JANUARY 31 - 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	$23,096	-0.33%	$22,657	$23,296	0.0100%
ETH/USD	$1,582	-0.25%	$1,546	$ 1,595	0.0100%
XAU/USD	$1,921.40	-0.08%	$1,900.30	$1,925.10	
USD/CAD	1.3400	0.11%	$1.3371	$1.3472	
EUR/CAD	$1.4542	0.12%	$1.4505	$1.4592	

BITCOIN

A snapshot of Bitcoin's spot price as of this writing is $23,096 representing a 0.33% decrease the last 24 hours and 10.72% 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- Hong Kong to Require Stablecoin Licensing as Early as This Year

Hong Kong is set to demand mandatory licensing for stablecoin issuers and won't allow algorithmic stablecoins, its top financial regulator said on Tuesday. Entities conducting regulated activity in Hong Kong will have to obtain a license to operate stablecoin services. The Hong Kong Monetary Authority (HKMA) laid out its regulatory plans after receiving feedback on a discussion paper published last year. Based on the 58 responses it received, the regulator said it will set up a regime to supervise stablecoins, which are cryptocurrencies whose value is pegged to other assets. To start with, the HKMA plans to supervise the governance, issuance and stabilization of fiat-backed stablecoins, for which issuers must maintain reserves matching the amount of the crypto in circulation.

2 - German finance giant DekaBank will offer crypto products to its institutional customers

DekaBank, a German lender with 360 billion euros ($390 billion) in assets under management, joins Societe Generale (GLE) and Citibank (C) in selecting Switzerland's Metaco to develop its digital asset offerings for institutional clients. “Digital assets are a critical part of the future, a radical new way for how assets will be represented, from currencies to real estate," said Andreas Sack, DekaBank's product owner for digital assets custody. "Today we make another important step towards laying the foundation for giving our institutional investors and millions of people in Germany access to this transformational opportunity,"

3 - FTX-linked Alameda Research sues Voyager Digital for over $445M

Troubled crypto trading firm Alameda Research is suing failed crypto lender Voyager Digital for more than $445 million, seeking to recover loan repayments that it made after Voyager filed for bankruptcy protection. The filing, made in a federal bankruptcy court in Delaware on Monday afternoon, noted that the total amount Alameda's lawyers want back — $445.8 million — could go higher, if evidence of more payments from Alameda to Voyager is found. They're also seeking the repayment of legal fees.

(1) https://www.coindesk.com/policy/2023/01/31/hong-kong-to-require-stablecoin-licensing-as-early-as-this-year/
(2) https://www.coindesk.com/business/2023/01/31/dekabank-selects-swiss-crypto-specialist-metaco-to-steer-digital-asset-offering/
(3) https://www.theblock.co/post/206907/ftx-linked-alameda-research-sues-voyager-digital-for-over-445m

