NOVEMBER 21 - 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	$16,160	-2.43%	$15,943	$16,590	0.0031%
ETH/USD	$1,133	-3.59%	$1,332	$ 1,183	0.0067%
XAU/USD	$1,738.00	-0.81%	$1,736.10	$1,748.10	
USD/CAD	$1.3463	0.59%	$1.3362	$1.3460	
EUR/CAD	$1.3797	-0.15%	$1.3736	$1.3830	

BITCOIN

A snapshot of Bitcoin's spot price as of this writing is $16,160 representing a 2.43% decrease the last 24 hours and 68.49% increase in trading volume. The funding rate of BTC is 0.0031%.

ETHEREUM

ETH is trading at $1,133 as of this writing, representing a 24-Hour decrease of 3.59% and a funding rate of 0.0067%. Over the last 24 Hours, the trading volume increased by 42.28%. As of today, ETH holds 18.3% of the cryptocurrency market, making it the second-largest coin traded.

OVERVIEW

Latest Digital Asset News

1- Collapsed FTX owes nearly $3.1 billion to top 50 creditors

Cryptocurrency exchange FTX, which has filed for U.S. bankruptcy court protection, said it owes its 50 biggest creditors nearly $3.1 billion. The exchange owes about $1.45 billion to its top ten creditors, it said in a court filing on Saturday, without naming them. FTX and its affiliates filed for bankruptcy in Delaware on Nov. 11 in one of the highest-profile crypto blowups, leaving an estimated 1 million customers and other investors facing total losses in the billions of dollars. The crypto exchange said on Saturday it has launched a strategic review of its global assets and is preparing for the sale or reorganization of some businesses. A hearing on FTX's so-called first-day motions is set for Tuesday morning before a U.S. bankruptcy judge, according to a separate court filing.

2 - New Kenyan law seeks to introduce income tax for cryptocurrency traders

Kenya is the latest country to show intent to regulate the cryptocurrency sector targeting the taxation of digital currency transactions as the industry expands. If parliament approves The Capital Markets (Amendment) Bill, it will see the government introduce an income tax regime for cryptocurrency traders. The proposed law also aims to impose capital gains for the increased market value of the cryptocurrencies when the specific assets are either sold or used in a transaction. With the country hosting at least four million cryptocurrency investors, the government plans to have banks deduct a 20% excise duty on all commissions and fees charged on digital asset transactions.

3 - 'FTX drainer' swaps another 20,000 ether for bitcoin

The individual or entity behind suspicious withdrawals from embattled crypto exchange FTX, commonly called the "FTX Drainer" — has continued to swap ether for bitcoin. It has now moved $72 million worth of value across both blockchains via the Ren BTC Gateway, a crypto bridge used to move transfer tokens from one network to another. The main FTX drainer wallet held 250,000 ether ($302 million at the time) on Saturday after consolidating ether holdings from other wallets. Following this consolidation of funds, the alleged hacker began swapping ether for bitcoin.

(1) https://www.reuters.com/business/finance/collapsed-ftx-owes-nearly-31-bln-top-50-creditors-2022-11-20/
(2) https://finbold.com/new-kenyan-law-seeks-to-introduce-income-tax-for-cryptocurrency-traders/
(3) https://www.theblock.co/post/188710/ftx-drainer-swaps-another-20000-ether-for-bitcoin

OVERVIEW

Trader's Digest

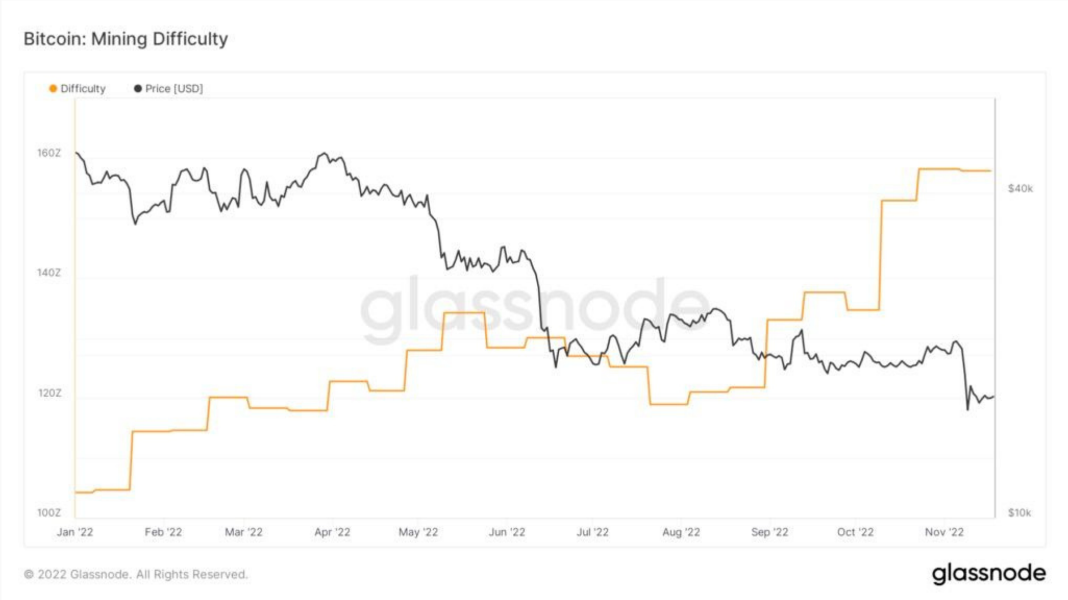
The US Thanksgiving holiday is taking place later this week and it doesn't seem that Bitcoin has much to be thankful for.

