NOVEMBER 15 - 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	$16,913	1.85%	$16,276	$17,035	0.0015%
ETH/USD	$1,266	1.28%	$1,214	$ 1,283	-0.0039%
XAU/USD	$1,772.40	0.80%	$1,768.40	$1,787.90	
USD/CAD	$1.3314	-0.01%	$1.3225	$1.3337	
EUR/CAD	$1.3843	0.71%	$1.3723	$1.3864	

BITCOIN

A snapshot of Bitcoin's spot price as of this writing is $16,913 representing a 1.85% increase the last 24 hours and 17.15% decrease in trading volume. The funding rate of BTC is 0.0015%.

ETHEREUM

ETH is trading at $1,266 as of this writing, representing a 24-Hour increase of 1.28% and a funding rate of -0.0039%. Over the last 24 Hours, the trading volume decreased by 18.57%. As of today, ETH holds 18.3% of the cryptocurrency market, making it the second-largest coin traded.

OVERVIEW

Latest Digital Asset News

1- Cumberland: FTX collapse to trigger structural change in crypto markets, away from centralization

The collapse of FTX last week will trigger significant market structure changes, namely moving away from a model of all-in-one platform centralization, crypto trading firm Cumberland said. The various functions of crypto spot trading have been trending toward a model of all-in-one platform centralization, Cumberland's Head of Trading Jonah Van Bourg said on Twitter today. Van Bourg was referring specifically to liquidity, clearing, settlement, custody and lending. These functions were "coalescing under a very limited number of roofs." Centralized exchanges had many incentives for pushing this all-in-one model. Van Bourg said that, in hindsight, some of these were "perverse."

2 - FTX-acquired crypto exchange Liquid suspends withdrawals

Crypto exchange Liquid suspended both fiat and crypto withdrawals in order to comply with regulations relating to FTX's filing for Chapter 11 bankruptcy protection. "Fiat and crypto withdrawals have been suspended on Liquid Global in compliance with the requirements of voluntary Chapter 11 proceedings in the United States," the company's official Twitter account stated. "Until further notice, we would suggest to not deposit either fiat or crypto."

3 - Bahamian Supreme Court Approves Liquidators for FTX Assets

The Supreme Court of the Bahamas has approved two insolvency experts at PricewaterhouseCoopers as provisional liquidators overseeing FTX's assets, according to an official notice from Monday. Entrepreneur Sam Bankman-Fried's now bankrupt crypto exchange FTX had its headquarters in the Bahamas, where it is under investigation by the jurisdiction's securities regulator and local law enforcement. The Commission, which announced the appointment of PwC's Kevin Cambridge and Peter Greaves as joint provisional liquidators on Monday, said it was taking swift enforcement action "to further protect the interests of clients, creditors and other stakeholders globally of FTX Digital Markets Ltd."

(1) https://www.theblock.co/post/186676/cumberland-ftx-collapse-to-trigger-structural-change-in-crypto-markets-away-from-centralization?utm_source=rss&utm_medium=rss
(2) https://www.theblock.co/post/187084/ftx-acquired-crypto-exchange-liquid-suspends-withdrawals
(3) https://www.coindesk.com/policy/2022/11/15/bahamian-supreme-court-approves-liquidators-for-ftx-assets/?utm_medium=referral&utm_source=rss&utm_campaign=headlines

OVERVIEW

Trader's Digest

Wondering why the main cryptocurrencies, US equities, Gold, and Bonds are rallying early this morning?

In fact, the US October producer price index data (PPI), another gauge for inflation, came out as more good news for trades betting on a top in inflation and will give the Fed some ammunition for the pivot trade.

Following last week's CPI lower, the PPI gave another wave of relief as well as signs that the monetary tightening from the Fed is finally having effect on the market. Excluding the volatile food, energy and trade services components, producer prices rose 0.2% in October. The so-called core advanced 0.3% in September. In the 12 months through October, the core PPI rose 5.4% after increasing 5.6% in September.

08:30	USD	★★☆	Core PPI (MoM) (Oct)	0.0%	0.3%	0.2%
08:30	USD	★☆☆	Core PPI (YoY) (Oct)	6.7%	7.2%	7.1%
08:30	USD	★★☆	NY Empire State Manufacturing Index (Nov)	4.50	-5.00	-9.10
08:30	USD	★☆☆	PPI (YoY) (Oct)	8.0%	8.3%	8.4%
08:30	USD	★☆☆	PPI ex. Food/Energy/Transport (MoM) (Oct)	0.2%		0.3%
08:30	USD	★★★	PPI (MoM) (Oct)	0.2%	0.4%	0.2%

The USD Index softened even further on the data, trading below 105.500, prices last seen in August 2022. Therefore, Nasdaq squeezed above $12,100, supported by a weaker Dollar and weaker US yields. As previously mentioned, the target for the tech heavy Nasdaq is $13,000, which will support Bitcoin and Ethereum during these difficult times.

These are big moves on an indicator that isn't often a market mover. But in these market conditions… it is!


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NASDAQ 100 E-mini Futures, 4h, CME_MINI O11872.00 H12118.75 L11857.75 C12032.50 +159.50 (+1.34%)
USD
TradingView


NicolasCarrier published on TradingView.com, Nov 15, 2022 09:14 UTC-5
L16707.64 C16903.33 +141.82 (+0.85%)
USD
TradingView

Altcoin Analysis

We are receiving more details about Solana's ties to FTX and Alameda Research after SOL lost over half of its value since the start of the FTX collapse.

Solana had $1m of assets on FTX and holds 3.24 million shares of FTX Trading LTD common stock, with about 3.43 million FTT tokens ($4.4m) and 134.54 million SRM tokens ($29.3m), down in value from $76m and $101m respectively. FTX had purchased 50.5m SOL ($708m) with a majority locked up in monthly unlock schedules up until 2028.

Clearly, Solana and SBF's firms were heavily intertwined which explains the recent negative price impact on SOL.

DeFi applications have also felt the burn as more than $10b was stored on the Solana network. Over $700m in value was wiped out. Solana's price drop has contributed to that fall as well as falling prices of related DeFi tokens. Solana NFTs were hit as well as their floor value dropped 65% from $424m to $135m over the last couple of days.

Deribit, the derivative exchange, mentioned that it would stop listing options and futures contracts for Solana with new expiration dates. Trading activity on that coin is expected to be significantly affected.

Moving on with price action.

SOLUSDT broke below a descending triangle pattern, which is perceived to be a bearish pattern as volume accumulates near the lows. After this meltdown, it seems that the probability to make money is higher on the long side but timing is of the essence.

After rebounding twice off the support of $12, we expect SOL to retest the recent high of $18.85 as a first target. If we can break that to the upside, we would be looking at the next targets of $21.50 and $24.50 based on the 38.2% and 50% Fib levels.

The price level of $27.50 is expected to provide a lot of resistance. A break above this level would make bulls much more comfortable.

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