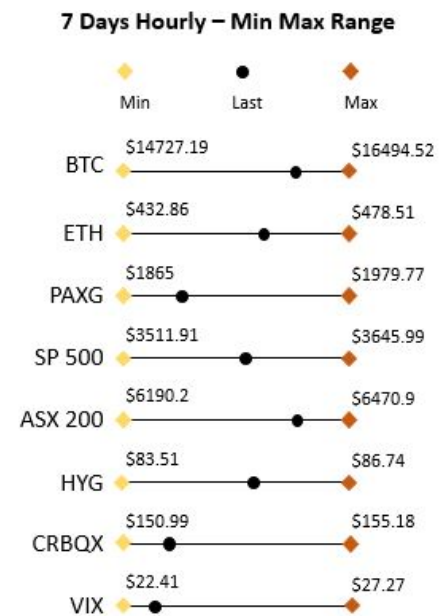
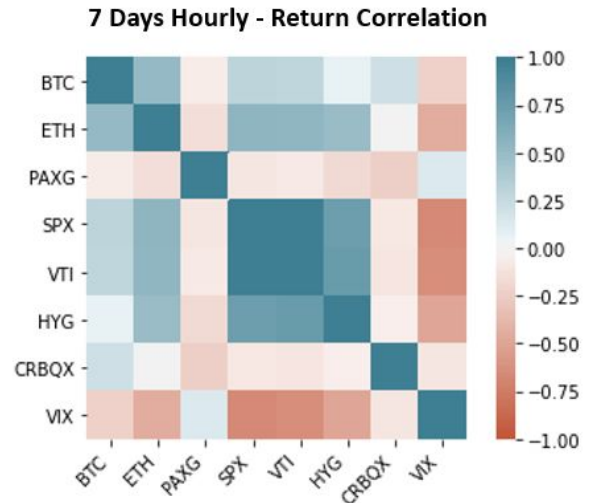
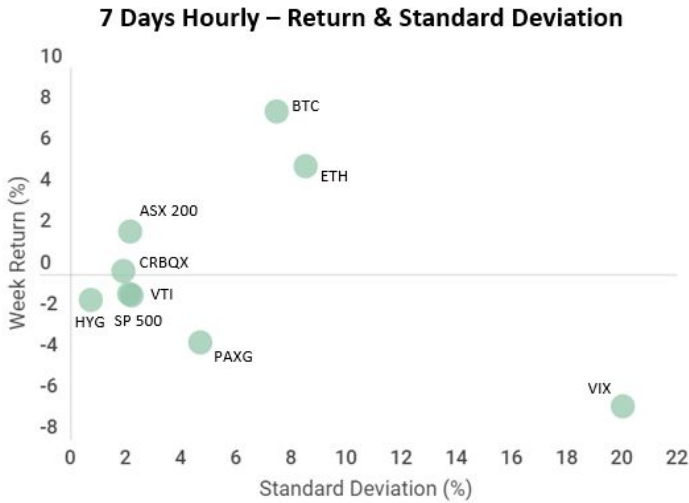


### Week in Review

- We published our [Ethereum Primer](#), a look into what makes Ethereum a fantastic system for smart contracts and foolproof transactions, with grounded examples of its applications.
- PayPal's crypto trading is [officially live](#) in the US, with plans to make a global release for worldwide merchants soon.
- Number of Ethereum-based DeFi users [grew 55%](#) in the past six weeks, according to a report from Dune Analytics.
- Director of Boston's Federal Reserve [states](#) that privacy should be the priority in Central Bank Digital Currencies (CBDCs).
- [Bank of England's director](#) believes that "Banks will have to adjust to crypto" and not protect their traditional model.
- Americans can now pay for their passports [with bitcoin](#), through company Peninsula Visa.

### Winners & Losers





- The crypto market is living its greatest moments since late 2017. BTC was creating buzz with PayPal’s crypto services going live last week and closed at 7.84% weekly return. Ethereum followed the tailwind in the crypto market, ending the week with a 5.24% return.
- In the traditional markets, the positive news regarding COVID-19 vaccines (potential 90% efficacy from Pfizer) did not offset the negative mood from Trump contesting the result of the U.S. election. Equity markets and bond markets closed at the middle of their weekly price range with slightly negative returns.
- The gold price experienced its steepest daily drop over the past three months on Monday (-\$101/oz, -5.14%), as positive vaccine news sent the dollar and U.S. government bond yield higher, pressuring bullion. The negative return in VIX is a positive indicator for a recovery over the next few months.

