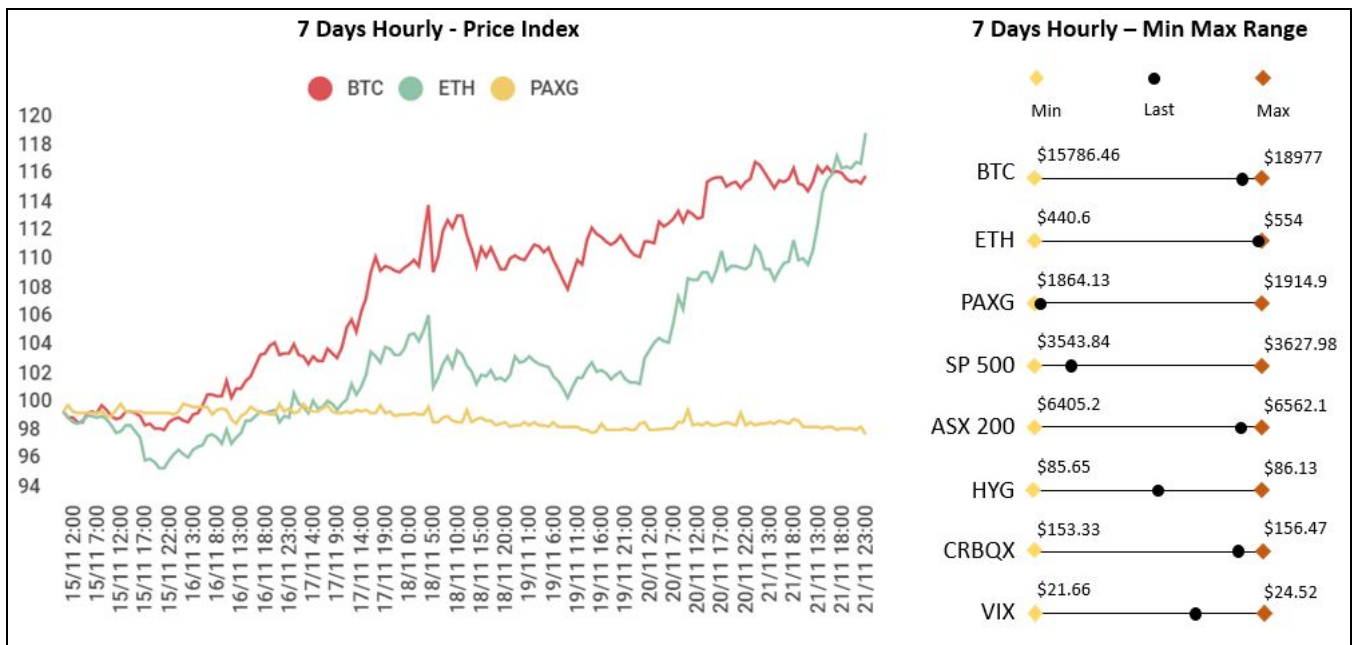


Week in Review

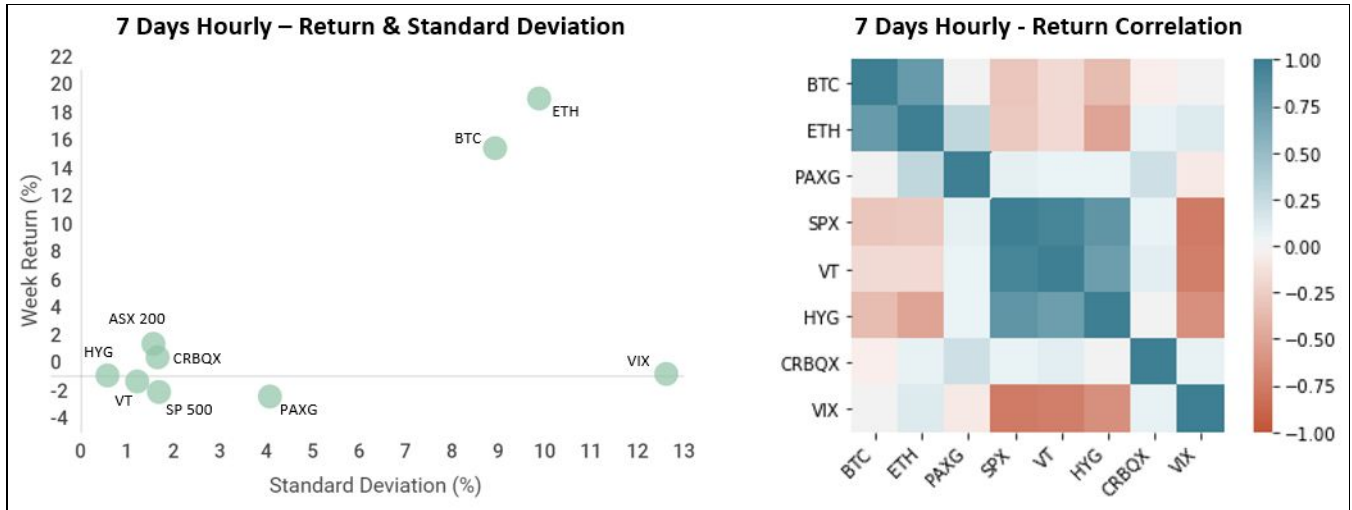
- U.S. Securities and Exchange Commission (SEC) Chairman [Jay Clayton](#), who blocked a number of potential bitcoin ETFs from launching, will step down at the end of this year before term expiry.
- Galaxy Digital launched its “[CI Galaxy Bitcoin Fund](#)” in Canada for the general public, increasing its Bitcoin offerings for large investors.
- Canadian investment fund manager 3iQ Corp raised \$57M in [The Bitcoin Fund](#) (TSX: QBTC) in an overnight treasury offering with 2.85M Class A units.
- Japanese crypto exchange DeCurrent stated that [over 30 top Japanese banks and companies](#) are set to trial a common, private digital currency in 2021 to improve payments.
- Reuters have released a piece outlining possible reasons behind the [recent bitcoin rally](#) – mainstream media is only just beginning to focus on bitcoin again after 2017.

Winners & Losers



ZEROCAP Weekly Market Wrap

15 November 2020 – 21 November 2020



- The momentum in the crypto market continued. Bitcoin ended the week at \$18,725 with a 16.36% weekly return. Ethereum price received a technical push as ETH 2.0 is approaching. It broke \$500 for the first time since 2018 with a 19.96% weekly return. Both Bitcoin and Ethereum closed at the ceiling of their weekly price range, negatively correlating with the equity markets this week.
- Equity markets had distressing news from America that the [U.S. Treasury](#) would not extend most of the emergency lending programs run in tandem with the Federal Reserve which will expire at the end of December. Bond and commodity markets experienced stable conditions with slightly positive returns.
- Gold closed out a marginally down week after a series of positive vaccine announcements. Broadly, markets weighed up weakness from renewed restrictions on activities, and the strength from vaccine developments, illustrated by the VIX – a volatile week, ending at a similar price to when the week began.

