

Weekly Crypto Market Wrap

18th September 2023



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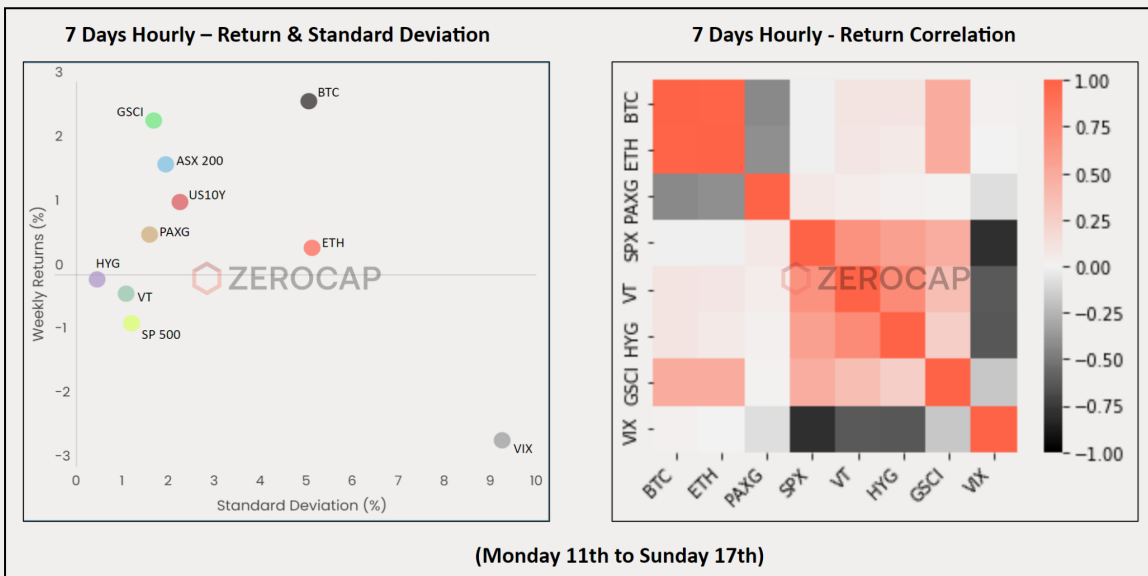
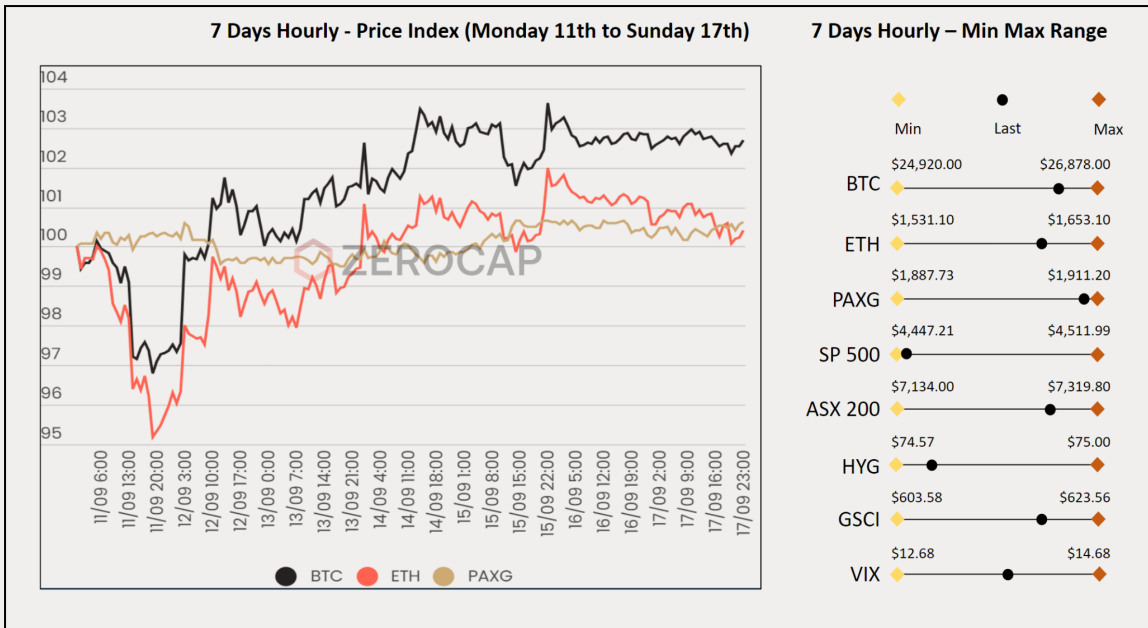
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Week in Review