BTC continues to trend lower as the lack of positive headlines is dragging prices to the recent lows. On an intraday basis, prices broke below the triangle pattern that we've been tracking for the last couple of days, advocating for further downside. A break above the $17,000 - $17,150 range would be necessary to get the bulls back in power for a squeeze to $18,000.

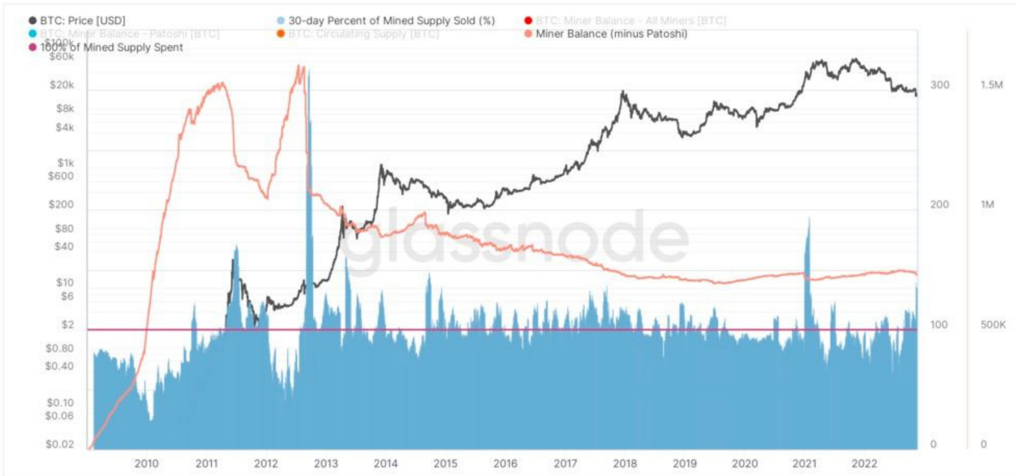
The FTX exploiter from Nov 12th is back and instilled even more fear in the market after leveraging crypto bridges and decentralized pools to clean the exploited funds.

Moving on with Bitcoin miners, the volume of BTC sold by miners in the past month is the 5th largest outflow in Bitcoin's history. Balances from miners have come down but it seems that mining firms are selling newly mined coins to cover operational expenses. Also, difficulty is expected to tick lower as hashrate slows down which suggests that a possible top is in.

In other news, legendary investor Bill Ackman shared his latest thoughts on the crypto industry.
https://twitter.com/BillAckman/status/1594456744851558402



