

Weekly Market Report

8 May 2023

Overview

TL;DR

- The Federal Reserve hiked its policy interest rate by 25 basis points at the FOMC meeting, with many expecting it to be the last in the current cycle due to various macroeconomic factors.
- JOLTS report shows job vacancies in the US fell for the third consecutive month in March, while layoffs increased to the highest level in more than two years.
- The cryptocurrency market remains above the 100-week EMA, and BTC dominance continues above its historical support of 48.5%.

Weekly Price Movement

BTC - \$28,133 - ▼3.71%

ETH - \$1,860 - ▼0.38%

USDT - \$1.00 - 0.00%

BNB - \$317 - ▼4.97%

USDC - \$1.00 - 0.00%

Weekly Top Gainers

PEPE - \$0.00000232 - ▲117.65%

STX - \$7.58 - ▲5.92%

MNR - \$710 - ▲5.43%

Global Market Highlight

This volatile week saw the major market indices finish mixed. The S&P 500 (SPX) trimmed its weekly loss on Friday (5/05) and concluded the week down 0.8%; the Dow Jones Industrial Average (DJIA) is down 1.4%; the Nasdaq Composite (NDAQ) is up 0.2% for the week; and the Nasdaq 100 (NDX) is up 0.3%.

Is The Bitcoin Bear Market Over?

At the Federal Reserve's Federal Open Market Committee (FOMC) meeting on Wednesday (3/05), the Fed hiked its policy interest rate by 25 basis points. Many anticipate that this interest rate hike will be the last in the current cycle, owing to the strain on the banking system, tighter financial conditions, and current macroeconomic indications and statistics indicating slowing economic expansion and more moderate inflation.

The U.S. also saw the lowest level of job vacancies in March since May 2021, showing that the labor market balance has progressively improved following the Fed's year-long attempt to slow the economy. According to the monthly Job Openings and Labor Turnover Survey (JOLTS) report, job openings in the U.S. fell for the third consecutive month in March, while layoffs increased to the highest level in more than two years. The number of layoffs and discharges rises by 248,000 to 1.8 million, indicating some softening in the labor market that could aid the Federal Reserve's fight against inflation. Job vacancies are declining in small business.

Meanwhile, the cryptocurrency market remains above the 100-week Exponential Moving Average (EMA) and must break through its support level to sustain and extend the upward trend. Despite a minor dip this week, the BTC dominance continues above its historical support of 48.5%.

Announcements and Important Dates

- U.S. Consumer Price Index Results - Wednesday, 10 May 2023
- U.S. Producer Price Index Results - Thursday, 11 May 2023
- Michigan Consumer Sentiment Index (MCSI) Results - Friday, 12 May 2023

Bitcoin

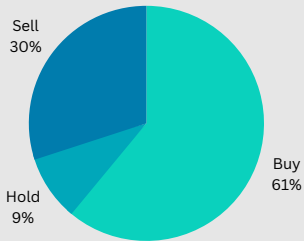
TL;DR

- Price contained around 28k-30k
- Another strong rejection on 30k
- Forming potential double top pattern

Trading Insights

Intraday
Mildly bearish
Intraweek
Mildly bearish

Holder's Making Money at Current Price



Options Vaults

Sell Call @ \$31,000, exp 12 May
Sell Put @ \$25,500, exp 12 May



Technical Analysis

On daily timeframe, Bitcoin has been range-bound between \$28,000 - \$30,000. However, there has been a notable development with another strong rejection on the \$30,000 level. This rejection has also resulted in the formation of a potential double top pattern, often signals a trend reversal.

As such, traders should keep a close eye on Bitcoin's price action in the coming days to determine if the bearish trend will continue.

Fundamental Analysis

Over the past week, the price of Bitcoin (BTC) has been around \$28,000 - \$29,000. With the 100-week EMA and BTC dominance continuing above its historical support of 48.5%, BTC market movements over the past seven days have tended to be stable despite much macroeconomic news that has the potential to drop prices.

Even though many experts have indicated a bull market, the number of investors purchasing Bitcoin has dropped by 8% compared to last week's data. So does the number of investors that sell their BTC holding has increased from 27% last week to 30%.

Ethereum

TL;DR

- ETH experiencing rejection on 2,000 level
- Possible reversal from bullish to bearish
- Forming potential double top pattern with higher right peak

Trading Insights

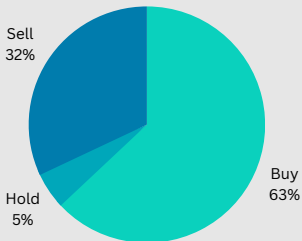
Intraday

Mildly Bearish

Intraweek

Mildly Bearish

Holder's Making Money at Current Price



Options Vaults

Sell Call @ \$2.050, exp 12 May

Sell Put @ \$1,700, exp 12 May



Technical Analysis

Ethereum (ETH) has been facing a rejection at \$2,000 level, and it is struggling to make a new higher high. Furthermore, the rejection at \$2,000 has formed a potential double top pattern, with a slightly higher right peak, which is often considered a bearish indicator. Shift from a bullish to a bearish trend could be imminent.

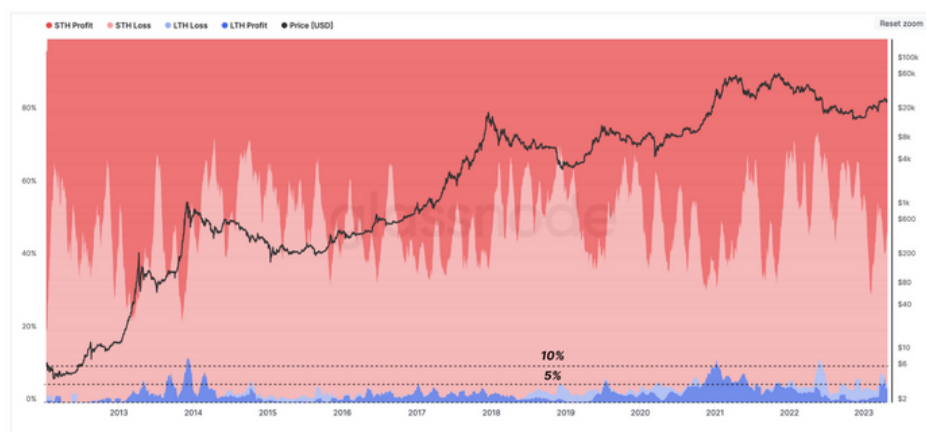
Fundamental Analysis

Similar to Bitcoin, the price of Ethereum (ETH) also tends to be stable this week. The ETH price briefly returned to the \$2,000 level, but unfortunately, on Saturday (6/05), the ETH price dropped significantly to \$1,800 because the Ethereum Foundation transferred 15,000 ETH to a Kraken deposit address.

Signaling a selloff valued at around \$30 million, based on previous trends, observers have speculated that the price of ETH could be about to fall.

On-chain Analysis

Bitcoin: Transfer Volume by LTH & SHT in P/L to Exchanges (30D-MA)



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Bitcoin has mostly stayed the same over the past seven days and has a ripple effect on most cryptocurrencies apart from meme coins like PEPE. This week, Bitcoin mainly traded sideways, creating a tight price squeeze heading into the weekend.

Among both Long-Term and Short-Term Holder cohorts sending coins to exchanges, the dominance of the Short-Term Holders remains a consistent 90%-95% of total inflows.

We observed that sell pressure by new investors was a key driving force that established resistance at \$30,000. Should this present correction resume, the cost basis of the young supply holders at \$24,400 could be a psychological level to monitor in the weeks ahead.

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