

Weekly Crypto Market Wrap

14th August 2023



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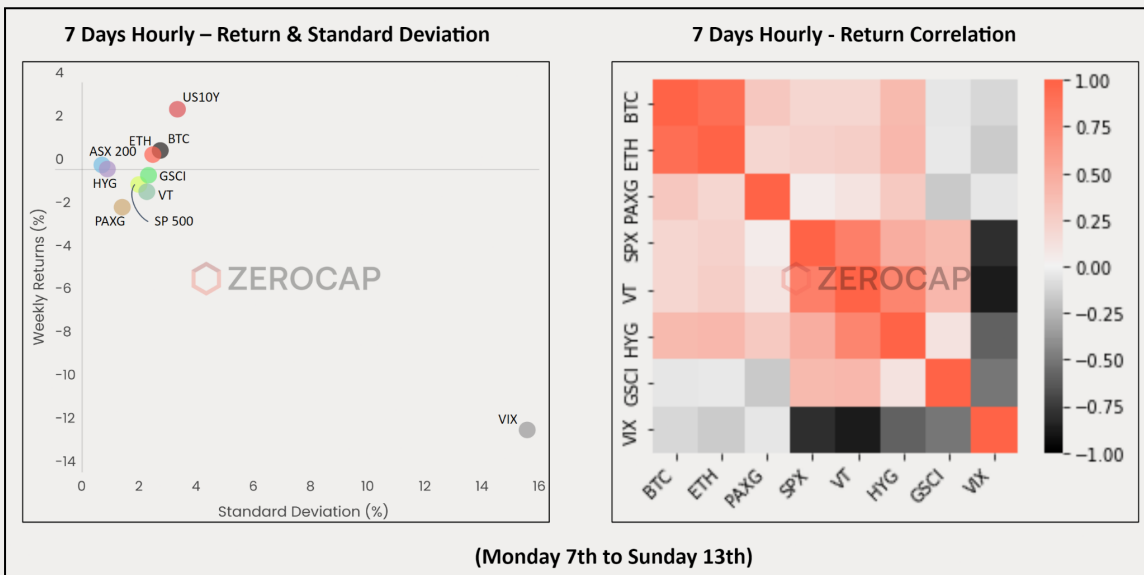
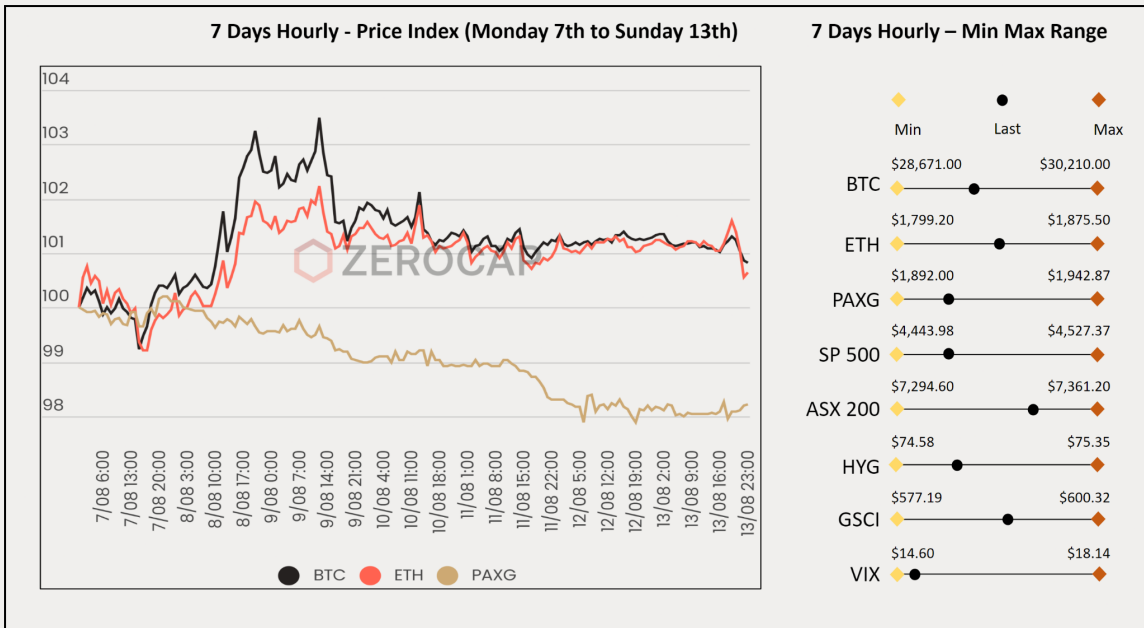
Zerocap Pty Ltd ABN: 99 164 874 597

