



DECEMBER 20 - 2022

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	\$16,822	0.49%	\$16,398	\$16,838	0.0047%
ETH/USD	\$1,211	2.19%	\$1,160	\$1,214	0.0100%
XAU/USD	\$1,809.50	1.17%	\$1,786.30	\$1,810.90	
USD/CAD	1.3639	-0.04%	\$1.3604	\$1.3705	
EUR/CAD	\$1.4477	0.02%	\$1.4433	\$1.4521	



BITCOIN

A snapshot of Bitcoin's spot price as of this writing is \$16,822 representing a 0.49% increase the last 24 hours and 69.14% increase in trading volume. The funding rate of BTC is 0.0047%.



ETHEREUM

ETH is trading at \$1,211 as of this writing, representing a 24-Hour increase of 2.19% and a funding rate of 0.0100%. Over the last 24 Hours, the trading volume increased by 66.75%. As of today, ETH holds 18.3% of the cryptocurrency market, making it the second-largest coin traded.



OVERVIEW

Latest Digital Asset News

1- Visa Proposal Would Bring Ethereum Users One Step Closer To Being Their Own Bank

Credit giant Visa today released a proposal that would let owners of the ether cryptocurrency set up automatic payments directly from their own, self-custodial wallets, a proposal that would not require banks or other centralized entities to be part of the picture. While the service is far from groundbreaking to pretty much anyone who has a bank account, the proposal, resulting from an internal hackathon hosted by Visa earlier this year, would go a long way to making the often obtuse world of crypto more approachable for consumers. The proposal, published on Visa's website today, emerged from a competition among the company's employees in February to solve the problem of how an ether owner could pay a bill with crypto at a future date while temporarily away from internet service.

2 - South Korean court freezes \$92M in assets related to Terra tokens

More than six months after the collapse of the Terra ecosystem, South Korean authorities continue to investigate and freeze the funds of persons involved in Terra. After seizing 140 billion won (\$108 million USD) from Terra co-founder Shin Hyun-Seong in November, the Seoul Southern District Court has recently ruled to confiscate more assets related to Terra. The South Korean court has ordered to freeze of 120 billion won (\$92 million USD) in assets of former and incumbent CEOs of Terraform Labs' affiliate firm Kernel Labs, The Korea Economic Daily reported today. The news comes amid global authorities continuing to search for Terraform Labs' controversial founder and CEO Do Kwon.

3 - CME Group and CF Benchmarks releases three new DeFi reference rates and real-time indices

The CME and cryptocurrency index provider CF Benchmarks released reference rates and real-time indices for the cryptocurrencies Curve (CRV), Synthetix (SNX), and Aave (AAVE). Starting with this announcement, CF Benchmarks will publish these rates and indexes on a regular basis. According to Giovanni Vicioso, CME Group's international President, these three new benchmarks, along with Uniswap, which was released earlier this year, will capture more than 40 percent of the total value locked in DeFi protocols on the Ethereum. The authors argue that the rates are meant to aid traders, institutions, and other users in appropriately valuing bitcoin sector-specific portfolios and in managing price risk surrounding a wide variety of blockchain-based initiatives. The rising demand for open, regulated, and 24-hour pricing necessitates the construction of reference rates and real-time indices on methods that are subject to regular expert examination.

(1) <https://www.forbes.com/sites/michaeldelcastillo/2022/12/19/visa-proposal-would-bring-ethereum-users-one-step-closer-to-being-their-own-bank/?sh=768245a121b5>
(2) <https://cointelegraph.com/news/south-korean-court-freezes-92m-in-assets-related-to-terra-tokens>
(3) <https://crypto.news/cme-group-and-cf-benchmarks-releases-three-new-defi-reference-rates-and-real-time-indices/>



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Trader's Digest

Illiquid market + Tax loss selling isn't a great mix.

What I mean by that is a lot of institutions are tax selling to maintain their position while incurring a capital loss. Essentially, tax selling allows the investor to avoid paying capital gains tax on recently sold or appreciated assets. Since capital loss is tax-deductible, the loss can be used to offset any capital gains to reduce an investor's tax liability.

Comparing the above thesis with the equity price action, we can see the NASDAQ now trading on its fourth straight day to the downside. The high price on from the US CPI on December 13th reached \$12,339.00 while the low price just reached \$11,043.50, a decline of -10.41% from the pivot point five days ago. The index is working on its fourth consecutive down day, trading only 5% away from its yearly October low. Again, the fact that the FOMC raised the terminal rate triggered the sell-off, continuing Thursday, Friday and into today.

Overnight, the BOJ shocked the markets by widening the 10-year JGB yield band to 50 bps from 25 bps, seen as a form of monetary tightening. This created a market wide downtick in risk assets, especially felt by US equities.

Now, looking at the Bitcoin/S&P500 correlation, we're seeing an uptick toward 0.6 in the last couple of days. The major macroeconomic events did solidify the correlation back to levels last seen this summer.

Finally, the world's biggest crypto exchange, Binance, is battling to shore up confidence after a surge in customer withdrawals and a steep drop in the value of its digital token. The exchange said it dealt with net outflows of around \$6 billion over 72 hours last week "without breaking stride" because its finances are solid and "we take our responsibility as a custodian seriously."





Special Report: Binance's books are a black box, filings show, as it tries to rally confidence



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Altcoin Analysis

As much as the overall market has come down quite a bit since the last CPI figure, last night's 4% pop on Bitcoin is giving altcoins room to breathe as traders are looking to capitalize on a potential rebound.

Dogecoin was one of the biggest losers having pulled back by 20% since the CPI number on December 14th. Despite the correction in price action, it remains #8 on the list with a market cap of \$9.8 billion, ahead of Cardano and Polygon.

Somehow, it also has a market cap that exceeds Coinbase, the largest public digital-asset exchange in the US with a market cap of \$8 billion. While Coinbase's value is tied to the overall crypto markets as well as the macro economy, Dogecoin is mostly driven by headlines and hype.

Moving on with price action.

DOGEUSDT briefly broke below the symmetrical triangle that we've been speaking about for a while now. We've warned our clients that a breakdown of this pattern would send prices lower to the recent lows of 0.072. Now that we've achieved this profit target, it seems that the meme coin is looking to rebound with the overall market. It's trading slightly below the 200-day moving average which is considered bearish. A break above this level would be important for bulls.

If prices break above the recent intraday high at 0.0755, it could be an interesting rebound to play with a decent risk reward. You shouldn't expect a massive rally, but you could witness prices recovering towards \$0.089 with some follow-through towards \$0.0957 and possibly \$0.112.



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