

Weekly Crypto Market Wrap

17th July 2023



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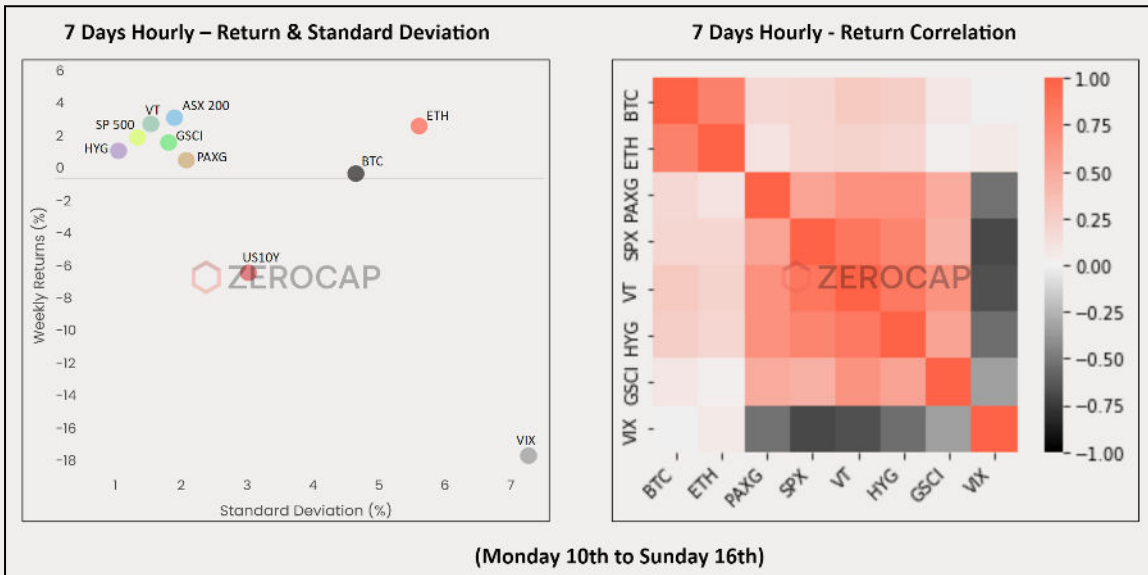
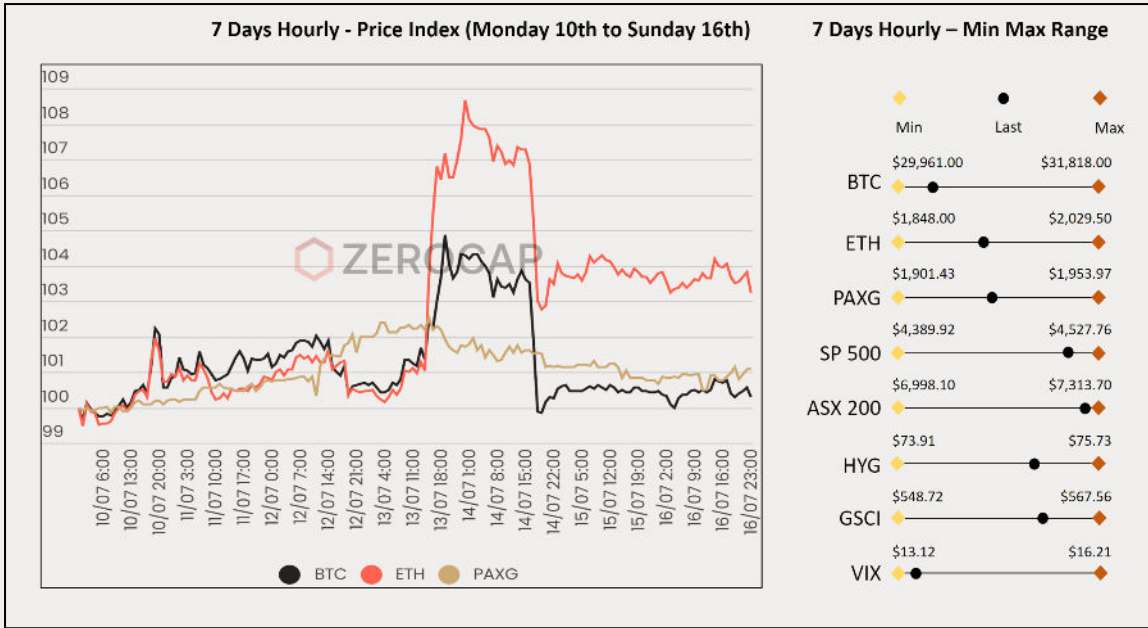
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Week in Review