Macro, Technicals & Order Flow

Bitcoin

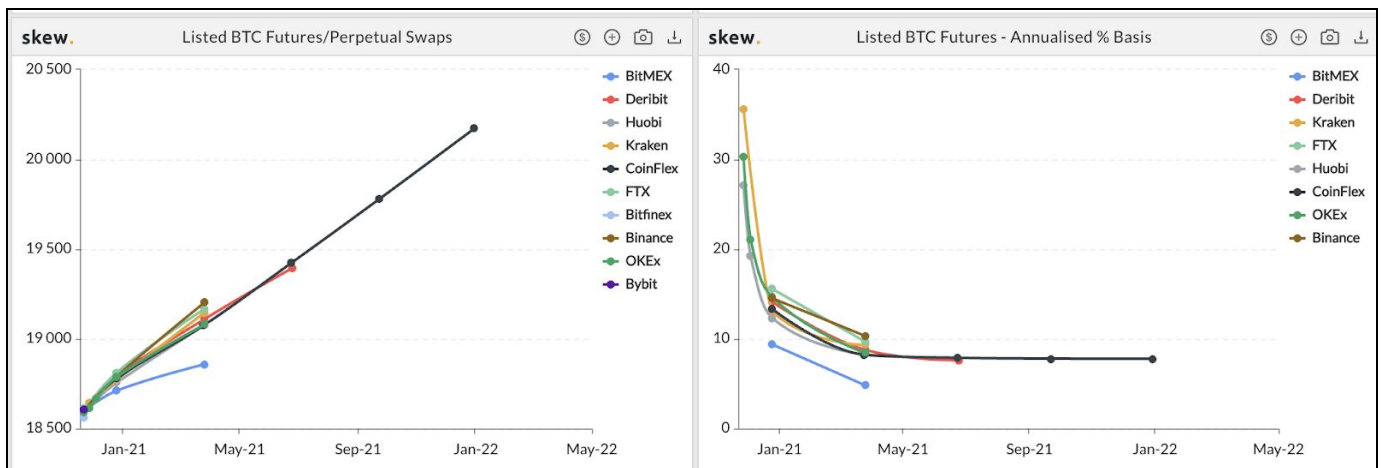


- As they say, never catch a falling knife. Or in this case, a flying bitcoin. Momentum keeps building, and even as I write this now, retracements are being met by strong latent bid sided liquidity.
- We called potential retracement last week, with no break of 17,235. We were clearly wrong (wishful thinking for another entry?) with the asset clearing the 2018 highs and resting at new orderflow levels between 17,500 and 19,000.
- What's the lesson here? Despite the derivatives markets indicating a cool-off, there is much more longer-term, unleveraged capital entering the market. Hedge Funds and institutions are driving inflows – the difference now compared to 2017 is that it is a fully validated asset class, with a very limited market cap compared to traditional market equivalents.
- We are looking at a break of all-time highs before the end of the year. Futures basis is wildly positive again and looking to end the year with a bang.

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- When there are limited technicals (when price begins to break untouched levels), Fibonacci levels provide some structure – and are widely used by institutions and hedge funds. We can see below that 16,000 now provides near-term support, with the 1.618 extension level at 30,000. This doesn't seem that far away anymore.
- The good news is that our team all owes principal Jon de Wet a beer for calling a break of 18,000 by the year-end (when price was at 12,000). Enjoy it JD!



[Source](#)

