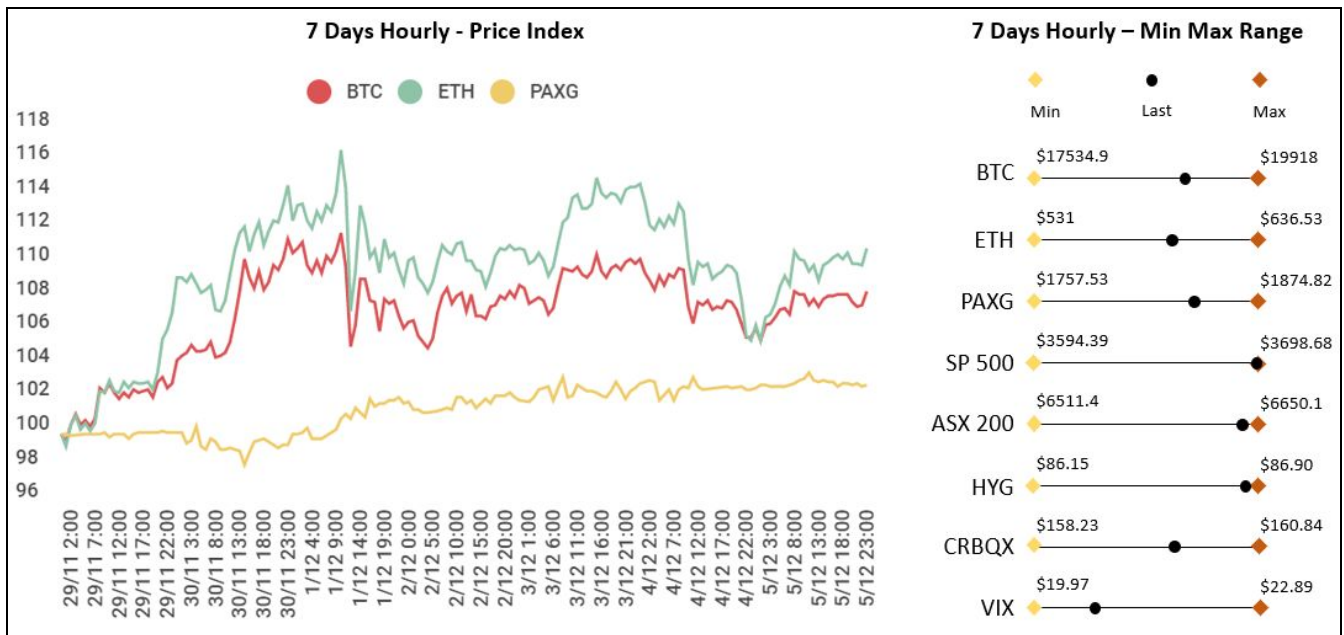


### Week in Review

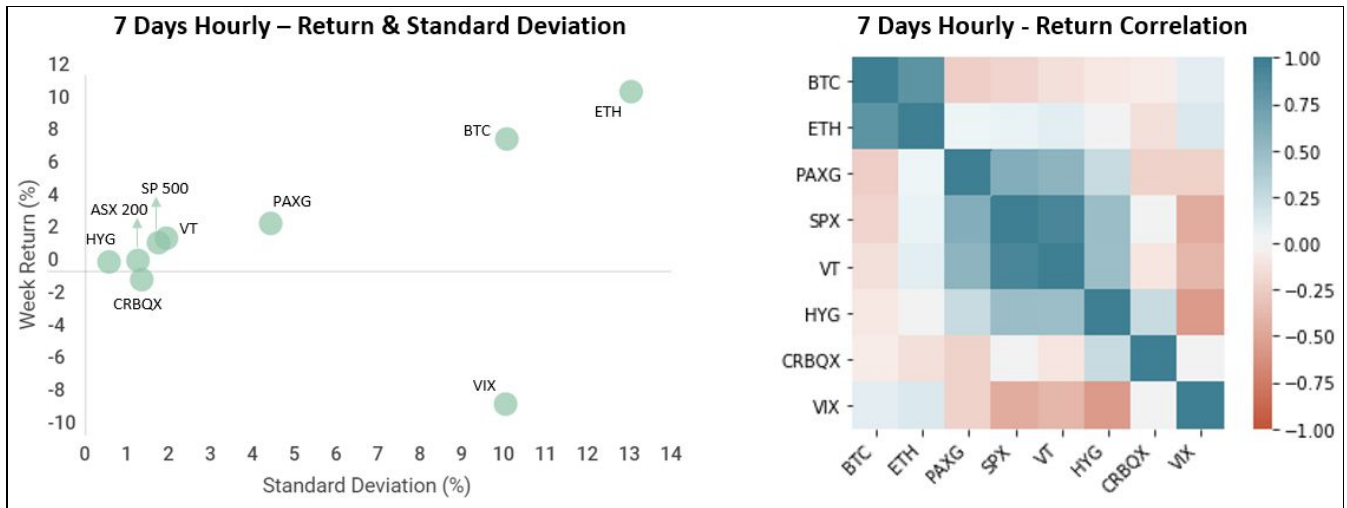
- Zerocap Principal Trent Barnes was [interviewed](#) by ex-Bloomberg anchor Angie Lau explaining why Bitcoin's current bull run will not be ending anytime soon.
- S&P Dow Jones Indices announced the launch of [cryptocurrency indices](#) in 2021, containing more than 550 of the top traded coins.
- [Visa Inc.](#) connected its global payment network to the U.S. Dollar Coin (USDC) on ethereum blockchain, to support payments by USDC.
- Business intelligence company Microstrategy completed its [third Bitcoin purchase](#), totalling 40,824 Bitcoins in its treasury.
- Facebook backed digital currency changed its name from Libra to [Diem](#), amid policy controversies on [currency competition](#).

