

# Weekly Crypto Market Wrap

31st July 2023



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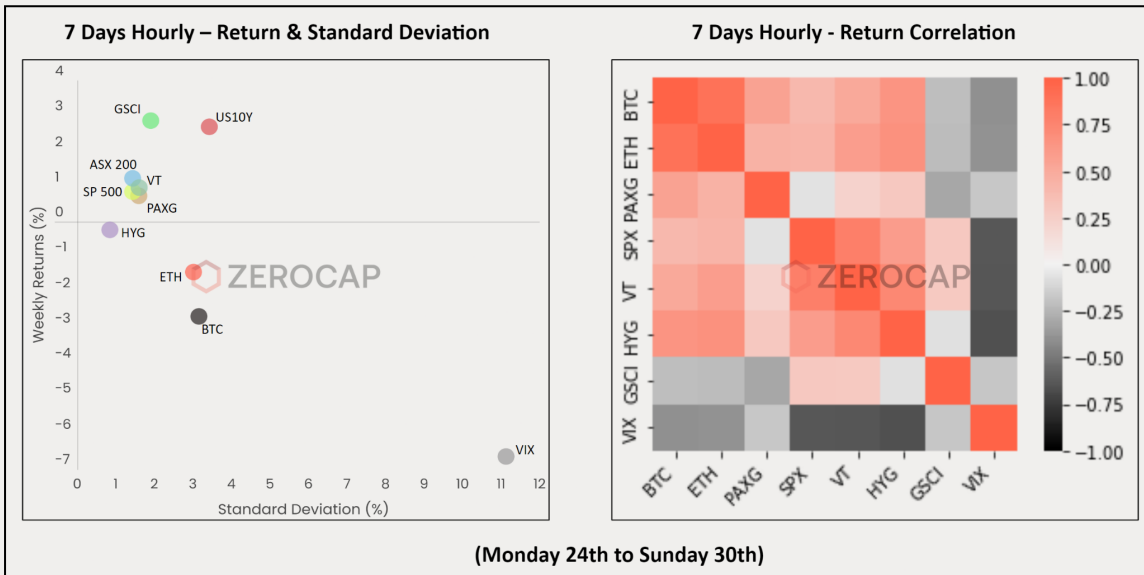
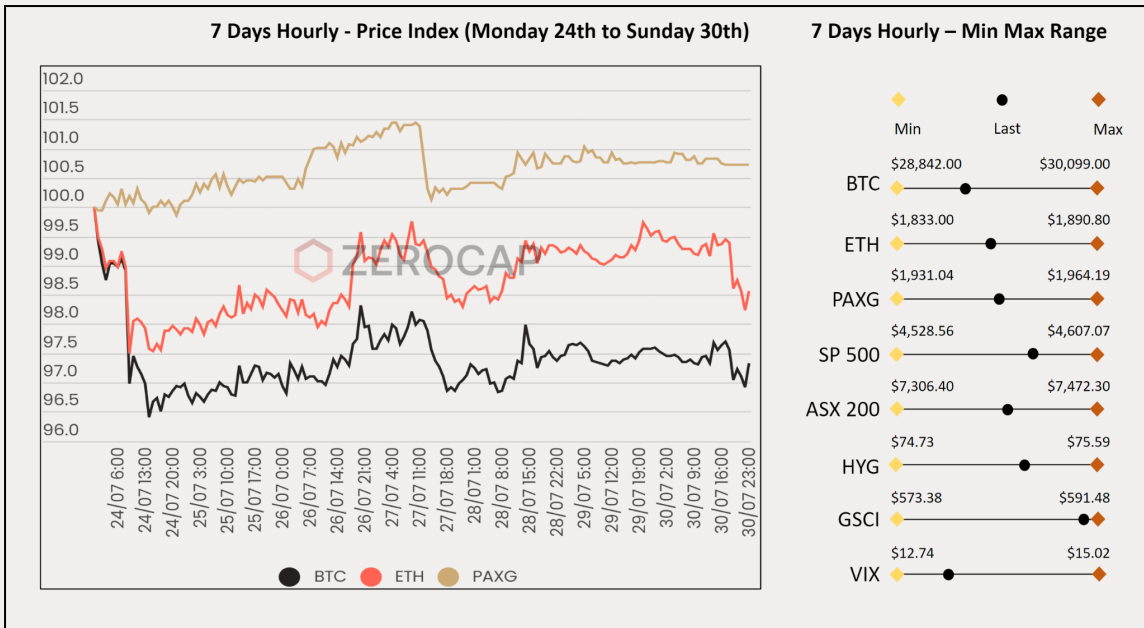
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## Week in Review

