

Weekly Crypto Market Wrap

11th September 2023



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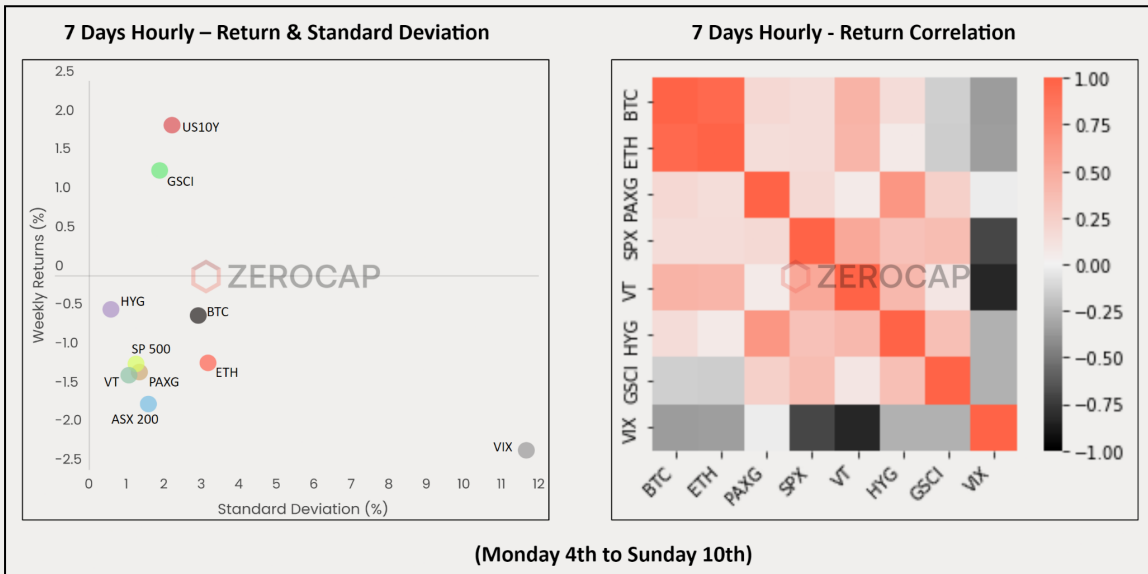
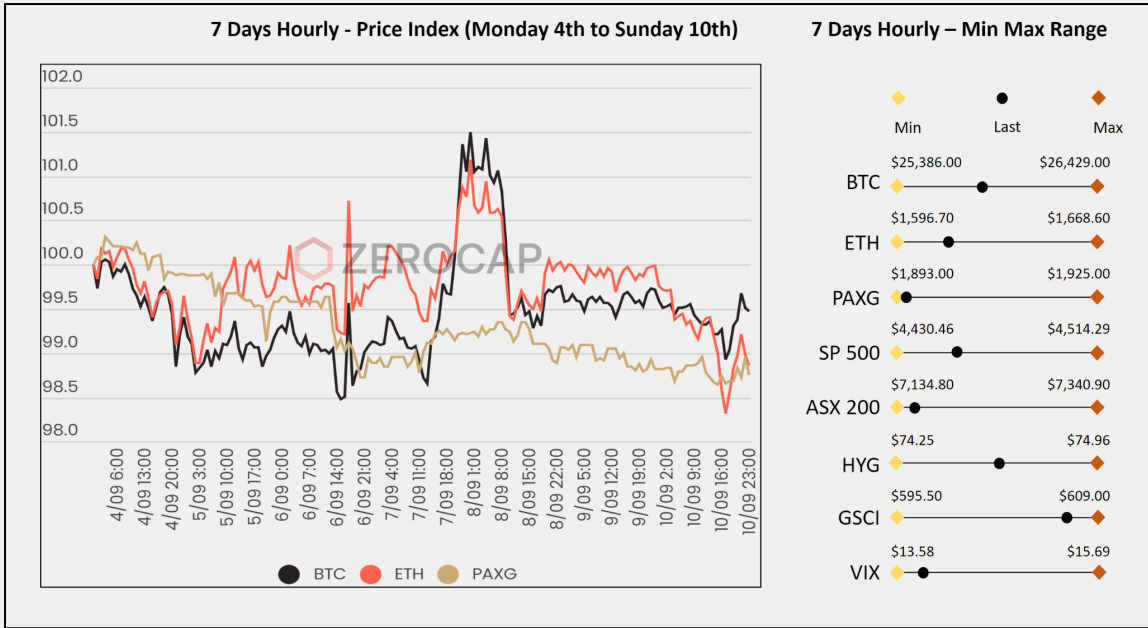
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Week in Review