OVERVIEW

Trader's Digest

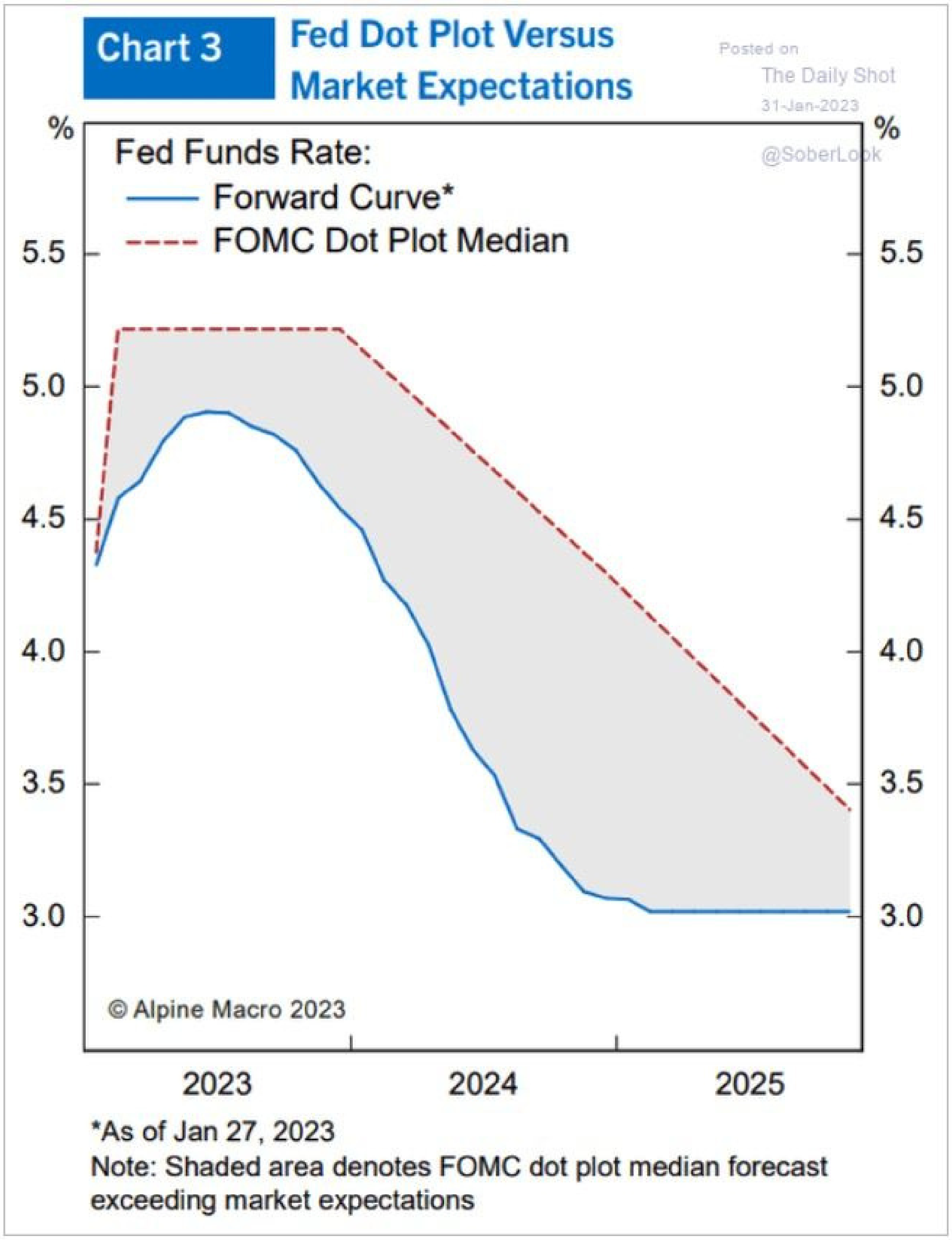
The Federal Reserve begins a two-day meeting that is expected to end with the target range for fed funds being raised by 25 basis points to 4.50-4.75%. That would represent the second time in successive meetings that the central bank has slowed the pace of its policy tightening in response to economic data that has taken a turn for the worse in recent months.

That picture is likely to be fleshed out later by new figures for House Prices, Chicago PMI, and CB Consumer Confidence, but Fed officials will also look out for the fourth quarter employment cost index (which came out weaker - positive for risk), which may illustrate why they think they still need to raise rates further to squeeze inflation pressure out of the system.

After a bruising 2022, with the sharpest Fed tightening cycle in recorded history and inflation climbing toward double digits, the macro backdrop into 2023 looked vastly different as we hit peak inflation, peak rates, and peak Fed.

Over the past week, the US Dollar Index has drifted sideways along an IMPORTANT support zone. It will be a key indicator to watch through the Fed to determine whether the risk rally continues or corrects in the short term.

One of the most important and interesting market reactions so far this year is that bond traders are betting against the Fed's dot plot. The big question is... who do we believe? The Fed or the bond market?



DekaBank, one of Germany's largest asset managers with $390 billion under management, has selected Swiss crypto services provider Metaco to offer bitcoin related products to its clients.

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"Today we make another important step towards laying the foundation for giving our institutional investors and millions of people in Germany access to this transformational opportunity."

said Andreas Sack, DekaBank's product owner for digital assets custody

Bitcoin is lower this morning, on more profit taking and a routine downside correction after the market hit a five-month high Monday. The BTC bulls still have the firm overall near-term technical advantage as a price uptrend is in place on the daily bar chart. The path of least resistance for prices in the near term remains sideways to higher.

Finally, on a very interesting note, research came out where Celsius's problem has been seen to start not in 2022, but rather in 2020.

The examiner's report, however, alleges that Celsius had massive holes in its balance sheet as early as 2020—managing to lose money during the market's "up only" cycle.

The report said that Celsius' former vice president of treasury Jason Perman called selling customer assets to cover liability on its balance sheet a "cardinal sin." Throughout 2020 and 2021, Celsius took out several loans using BTC and ETH that its customers deposited.

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