



DECEMBER 16 - 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	\$17,004	-3.19%	\$16,979	\$17,505	-0.0022%
ETH/USD	\$1,205	-5.21%	\$1,205	\$1,278	-0.0053%
XAU/USD	\$1,787.20	0.52%	\$1,773.90	\$1,794.90	
USD/CAD	1.3677	0.15%	\$1.3616	\$1.3694	
EUR/CAD	\$1.4513	0.02%	\$1.4489	\$1.4564	



BITCOIN

A snapshot of Bitcoin's spot price as of this writing is \$17,004 representing a 3.19% decrease the last 24 hours and 3.19% decrease in trading volume. The funding rate of BTC is -0.0022%.



ETHEREUM

ETH is trading at \$1,205 as of this writing, representing a 24-Hour decrease of 5.21% and a funding rate of -0.0053%. Over the last 24 Hours, the trading volume decreased by 10.39%. As of today, ETH holds 18.3% of the cryptocurrency market, making it the second-largest coin traded.



OVERVIEW

Latest Digital Asset News

1- Jefferies sees recovery rate of up to 40% for FTX creditors

New York-based investment bank Jefferies Financial Group estimates FTX creditors could get as much as 40% of their money. However, that recovery rate would likely be lower once bankruptcy administrators have taken their fees. Total liabilities at FTX appear to be between \$10 billion and \$13 billion against assets of \$2 billion to \$4 billion, Joseph Femenia, global head of distressed and special situations at the bank, said in an interview. That indicates a recovery rate of between 20% and 40%, said Femenia, who has assigned a five-person team to work on FTX full-time. Those rates could easily change as new information about the FTX balance sheet becomes known.

2 - SEC doubles down on decision to reject Grayscale spot ETF

The Securities and Exchange Commission doubled down last week on its decision to reject Grayscale's bid to launch a bitcoin ETF, repeating its stance that such products are prone to fraud and manipulation, court records show. Grayscale had claimed over the summer that the SEC was applying an unfair double standard by allowing bitcoin futures ETFs on the market and repeatedly denying proposals for ETFs that invest in spot bitcoin. The SEC has rejected applications for bitcoin ETFs from a raft of companies, including WisdomTree, Fidelity and VanEck. The SEC also argued that bitcoin futures ETFs and spot bitcoin ETFs should be treated differently from one another because they pose different risks for investors. The commission urged the Washington, DC, appeals court, where the case is filed, to affirm its view that it acted reasonably when rejecting Grayscale's plans to convert its Bitcoin Trust, wrote the regulator.

3 - 'Only \$99!': Former US president Donald Trump unveils NFT trading card collection

Donald Trump, the former U.S. president long-known for releasing branded products, has added another to the list: an NFT collection. The so-called Donald Trump Digital Trading Card collection was unveiled on Trump's Truth Social account. "Would make a great Christmas gift. Don't Wait. They will be gone, I believe, very quickly!" Trump wrote. The collection will be minted on the Polygon blockchain, with a total of 45,000 NFTs created in the "initial" run of the collection, per the site. A sweepstakes associated with the collection launch offers prizes like a 1-on-1 Zoom call or one hour of golf with Trump.

(1) https://www.theblock.co/post/195264/jefferies-recovery-rate-ftx-creditors?utm_source=rss&utm_medium=rss
(2) <https://www.ft.com/content/3f113f11-b5ea-4cf3-b2bb-2d9059f6b18c>
(3) https://www.theblock.co/post/195431/only-99-former-us-president-donald-trump-unveils-nft-trading-card-collection?utm_source=rss&utm_medium=rss



OVERVIEW

Trader's Digest

Yesterday's data brought a fresh wave of risk-off sentiment in the market. The US retail sales headline number came in at its lowest level since December 2021, showing signs that the consumer isn't as strong as thought.

My friend Adam Button at ForexLive had an interesting angle about what we heard from major airlines this week, where bookings and demand began to show clear signs of weakness... "that said, I wonder if in 2021, consumers were Christmas shopping earlier due to delivery delays and that spending will creep into December this year. Note that these numbers aren't adjusted for inflation, and sales were up 6.5%, which is slower than the pace of price rises."

This week was also busy in terms of Central Banks' rate decisions, and it gave us a clearer understanding of the global market tone when it comes to tightening. First, the ECB released relentlessly hawkish comments after increasing the interest rate by 50 bps. Commentaries also showed that more than a third of the voters favoured a 75bps hike, crushing Hopes for a dovish turn from global central bankers.

