OCTOBER 3 - 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	$19,235	0.31%	$18,970	$19,312	0.0100%
ETH/USD	$1,301	0.20%	$1,271	$ 1,308	0.0019%
XAU/USD	$1,671.90	-0.98%	$1,660.10	$1,675.80	
USD/CAD	$1.3693	-0.98%	$1.3667	$1.3832	
EUR/CAD	$1.3373	-1.34%	$1.3364	$1.3562	

BITCOIN

A snapshot of Bitcoin's spot price as of this writing is $19,235 representing a 0.31% increase the last 24 hours and 41.03% increase in trading volume. The funding rate of BTC is 0.0100%.

ETHEREUM

ETH is trading at $1,301 as of this writing, representing a 24-Hour increase of 0.20% and a funding rate of 0.0019%. Over the last 24 Hours, the trading volume increased by 31.42%. 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- U.S. Treasury bills now make up more than half of Tether's reserves 1

U.S. Treasury bills account for 58.1% of stablecoin issuer Tether's reserves, the firm's CTO, Paolo Ardoino, said on Monday. Throughout 2022, Tether has repeatedly made it known that it plans to improve the quality of its reserves, in part, by reducing the amount of commercial paper held in its reserves. As of September 30, it reduced its commercial paper holdings to less than $50 million, Ardoino tweeted. Tether's U.S. Treasury bill holdings are up over 14% from June 30 to last Friday. Tether previously shared its plans to reduce commercial paper holdings amid the Terra crisis in May — at the time it had commercial paper holdings of $19.9 billion. This amount was brought down by more than 58% by August 19, when Tether's disclosures showed commercial paper holdings of $8.5 billion.

2 - After FTX.US, CME Group proposes direct derivatives trading 2

CME Group is following in the footsteps of Sam Bankman-Fried's FTX.US, proposing to regulators its own plan to offer derivatives trading directly to consumers. CME Group, one of the largest exchanges for trading of derivatives and other financial contracts, filed paperwork to register as a so-called futures commission merchant (FCM), according to a report by The Wall Street Journal. If the exchange's plans are approved by regulators, then traders would be able to trade derivatives directly through CME rather than through brokers. Typically individuals traders trade derivatives through a third-party brokerages like TDAmeritrade.

3 - Uniswap Labs eyes over $100 million in new funding 3

Uniswap Labs is in early stages of putting together a new round, according to four sources familiar with the matter, as the parent firm of the world's largest decentralized exchange gears up to broaden its offerings. The startup is engaging with a number of investors, including Polychain and one of Singapore's sovereign funds, to raise an equity round of $100 million to $200 million at a valuation of about $1 billion, two of the sources said, who, like others, requested anonymity sharing private information. The deliberations of the round haven't reached final stages, so terms of the deal may considerably change, the sources cautioned.

4 - BlackRock preps ETF targeting metaverse companies 4

BlackRock, the world's largest asset manager, is planning a new ETF aimed at capitalizing on metaverse-facing companies, Bloomberg reported. The new fund, the iShares Future Metaverse Tech and Communications ETF, is the latest foray into the blockchain ecosystem for the New York-based investment giant. The company just launched the iShares Blockchain Technology UCITS ETF that tracks the New York Stock Exchange FactSet Global Blockchain Technologies capped index, targeted towards European customers. In August, BlackRock announced it was partnering with Coinbase to provide clients with crypto trading, custody, prime brokerage and reporting capabilities.

[1] https://www.theblock.co/post/174394/u-s-treasury-bills-now-make-up-more-than-half-of-tethers-reserves
[2] https://www.theblock.co/post/174269/after-ftx-us-cme-group-proposes-direct-derivatives-trading-wsj
[3 https://techcrunch.com/2022/09/30/uniswap-labs-eyes-over-100-million-in-new-funding/
[4] https://www.theblock.co/post/173941/blackrock-preps-etf-targeting-metaverse-companies-bloomberg

OVERVIEW

Trader's Digest

A third consecutive monthly decline in pending home sales offered the latest evidence of the once hot housing market's cooling and wider, economic slowing. Yet the core personal consumption expenditure (PCE), the Federal Reserve's preferred measure of measuring U.S. inflation, was higher than expected in August, rising 4.9% on a year-over-year basis after increasing 4.7% in July. The reading indicated that inflation will continue to plague the U.S. economy and beyond.

Investors will be eyeing the September Unemployment rate and Non-Farm Payrolls on Friday, which is expected to remain at its current 3.7% reading. As we know, the US economy is stuck in a low growth rut, with consumption growth trending at 1%-2%. Therefore, a recession will unfold once the labor market cracks. This makes next week’s labor data very important

Now, how are our main cryptocurrencies looking this morning?

Bitcoin is still hovering around $19,000 as the USD Index shortly soften below 112.000. On the daily and weekly time frame, the Head and Shoulder drawn from June’s pivot point is still in play as risk assets are feeling the pressure from the U.S unanchored inflation.

On that note, it’ll be very important to monitor U.S equities early this week, as all four major indices broke their yearly lows last week.

Finally, Ether traded as low as $1,260 over the weekend, now trying to push above $1,300. Ether has been ranging between $1,400 and $1,250 for the past two weeks, with no clear direction.


