



MAY 10 - 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	2.61%	2.61%	-5.98%	69.95%
Ethereum	1,710	1,810	1,995	2,150	1.98%	1.41%	-2.03%	56.21%
Nasdaq	3,970	4,065	4,210	4,325	-0.13%	0.57%	0.54%	7.15%
US Dollar Index	12,350	12,700	13,700	14,300	+1.24%	1.31%	3.23%	21.25%

Next FOMC meeting: June 14 2023.

- Probability of a 0bps hike → 88%
- Probability of a 25bps hike → 12%
- Probability of a 50bps hike → 0%



BITCOIN

A snapshot of Bitcoin's spot price as of this writing is \$28,129 representing a 0.23% decrease the last 24 hours and 2.93% increase in trading volume. The funding rate of BTC is 0.0048%.



ETHEREUM

ETH is trading at \$1,874 as of this writing, representing a 24-Hour increase of 1.39% and a funding rate of 0.0070%. Over the last 24 Hours, the trading volume increased by 4.22%. As of today, ETH holds 18.3% of the cryptocurrency market, making it the second-largest coin traded.



OVERVIEW

Latest Digital Asset News

1- EY Launches Ethereum-Based Carbon Emission Tracking Platform

EY, the professional services giant, has started an Ethereum-based platform for enterprises to track their carbon emissions and carbon credit traceability. The EY OpsChain ESG made the announcement at the firm's Global Blockchain Summit in London. The platform is now available in beta version on the EY Blockchain SaaS platform. The system uses carbon emission tokens developed by standards body the Microsoft-backed InterWork Alliance, part of the Global Blockchain Business Council (GBBC), of which EY is also a member. Over the past few years, enterprises have looked to blockchain technology to track and trace elements of their workflows, from trade finance to food products. Keeping tabs on carbon emissions and credits has been a focus for many in the environmental and social governance arena, and EY has been a long time advocate for using the public Ethereum blockchain to achieve this goal.

2 - PayPal Discloses Nearly \$1B of Crypto Assets on Balance Sheet

PayPal disclosed nearly \$1 billion in cryptocurrencies on its balance sheet in a 10-Q filing with the SEC. The company indicated that it holds \$943 million worth of customer assets in bitcoin (BTC), ether (ETH), bitcoin cash (BCH) and litecoin (LTC) on its balance sheet. A 10-Q filing is a quarterly financial performance report mandated by the SEC to disclose financial information. From the end of last year, the company reported an increase of \$339 million in customer crypto assets. "We maintain the internal recordkeeping of our customers' crypto assets, including the amount and type of crypto asset owned by each of our customers," PayPal said in its 10-Q.

3 - Grayscale Investments Files for 3 New Exchange Traded Funds

As the leading digital currency fund manager, in terms of assets under management (AUM), Grayscale Investments unveiled the Grayscale Funds Trust launch. The trust is a Delaware statutory trust structure designed to strengthen the company's worldwide asset management capabilities. "A registration statement relating to Grayscale Funds Trust has been filed with the SEC but has not yet become effective," Grayscale stated on Tuesday. Grayscale highlighted that they had previously established Grayscale Advisors, an SEC-registered investment advisor, which will serve as the new trust's advisor. Besides the trust, Grayscale has also filed a registration statement for three additional funds. These newly launched funds consist of the Grayscale Ethereum Futures ETF, Grayscale Global Bitcoin Composite ETF, and Grayscale Privacy ETF.

(1) <https://www.coindesk.com/business/2023/05/10/ey-launches-ethereum-based-carbon-emission-tracking-platform/>
(2) <https://blockworks.co/news/paypal-discloses-1b-crypto>
(3) <https://news.bitcoin.com/grayscale-investments-files-for-3-new-exchange-traded-funds/>



OVERVIEW

TradFi

Following a critical meeting with President Joe Biden on Tuesday, top congressional leaders have yet to demonstrate significant progress towards resolving the ongoing debt ceiling impasse and mitigating the potential risk of a default. With less than a month before the federal government runs out of funds, officials are working diligently to address the issue and plan to reconvene on Friday to continue negotiations. The situation remains urgent, as failure to raise the debt ceiling could have significant repercussions for the economy and financial markets.