### Winners & Losers



# ZEROCAP Weekly Market Wrap

29 November 2020 – 5 December 2020



- Breaking News! Bitcoin set its all time high of 19,918 USD, driven by a wave of new investors - institutional investors, funds and corporate treasuries. Bitcoin ended the week with a 8.11% return after temporary fluctuations.
- Ethereum benefited from the positive momentum from bitcoin and a revival in DeFi value, returning 11.03%.
- Traditional financial markets are enjoying a post-U.S. election rally with Trump’s legal fight against alleged voter fraud looking less and less promising.. Equity markets in America and Asia & Pacific were trading at recent and all time highs. High yield corporate bond prices slightly increased, whilst U.S. treasury bond prices dropped as yields continued rising against the backdrop on [inflation concerns](#).
- Gold price steadied in a tight range and saw its first weekly gain for a month as the dollar weakened on expectations of additional U.S. stimulus. The VIX dropped to around 20.79, revealing investors’ expectation of a stability in December. However, we still believe that the market is underpricing insolvency risk at the current stage.

## Macro, Technicals & Order Flow

### Bitcoin

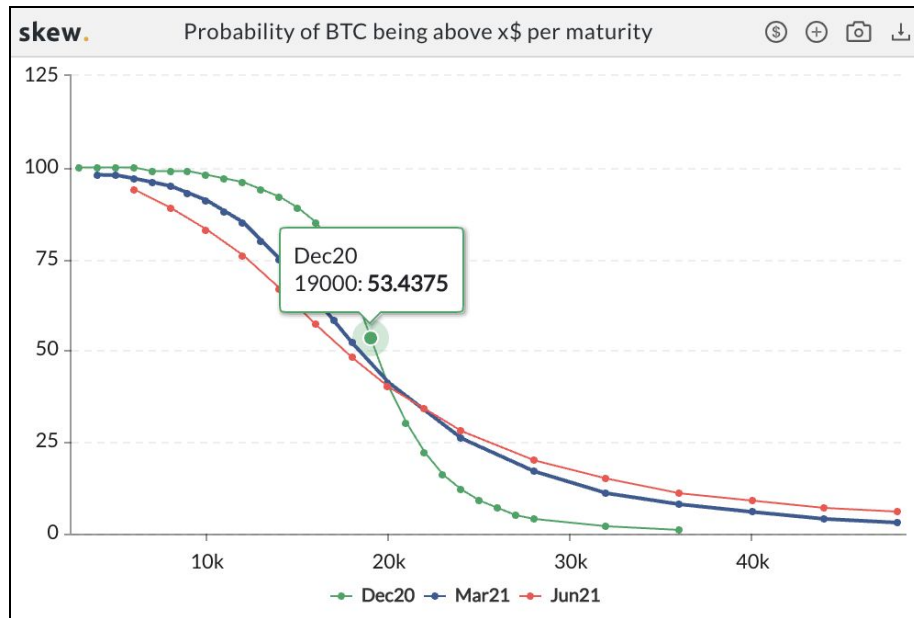
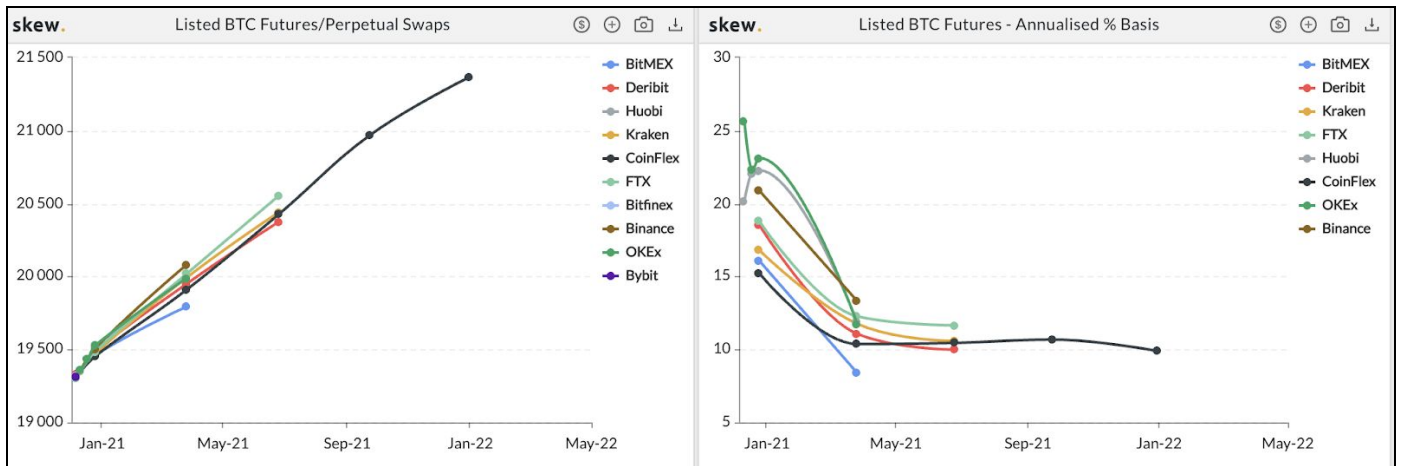


