that will allow ether stakers to withdraw their balances. The event is being watched closely by ether traders, as Ether staking could see a huge increase after the Shanghai upgrade, Selini Capital CIO Jordi Alexander said on Twitter.

2 - EIB launches first digital sterling bond with RBC and HSBC

The European Investment Bank (EIB) said on Tuesday it had launched its first sterling-denominated digital bond on a private blockchain, in partnership with BNP Paribas, HSBC and RBC Capital Markets. The 50 million-pound (\$61.60 million), floating-rate bond was registered in a private blockchain while a public blockchain mirror record would provide increased transparency on an anonymised basis, the EIB said. EIB Vice-President Ricardo Mourinho Felix said the sales represented further innovation in the financial sector. "This new financial tool will provide additional capital flow that the EIB will invest in projects with global impact," he said.

3 - UK Finance Ministry to Propose Broad Rules for Crypto, Invites Industry Feedback

The U.K.'s finance ministry is proposing new rules to govern multiple areas of the crypto sector and wants stakeholders to weigh in. The hotly anticipated consultation, to be published by His Majesty's Treasury on Wednesday, asks for feedback from industry members and experts on rules that focus on protecting consumers that also align with the country's ambition to become a hub for crypto. Some proposals will place more responsibility on trading venues, such as crypto exchanges, to define and detail requirements for admission and disclosure documents, the Treasury said in a statement to the press.

(1) <https://www.theblock.co/post/207231/ethereum-staking-withdrawal-testnet-for-shanghai-upgrade-goes-live-tomorrow>
(2) <https://www.reuters.com/markets/currencies/eib-launches-first-digital-sterling-bond-with-rbc-hsbc-2023-01-31/>
(3) <https://www.coindesk.com/policy/2023/01/31/uk-finance-ministry-proposes-broad-rules-for-crypto-invites-industry-feedback/>



OVERVIEW

Trader's Digest

Today is FOMC day! But before the main event, a few economic growth data points were and will be released. We are looking at

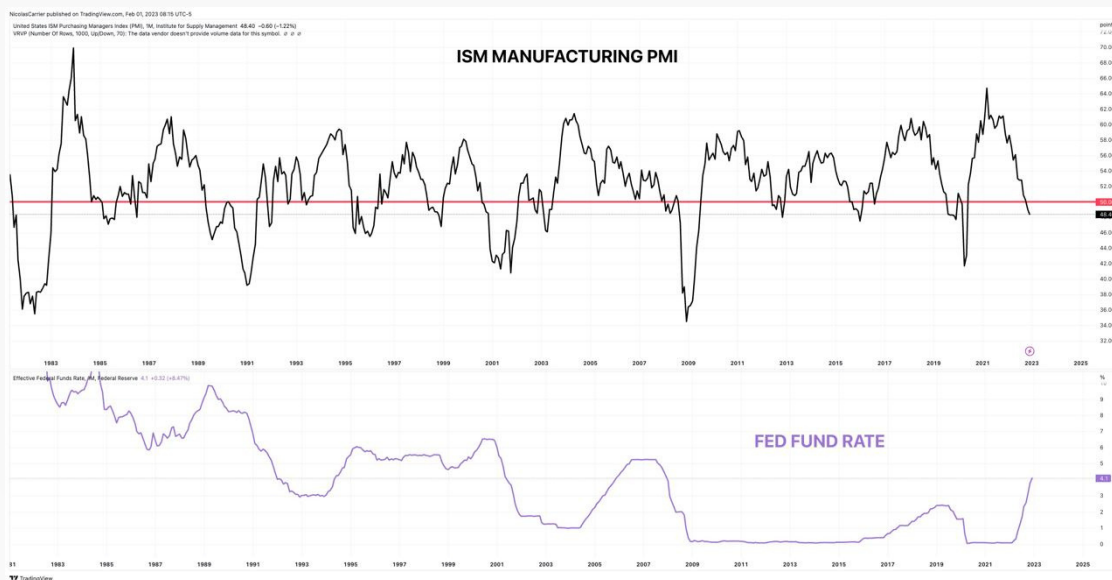
*ADP Employment: FINALLY slowed to 106,000 in January. (lowest level since the COVID dip)

*US Manufacturing PMI @ 9:45 AM

*ISM Manufacturing PMI @ 10:00 AM

*JOLTS Job Openings @ 10:00 AM

I spoke about unprecedented times last ISM reading, highlighting that the Fed has never, in history, hiked interest rates while ISM Manufacturing PMI was below 50.



How should we prepare for Powell's conference this afternoon? First, everyone thinks the Fed will come out very hawkish, right? Expectations are SO strong that any interpretation of dovishness in Powell's speech will be seen as a sign that the Fed is getting ready for a pivot.

Again, the bond market is pricing in a Terminal Fed Fund Rate below or at 5%, moving on expectations that the Fed will be less hawkish, essentially "not believing" our dear friend Jerome Powell.

Therefore, the Fed Chairman has all the cards in his hands... If he comes out less hawkish than expected, UP, we go risk assets and bonds.

Technically, Bitcoin is still hovering around \$23,000 ahead of this wave of volatility. Bitcoin has been moving higher to start the year, gaining 40% as cryptos benefited from an improvement in investors' appetite for risk. While Bitcoin remains at just a third of its late 2021 high, traders are increasingly optimistic that the bottom of a brutal bear market already has been hit.

The recent rally in cryptos was fueled by low liquidity and technical factors including a short squeeze pushing prices higher. Therefore, those same trends that have helped pump prices upward could accelerate a deep selloff if the Fed falls short of investors' hopes.



Ether rose somewhat higher on Wednesday, with prices moving closer to the \$1,600 area. ETHUSD rose to a peak of \$1,598.52 earlier, which comes following a move to a bottom at \$1,569.04 yesterday.

Like Bitcoin traders, Ether bulls were unable to push prices above resistance, with earlier momentum easing ahead of the Fed.

It appears that the shift in sentiment has come as the RSI was unable to move past its own ceiling at 58.00. Currently, the index is tracking at 57.64, with the 10-day moving average also changing its trend, and now downward facing.

But remember, everything could change this afternoon!



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