- [Ripple partially wins](#) case against SEC, as judge rules XRP is not a security.
- Standard Chartered boosts 2024 [Bitcoin forecast](#) to \$120,000.
- SEC formally accepts [BlackRock's Bitcoin ETF](#) application - [CEO](#) Larry Fink states cryptocurrencies set to “transcend any one currency.”
- [Coinbase shares](#) skyrocket following SEC v Ripple ruling, were already up 50% prior to the decision - since [Coinbase was sued by SEC](#) a month ago.
- Binance's [BNB Chain](#) set to undergo hard fork upgrade on Wednesday - exchange recently laid off [1,000+ employees](#) globally.
- Former Celsius CEO [Alex Mashinsky arrested](#), as company agrees to pay \$4.7 billion in settlements for the FTC.
- Ethereum co-founder [Vitalik Buterin](#) wants Bitcoin developers to experiment with Layer 2 solutions just like Ethereum does.
- DeFi borrower uses [luxury watch-backed NFT](#) as collateral for a loan.
- US 2024 Presidential candidate [Ron DeSantis](#) vows to ban CBDCs if elected.
- [US inflation](#) up by a mere 0.2% in June, cooling for the 12th straight month.
- [Bank of Canada](#) continues quantitative tightening, hiking at 25bps.
- Bank of England [Governor Bailey](#) vows to “see the job through” on fighting inflation - urges UK lenders to pass on interest rates to savers as economy [shrinks by 0.1%](#).

Winners & Losers



Data source: TradingView

Market Highlights

- Bitcoin (BTC) and other cryptocurrencies experienced a whirlwind of a week, largely influenced by the XRP ruling on Thursday. For three consecutive weeks now, BTC has remained within its range-bound structure between 30,000 and 31,600. A potential break from the upper end of this range was finally tested, which came in the aftermath of XRP's partial case victory. The primary beneficiaries of this initial move were XRP and other SEC-targeted altcoins, while BTC and ETH also saw an uptick leading into Friday. While the news was generally perceived as positive, the array of remaining unknowns related to the impact of the case more broadly led to a short-lived spike in BTC, which entirely reverted by the week's end, returning to its starting level at the 30,000 handle.
- Traditional markets moved higher this week on the back of positive US inflation data. The S&P 500 (SPX) gained 2.42% while the Dollar Index (DXY) fell -2.26% continuing the impressive 2023 for risk assets. BTC failed to create any bullish momentum on the back of this and remains range bound. The next major event markets will be looking towards is the FOMC meeting on the 26th of July (US time). Early indications suggest the Fed will resume its hiking cycle with a 25-basis point hike. Any weakness in the markets could see BTC lose the 30,000 support level.

Last Weeks Data Highlights:

US CPI Data (YoY) - Actual: 3%, Consensus: 3.1%

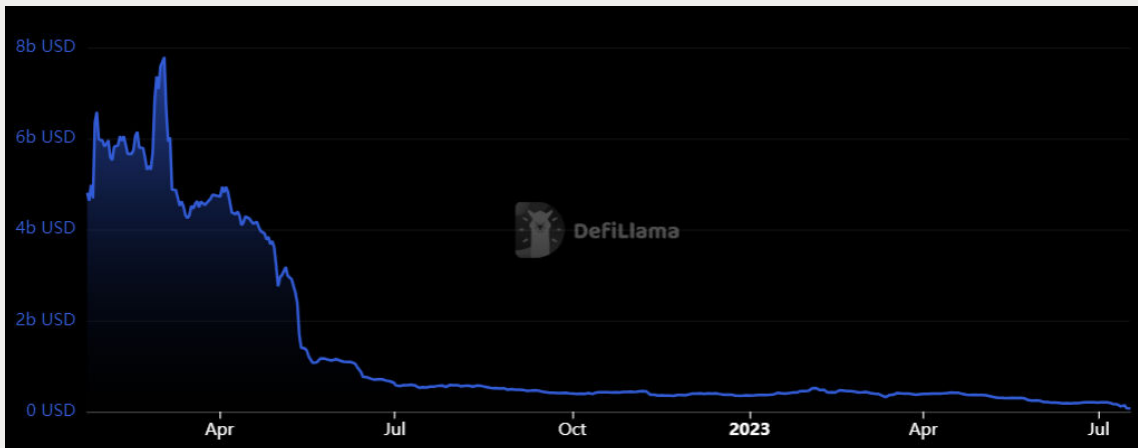
US Core CPI Data (YoY) - Actual 4.8%, Consensus 5%

US PPI Data (YoY) - Actual: 0.1%, Consensus: 0.4%

US Core PPI Data (YoY) - Actual 2.4%, Consensus 2.6%

- In broader news, the CEO of Multichain, a cross-chain bridge, was arrested by Chinese police in May 2023, with all his devices and hardware wallets seized. Subsequently, suspicious transfers via the Multichain bridge followed, and now it has become apparent that the CEO's sister took control of the transferred user assets before she was also taken into police custody. Simultaneously, the Fantom (FTM) ecosystem has been facing severe difficulties as a result of the theft - forming a significant discrepancy between its price and the health of the ecosystem. Following the shutdown of several large projects and a massive 99% drop in total value locked (TVL), a pivotal

shift is needed here for a revival in FTM. The FTM token itself has been serving as a safe haven with a number of stablecoins depegging, which has been supporting its price, and we see a further downside here in FTM in the short term with the chain severely impacted by the Multichain collapse. One potential way to play this can be to short FTM with a hedged ETH long position.