The previous week saw a slight reduction in mortgage rates following the announcement by the Federal Reserve of a potential end to a long stretch of interest rate hikes. Although the decline was not significant, it was sufficient to generate increased interest among current homeowners seeking to refinance their mortgages to obtain lower rates. 30-year fixed-rate mortgages with loan balances of \$726,200 or less decreased to 6.48% last week from the previous week's figure of 6.50%. This reduction led to a 10% increase in applications for home loan refinancing compared to the previous week, seasonally adjusted but it is still 44% lower compared to the same period last year.

On the economic data front, CPI reached 4.9% YoY, better than estimates of 5%. This has pushed risk assets higher despite the US indices being in negative territory before the release of the economic figure. Nasdaq futures and S&P500 futures are now both trading higher by 0.45%.

Upcoming:

- THURSDAY
 - BOE Rate Decision
 - US PPI + unemployment claims
- FRIDAY
 - US prelim consumer sentiment



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S&P 500 E-mini Futures, 1D, CME_MINI +28.25 (+0.68%)



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Bitcoin

Bitcoin as well as the rest of the crypto market enjoyed a nice squeeze following the inflation figure that came out better than estimates. We expected a rebound from BTC's low back towards 28,600.

On an intraday basis, we are bearish below 28,600 but we would need prices to break above 29,550 to get back in bullish territory.

On the daily chart, we remain bullish as BTC hasn't broken below the key support of 27,000.

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



Bitcoin / TetherUS, 1D, BINANCE +508.50 (+1.84%)



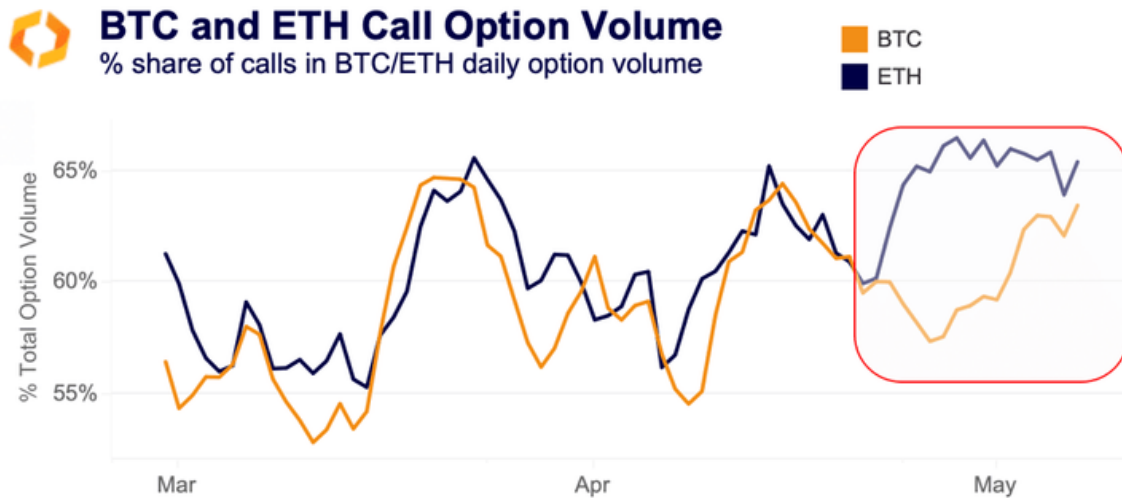
OVERVIEW

Ethereum

In the weeks following the Shapella upgrade, the volume of call option trades on ETH markets has increased and is presently hovering around its highest level of the year at 67%, which was recorded at the end of April. This indicates that market sentiment toward ETH remains largely optimistic.

Although calls have dominated both BTC and ETH option volumes this year, the percentage of bullish wagers on BTC markets has dropped from its mid-January peak of 70% to 63% as of early May.

After peaking at their highest levels since the FTX crash in early March, option volumes for both BTC and ETH have gradually declined.



Source: Kaiko derivatives data for btc/eth options on Derbit.



ETHUSDT is rebounding off the bottom-end of this trend channel on an intraday basis. As long as prices remain above 1810, we should expect further upside towards 1935 and possibly 1995.

