



MAY 11 - 2023

DAILY MARKET REPORT



SECURE
DIGITAL MARKETS

Institutional research.

OVERVIEW

Markets Insights

	S2	S1	R1	R2	24HR %	7D %	30D %	YTD %
Bitcoin	24,800	27,000	30,600	31,800	3.65%	3.65%	-10.03%	64.52%
Ethereum	1,570	1,710	1,995	2,150	4.13%	4.56%	-9.91%	51.14%
S&P 500	3,970	4,065	4,210	4,325	-0.55%	1.32%	-0.76%	7.17%
Nasdaq	12,350	12,700	13,700	14,300	-0.14%	2.82%	1.85%	22.05%
US Dollar Index	97.75	100.35	102.30	103.20	0.63%	-0.11%	1.09%	-1.36%

Next FOMC meeting: June 14 2023.

- Probability of a 0bps hike → 97%
- Probability of a 25bps hike → 3%
- Probability of a 50bps hike → 0%



BITCOIN

A snapshot of Bitcoin's spot price as of this writing is \$27,270 representing a 3.36% decrease the last 24 hours and 3.79% increase in trading volume. The funding rate of BTC is 0.0043%.



ETHEREUM

ETH is trading at \$1,808 as of this writing, representing a 24-Hour decrease of 3.79% and a funding rate of 0.0057%. Over the last 24 Hours, the trading volume increased by 4.60%. As of today, ETH holds 18.3% of the cryptocurrency market, making it the second-largest coin traded.



OVERVIEW

Latest Digital Asset News

1- SEC issues new subpoena to bitcoin miner Marathon

Marathon Digital, a U.S.-based bitcoin mining firm, said Wednesday that it received a new subpoena from the Securities and Exchange Commission regarding an ongoing investigation tied to a facility in Montana. According to its May 10 filing, the SEC "may be investigating whether or not there may have been any violations of the federal securities law," per the filing. Marathon says it is cooperating with the agency. Bloomberg first reported the news. Marathon received an initial subpoena from the SEC in November 2021. The latest subpoena was received on April 10, according to today's filing.

2 - Bittrex approved to borrow \$7 mln bankruptcy loan in bitcoin

Bankrupt cryptocurrency exchange Bittrex Inc received court permission Wednesday to borrow \$7 million in bitcoin to fund the start of its Chapter 11 case. Seattle-based Bittrex filed for bankruptcy Monday, saying it intended to return customer funds and wind down its U.S. operations. The company's international affiliates will continue to operate crypto exchanges for customers outside of the U.S., but Bittrex said that the U.S. regulatory environment had become untenable after the SEC sued the company for allegedly running an unregistered securities exchange. Bittrex believes that it has enough cryptocurrency to fully repay all remaining customers, and the bankruptcy loan will ensure a smooth wind-down that protects customer assets, attorney Susheel Kirpalani told U.S. Bankruptcy Judge Brendan Shannon at a Wednesday court hearing in Wilmington, Delaware.

3 - Texas Lawmakers Vote to Include Use of Digital Currencies in State's Bill of Rights

Texas lawmakers on Wednesday voted overwhelmingly in favor of an update to the state's Bill of Rights to include the right of the people to own, hold, and use digital currencies. Introduced by State Representative Giovanni Capriglione, Bill HJR 146 states that "the right of the people to own, hold, and use a mutually agreed upon medium of exchange, including cash, coin, bullion, digital currency, or scrip, when trading and contracting for goods and services shall not be infringed." "No government shall prohibit or encumber ownership or holding of any form or any amount of money or other currency," reads the document, which received 139 "votes in favor and only two against.