## Macro, Technicals & Order Flow

### Bitcoin

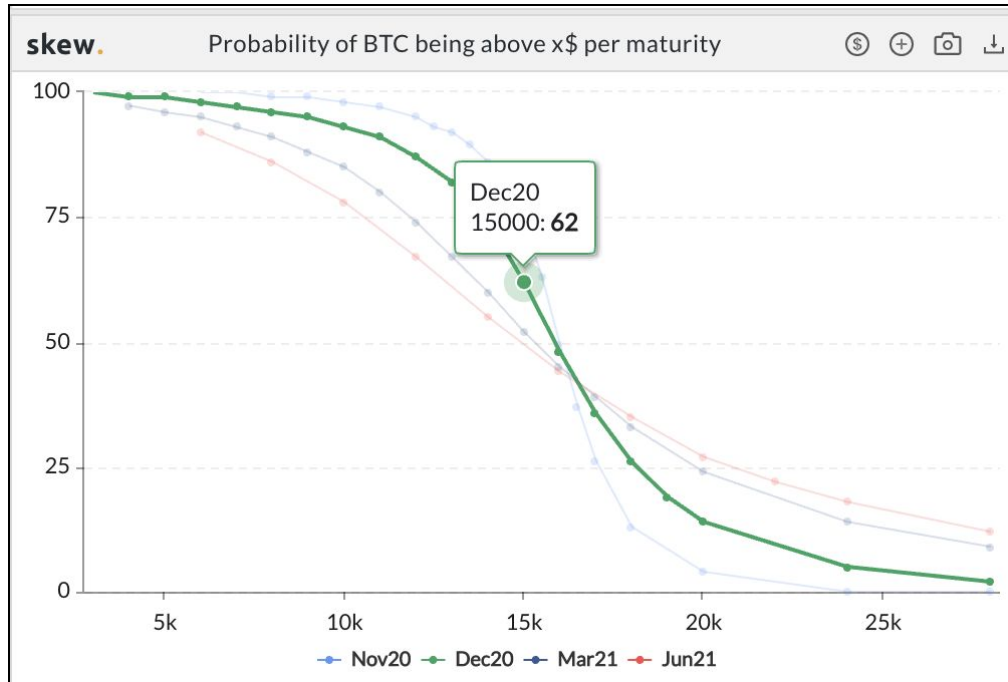
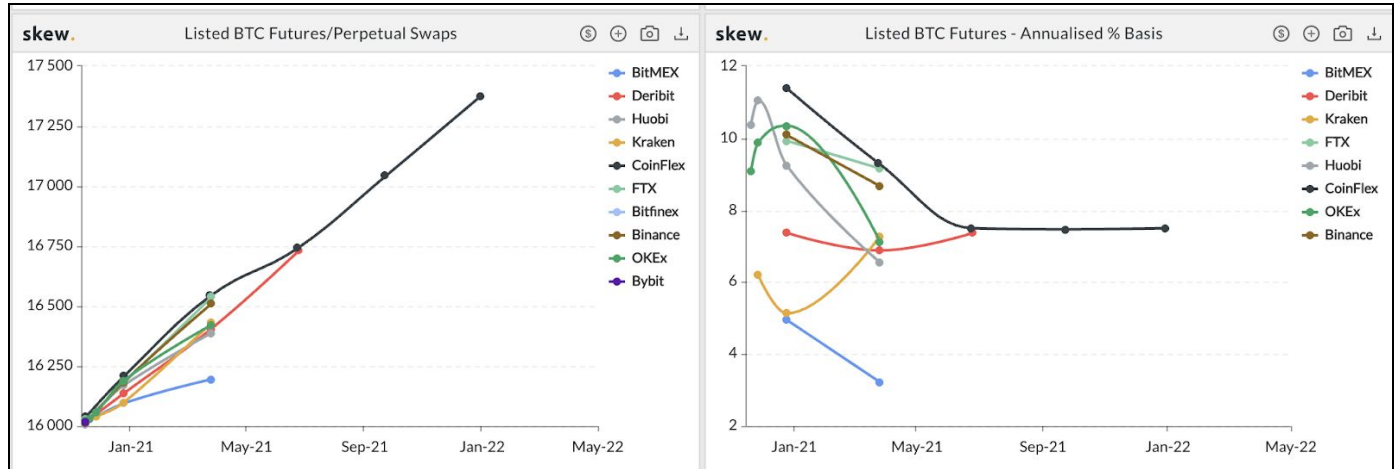


