



OCTOBER 12 - 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	\$19,120	0.04%	\$18,925	\$19,180	0.0100%
ETH/USD	\$1,298	1.31%	\$1,272	\$1,303	-0.0009%
XAU/USD	\$1,672.30	0.29%	\$1,664.70	\$1,676.40	
USD/CAD	\$1.3801	0.04%	\$1.3759	\$1.3831	
EUR/CAD	\$1.3377	-0.11%	\$1.3359	\$1.3425	



BITCOIN

A snapshot of Bitcoin's spot price as of this writing is \$19,120 representing a 0.04% increase the last 24 hours and 0.34% decrease in trading volume. The funding rate of BTC is 0.0100%.



ETHEREUM

ETH is trading at \$1,298 as of this writing, representing a 24-Hour increase of 1.31% and a funding rate of -0.0009%. Over the last 24 Hours, the trading volume decreased by 6.19%. As of today, ETH holds 18.3% of the cryptocurrency market, making it the second-largest coin traded.

UPCOMING DATES		
PAIRS	24 HR CHANGE	HIGH
WISDOMTREE / BITCOIN TRUST	WISDOMTREE	OCTOBER 10, 2022



OVERVIEW

Latest Digital Asset News

1 - Grayscale says SEC harmed investors in new brief appealing ETF rejection

Crypto asset manager Grayscale Investments has filed its opening brief in a lawsuit over the Securities and Exchange Commission's rejection of its application for a spot bitcoin exchange-traded fund. The company's legal argument centers around what it considers to be an uneven application of the law due to regulators approving bitcoin futures that are tied to spot market pricing. On Tuesday Grayscale Chief Legal Officer Craig Salm told The Block that if the SEC is comfortable with futures contracts, which are priced by exchanges offering spot market trades, the agency should be comfortable with the underlying asset as well.

2 - Solana-Based Decentralized Finance Platform Mango Hit by \$100 Million Exploit

Mango, a decentralized finance platform hosted on the Solana blockchain, has been exploited for over \$100 million. The exploit was initially reported on Twitter by blockchain auditors OtterSec, who say "the attacker was able to manipulate their Mango collateral." "The [MGNO] governance token was valued for far more than it should be," OtterSec's Robert Chen told CoinDesk. "With that, [the attacker] was able to take out large loans against it and then drain Mango's [liquidity] pools. It's like a lending-borrowing race: if you have overvalued collateral, you can then borrow against that collateral, and that's what they did."

3 - Valkyrie to Liquidate Bitcoin Balance Sheet ETF After Limited Uptake

Crypto asset manager Valkyrie Funds said Tuesday it will liquidate its Balance Sheet Opportunities ETF (VBB), a bitcoin bull-focused investment vehicle that fizzled during its less than one year life. The fund will be liquidated at the end of October, said the company in a statement, and then delisted from Nasdaq where it has traded since December 2021. Investors who hold the exchange-traded fund through liquidation will get a cash redemption for the value of their shares, according to regulatory filings. The fund's dissolution "was the best course of action," Valkyrie said, noting the decision to cut it was "part of an ongoing review of products aimed at ensuring the firm best meets client demand."

4 - Bored-Ape Creator Yuga Labs Faces SEC Probe Over Unregistered Offerings

The US Securities and Exchange Commission is investigating Yuga Labs Inc., the creator of the popular Bored Ape Yacht Club collection of NFTs, over whether sales of its digital assets violate federal law. The SEC is examining whether certain nonfungible tokens from the Miami-based company are more akin to stocks and should follow the same disclosure rules, according to a person familiar with the matter, who asked not to be named because the probe is private. Wall Street's main regulator is also examining the distribution of ApeCoin, which was given to holders of Bored Ape Yacht Club and related NFTs. The cryptocurrency was created in part for web3, a vision of a decentralized internet built around blockchains.