- US Treasury and IRS propose [crypto regulations for brokers](#), referred to as “digital asset middlemen”.
- IMF and FSB release [joint crypto policy recommendations](#) per G20 request.
- [London Stock Exchange](#) to create a traditional assets trading platform on blockchain.
- Visa expands [stablecoin settlement capabilities](#) with Circle’s USDC stablecoin and utilising Solana blockchain.
- Coinbase’s BASE blockchain faces its first [outage](#) since launch on 9th August - launches [lending platform](#) for US institutions.
- [Coinbase signals](#) EU, Canada, Brazil, Singapore and Australia as next countries where it seeks to focus operations.
- Australia Senate Committee [rejects crypto bill](#) from opposition senator Andrew Bragg - Bragg [states](#) it exposes Australians to unregulated markets.
- Roughly a quarter of US and Europe-based asset management firms assign senior execs to digital assets; [Amberdata report](#).
- Turkish crypto exchange Thodex’s CEO gets [11.196 year prison sentence](#) for running a \$2 billion scam.
- Ethereum co-founder Vitalik Buterin’s [X account hacked](#), followers scammed.
- Apple secures rights to publish [book on Sam Bankman-Fried](#), out in October.
- US jobless claims hit [lowest level since February](#).
- [Bank of Canada](#) maintains policy rate, continues quantitative tightening.
- Australian economy [grows modestly](#) in Q2, eases recession fears.

Winners & Losers



Data source: TradingView

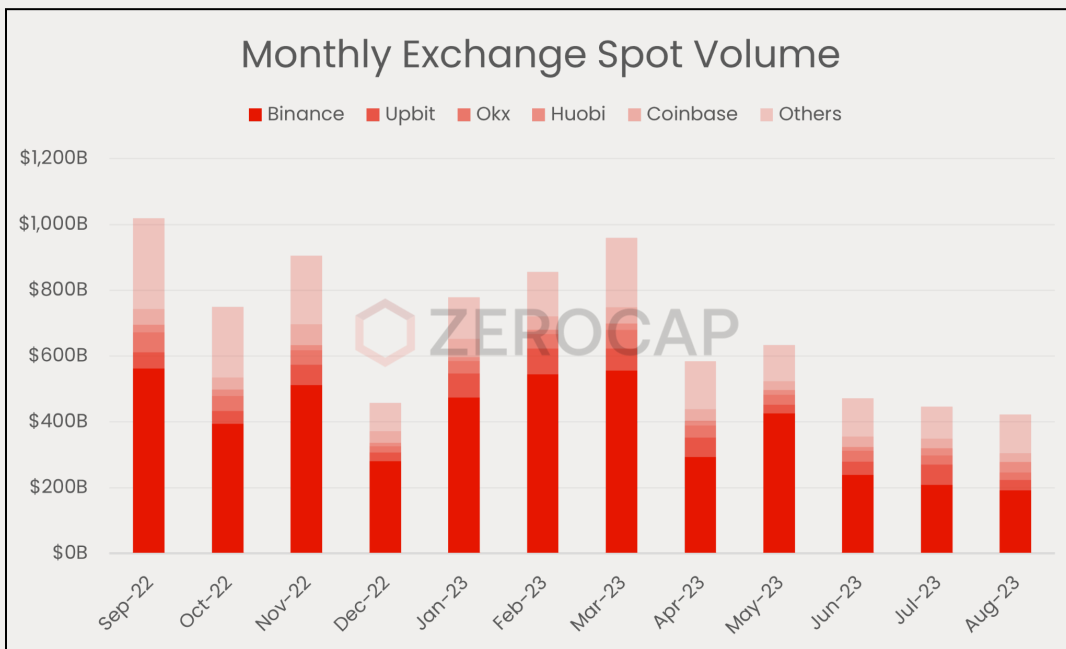
Market Highlights

- BTC and ETH hold support levels, with recent weeks seeing flat to negative pricing as traders grapple with indecision. This uncertainty stems from the ongoing delay in a spot Bitcoin ETF and the impending Federal Reserve interest rate decision. Last week, the US ISM's August PMI report pleasantly surprised, with the services PMI exceeding expectations, rising to 54.5 from the previous month's 52.7. However, subsequent developments, such as slowing job growth in the US and a sluggish Chinese economy, are showing a 93% chance of a hold at the September meeting.
- On September 7, the bulls encountered resistance at the 20-day EMA, a level likely to hold in the short term. Notably, the bears made no substantial attempt to breach the 24,800 support level, underscoring the ongoing absence of significant selling interest below 25,000. A break above the 20-day EMA could signal strength, but a robust movement below the 24,800 support might initiate a downtrend towards the 24,000 support. This week, the release of CPI and PPI data from the U.S. will offer further insight into the Fed's impending actions. Looking ahead to next week, the FOMC rate decision will be a pivotal event, despite market pricing in little change in expectations.