- When does the run end? We called another bullish week, and bitcoin continues to fly on the back of strong fundamentals and a steepening adoption curve.
- Monday 9th Nov saw a short-term steep decline on the vaccine news, but was bid back up by the market. The fact that sell-offs are bid fast, with rising volume is indicative of latent/passive liquidity build up at lower levels. We see this continuing into December before liquidity begins to dry up from Dec 15th, however a correction is due and the trade is looking increasingly crowded to the long side.
- The drop neutralised the derivatives markets, projecting less volatility in the coming week.
- Technicals are following wedge constriction and breakout patterns. Given the latent liquidity we are seeing on the buy-side, we are batting for another break and a run at \$17,235 in the coming week. Although, it's unlikely that this level will break - unless we get fresh news, stimulus measures out of the US, or a shock that leads to inflows. The \$17,235 level is multi-year highs, and given the run bitcoin has had, we see a test of \$17,000 before a much needed (but short-lived) retracement down toward \$15,000.

# ZEROCAP Weekly Market Wrap

8 November 2020 – 14 November 2020

- Futures basis is reflecting a similar sentiment, easing off to below 10% annualised (avg across venues).



[Source](#)

8 November 2020 – 14 November 2020

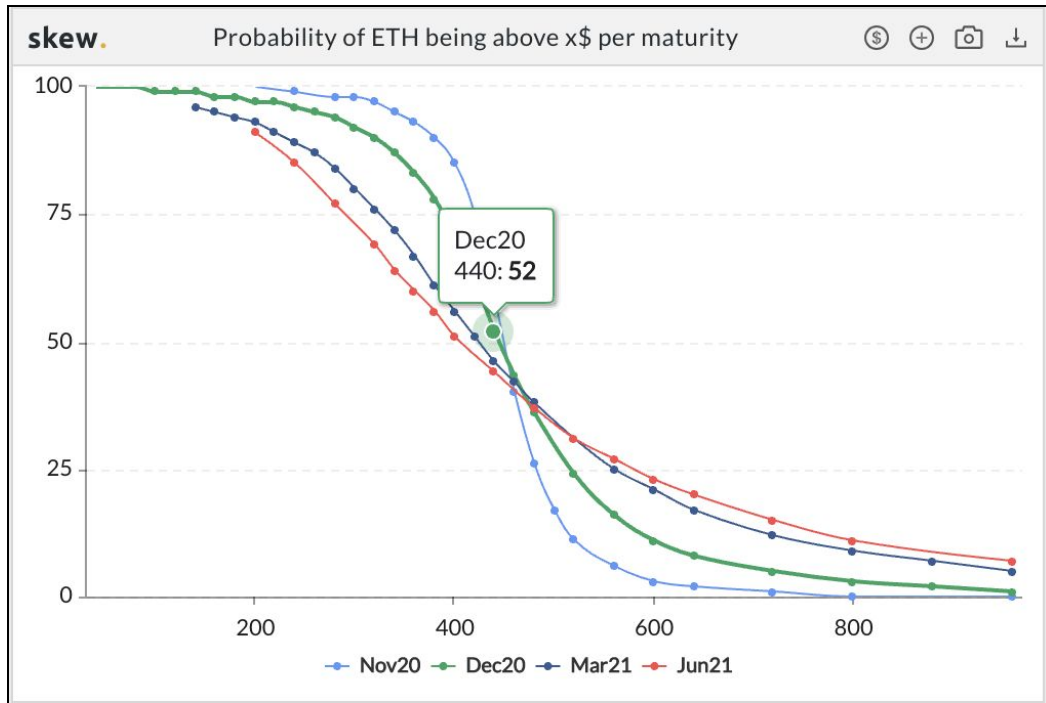
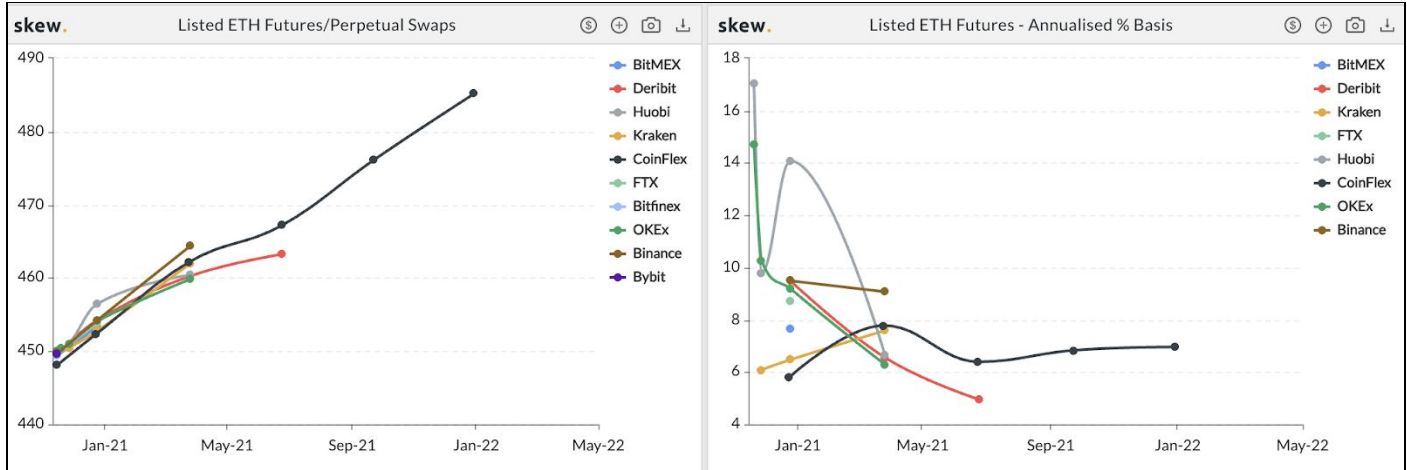
## Ethereum



- As we forecast last week, Ethereum followed bitcoin's momentum and broke near-term highs – reaching for the \$480 level.
- Fundamentals behind the move were from news on the ETH 2.0 staking launch and DeFi coins having a mammoth week. Aave is up 125%, Synthetix up 89% and THORchain (fellow Melbourne CEO) up 75%.