(1) <https://www.theblock.co/post/176392/grayscale-says-sec-harmed-investors-in-new-brief-appealing-etf-rejection>
(2) <https://www.coindesk.com/business/2022/10/11/breaking-news-solana-based-decentralized-finance-platform-mango-hit-by-potential-100-million-exploit/>
(3) <https://www.coindesk.com/business/2022/10/11/valkyrie-to-liquidate-bitcoin-balance-sheet-etf-after-limited-uptake/>
(4) <https://www.bloomberg.com/news/articles/2022-10-11/bored-ape-creator-yuga-labs-faces-sec-probe-over-unregistered-offerings?leadSource=uverify%20wall>



OVERVIEW

Trader's Digest

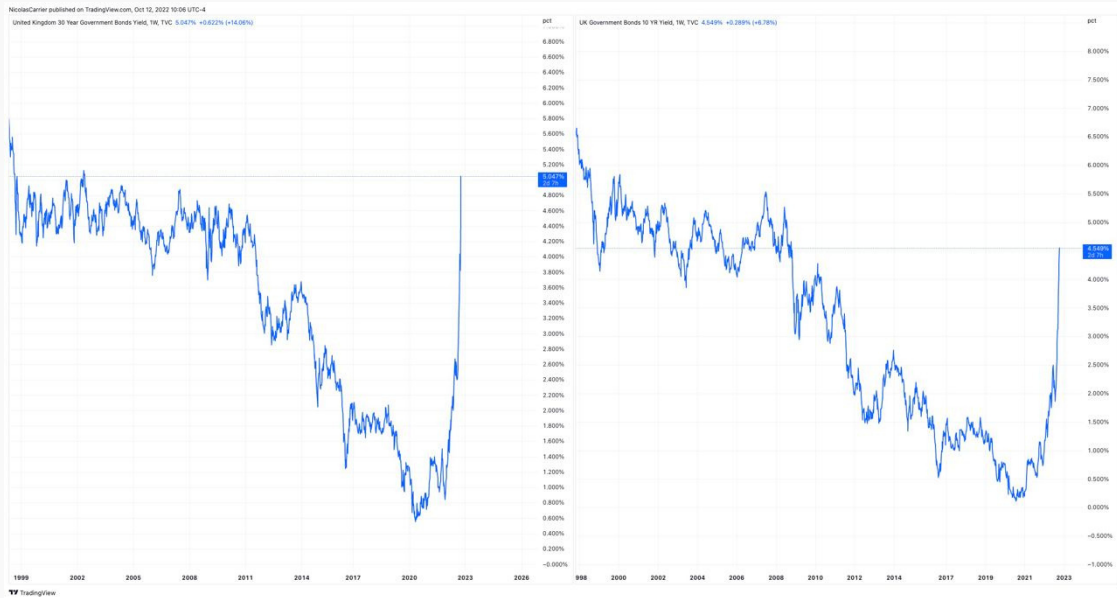
Since the end of June, Bitcoin has seen a volatility meltdown, with the bandwidth indicator falling from 0.76 to 0.08, the lowest since October 2020. Therefore, a big move in either direction appears overdue, as historically, below-0.10 readings on the bandwidth have marked an explosion in price volatility on top of tomorrow's US CPI data being released.

Bitcoin remains around the \$19,000 level after hitting a low of \$18,860 on Tuesday. Bitcoin has been holding fairly resilient recently, compared to the rest of financial markets, with the US Equities declining on Tuesday in a volatile session, both breaking their Yearly low.

Now, UK 10y-year yields are up 18 bps to 4.61%, a new cyclical high, while the UK 30s are also above 5% for the first time since Sept hovering right at the September high. The selling in gilts did spill over to Treasuries and global fixed income, even though US treasuries are holding much stronger than the EU market.

Finally, let's be ready for tomorrow's US CPI release, as it will generate a significant amount of volatility.