- Two crypto bills pass a US congressional hearing, clarifying the distinction between securities and commodities regulators, and promoting the development of the blockchain ecosystem ([Bill 1](#), [Bill 2](#)).
- Two mother crypto bills advance to US House floor on stablecoin regulation and self custody privacy, in an historical week for crypto regulation in the US ([Bill 3](#), [Bill 4](#)).
- Blockchain could save financial institutions [\\$10B by 2030](#); Ripple (XRP) report.
- Putin signs law introducing the [digital ruble](#) CBDC to Russia.
- Fund manager Grayscale [urges SEC](#) to approve crypto ETFs simultaneously.
- Sleeping [Bitcoin wallet](#) awakens after 11 years, moving \$30 million of BTC.
- OpenAI CEO's [Worldcoin](#) launches token to distinguish humans from bots - project struggles to find users willing to having their eyes scanned for crypto.
- US lawmakers [probe Apple's App Store](#) policies on blockchain and NFTs.
- Binance launches [AI-powered NFT generator](#) for KYC-approved users.
- [Bank of Japan](#) pledges flexibility on raising interest rates.
- FOMC: Fed [approves rate hike](#) that takes interest rates to their highest levels in 22 years - Dow snaps [longest winning streak](#) since 1987.
- US consumer confidence [hits two-year high](#), while recession fears linger.
- Another bank failure: Kansas' [Heartland Tri-State Bank](#) closed by the FDIC.

# Winners & Losers



Data source: TradingView

# Market Highlights

- According to a report by the Wall Street Journal, Binance's CEO, Changpeng "CZ" Zhao alluded to the possibility of the crypto exchange's affiliates engaging in wash trading several years ago. The news saw BTC plummet, starting the week in the red. BTC dropped over 4% to a daily low of 28,842 USD on Monday, later recovering some of its losses and finding support back above 29,000 USD. Major Altcoins fell similarly, SOL and XRP notably falling -11.81% and -9.48% respectively. XRP closed the week out around the \$0.71 mark, slumping from July 13th's high of \$0.9327.
- Standout performers this week included UNI, MKR and XDC, each gaining 4.48%, 15.04%, and 12.34% WoW. The hype around Uniswap's newly announced "UniswapX" protocol saw UNI trend upwards visiting a three-month high of 6.456 USD on Sunday. MakerDAO's token buyback program continued to drive demand for the protocol's native MKR token. Well-known "meme-coin" Dogecoin rallied as high as \$0.08242 on Saturday over speculation that Elon Musk's Twitter rebrand to "X" may incorporate the use of DOGE, after being spotted on Musk's 'X' profile.



- The SPX continued its climb higher over the past week with a gain of 1.01% on the back of an expected 25-basis point rate hike and strong economic data. US GDP surpassed expectations while initial jobless claims came in below expectations signalling the economy isn't slowing as hoped. This will push the

Fed to consider more rate hikes later this year. The bond market also suggests more rate hikes may be on the table with yields moving higher across the board. This week, markets will be looking towards Non-Farm Payrolls which will give a good indication of the strength of the US economy. The RBA interest rate decision will be released on Tuesday at 2:30pm AEST and the market is expecting another 25-basis point hike, which is expected to generate some volatility in local markets.

