



MAY 12 - 2023

DAILY MARKET REPORT



SECURE
DIGITAL MARKETS

Institutional research.

OVERVIEW

Markets Insights

	S2	S1	R1	R2	24HR %	7D %	30D %	YTD %
Bitcoin	22,700	25,250	29,500	30,600	2.77%	2.77%	-12.88%	59.99%
Ethereum	1,570	1,710	1,995	2,150	1.62%	8.37%	-15.81%	48.22%
S&P 500	3,970	4,065	4,210	4,325	-0.09%	-0.23%	-0.26%	7.48%
Nasdaq	12,700	13,000	13,700	14,300	-0.34%	0.76%	2.03%	21.99%
US Dollar Index	99.50	100.35	102.30	103.20	0.27%	-0.11%	0.77%	-1.15%

Next FOMC meeting: June 14 2023.

- Probability of a 0bps hike → 90%
- Probability of a 25bps hike → 10%
- Probability of a 50bps hike → 0%



BITCOIN

A snapshot of Bitcoin's spot price as of this writing is \$26,448 representing a 2.73% decrease the last 24 hours and 3.60% increase in trading volume. The funding rate of BTC is -0.0001%.



ETHEREUM

ETH is trading at \$1,774 as of this writing, representing a 24-Hour decrease of 1.67% and a funding rate of -0.0026%. Over the last 24 Hours, the trading volume increased by 4.06%. As of today, ETH holds 18.3% of the cryptocurrency market, making it the second-largest coin traded.



OVERVIEW

Latest Digital Asset News

1- BlockFi Customers Can Be Repaid \$300M Held in Custodial Accounts, Judge Says

BlockFi custodial wallet users can be returned nearly \$300 million, as a New Jersey judge ruled on Thursday May 11 that assets sitting in the wallets belong to clients rather than the estate of the bankrupt crypto lender. Bankruptcy Judge Michael Kaplan ruled against repaying a further \$375 million in funds that clients tried to withdraw from BlockFi's interest-bearing accounts, known as BIA, after the company froze funds last year, as ripples from the collapse of FTX spread through the crypto ecosystem. "The court finds that all digital assets held by the debtors in custodial omnibus wallets are indeed client property, and not property of the bankruptcy estates, subject, of course, to possible avoidance and clawback rights," Kaplan said, but had less happy news for BIA customers.

2 - EU Crypto Tax Plans Include NFTs, Foreign Companies, Draft Text Shows

The European Union plans to force crypto companies to give tax authorities details of their clients' holdings, according to a draft bill released to CoinDesk under freedom of information laws. The data-sharing law, based on a model from the Organization for Economic Cooperation and Development (OECD), is set to be agreed by finance ministers next week, and will allow tax authorities to share data within the 27-nation bloc. Commission officials have said the bill received unanimous acclaim at a meeting on Wednesday, though people familiar with the matter told CoinDesk that some finance ministers have not yet received formal approval from parliaments.

3 - Ethereum Mainnet Was Unable to Fully Finalize Transactions for 25 Minutes

The Ethereum mainnet was unable to fully confirm transactions for about 25 minutes on Thursday, with blocks getting proposed but not being finalized. Users of the blockchain saw that their transactions were going through. However, during the 25-minute span, they were at risk of being altered because of the malfunction. Some Ethereum core developers announced that the blockchain wasn't finalizing over Twitter and that they were investigating the issue. A similar issue in the past was caused a bug in a client – the software that runs the blockchain.

(1) <https://www.coindesk.com/policy/2023/05/11/blockfi-customers-can-be-repaid-300m-held-in-custodial-accounts-judge-says/>
(2) <https://www.coindesk.com/policy/2023/05/12/eu-crypto-tax-plans-include-nfts-foreign-companies-draft-text-shows/>
(3) <https://www.coindesk.com/tech/2023/05/11/ethereum-mainnet-was-unable-to-fully-finalize-transactions-for-25-minutes/>



OVERVIEW

TradFi

This morning, stock futures are showing an upward trend, buoyed by the rebound of regional banks and investors looking to finish the week on a positive note. Tesla shares also saw an increase of 2.3% following the announcement that Elon Musk would step down as CEO of Twitter and focus on the product division of the social media company.

Investors are closely monitoring ongoing negotiations around the U.S. debt ceiling in Washington, as concerns persist over the possibility of a default if Congress fails to address the issue before June 1. A meeting between President Joe Biden and congressional leaders scheduled for Friday was postponed to next week, according to a CNBC report.

The S&P500 continues to flirt with the top-end of the ascending triangle pattern on the daily chart. If we zoom in the intraday chart, we notice a ton of choppy sideways action between 4070 and 4210.