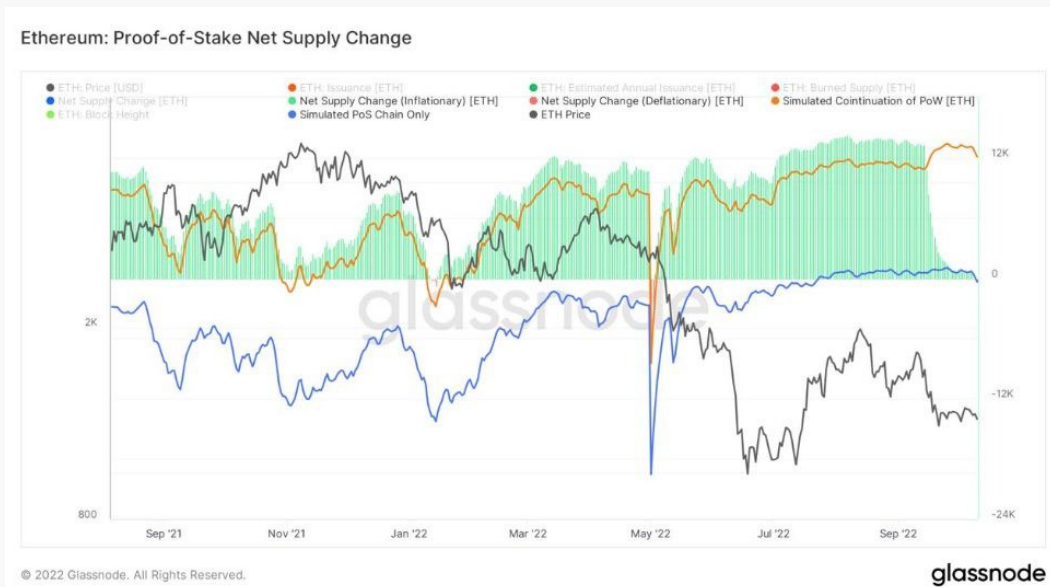




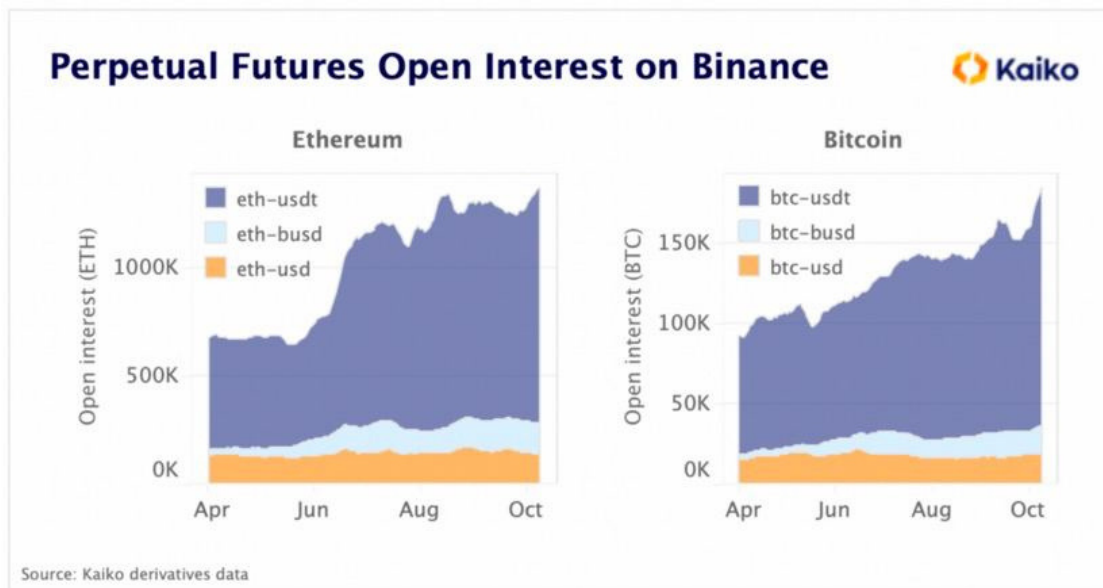
OVERVIEW

Altcoin Analysis

Ethereum recently reached another milestone. The weekly supply growth has turned deflationary for the first time since the Merge, which means that more ETH is destroyed than created. According to Delphi Digital, the circulating supply of ETH is down by almost 4,000 ETH over the past 2 days. A lower supply of any product usually leads to an increase in its value, which is what ETH investors are looking forward to.



Another important element is the rise of open interest that keeps accumulating on both ETH and BTC. ETH OI rose by 10% since the end of September while BTC OI has surged by 20% in the same timeframe. Market participants are clearly expecting a big move in either direction.



Technically speaking, ETHUSD is trading right at the bottom-end of a symmetrical triangle pattern and is pushing for a rebound. If prices continue higher, we would most likely reach the first target of 1330 where we're seeing the most resistance for now. A break above this level would open the door for prices to test the recent highs near 1385.



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TRADING@SECUREDIGITALMARKETS.COM

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