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

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Ethereum / TetherUS, 4h, BINANCE +26.51 (+1.43%)



TradingView



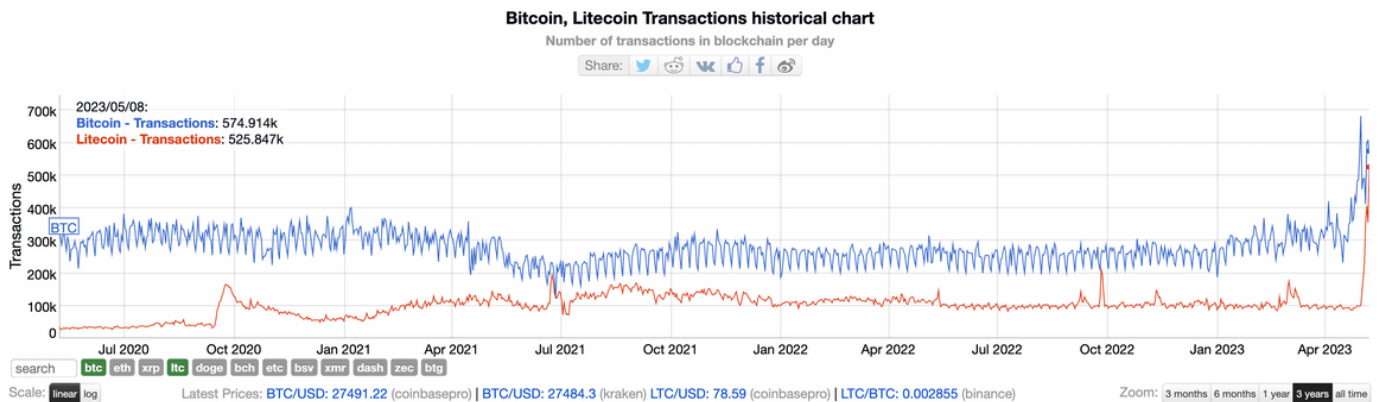
OVERVIEW

Altcoin Analysis

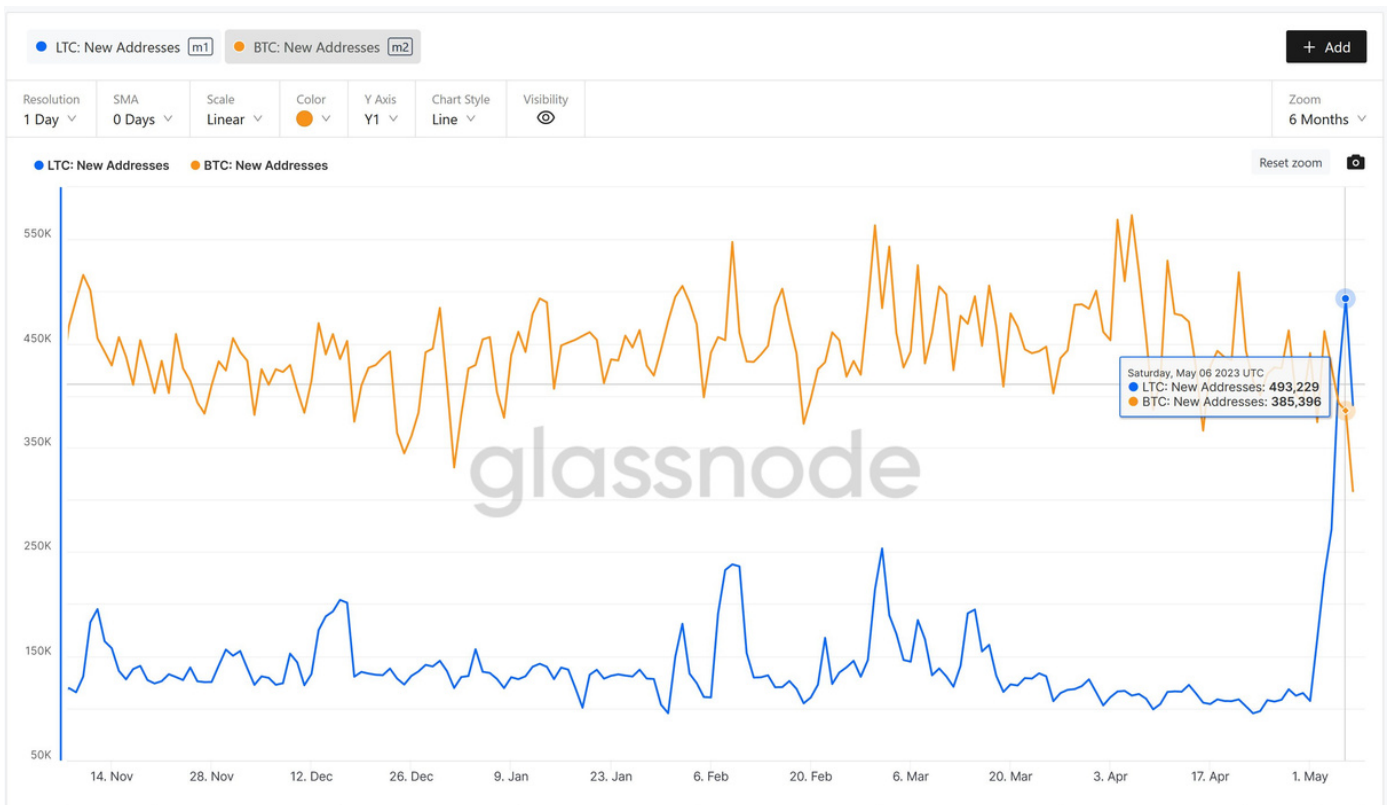
Litecoin is not to be taken lightly.