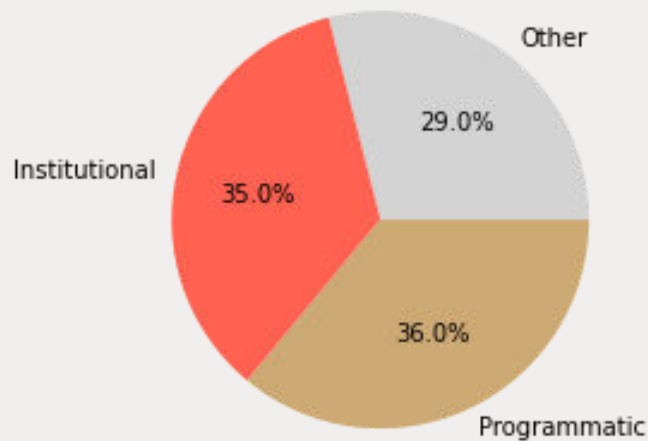


Data source: DefiLlama - Fantom TVL

SEC vs Ripple (XRP) Ruling

- A recent U.S. court ruling partially favouring Ripple Labs could potentially alter the landscape of the SEC's enforcement in the cryptocurrency space, particularly benefiting other token issuers, exchanges, and retail investors. The court's decision distinguished between the sale contract and the underlying token, implying that not all tokens are securities. This may undermine the SEC's tactic of alleging securities status to force delisting, allowing continued circulation of tokens to launch via alternative distribution methods such as exchange launches and airdrops. Despite this, the decision could spell massive penalties for Ripple, as it was found to have sold unregistered securities in the form of XRP tokens to institutions via an escrow in their initial launch period. The most likely segment we see this impacting is the operations of token-focused crypto funds, since primary purchases are directly labelled as securities transactions.

Distribution of XRP Sales By Type



- The ruling has provided potential defence against allegations for platforms like Coinbase and Binance. However, the ruling may not provide full regulatory or legal clarity for the broader digital assets sector, and its impact could depend on how well its fact-specific arguments align with the circumstances of other entities in the market. The market's response to the decision was positive, with Ripple's XRP token price surging by up to 96% and \$COIN also surging by 24% during Friday's session. The ruling's implications may prompt Congress to clarify when a token is and isn't a security, specifying issuers' obligations and buyers' rights. The ruling may spell trouble for Ripple in the longer term, but its repercussions could provide legal shielding for other token issuers, exchanges, and retail investors.

What to Watch

- China's GDP and industrial production reports, on Sunday.
- US manufacturing index and Australia's monetary policy minutes, on Monday.
- Canada's CPI and US retail sales reports, on Tuesday.
- BNB Beacon Chain's hard fork upgrade and UK's CPI, on Wednesday.

- US unemployment claims, on Thursday.

Insights

- [Zerocap CIO Jonathan de Wet at Ausbiz:](#)

"The lead-up to the levels we're in at the moment was around the BlackRock ETF - this has been huge news for the space, \$8 trillion dollars in assets. If the BlackRock ETF is approved, that's going to open up a huge amount of access into Bitcoin." Jon chats with Ausbiz on potential BlackRock ETF green light, recent market movements, the Bitcoin Ordinals craze, regulatory developments and insider trading controversies.

Research Lab

- [CCIP - Chainlink's Cross-Chain Interoperability Protocol:](#)

Navigate the landscape of Chainlink's Cross-Chain Interoperability Protocol (CCIP). Innovation Analyst Finn Judell elucidates the protocol's structure, its potential to revolutionize cross-chain applications, and the role of the Chainlink Anti-Fraud Network. Learn about the SWIFT network's testing of CCIP and the anticipated impact on the blockchain ecosystem.

- [Understanding the OP Stack:](#)

Navigate the intricacies of the Over Powered Stack (OP Stack) with Innovation Analyst Beau Chaseling as he elucidates its role in constructing optimistic rollup networks, the structure of the OP Stack, and the concept of the Superchain. Gain insights into the significance of each layer in the OP Stack, the role of the Optimism Collective in managing it, and the potential of the Superchain to address issues associated with traditional multi-chain architectures.

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* Index used:

Bitcoin	Ethereum	Gold	Equities	High Yield Corporate Bonds	Commodities	Treasury Yields
BTC	ETH	PAXG	S&P 500, ASX 200, VT	HYG	SPGSCI	U.S. 10Y

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