(1) <https://www.theblock.co/post/230373/sec-issues-new-subpoena-to-bitcoin-miner-marathon>
(2) <https://www.reuters.com/markets/deals/bittrex-approved-borrow-7-mln-bankruptcy-loan-bitcoin-2023-05-10/>
(3) <https://decrypt.co/139729/texas-lawmakers-vote-include-use-digital-currencies-states-bill-rights>



OVERVIEW

TradFi

The regional banking industry is currently experiencing challenging conditions, as evidenced by the performance of PacWest, a struggling regional bank whose premarket trading has declined by more than 20%. PacWest recently reported a 9.5% decrease in deposits during the week of May 5th, though it was able to fulfill those withdrawals with its available liquidity. The bank's current liquidity stands at \$15 billion, a notable increase from its \$5.2 billion in uninsured deposits. These developments have also affected the SPDR S&P Regional Banking ETF (KRE), which has declined by 2%.

Wall Street is coming off a mixed session, with Nasdaq futures being slightly up by 0.1% while the S&P500 futures are down 0.25%.

Looking at an intraday chart of the S&P500 futures (ES), we can see that prices recently pulled back from our resistance of 4167. The next target to the downside would be 4113 and 4070 in extension.

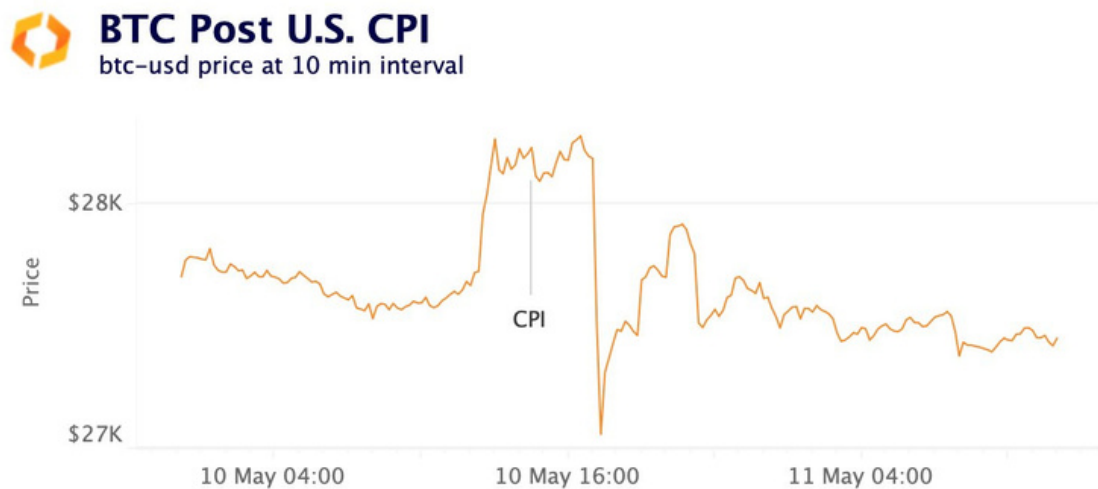




OVERVIEW

Bitcoin

Following the US CPI figure that boosted risk assets, BTC was able to briefly break the \$28k mark. Inflation remained higher than the Fed's 2% target which didn't sit well with market participants as both cryptocurrencies and stocks have traded lower since that pivot high.