Bitcoin: Miner Percent Mined Supply Spent



glassnode

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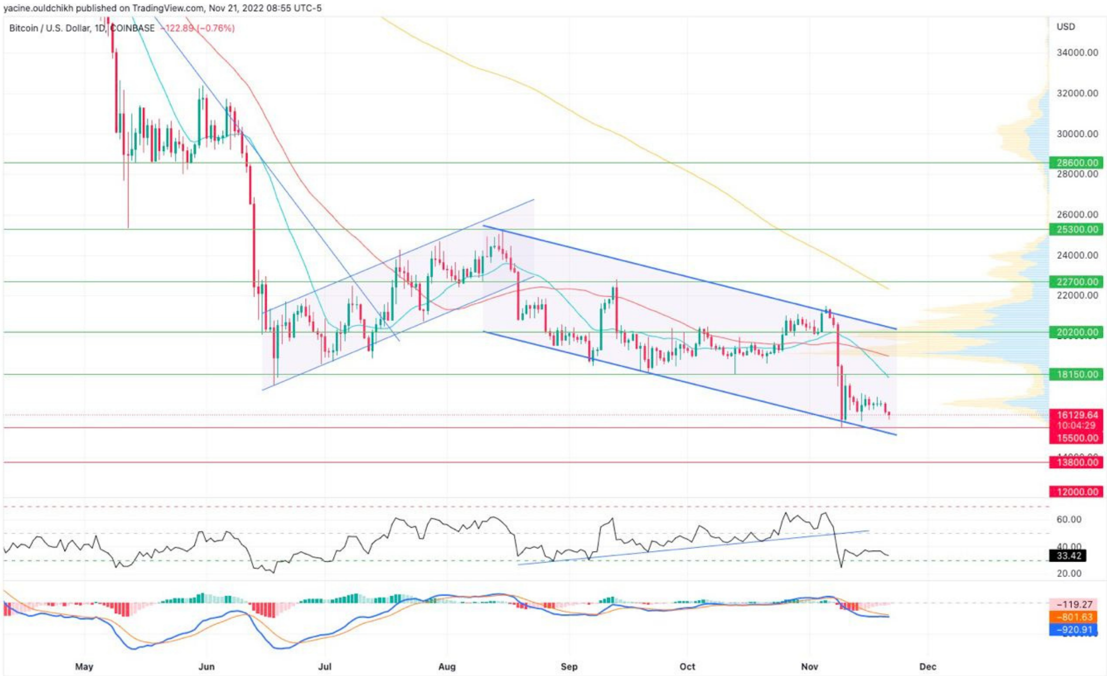

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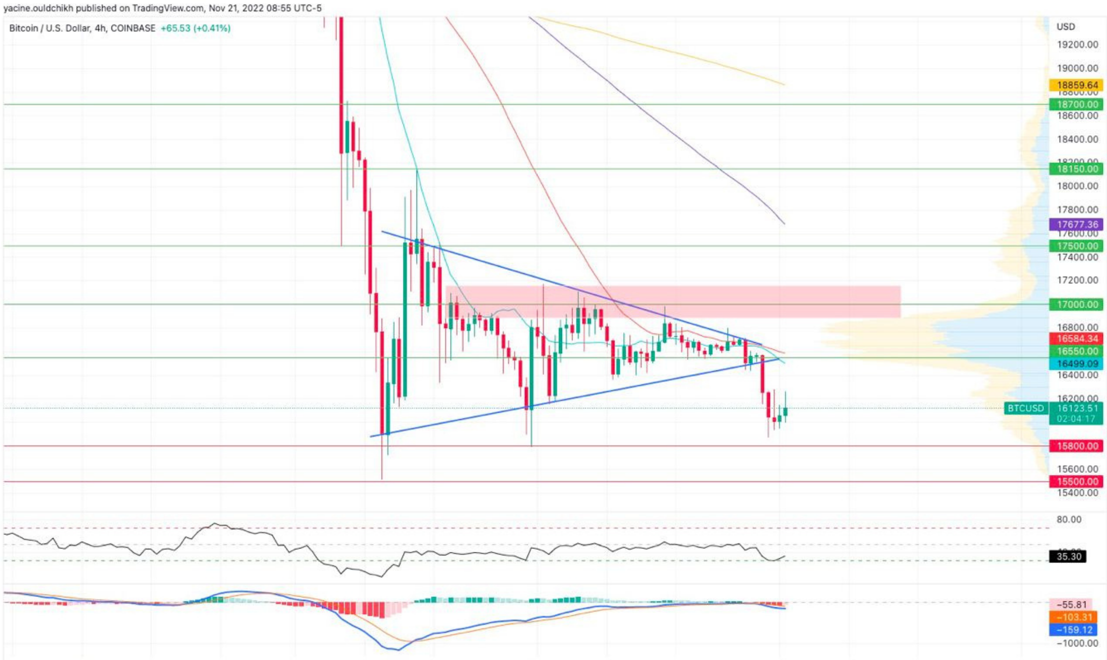