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Week in Review

- PayPal launches stablecoin [PayPal USD \(PYUSD\)](#) aiming for fast settlements.
- US judge orders FTX founder and former CEO [Sam BankmanFried to jail](#) following witness tampering, revokes bail.
- Huobi exchange sees [\\$105 million outflows](#) amidst rumors of insolvency.
- Binance drops majority of [USDC stablecoin reserves](#) to buy BTC and ETH.
- [DREX](#), Brazilian CBDC gets official name and logo - Meanwhile, Congress moves to submit [higher taxes](#) onto cryptocurrencies.
- Maple Finance (MPL) gets [SEC exemption](#) for on-chain treasury pools.
- BlackRock insiders claim [Bitcoin ETF](#) is likely 6 months away.
- Australian banks Westpac and CBA use [digital australian dollars](#) to trade and pay for real certificates of deposit.
- Curve Finance (CRV) vows to [reimburse users](#) following \$62 million hack.
- White House launches [cybersecurity challenge](#) with \$20 million in rewards.
- Daily trades of crypto bots on Telegram hit a [monthly record](#) of \$10 million.
- [China](#) stocks fall, consumer prices drop for the first time in more than 2 years.
- [US inflation](#) rises less than expected while unemployment remains low, putting economy at ["unchartered waters."](#)
- US [consumer sentiment](#) dips in August, while inflation expectations improve.

Winners & Losers



Data source: TradingView

Market Highlights

- Bitcoin (BTC)'s price action remained relatively constrained throughout the week, seeing new weekly support established around 29,350 BTC/USD. Traders appear to be airing on the side of caution, unsure as to the directionality and magnitude of a potential breakout. BTC trading volumes dipped to one of their lowest points since November 2020 - corresponding with BTC's 30d volatility plummeting to a near 5-year low. Despite its reduced trading volume, BTC closed the week up marginally at +0.84%, outperforming Ethereum's +0.64% Wow gain.



- The SPX has continued its move downward recording a -0.31% loss on the back of higher-than-expected PPI data. The US dollar strengthened amid rising inflationary concerns, while many major currencies experienced significant falls. We anticipate that the markets will likely continue to shift into a risk-off stance as inflationary pressures exert further influence on both the stock and bond markets. US retail sales data will be released this week, along with Consumer Price Index (CPI) figures for the EU and England.