- OTC dealer spreads have normalised after the prior weeks fall – still seeing strong unleveraged bids on any drops.
- Normally after an asset breaks all-time-highs, we'd note whether it held above that level to help determine the next upward move. If it holds above the break, we'd normally expect a bullish week to follow. Bitcoin's case is a little different at this time – despite forming a range *below* all-time highs, price seems to be following that of TWAP (average price) accumulation. A top hedge fund that we talk to provided similar insights, noting algo pattern buying within the range. This all points to larger unleveraged fund and treasury accumulation by the big boys. Another bullish sign.
- It's also worth noting the media at this point in time - we haven't heard the word 'bubble' once. It's a very different time to 2017 when bitcoin was flying up toward 20,000.
- Key levels are the ascending trendline, and 17,500 – the prior base before price moved to highs.

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- Futures contango has normalised above 10% annualised for all upcoming expires. Beautiful to watch in a negatively yielding world.
- The options market leaning towards a 19,000+ end to the year.
- In summary, strong foundational strength continues in this asset, and it doesn't look to abate any time soon.



[Source](#)

## Ethereum



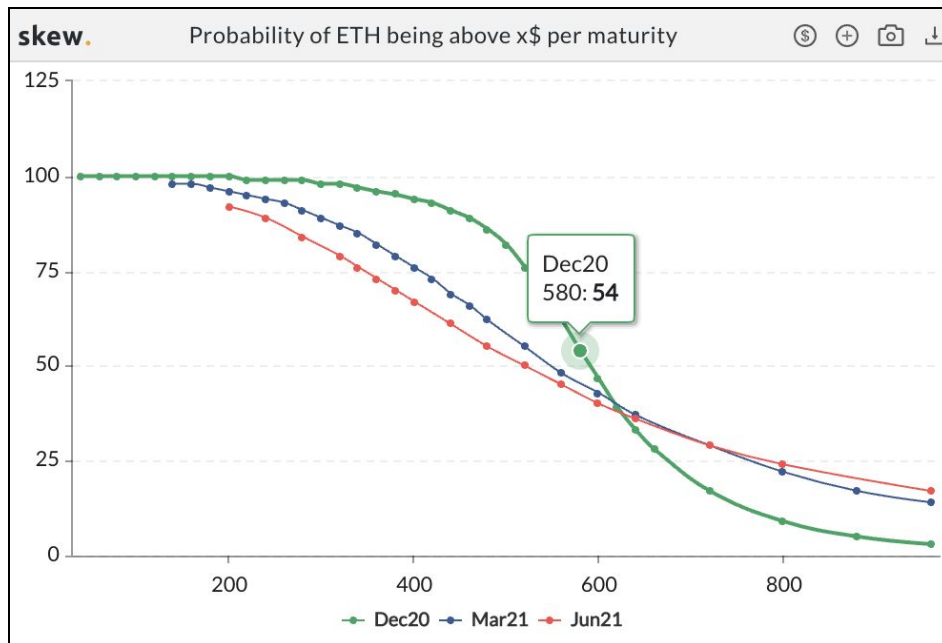
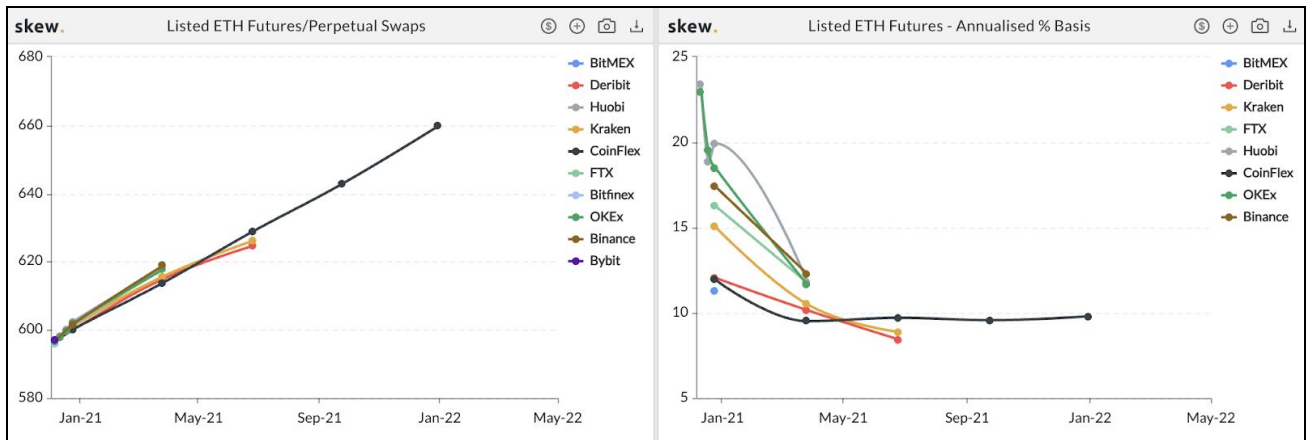
- Ethereum outperformed bitcoin this week, with the focus squarely on ETH 2.0, the network upgrade and some positive news..
- On ETH 2.0, Peripheral exchanges and firms have helped the supply crunch, by opening up staking to the non-technical. Kraken, one of the world's largest crypto exchanges, has launched Ethereum staking for its users. Coinbase has announced it will be offering staking services in early 2021. At an institutional level, [Bitcoin Suisse](#) is offering staking to its larger investors. There is 1,114,285 ETH in the staking contracts, almost 1% of the circulating supply, estimated to be locked away for 1 - 2 years.