### Key data releases last week

**US Interest Rates** - Actual: 5.5%, Previous: 5.25%

**US Q2 GDP** - Actual 2.4%, Previous: 2%

**Initial Jobless Claims** - Actual 221k, Previous: 228k

### Key data releases to monitor this week

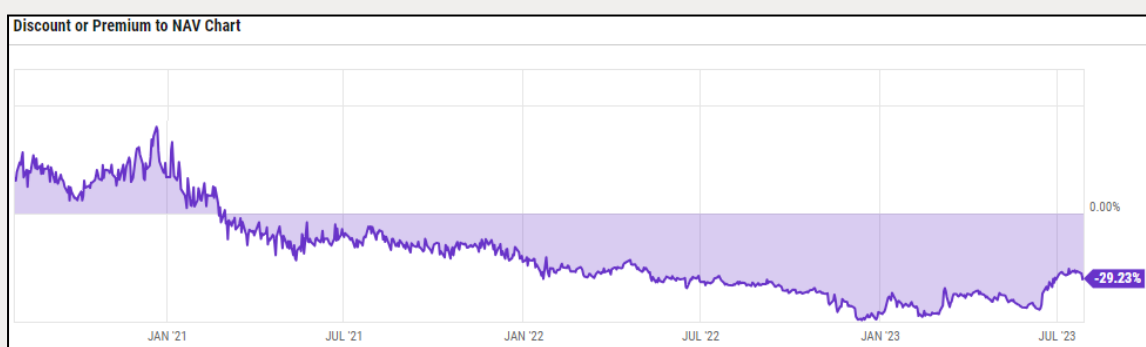
**Mon | EU CPI** - Forecast: 5.2%, Previous: 5.5%

**Tues | RBA** - Forecast: 4.35%, Previous: 4.1%

**Thurs | BoE IR Decision** - Forecast: 5.25%, Previous: 5%

**Fri | US NFP** - Forecast: 190k, Previous: 209k

- On Friday last week, Grayscale Investments sent a letter to the SEC advocating for simultaneous approval of all pending spot Bitcoin ETFs (including previously rejected applications) to prevent unfair competitive advantages. The firm asserts that the approval of ETF proposals individually would provide an unjust first-mover advantage. Grayscale's letter comes after the SEC rejected its attempt to convert the Grayscale Bitcoin Trust (GBTC) into an ETF in 2021, prompting the company to sue the SEC. The lawsuit is expected to draw to a conclusion in the coming months and will impact the current GBTC discount it trades at relative to spot BTC. The discount, which fell to 48.5% earlier this year in January, has closed to 28% with the new ETF filings generating speculation that this will ultimately result in GBTC receiving their ETF approval shortly after - closing the now infamous discount.



- Curve Finance, arguably one of the most crucial DeFi protocols, has suffered a significant exploit just moments before a white hat operation aimed at securing the funds. The attack led to the theft of around 7 million CRV tokens and \$14 million in wrapped ether (WETH) from the CRV/ETH pool. The series of attacks has triggered a sharp fall in CRV's price, which was trading down 15% on Sunday. What's more concerning is that Michael Egorov, the founder of Curve Finance, holds a substantial loan position backed by CRV tokens on the DeFi lending platform, Aave. With a price of 0.37c his estimated liquidation level, if the CRV price continues its downward trajectory he could face significant liquidation that has broader ecosystem impacts. His position has had its fair share of challenges in the past, although has successfully been defended and will continue to be something to watch if the severity of this exploit worsens over the coming days.



Data source: CRV Price, Coingecko

## What to Watch

- US Jolts Job Openings, on Tuesday.
- UK monetary policy report and official bank rates, on Thursday.

## Research Lab

- [Protecting the Unpredictable - A Review of InsurAce's Decentralised Risk Protection Protocol:](#)

The Research Lab examines the InsurAce.io Protocol Decentralised Risk Protection Protocol in his latest article. Learn about InsurAce's unique approach to risk protection in the crypto market, its actuarial pricing models, and its future plans. This piece offers a detailed understanding of how InsurAce is addressing the challenges of uninsured risk in the crypto industry.

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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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