JANUARY 11 - 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	$17,419	0.85%	$17,242	$17,493	-0.0016%
ETH/USD	$1,333	0.14%	$1,329	$ 1,342	0.0032%
XAU/USD	$1,874.10	-0.20%	$1,873.10	$1,887.60	
USD/CAD	1.3414	-0.07%	$1.3403	$1.3446	
EUR/CAD	$1.4451	0.28%	$1.4392	$1.4457	

BITCOIN

A snapshot of Bitcoin's spot price as of this writing is $17,419 representing a 0.85% increase the last 24 hours and 3.20% decrease in trading volume. The funding rate of BTC is -0.0016%.

ETHEREUM

ETH is trading at $1,333 as of this writing, representing a 24-Hour increase of 0.14% and a funding rate of 0.0032%. Over the last 24 Hours, the trading volume decreased by 15.17%. As of today, ETH holds 18.3% of the cryptocurrency market, making it the second-largest coin traded.

OVERVIEW

Latest Digital Asset News

1- FTX Has Recovered 'Over $5B' in Assets, Bankruptcy Attorney Says

Crypto exchange FTX has recovered more than $5 billion in different assets, not including another $425 million in crypto held by the Securities Commission of the Bahamas, a bankruptcy attorney said during a hearing Wednesday. There's still a sum missing in what is owed to customers and the amount is still unclear, the attorney said "We have located over $5 billion of cash, liquid cryptocurrency and liquid investment securities measured at petition date value. [It] just does not ascribe any value to holdings of dozens of illiquid cryptocurrency tokens, where our holdings are so large relative to the total supply that our positions cannot be sold without substantially affecting the market for the token," said Landis Rath & Cobb attorney Adam Landis on FTX's behalf.

2 - Hong Kong set to shortlist crypto tokens for retail trading

Hong Kong securities watchdog will propose a subset of tokens it would allow for retail investors' trading, its chief executive said on Wednesday, as it presses on with a new regulatory regime that will make the city more friendly to crypto startups. As investor protection will continue to be the focus of the new virtual asset service provider (VSAP) regime, the Securities and Futures Commission (SFC) will also seek public views about specific guardrails for retail trading, said Julia Leung, chief executive officer at the commision. The SFC will start accepting applications for VASP licences, in mid 2024, Leung said. The new crypto regime requires all trading platforms and exchanges to apply for a licence failing which would result in fines and jail terms,

3 - UAE investor groups launch billion-dollar web3 fund

Abu-Dhabi based Venom Foundation and Iceberg Capital are partnering to invest $1 billion in a host of web3 applications. The “blockchain-agnostic” Venom Ventures Fund aims to invest in “innovative protocols and Web3 dApps … DeFi, banking services, and GameFi,” the two Middle Eastern investment groups said in a statement. Former BlackRock executive Peter Knez and seasoned investor Mustafa Kheriba will join the fund’s leadership team, according to the statement. “Even though the blockchain industry is witnessing a steep correction in prices, we believe that builders will continue to build and innovate,” Kheriba said in the statement.

(1) https://www.coindesk.com/policy/2023/01/11/ftx-has-recovered-over-5b-in-assets-bankruptcy-attorney-says/?utm_term=organic&utm_content=editorial&utm_medium=social&utm_source=twitter&utm_campaign=coindesk_main
(2) https://www.reuters.com/technology/hong-kong-set-shortlist-crypto-tokens-retail-trading-2023-01-11/
(3) https://www.theblock.co/post/200959/uae-investor-groups-launch-billion-dollar-web3-fund?utm_source=cryptopanic&utm_medium=rss

OVERVIEW

Trader's Digest

Bitcoin has been performing quite well since the beginning of the week, beofre finding quite the selling pressure overight. Bitcoin traded as high as $17,500 and is now hovering around $17,350. How far can it go? The next support level is situated at $17,000 while an effective break out to the upside would bring us to $18,140.

Almost tying with the peak from December 16th, the pair displayed rare upside momentum against a backdrop of some of the lowest volatility ever seen over the holiday season.

Let's be ready... the real break out or meltdown will come on tomorrow.

Let's talk US CPI!

Tomorrow's data is the main event of the month. The market is currently pricing in a top in headline inflation; therefore, investors will be looking at wage growth more specifically. Average Hourly Earnings for December slowed to 4.6% YoY vs an expectation of 5% YoY and a lower November revised print of 4.8% YoY from 5.1% YoY. The Fed has been worried about wage growth for a while now, and this data was the first sign that wages may rise at a slower pace.