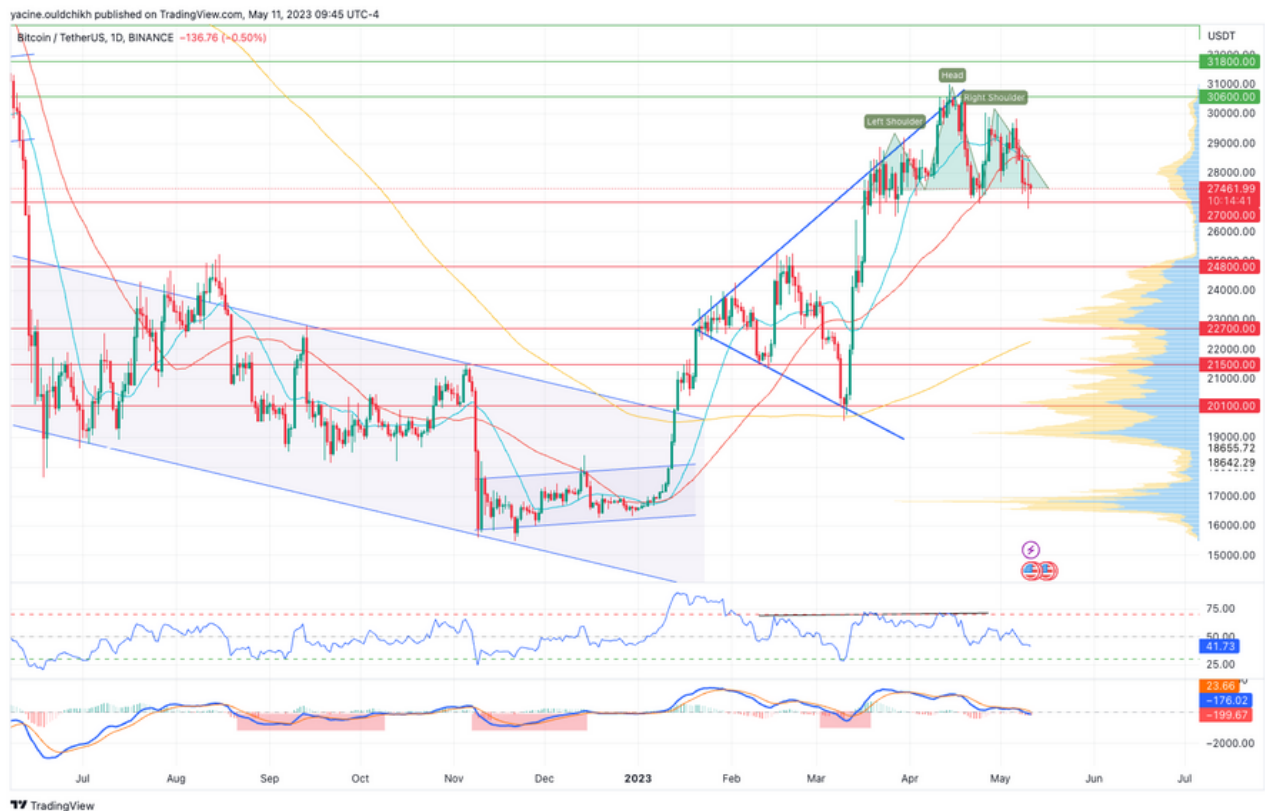


Source: Kaiko price data.



BTCUSDT rebounded off the recent lows, just as we expected, and reached a recent high of 28,300. As we mentioned earlier, as long as prices remain below the breakout of the symmetrical triangle pattern near 28,600, it would be wise to be bearish on an intraday basis.

- BTC > 27,000 → Bullish
- BTC < 27,000 → Neutral with a bearish bias
- BTC < 24,800 → Bearish