TradingView

OVERVIEW

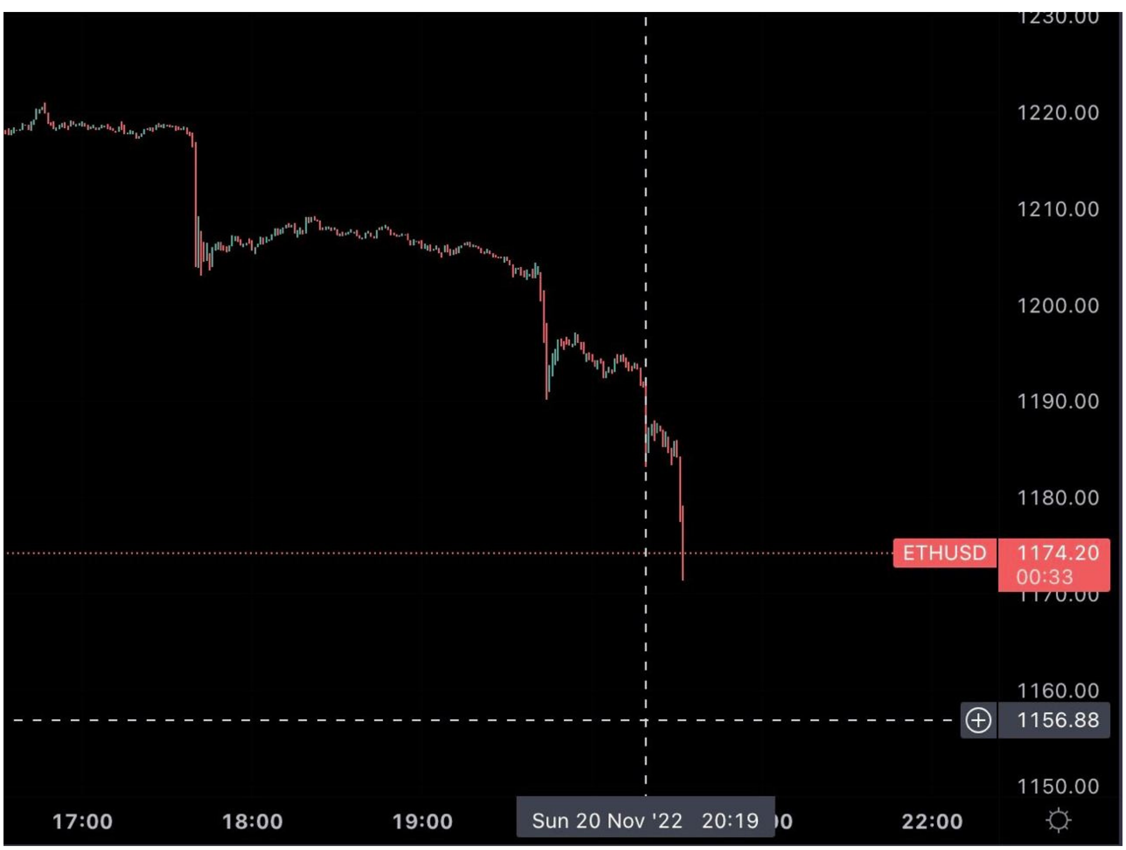
Altcoin Analysis

Ethereum has witnessed some pressure over the weekend as the FTX exploiter is back for more damage.

The hacker is steadily selling ETH on-chain (clips of 10k ETH and 25k ETH) and still has 200k ETH remaining in his wallet which translates to $230m of potential sell pressure ahead. While 50k worth of ETH sell orders took us from $1220 to $1160 and front-runners are starting to get in the game, it’s possible that there’s more downside ahead unless the hacker decides to stop selling.

Luckily for the market, it seems that the hacker may face liquidity issues. This trader has been offloading ETH via the renBTC bridge which allows ETH to be traded to BTC and vice versa. renBTC has limited liquidity which makes it much harder to dump the entire ETH holdings of 200k ETH. Also, the Ren protocol announced that they will freeze new renBTC mints, which pushes the hacker to take the risk of selling ETH directly through the market.

Age	From		To	Value
20 secs ago	*0x866eeecd1f248d1a0a...*	OUT	*1inch v5: Router*	*5,000 Ether*
4 secs ago	0x866eeecd1f248d1a0a...	OUT	1inch v5: Router	5,000 Ether
5 mins ago	0x866eeecd1f248d1a0a...	OUT	Ren: BTC Gateway	0 Ether
11 mins ago	0x866eeecd1f248d1a0a...	OUT	1inch v5: Router	5,000 Ether
12 mins ago	0x866eeecd1f248d1a0a...	OUT	1inch v5: Router	4,000 Ether
34 mins ago	0x866eeecd1f248d1a0a...	OUT	1inch v5: Router	4,000 Ether



From a chartist point of view, ETH remains in a steady downtrend with lower highs and lower lows.

Looking at the big picture, ETHUSD is capped by a long-term declining trend channel in place since November 2021. We are currently flirting with the recent lows of $1050 which has acted as support last Summer. A break below this level would send prices towards the yearly lows or the next support level of 800 taken from the high of May 2018.

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