United States | Browse | 06:34:37 | 01/11/23 - 01/18/23
Economic Releases | All Economic Releases | View Agenda Weekly

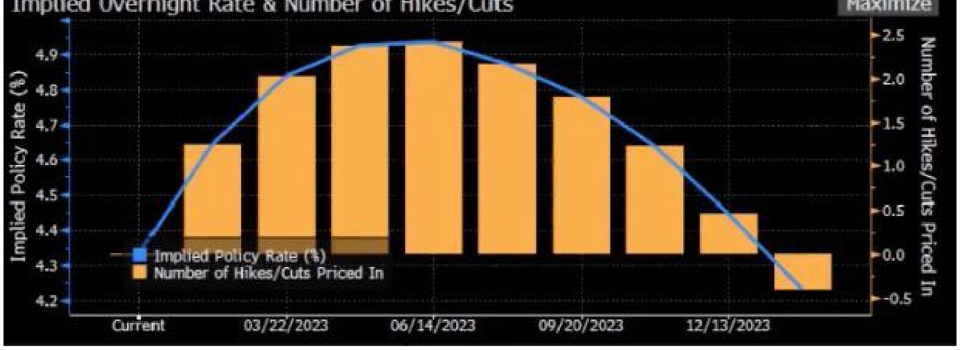
Date Time	A	M	R	Event	Period	Surv(M)	Actual	Prior	Revised
21) 01/11 07:00				MBA Mortgage Applications	Jan 6	--	--	-10.3%	--
22) 01/12 08:30				CPI MoM	Dec	-0.1%	--	0.1%	--
23) 01/12 08:30				CPI Ex Food and Energy MoM	Dec	0.3%	--	0.2%	--
24) 01/12 08:30				CPI YoY	Dec	6.5%	--	7.1%	--
25) 01/12 08:30				CPI Ex Food and Energy YoY	Dec	5.7%	--	6.0%	--
26) 01/12 08:30				CPI Index NSA	Dec	296.699	--	297.711	--
27) 01/12 08:30				CPI Core Index SA	Dec	300.820	--	300.066	--

The Fed keeps talking about a higher Terminal Fed Fund Rate for longer, with a median figure of 5.1%. On the other hand, the market doesn't entirely believe the Fed's stance and persistence on higher rates. Indeed, as you see in the table below, the treasury curve is showing a TFFR below 5% while pricing in rate cuts in Q3 2023.

Region: United States » | Instrument: Fed Funds Futures »
Target Rate 4.50 | Pricing Date 01/11/2023
Effective Rate 4.33 | Cur. Imp. O/N Rate 4.331

Meeting	#Hikes/Cuts	%Hike/Cut	Imp. Rate Δ	Implied Rate	A.R.M.
02/01/2023	+1.246	+124.6%	+0.312	4.643	0.250
03/22/2023	+2.025	+77.9%	+0.506	4.838	0.250
05/03/2023	+2.379	+35.4%	+0.595	4.926	0.250
06/14/2023	+2.418	+3.9%	+0.605	4.936	0.250
07/26/2023	+2.165	-25.3%	+0.541	4.873	0.250
09/20/2023	+1.795	-37.0%	+0.449	4.780	0.250
11/01/2023	+1.226	-56.9%	+0.307	4.638	0.250
12/13/2023	+0.464	-76.2%	+0.116	4.447	0.250
01/31/2024	-0.405	-86.9%	-0.101	4.230	0.250