The Nasdaq index has recently posted yearly highs but many stocks within that index aren't feeling the same amount of attention. The tech-heavy index has been lifted by the big names while most have been struggling to keep up. For now, the index is trading within an ascending triangle pattern, which is considered a bearish reversal pattern. This technical pattern is only validated when prices break below the bottom-end near 13,200 - 13,000.



yacine.ouldchikh published on TradingView.com, May 12, 2023 09:18 UTC-4



yacine.ouldchikh published on TradingView.com, May 12, 2023 09:27 UTC-4



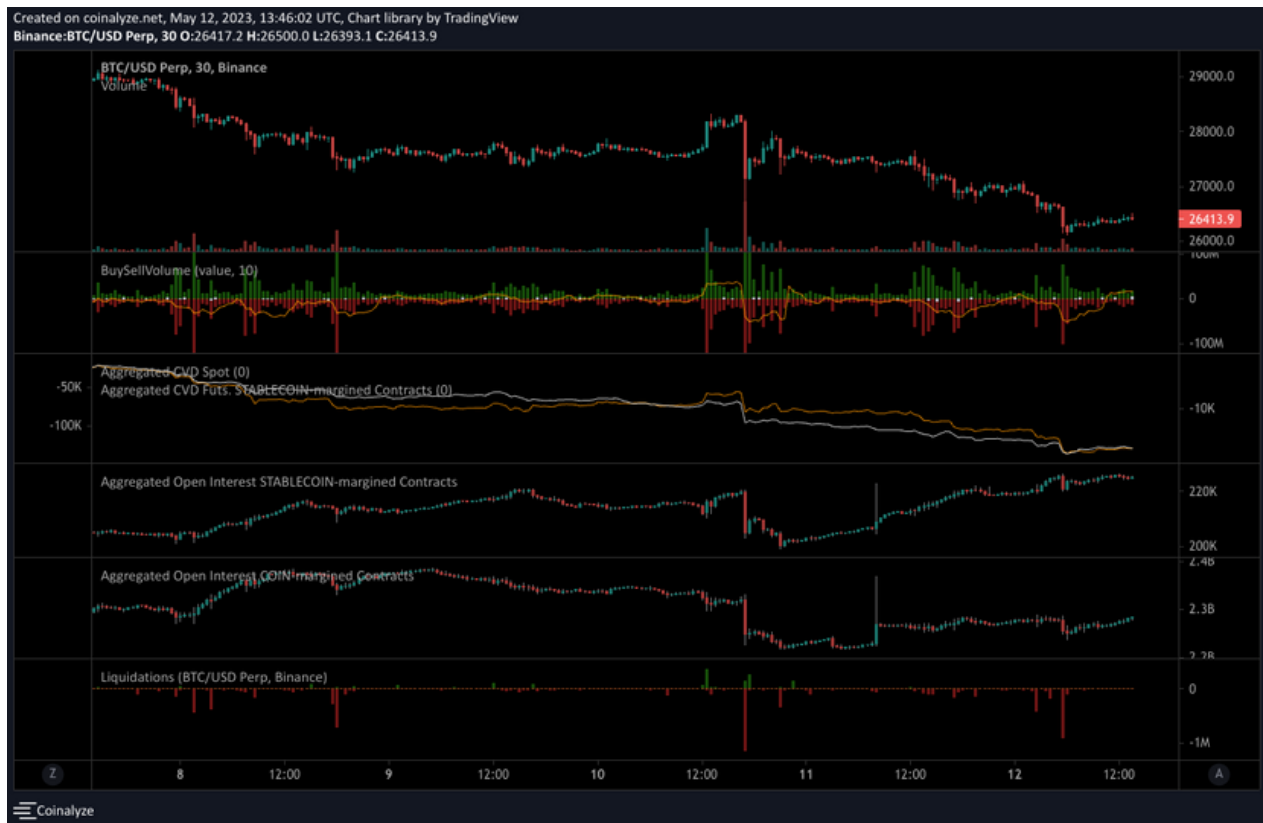
OVERVIEW

Bitcoin

Bitcoin has confirmed the breakdown of the Head-and-Shoulders pattern which is a bearish sign for the cryptocurrency industry as a whole. The only way this pattern gets invalidated is if prices break above the right shoulder near 29,500. Open interest has been ticking higher with a rising number of long liquidations, indicating that short sellers have jumped on this trend and are dragging prices lower.

Next target to the downside would be 25,250.

- BTC > 27,000 → Bullish
- BTC < 27,000 → Neutral with a bearish bias
- BTC < 25,250 → Bearish



Bitcoin / TetherUS, 4h, BINANCE +107.12 (+0.41%)



TradingView

Bitcoin / TetherUS, 1D, BINANCE -455.62 (-1.70%)



TradingView

OVERVIEW

Ethereum

ETHUSDT continues to slide alongside the rest of the market. Prices are currently trading in a zone of low volume but are approaching a price range of high volume between 1500 and 1675 which should act as support in the short-term.

ETHBTC continues to rebound off the recent lows, indicating that BTC is underperforming ETH. The ratio is approaching the top-end of the declining trend line which should act as resistance in the short-term.