- From the news front 3iQ's Ether Fund receives green light for IPO listing on the Toronto Stock Exchange, after their Bitcoin Fund's success. <https://3iq.ca/press-releases/>
- M&A activity is still very strong in DeFi associated financial ecosystem plays..
- Pricing is following wider ranges and volatility than bitcoin, but generally positioning for another bullish move (in the absence of any negative news/stimulus). Futures contango is

# ZEROCAP Weekly Market Wrap

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holding around 10% annualised, and the options market still showing a (moderate) holding of current ranges.

- All of this is great news for ethereum's growth and value.



### What to Watch

- Last week, we summarized Yearn Finance’s merger spree, and inferred that a consolidation wave is coming to the DeFi market. Just after last week’s market wrap, digital asset security platform Fireblocks introduced its [DeFi solution](#) for institutions. Will M&A continue to fuel the DeFi boom in 2021? Which institution will be the first to publish its roadmap in the DeFi market?
- Canadian digital asset investment manager 3iQ’s IPO launch of The Ether Fund on the Toronto Stock Exchange (TSX) next week – what does this mean for ethereum?
- Acting Comptroller of the Currency, Brian Brooks told the public to expect “[clarity](#)” on cryptocurrency in the next 6 to 8 weeks – coinciding with the Trump Administration’s final days. Does it verify last month’s news from Coinbase CEO Brian Armstrong that the Treasury Department was working to rush out new crypto regulations before President Donald Trump’s term ends in January? How will this affect digital assets?
- A new U.S. [bill](#) that requires stablecoin issuers to secure bank charters and regulatory approvals prior to circulation has been submitted to the congressional session. Will the Congress pass the bill next year? Will this bill limit crypto industry innovation? What will this mean for unregulated stablecoins?

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	Commodities
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# ZEROCAP

## Weekly Market Wrap

29 November 2020 – 5 December 2020



				Bonds	
BTC	ETH	PAXG	S&P 500, ASX 200, VT	HYG	CRBQX