Implied Overnight Rate & Number of Hikes/Cuts | Maximize



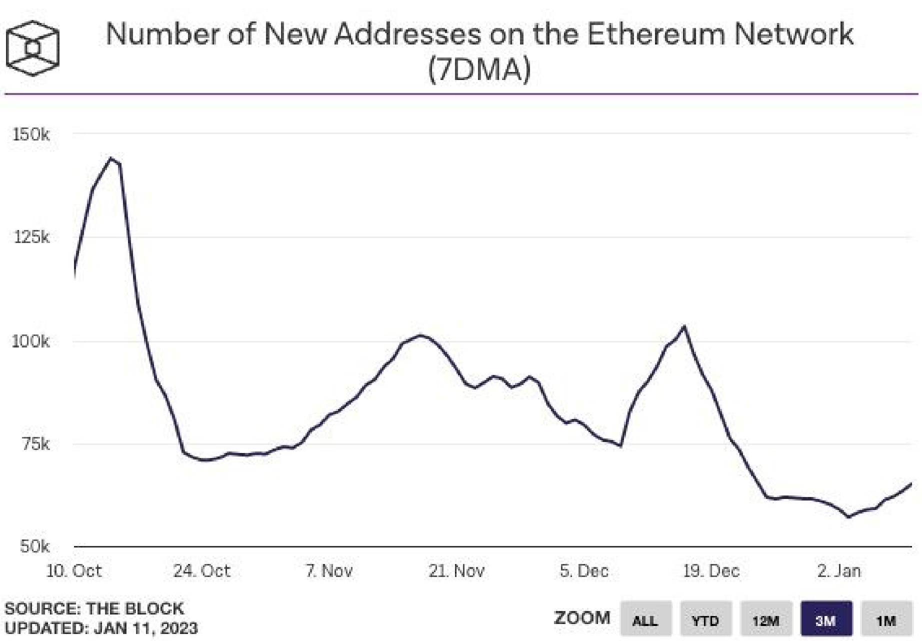
OVERVIEW

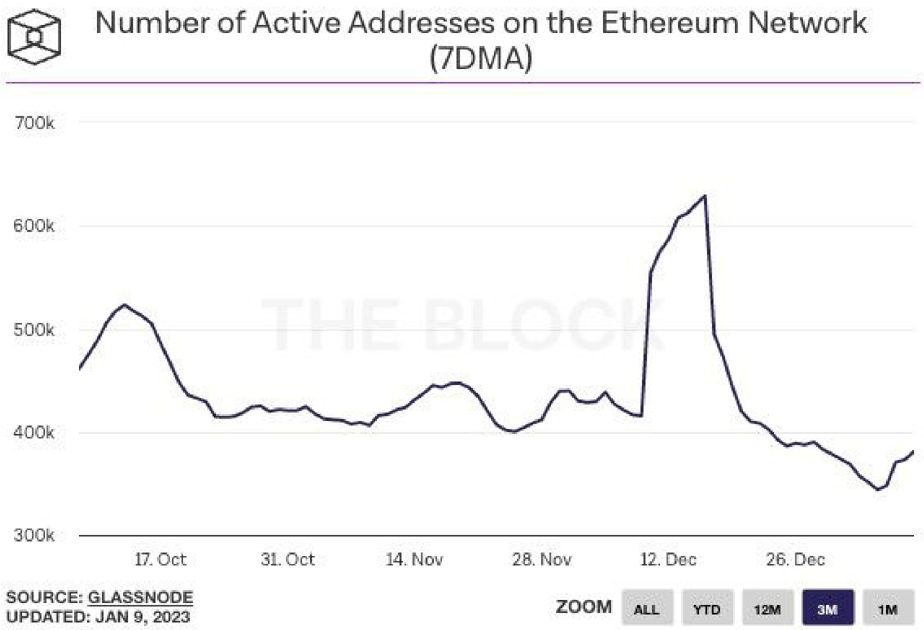
Altcoin Analysis

As much as the overall market is gaining momentum, it seems that Ethereum might be facing potential sell pressure ahead.

Funding rates remain in positive territory but are curling downwards while volume continues to move in the same direction.

Last week, someone on Deribit executed 50,000 contracts worth of ETH put options that would profit if prices slid by 69% in less than six months. Either this order was a bearish bet, or it was executed as a hedge against another bullish spot or futures position.





What caught our attention this morning were the technicals.

Starting with the daily chart, ETH is approaching significant resistance. First of all, we have the 200-day moving average (in yellow) that acted as resistance in November 2022 and usually serves as an important psychological level.

Second, prices are very close from the top-end of the short-term trend channel in black as well as the top-end of the bigger trend channel in blue, which may limit prices from going higher.

Finally, the RSI is in overbought territory and may start to pull back in the near future.

Moving on with the weekly chart.