- ETH > 1890 → Bullish
- ETH < 1890 → Neutral with a bearish bias
- ETH < 1710 → Bearish

yacine.ouldchikh published on TradingView.com, May 12, 2023 09:59 UTC-4

Ethereum / TetherUS, 4h, BINANCE +8.86 (+0.50%)



TV TradingView

Ethereum / TetherUS, 1D, BINANCE -23.50 (-1.31%)



TradingView

Ethereum / Bitcoin, 1D, BINANCE +0.000517 (+0.78%)



TradingView

OVERVIEW

Altcoin Analysis

Chainlink is providing another window of opportunity for long-term holders.

According to data from IntoTheBlock, there has been a notable surge in market demand for the altcoin as evidenced by the aggregate order books of exchanges which show an abundance of LINK buy-orders exceeding the available market supply. This excess market demand may contribute to an upward trend in the Chainlink price, fueled by competitive buying to satisfy the orders.

LINKUSDT is approaching a very attractive price range for long-term buyers to accumulate more tokens. Since the month of May, everytime prices get close to \$5.30 and \$6.50, we have witnessed a double digit rise in the following weeks, sometimes going as high as 55%.

Prices and RSI are both supported by a rising trend line and are looking to rebound from the current lows.

As long as prices are trading above \$5.30 and \$5.90, we expect further upside towards \$7.5 and possibly \$8.58.



OVERVIEW

Daily Insights

1. U.S. Chamber of Commerce Filed a Brief Calling Out the SEC for Acting "Unlawfully" in the Digital Asset Space.

<https://twitter.com/MetaLawMan/status/1656737447756038177>

"The Chamber makes 3 arguments.

1. Regulatory uncertainty is killing innovation in the U.S.
2. The SEC is destabilizing the digital assets regulatory environment.
3. The SEC is violating Constitutional Due Process and Fair Notice rights.

The Chamber declares:

"The SEC's actions are not just harmful policy; they are unlawful."

2. Texas Votes to Add Crypto to State's Bill of Rights

<https://cointelegraph.com/news/texas-bill-of-rights-crypto-digital-currency-voting>

"Bill HJR 146, introduced by State Representative Giovanni Capriglione, declares that individuals have the right to use a medium of exchange that is mutually agreed upon, which includes digital currencies, cash, coin, bullion, or scrip, for trading and contracting goods and services, and that this right cannot be violated."

3. Ethereum's Beacon Chain Temporarily Stops Finalizing: Chain Consultant

<https://blockworks.co/news/beacon-chain-temporarily-stops-finalizing>

"Superphiz.eth said the loss of finalization might be "the first real-world test of our consensus client diversity work," and called the incident "big, but inconsequential."

A follow-up tweet at about 4:50 pm ET suggested blocks were being finalized again.

"Decentralization on all levels limits the impact of these events, regardless of what caused this we must continue hardening every vector," superphiz.eth added."

Disclaimer

This research is for informational use only. This is not investment advice. Other than disclosures relating to Secure Digital Markets this research is based on current public information that we consider reliable, but we do not represent it is accurate or complete, and it should not be relied on as such. The information, opinions, estimates, and forecasts contained herein are as of the date hereof and are subject to change without prior notification. We seek to update our research as appropriate.

Any forecasts contained herein are for illustrative purposes only and are not to be relied upon as advice or interpreted as a recommendation. The price of crypto assets may rise or fall because of changes in the broad market or changes in a company's financial condition, sometimes rapidly or unpredictably. Past performance is not a guide to future performance, future returns are not guaranteed, and a loss of original capital may occur. Fluctuations in exchange rates could have adverse effects on the value or price of, or income derived from, certain investments. We and our affiliates, officers, directors, and employees, excluding equity and credit analysts, will from time to time have long or short positions in, act as principal in, and buy or sell, the securities or derivatives, if any, referred to in this research.

The information on which the analysis is based has been obtained from sources believed to be reliable such as, for example, the company's financial statements filed with a regulator, company website, company white paper, pitchbook and any other sources. While Secure Digital Markets has obtained data, statistics, and information from sources it believes to be reliable, it does not perform an audit or seek independent verification of any of the data, statistics, and information it receives.

Unless otherwise provided in a separate agreement, Secure Digital Markets does not represent that the report contents meet all of the presentation and/or disclosure standards applicable in the jurisdiction the recipient is located. Secure Digital Markets and their officers, directors and employees shall not be responsible or liable for any trading decisions, damages or other losses resulting from, or related to, the information, data, analyses, or opinions within the report.

Crypto and/or digital currencies involve substantial risk, are speculative in nature and may not perform as expected. Many digital currency platforms are not subject to regulatory supervision, unlike regulated exchanges. Some platforms may commingle customer assets in shared accounts and provide inadequate custody, which may affect whether or how investors can withdraw their currency and/or subject them to money laundering. Digital currencies may be vulnerable to hacks and cyber fraud as well as significant volatility and price swings.

Contact Us

Start trading with Secure Digital
Market today by e-mailing:

TRADING@SECUREDIGITALMARKETS.COM

SECUREDIGITALMARKETS.COM



SECURE
DIGITAL MARKETS

SECUREDIGITALMARKETS.COM