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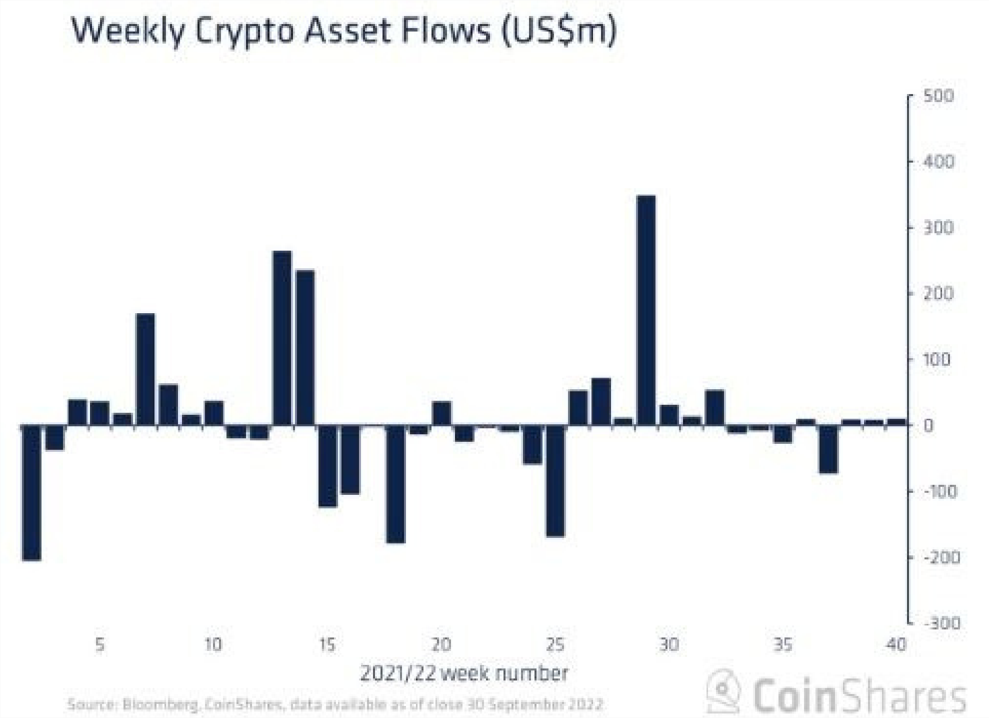
EMA 26870.95 19478.24 20311.30
TradingView


NicolasCarrier published on TradingView.com, Oct 03, 2022 09:50 UTC-4
U.S. Dollar Currency Index, 4h, TVC O112.297 H112.370 L112.091 C112.265 −0.029 (−0.03%)
BOE Announcement
TradingView

NicolasCarrier published on TradingView.com, Oct 03, 2022 09:51 UTC-4
NASDAQ 100 E-mini Futures, 1W, CME_MINI O11030.00 H11135.50 L10890.75 C11110.00 +74.50 (+0.68%)
USD
PRE COVID
1(16767.00)
0.786(14599.75)
0.618(12898.50)
0.5(11703.50)
0.382(10508.75)
0.236(9030.25)
13422.25
11110.00
9643.75
2015
2016
2017
2018
2019
2020
2021
2022
2023
2024
TradingView

Altcoin Analysis

Digital asset investment products witnessed inflows of $10.3m last week after three consecutive weeks of inflows while Ethereum in particular showed a second week of inflows worth $5.6m. The volume of options and futures have remained high within the last 4 months as opposed to Bitcoin which has only recently started to recover.



Let's analyze the current technical outlook of Ethereum.

From a chartist point of view, ETHUSDT is rebounding off the bottom-end of a short-term trend channel and is trying to push higher. The pair broke above a Head-and-Shoulders pattern but didn't reach its profit target of $1,475. However, the pattern is still technically in play as prices haven't closed below the right shoulder which is the level to look out for to invalidate the pattern.

MACD has tried to get back to positive territory but is still flirting with the neutral level. A clear push in the green will confirm the rally in sight.

Technically speaking, ETHUSDT continues to trade within a long-term declining trend channel on the Daily chart since its record highs as well as a short-term declining trend channel since its recent highs of $2,030. Prices have rebounding off the previous resistance level near $1,235-$1,275 and are looking to get back on track.

Looking at ETHBTC, the pair confirmed the breakdown of the double top pattern but hasn't reached the profit target yet. For now, the pair is hesitating within a consolidation zone as shown with the dotted orange lines. A breakdown of this level would send the pair towards the profit target (1st red line) while the breakout on the upside would send the pair back to the double top breakdown level.

As long as prices remain above $1,255, we expect further upside towards $1,355 and $1,390 in extension. If prices reach the top-end of the trend channel near $1,500-$1,560, it would open the door for an interesting short opportunity with an attractive risk-reward.

When it comes to trading alt coins, it is very important to track the movement of Bitcoin. When BTC appreciates or consolidates in a range, some of these coins can flourish but if the former gets dumped then the latter will get destroyed. Therefore, these types of analysis depend on the trajectory of Bitcoin's price action. Timing is of the essence.

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