Therefore, with the terminal, Fed fund rate median increased to 5.1%, the Fed and ECB's clear commitment to bringing down inflation, and the US retail sales weakness, the market is now more worried and uncertain about a Fed soft landing.

How does the market look technically?

The USD Index is holding its descending wedge to perfection so far. DXY is trading around the 104.500 mark and could go as high as 105.600 if it respects the technical patterns.

US equities... Both the S&P500 and the Nasdaq broke their respective head & shoulder neckline, looking even more bearish. Risk assets are taking a beating this morning, and it won't get any better. The following levels that will bring temporary support for both indices are \$3,800 and \$11,100, respectively.

Finally, Bitcoin is on its way to the low \$16,000s after the BTC/Equity correlation crept higher this week. Bitcoin did break its three week upward channel/uptrend yesterday, showing signs of weakness going into the weekend.



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S&P 500 E-mini Futures, 1D, CME_MINI O'13920.00 H'3994.50 L'3864.50 C'3870.50 -56.75 (-1.45%)



TradingView



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Bitcoin / U.S. Dollar, Coinbase O'17058.77 H'17085.53 L'16895.69 C'16979.06 -49.41 (-0.29%)

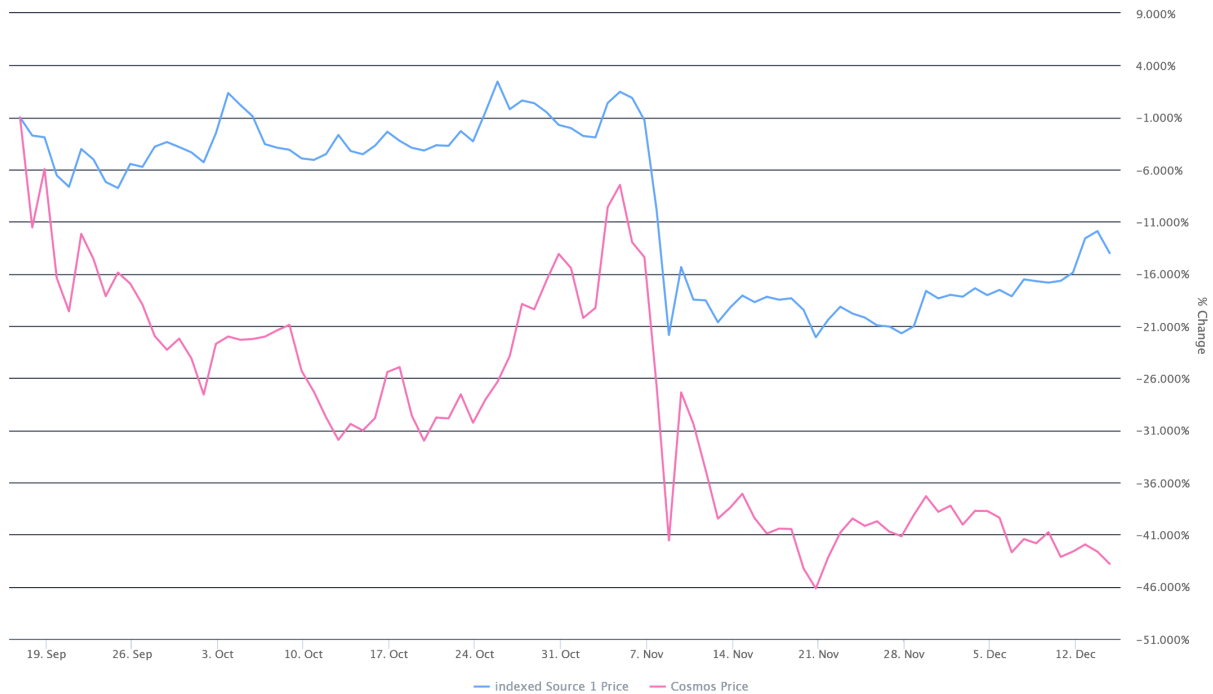


TradingView

OVERVIEW

Altcoin Analysis

Cosmos has been severely underperforming the overall market. Looking at the top 20 by market cap (excluding stablecoins), we see that the coin underperformed its peers by 30% as the top 20 were down 13% while Cosmos was down 43%.



Moving on with price action, ATOMUSDT has been trading within a declining trend channel since September and is currently flirting with the recent lows. ATOMBTC recently broke below a support level, advocating for further pressure ahead.

If we break \$9 to the downside, we will most likely reach lower levels around \$7.25 and possibly \$5.75.



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