Key Data Releases - Last Week

Thurs | US CPI - Actual: 4.7, Forecast: 4.8%

Fri | GB GDP - Actual: 0.4%, Forecast: 0.1%

Fri | US PPI - Actual: 0.3%, Forecast: 0.2%

Key Data Releases - This Week

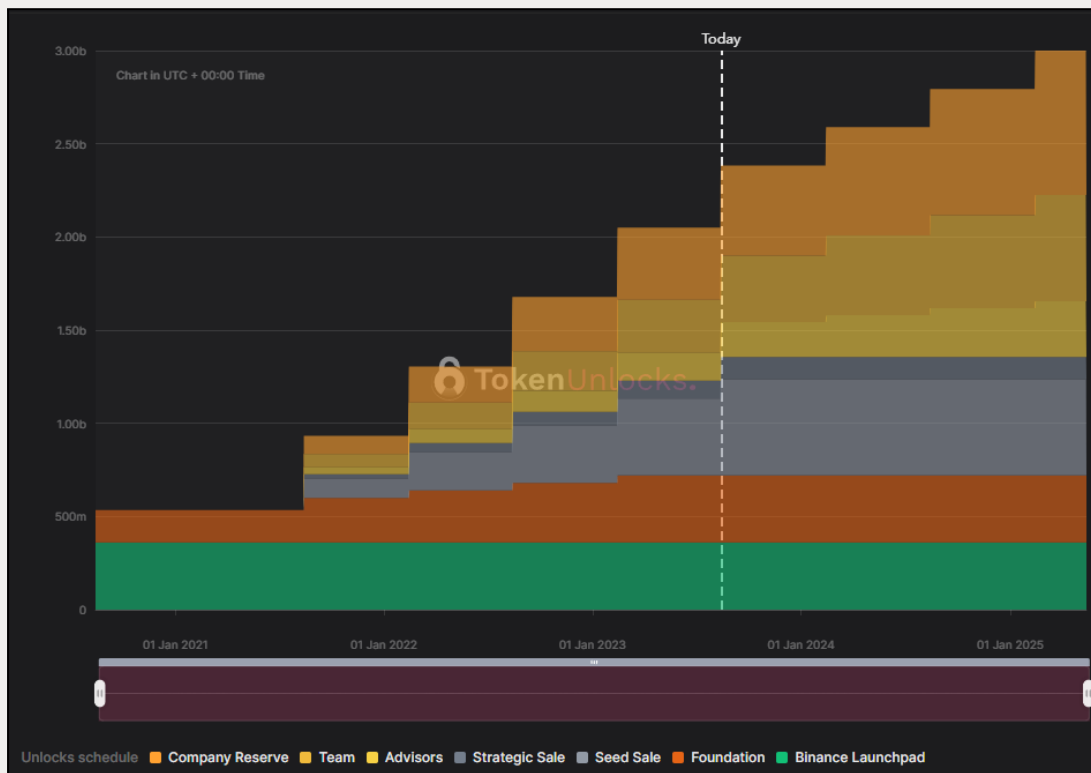
Tues | GB Unemployment - Forecast: 4%, Previous: 4%

Tues | GB Inflation Rate - Forecast: 6.9%, Previous: 7.9%

Fri | JPY Inflation Rate - Forecast: 3.4%, Previous: 3.3%

- PayPal announced its entrance into the cryptocurrency market with the introduction of PayPal USD (PYUSD), a U.S. dollar-pegged stablecoin, to be issued by Paxos Trust. The ERC-20 token, fully backed by U.S. dollar deposits and similar cash equivalents, will be made available to PayPal's U.S. users and is the first stablecoin issued by a major financial firm. Users will have the ability to transfer, use, and convert PYUSD within PayPal and supported external digital wallets. To alleviate concerns about unbacked tokens, PayPal committed to providing monthly reserve reports and third-party attestation beginning in September 2023.
- Bitstamp, one of the longest-running crypto exchanges, will suspend the trading of seven tokens in the U.S. from August 29. The affected tokens, including Polygon (MATIC) and Solana (SOL), have been labelled as unregistered securities by the SEC. While Bitstamp did not explicitly state the reason for the halt, the recent SEC lawsuits against various firms for these tokens cast doubt over their tradability across venues. Bitstamp's move aligns with a trend among trading platforms like Revolut, eToro, Robinhood, and Binance, which have also recently halted or adjusted trading conditions of these tokens due to regulatory concerns. The cases against these tokens are yet to be formally filed, with the XRP ruling against the SEC still serving as the ecosystem's barometer on what to expect from the SEC.

- 80.5 million SAND (equivalent to \$32.5 million USD) from 'The Sandbox: Genesis' wallet was transferred to Binance, OKX, and Gemini on Friday, with an additional 333 million SAND set to unlock on the 14th of August. These steep unlocks, particularly in SAND's vesting schedule, often lead to speculative positioning in the weeks leading up to and occasionally after the event. The open interest in the SAND perpetual contract on Binance has increased by 50% WoW, and the funding rates across the major derivatives venues have flipped to negative, sitting at an annualised rate of -50%. While the bias is understandably towards the short side, being late to short in this scenario may result in getting caught offside when these initial positions start to unwind.



Data source: TokenUnlocks

What to Watch

- Australia's monetary policy and meeting minutes, on Monday.
- US retail sales report and manufacturing index, on Tuesday.
- FOMC meeting minutes, on Wednesday.
- US unemployment claims, on Thursday.

Research Lab

- [Blockchain's Evolution From Individual Servers to a Shared Cloud - Celestia:](#)

Join Zerocap Innovation Lead Nathan Lenga in understanding the future of blockchain technology, using Celestia Labs as a reference. From the congestion problem to Celestia's innovative approach to data availability and consensus, this Zerocap Research Lab piece offers a fresh perspective on the evolution from individual servers to a shared cloud.

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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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