15 November 2020 – 21 November 2020

Ethereum

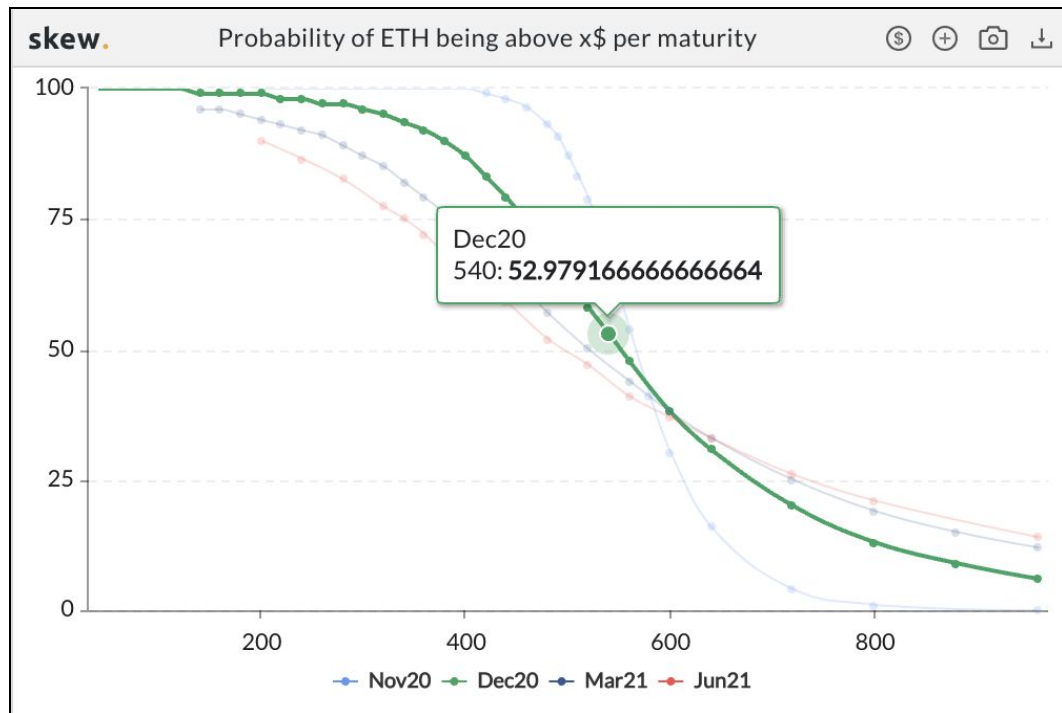
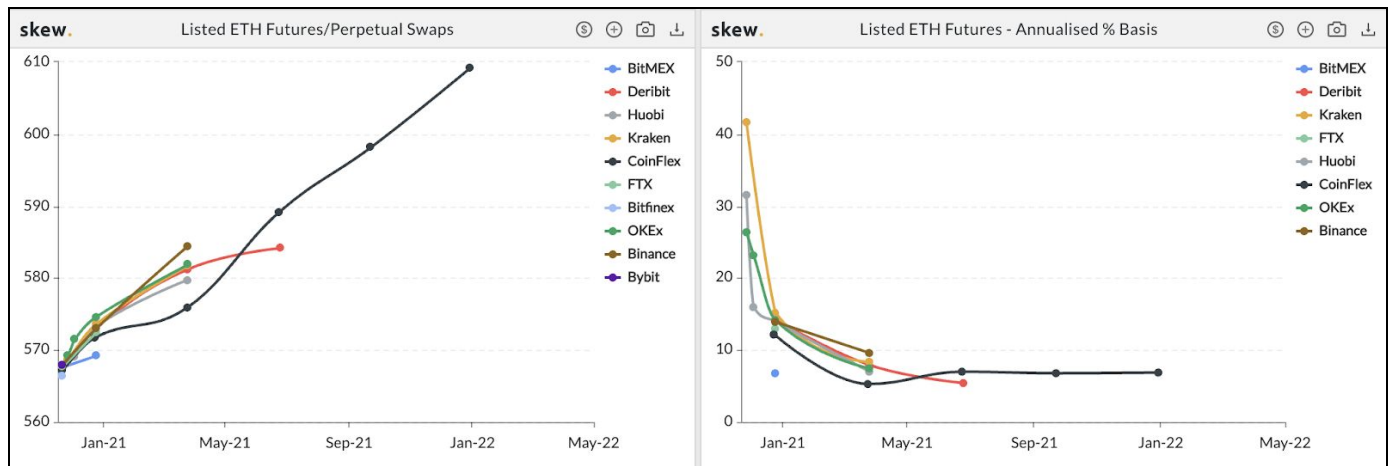


- We were hoping to get a test of 420, but ultimately ethereum touched the descending trendline support at 440 and then flew through 500, showing no signs of slowing down.
- Similar to bitcoin, downside moves are being bid quickly and aggressively. The next key level is 650, which coincides with key resistance from 2018.
- ETH is still under 50% of its all-time highs in 2017. Arguably, Paypal's crypto adoption will better serve ethereum's ecosystem – programmable money, smart-contracts that can wrap other major assets, and a plethora of layer 2 scaling solutions and ethereum v.2.0 ready to solve bottleneck challenges with growth. ETH 2.0 is launching in December.

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- Wrapped bitcoin – an ethereum token, each of which is fully-backed by 1 bitcoin, is growing very quickly. Wrapped bitcoin provides BTC exposure with the advantages of the ETH protocol. The market cap has recently broken 2b, leading to strong ETH inflows.
- Futures skew is on the strong side again, and we expect a strong close to the year.



What to Watch

- Who will be nominated as the new SEC Chairman after Jay Clayton? Will Clayton's successor open the door for Democrats to push for a [more aggressive approach](#) to regulation of Wall Street?
- JP Morgan is forecasting a [U.S. economic contraction next quarter](#) as various states impose restrictions on business and activity amid a record surge in COVID-19 cases. Will this pressure dollars and push gold and bitcoin to new highs?
- Will digital asset custodian Anchorage be the first crypto company to get "[National Trust Charter](#)" from Office of the Comptroller of the Currency (OCC) to act as a "qualified custodian" for institutional investors under SEC rules? If it succeeds (alongside Kraken's Wyoming charter earlier this year), are more crypto banks on the way?

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

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* Index used:

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



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Weekly Market Wrap

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