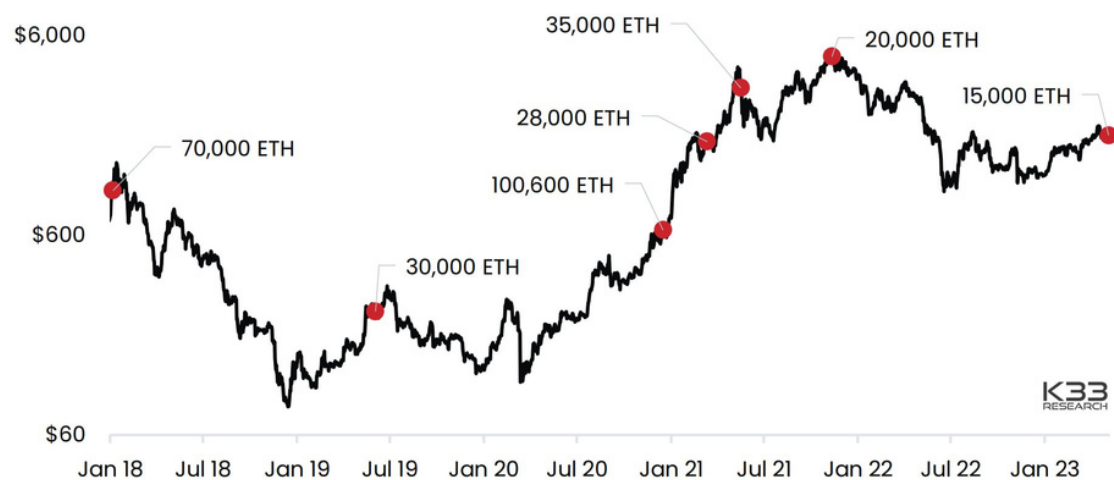


OVERVIEW

Ethereum

Based on K33 research, it has been reported that the Ethereum Foundation transferred 15,000 ETH to Kraken in the previous week. The Foundation appears to have a systematic approach to selling its assets during periods of momentum. Despite the potential for added selling pressure resulting from the transfers, historical data indicates that ETH's performance following significant transfers since 2018 has been noteworthy. Specifically, the 30-day return has averaged 10%, while the 60-day return has averaged 32%.

Figure 18: Ethereum Foundation Large Transfers vs. ETH price



Source: Tradingview, Dune

ETHUSDT has broken below a trend channel in place since the end of April. The key support here would be 1790. If we break this to the downside then our next target is set at 1690.

- ETH > 1810 → Bullish
- ETH < 1810 → Neutral with a bearish bias
- ETH < 1710 → Bearish





OVERVIEW

Altcoin Analysis

Potential bottom for Cosmos?

ATOMUSDT has witnessed an uptick in tweet and trade volume recently. Since May 8th, tweet volume has jumped by 100% while trade volume surged by over 300% in the same time period.



Looking at the daily chart, we can see that prices are trying to rebound off the bottom-end of a symmetrical triangle pattern formed in June. The RSI is still supported by a rising trend line, indicating that the trend remains bullish for now.

As long as prices are trading higher than \$10 we expect a rebound towards \$13.25.



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Daily Insights

1. Ether Selling Pressure Post-Shanghai Upgrade Was 'Non-Event,' Says Nansen

<https://www.coindesk.com/markets/2023/05/10/ether-selling-pressure-post-shanghai-upgrade-was-non-event-says-nansen/>

“In hindsight, the selling pressure of ether (ETH), Ethereum’s native token, turned out to be a “non-event” following the Shanghai upgrade, which enabled staking redemptions for the first time, according to a report from blockchain analytics firm Nansen.

Over a month has passed since the Shanghai upgrade that marked Ethereum’s full transition to a proof-of-stake blockchain, and ETH staking deposits have surpassed withdrawals, making the number of staked ETH climb to 19.55 million at presstime, a new all-time high. As a result, the May 8 report stated “that the elimination of unstaking risks has thus far offset selling pressure from withdrawals.”

2. Ordinals Good or Bad for Bitcoin? Supporters and Opposers Raise Voices

<https://cointelegraph.com/news/ordinals-good-or-bad-for-bitcoin-supporters-and-opposers-raise-voice>

“Bitcoin Ordinals, a technology that enables adding text, images and code on a satoshi — the smallest unit of Bitcoin continues to inspire debate among the Bitcoin community.

Soon after the introduction of Bitcoin Ordinals in January 2023, the technology’s opponents began to raise concerns over its perceived flaws, citing issues like rising transaction costs and slower speeds.

Conversely, Ordinals supporters said that the tech provides more opportunities, improves decentralization and ensures freedom of speech.”

3. Elon Musk Sends Milady NFT Price Soaring with Twitter Meme

<https://www.theblock.co/post/230279/elon-musk-milady-price-twitter-meme>

“Elon Musk posted a Milady meme on Twitter.

Sales of Milady NFTs rose 500% over the last 24 hours as of Wednesday afternoon, according to NFT Price Floor, and the floor price was up nearly 50%.

Other projects from Remilia Creative, a group of artists behind Milady NFT, were also on the rise on Wednesday. Sales of Redacted Remilio Babies NFTs, for example, were up 660% over the last 24 hours.”

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