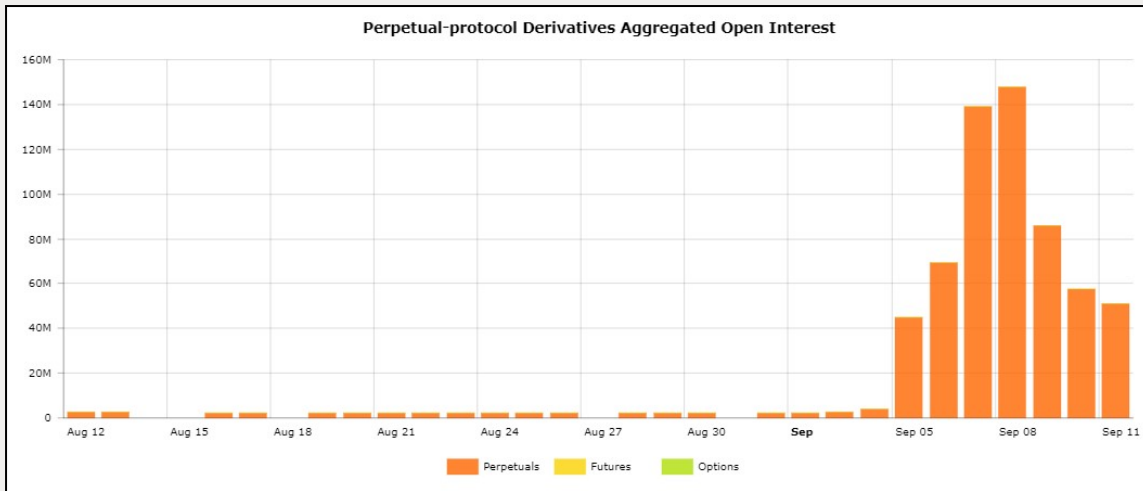
Data Source: TradingView

- In August, the total trading volume for both cryptocurrency spot and derivatives on centralised exchanges decreased to \$2.09 trillion, representing the lowest monthly combined trading volume for the year. This decline, coupled with the ongoing delays in the spot BTC ETF, could potentially bring opportunities for a volatility puke at some point. If a BTC ETF is approved, it could stimulate increased institutional and retail participation, leading to sustained long-term volume growth, thereby enhancing the overall health of crypto markets.



Data Source: The Block

- During the latter part of the week, we observed intriguing activity on the \$PERP protocol's perpetual contracts on exchanges. On Binance, open interest shot up from \$4m to \$165m, moving in tandem with its price, which rose 200% in just 48 hours. A significant buildup of short interest pushed the contract to trade at a notable 2.48% lower from the spot price on Binance, translating to an annualised rate of 2700% just to hold the short position. As the short squeeze picked up steam, 24-hour trading volume for this pair climbed to third place, trailing only behind the ETH and BTC perpetual contracts on Binance. The price of \$PERP has now halved since Friday, and we're yet to see anything meaningful that may explain the trading behaviour.



Data Source: WorldCoinIndex

- Ethereum's founder, Vitalik Buterin, suffered a Twitter hack that misled his vast following of 4.9 million users with a fraudulent link, falsely advertising the launch of commemorative non-fungible tokens (NFTs) by Consensus. Those who clicked on the link were prompted to connect their wallets to mint the supposed NFT, but this instead allowed the hacker to access and steal their funds. Though the post was removed, the hacker managed to siphon off \$691,000 of stolen funds. The incident reignited concerns about social media security, especially considering two-factor authentication is only available to paid Twitter Blue users.

What to Watch

- UK unemployment claims (Claimant Count Change), on Tuesday.
- UK m/m GDP and US CPI, on Wednesday.
- EU monetary policy statement, ECB press conference and US Retail Sales, on Thursday.
- US Empire State manufacturing index and preliminary consumer sentiment, on Friday.

Research Lab

- [Exploring the Landscape of Crypto Custody:](#)

Crypto custody is at the forefront of blockchain discussions. From the intricacies of blockchain wallets to the innovation of Secure Multi-Party Computation, the landscape is vast and evolving. Dive into the Research Lab's detailed examination of the subject, shedding light on key management, hot vs. cold wallets, and the future of digital asset safekeeping.

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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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