The utilization of the Litecoin blockchain has reached unprecedented levels in light of the current meme coin craze, which has led to exorbitant fees on the Bitcoin network. The growing adoption of BRC-20 tokens has resulted in Bitcoin transaction fees soaring to their highest level since May 2021, when BTC reached an all-time high of approximately \$64,000. Due to Bitcoin's congestion, crypto users have turned to more cost-effective options, including stablecoins and the Lightning network, to facilitate the transfer of value via blockchain.

Based on blockchain data provided by BitInfoCharts, Litecoin processed over 525,000 transactions on May 8, nearing the daily transaction volume of Bitcoin, which recorded 574,914k transactions on the same day. This marks a significant increase of five times the average number of transactions recorded on the Litecoin blockchain earlier this year.



According to recent data from Glassnode, the number of active wallet addresses in the cryptocurrency market reached a new all-time high of 718,000 on Monday. This coincides with a record-breaking amount of transactions in the same period. Additionally, nearly 500,000 new Litecoin addresses were created within a single day.



From a chartist point of view, LTCUSDT rebounded off the bottom-end of a potential ascending triangle pattern, serving as a great entry signal for those seeking to go long. As long as prices remain above \$75.25, we should expect further upside towards \$85.25 and possibly \$94.25.



OVERVIEW

Daily Insights

1. Microsoft, Goldman Sachs, Deloitte, Others Partner in New Blockchain Network

<https://cointelegraph.com/news/microsoft-goldman-sachs-others-partner-in-new-blockchain-network>

"The Canton Network will be a privacy-enabled interoperable blockchain network aimed at those working with institutional assets. It will allow the synchronization of financial markets that were "previously siloed."

When leveraged, blockchain technology can potentially "unlock" new opportunities in the market. The tokenization of real-world assets may offer an unprecedented opportunity to create new market infrastructure and drive efficiency in the trading of products across the globe."

2. Here's What US Presidential Hopefuls Are Saying About Crypto

<https://blockworks.co/news/us-presidential-candidates-crypto>

"To date, there are nine US presidential candidates in a three-to-six split between Democrats and Republicans, and only a handful have shown interest in crypto regulation."

3. Arbitrum Sends Surplus Revenue Generated by Transaction Fees to DAO Treasury

<https://twitter.com/arbitrum/status/1656090360119017472>

"All users on Arbitrum One pay a fee when transacting on the network. The fee is split into two components:

1. L1 fee to pay for costs on Ethereum.
2. L2 fee to pay for costs on Arbitrum.

Surplus L1 fees and all L2 fees accumulate on-chain before it is sent to the DAO."

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