- Price is retesting the descending wedge at \$440. We think it's likely that ETH will trade back into the range, potentially testing \$420 again on lower volatility.
- Fundamentals are still strong, but reduction in VIX volatility and upcoming details on the vaccine efficacy (expectations are now set very high), we feel it's likely to need a strong stimulus for the next move. The path of least resistance is a test of \$420.
- Futures skew has tempered from the prior week, also indicating the asset may be taking a little breather.

# ZEROCAP Weekly Market Wrap

8 November 2020 – 14 November 2020



### What to Watch

- Digital asset markets are seeing the most bullish period since the ICO boom in 2017. Will it be able to maintain this trend? Tension around US election results will still have an effect on the market, so it's worth keeping an eye on how the voting controversy unfolds.
- Joe Biden has included former chairman of the CFTC [Gary Gensler as part of his transition team](#). Gensler is very open about his support for updated cryptocurrency frameworks in the US, so his insight for the upcoming months could be quite valuable for the market.
- Ethereum is set to break near-term highs, propelled by the release of ETH 2.0 network. However, DeFi project Uniswap's farming of ethereum [ends tomorrow](#) and will release US\$1.1 billion of the currency, which might bring short-term volatility into the space before we see the next rally.

### 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](mailto:hello@zerocap.io)

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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