NOVEMBER 10 - 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	$17,474	1.52%	$15,682	$17,819	-0.0238%
ETH/USD	$1,313	12.00%	$1,083	$ 1,335	-0.0175%
XAU/USD	$1,753.10	2.66%	$1,703.90	$1,754.20	
USD/CAD	$1.3343	-1.34%	$1.339	$1.3572	
EUR/CAD	$1.3576	0.27%	$1.3457	$1.3595	

BITCOIN

A snapshot of Bitcoin's spot price as of this writing is $17,474 representing a 1.52% increase the last 24 hours and 19.45% decrease in trading volume. The funding rate of BTC is -0.0238.

ETHEREUM

ETH is trading at $1,313 as of this writing, representing a 24-Hour increase of 12.00% and a funding rate of -0.0175%. Over the last 24 Hours, the trading volume decreased by 25.92%. As of today, ETH holds 18.3% of the cryptocurrency market, making it the second-largest coin traded.

OVERVIEW

Latest Digital Asset News

1- Tether Freezes $46M of USDT Held by FTX Following Law-Enforcement Request

Stablecoin issuer Tether has frozen $46 million of USDT held on the Tron blockchain by failing crypto exchange FTX following a request from law enforcement. According to Tron block explorer Tronscan, the wallet belongs to FTX, the crypto exchange that halted withdrawals earlier this week following liquidity issues. "We are starting to receive requests from LE to temporarily freeze assets while an investigation occurs," a Tether executive told CoinDesk, using an acronym for law enforcement. USDT fell 3% from its $1 peg earlier Thursday as contagion begins to spread following FTX's plight. It was recently trading at just a fraction below $1.

2 - Latin America's largest bank partners with Galaxy to introduce crypto ETFs

Itaú Asset, the investment fund arm of Latin America's largest bank by AUM, is offering a physically backed crypto ETF listed in Brazil. Via a partnership with Mike Novogratz's Galaxy Digital, the IT Now Bloomberg Galaxy Bitcoin ETF will start trading as markets open today on Brazil's B3 stock exchange, according to a news release. It will begin by offering investors exposure to bitcoin, and later develop so that investors can access other strategies in the digital asset space. Itaú Unibanco's partnership with Galaxy comes amid fluctuations in the crypto ETF space. Last week, it was reported that three Australian crypto exchange-traded funds intend to delist their offerings amid a slump in asset prices. This followed an October report outlining how Hong Kong regulators have detailed the basic requirements that exchange-traded fund managers must meet to list crypto products, including ETFs, in the city.

3 - EU Parliament passes cybersecurity legislation for crypto and fintech firms

The European Parliament passed the Digital Operational Resilience Act, which creates new rules on cybersecurity for crypto asset service providers. The legislation passed by a margin of 556 in favor, and 18 against. DORA is intended to harmonize risk management requirements and processes for reporting cybersecurity incidents. Financial institutions will be required to monitor and report security events, and tech service providers will be subject to oversight by European regulators. The new law will apply to EU regulated financial entities. Those include traditional finance banking and investment firms as well electronic money and crypto-asset service providers. Companies providing tech services, like data analytics, are also included.

4 - FTX used $4 billion including customer funds to keep Alameda afloat

FTX chief Sam Bankman-Fried transferred at least $4 billion in FTX funds to Alameda Research, including native token FTT and shares in Robinhood, according to Reuters. The transfers were made after Alameda, Bankman-Fried's trading firm, suffered losses from deals in May and June, including a loan agreement with Voyager Digital, Reuters said, citing people close to the subject. These funds included customer deposits, according to the report. Bankman-Fried didn't inform other FTX executives about the transfer of funds to Alameda because he was afraid of leaks, Reuters said.

(1) https://www.coindesk.com/business/2022/11/10/tether-freezes-46m-of-usdt-following-law-enforcement-request/
(2) https://www.theblock.co/post/185254/latin-americas-largest-bank-partners-with-galaxy-to-introduce-crypto-etfs
(3) https://www.theblock.co/post/185360/eu-parliament-passes-cybersecurity-legislation-for-crypto-and-fintech-firms?utm_source=rss&utm_medium=rss
(4) https://www.theblock.co/post/185176/ftx-used-4-billion-including-customer-funds-to-keep-alameda-afloat-reuters

OVERVIEW

Trader's Digest

The market finally got what it was waiting for! A softening in the inflation numbers, more specifically, US Consumer Price index – CPI. The world was waiting to see if the Fed strict monetary tightening had any effect on the historically high inflation, and they got pleased.

Here is the breakdown of the data:

	ACTUAL	Expectation	Prior
Core CPI (MoM)	0.3%	0.5%	0.6%
Core CPI (YoY)	6.3%	6.5%	6.6%
CPI (MoM)	0.4%	0.6%	0.4%
CPI (YoY)	7.7%	8.0%	8.2%

What was the market reaction?

Risk assets rallied significantly on the data, including Bitcoin, Ether, and other alternative coins.

Bitcoin is now up 11.5%, Ether 20.5%, while Nasdaq and the S&P500 are respectively up 5.5% and 4%.

Post data, the Fed Watch Tool shifted to a 80.6% chance of a 50 bps versus 56.8% yesterday.

Now, the worst performer is with no surprised the USD Index. DXY collapsed 2.30% on the release, now trading below 108.500. This supported the broader market, shifting yesterday's narrative to risk-on sentiment.


NicolasCarrier published on TradingView.com, Nov 10, 2022 10:40 UTC-5
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Ethereum / U.S. Dollar, 15, COINBASE
TradingView


NicolasCarrier published on TradingView.com, Nov 10, 2022 10:41 UTC-5
U.S. Dollar Currency Index, 4h, TVC O110.932 H110.945 L108.294 C108.417 −2.519 (−2.27%)
TradingView

OVERVIEW

Altcoin Analysis

Headlines are rumors are coming in faster than FTX withdrawals.

Too soon?

Let’s fly through some of them very briefly:
- SBF told an investor this week that Alameda owes FTX about $10 billion
- TRON DAO Reserve will purchase total 1 billion USDT to fight short sellers
- Tether has just frozen FTX's USDT
- Tether has just processed 700m redemptions in the last 24hrs
- Balance discloses a balance in their hot and cold wallets of 450k BTC, 21.7b BUSD, 17.6b USDT, 58m BNB and more.

Following the CPI print this morning, altcoins have witnessed a massive surge.
- MATIC +38%
- SOL +26%
- DOGE 23%
- ETH +20%
- BNB +16%

What caught our attention this morning was Chainlink (LINK).

Chainlink Staking v0.1 is already available but only to selected early access users. Its Staking program is technically going live in December and LINK holders can't wait as it enters a new generation of security and scaling.

"Ultimately, the introduction of Chainlink Staking represents a new era of network security that helps scale Chainlink into a global standard with a growing and sustainable user base", according to the team via Twitter.

From a chartist point of view, LINKUSDT remains within the consolidation channel that has been in place since the meltdown in May. The coin wasn't able to break above the resistance we've been sharing with clients at $9.5. We pulledback towards the bottom-end and rebounded. That $5.9 support that we've been sharing as well has acted as amazing support. As long as the coin is trading above this support level, we expect further upside towards $9.5

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