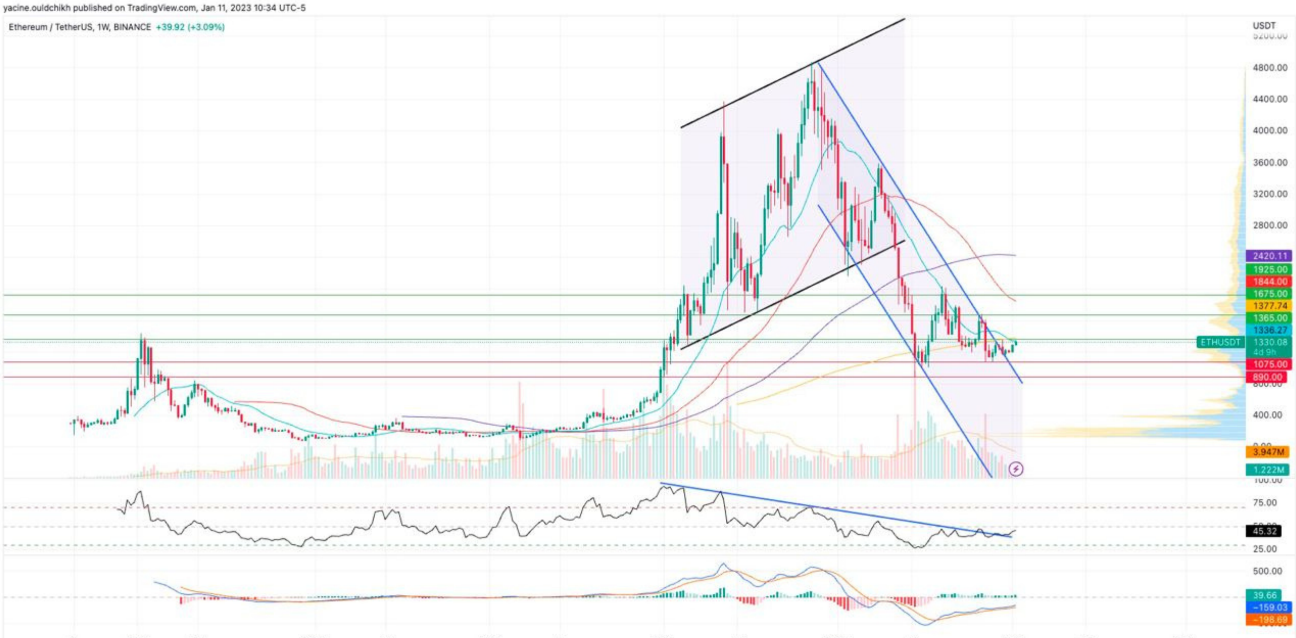
The indicators are slightly more bullish. However, prices are trading right on the 20-week and 200-week moving average. Safe to assume that we will pull back from here, but if we break above this price range it would be considered a breakout where prices can continue much higher towards 1650-1700.

As long as prices remain below 1365, it would make more sense to prioritize shorts over longs in terms of risk/reward.

yacine.ouldchikh published on TradingView.com, Jan 11, 2023 10:30 UTC-5

TradingView

yacine.ouldchikh published on TradingView.com, Jan 11, 2023 10:34 UTC-5



TradingView

Disclaimer

This research is for informational use only. This is not investment advice. Other than disclosures relating to Secure Digital Markets this research is based on current public information that we consider reliable, but we do not represent it is accurate or complete, and it should not be relied on as such. The information, opinions, estimates, and forecasts contained herein are as of the date hereof and are subject to change without prior notification. We seek to update our research as appropriate.

Any forecasts contained herein are for illustrative purposes only and are not to be relied upon as advice or interpreted as a recommendation. The price of crypto assets may rise or fall because of changes in the broad market or changes in a company's financial condition, sometimes rapidly or unpredictably. Past performance is not a guide to future performance, future returns are not guaranteed, and a loss of original capital may occur. Fluctuations in exchange rates could have adverse effects on the value or price of, or income derived from, certain investments. We and our affiliates, officers, directors, and employees, excluding equity and credit analysts, will from time to time have long or short positions in, act as principal in, and buy or sell, the securities or derivatives, if any, referred to in this research.

The information on which the analysis is based has been obtained from sources believed to be reliable such as, for example, the company's financial statements filed with a regulator, company website, company white paper, pitchbook and any other sources. While Secure Digital Markets has obtained data, statistics, and information from sources it believes to be reliable, it does not perform an audit or seek independent verification of any of the data, statistics, and information it receives.

Unless otherwise provided in a separate agreement, Secure Digital Markets does not represent that the report contents meet all of the presentation and/or disclosure standards applicable in the jurisdiction the recipient is located. Secure Digital Markets and their officers, directors and employees shall not be responsible or liable for any trading decisions, damages or other losses resulting from, or related to, the information, data, analyses, or opinions within the report.

Crypto and/or digital currencies involve substantial risk, are speculative in nature and may not perform as expected. Many digital currency platforms are not subject to regulatory supervision, unlike regulated exchanges. Some platforms may commingle customer assets in shared accounts and provide inadequate custody, which may affect whether or how investors can withdraw their currency and/or subject them to money laundering. Digital currencies may be vulnerable to hacks and cyber fraud as well as significant volatility and price swings.

Contact Us

Start trading with Secure Digital
Market today by e-mailing:

TRADING@SECUREDIGITALMARKETS.COM

SECUREDIGITALMARKETS.COM

SECURE
DIGITAL MARKETS

SECUREDIGITALMARKETS.COM