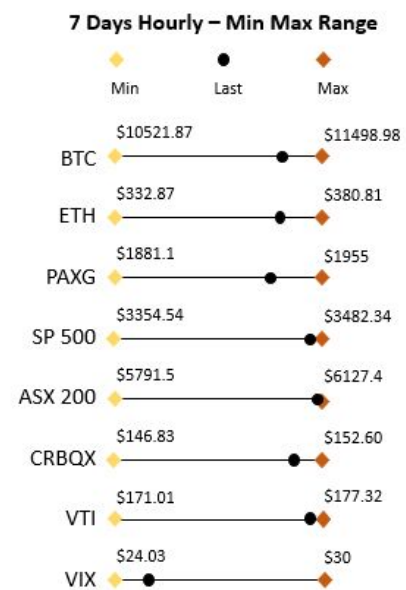
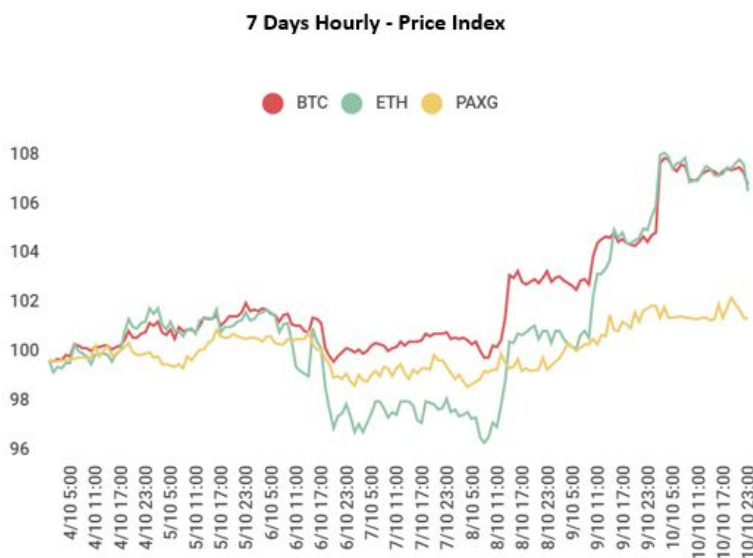




Week in Review

- Bank of Thailand issued \$1.6 billion in government bonds through IBM blockchain (5 Oct. 2020)
- China's Central Bank revealed results of its first DCEP pilot, with 1.1 billion digital RMB (\$162 million) across 3.1 million transactions in a 5-month test. (5 Oct. 2020)
- UK's financial regulator banned sales of crypto derivatives to retail investors, which will come into effect on 6 Jan. 2021 (6 Oct. 2020)
- The cryptocurrency exchange BitMEX suffered its top leadership, after criminal charge by US authorities for failing to prevent money laundering and illegal transactions (8 Oct. 2020)
- BNP Paribas Securities Services is trailing digital assets transfer through the public Ethereum blockchain (8 Oct. 2020)
- U.S. government imposed new sanctions on another 18 Iranian banks (8 Oct. 2020)

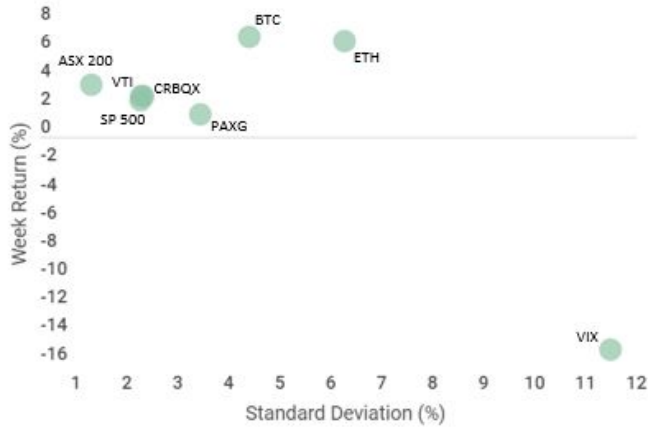
Winners & Losers



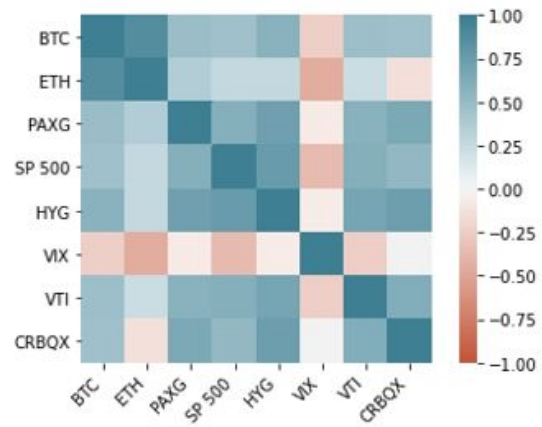
ZEROCAP Weekly Updates

4 October 2020 – 10 October 2020 UTC

7 Days Hourly – Return & Standard Deviation



7 Days Hourly - Return Correlation



- Bitcoin and Ethereum are both correlating fairly closely with gold at the moment. Performance across all assets ended positive on the week.
- US and global equities ended the week close to their highs, with the VIX volatility index closing close to its lows. No surprises here – the market being flooded with liquidity, encouraging short-vol exposure. Lonely negative returns for the VIX compared to most asset classes this week. We could be winding up for a short volatility squeeze if this continues into the US election.
- Notably amongst this backdrop, gold is holding its ground, indicating some concerns on monetary devaluation and inflation concerns.

Technicals and Order Flow



- Bitcoin has broken out of its recent range, making a soft push to the upside – shrugging off Bitmex’s legal concerns. This is coinciding with bitcoin’s one-month realized volatility being at 36% – near a one-year low. Given impending the US election event risk, we expect this to ramp up.
- Key short term level is at \$11,150, chopping into the prior range from August . If we can hold above this level, we are expecting a fairly quick run to \$12,000.
- The last move above \$12,000 was a false-breakout – Covid uncertainty and dialogue into the US election could be the determining factor on whether we see a clean break above this level.



What to Watch

- Will the decentralized finance (DeFi) bubble keep deflating, presented by the crashing of market capitalization of DeFi assets?
- The follow-up of BitMEX criminal charge:
 - Will open interest on BitMEX keep dropping, and investors on BitMEX keep withdrawing their digital assets?
 - What is BitMEX's next step?
 - Will BitMEX former executives defend themselves and fight back?
 - What are U.S. authorities' next steps?
 - What are the responses of other exchanges, e.g. Ripple will move their HQ from the U.S.?
- The follow-up of America's sanction to Iran:
 - Will the sanction cause violent fluctuation in US dollars?
 - Will Iran return any sanctions or fight back through cryptocurrencies to America?
- Zerocap published an article on the [emergent Asian wealth this century](#), covering the rise of the continent and how digital assets fit into the portfolio of contemporary Asian investors.
- Last week one of Zerocap's principals [Jon de Wet](#) was featured on [Forkast.News](#) discussing how Bitcoin offers a hedge as markets reach peak dislocation.



About Us

- Zerocap helps private clients, high net worth individuals and institutions purchase and custody digital assets.
- If you would like to know more, hit up the team at hello@zerocap.io

Disclaimer

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* Index used:

Bitcoin	Ethereum	Gold	Equities	High Yield Corporate Bonds	Commodities
BTC	ETH	PAXG	S&P 500, ASX 200, VTI	HYG	CRBQX