- FTX gets [court approval](#) to sell its crypto assets - [sues LayerZero Labs](#) seeking to reclaim \$21 million transferred before the bankruptcy.
- [Binance.US](#) cuts a third of its staff as CEO Brian Schroder leaves company - SEC states Binance.US is [not cooperating](#) with current investigations.
- Japan to allow startups to raise funds [by issuing crypto](#) instead of stocks.
- Following ban being ruled out, [India](#) begins working on 5-point crypto legislation.
- [Telegram](#) integrates crypto wallet to the platform.
- [Ripple CEO](#) states US is the “only country” crypto startups should avoid.
- Defi activity drops 15% in August; [VanEck report](#).
- NRL and YouTube stars [reach settlement](#) in FTX class-action lawsuit.
- France launches an [official certificate](#) for “finfluencers”, including crypto.
- European Central Bank raises interest rates [to highest level](#) since Euro launched in 1999.
- UK jobs report shows [unemployment and wages rising](#) - m/m GDP shows [economy shrinking](#) at fastest pace in seven months.
- US [August core inflation](#) with higher-than-expected results - [consumer sentiment](#) slips again while inflation outlook improves.

Winners & Losers



Data source: TradingView

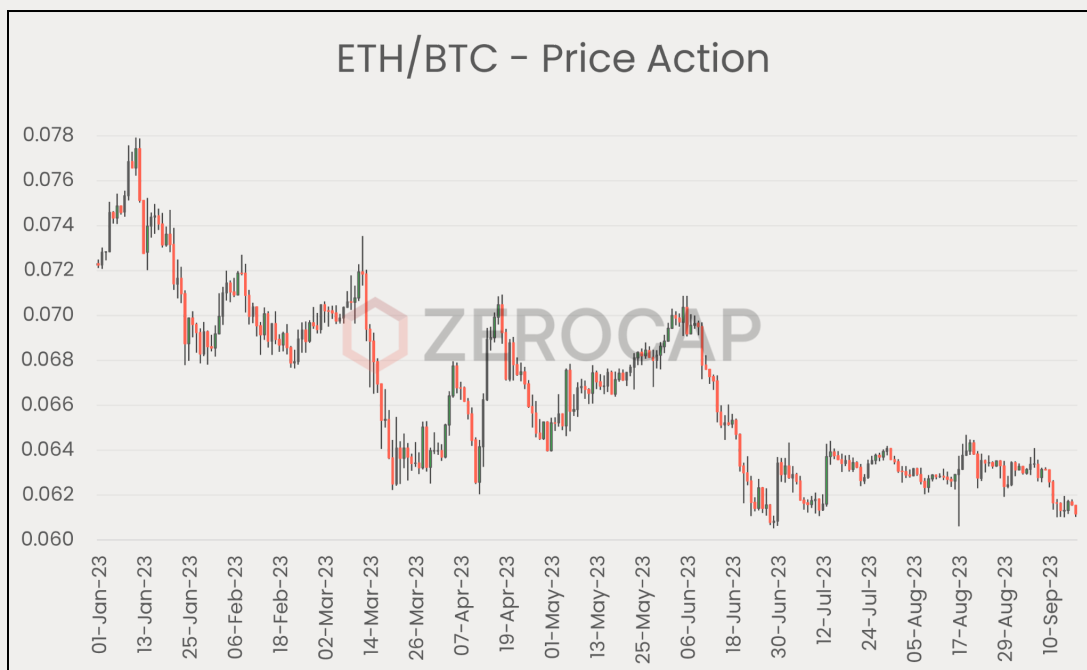
Market Highlights

- In the week ahead, the FOMC meeting takes centre stage as it deliberates on benchmark interest rates, widely anticipated to remain unchanged. August's CPI surpassed expectations, with headline CPI surging by 0.6% from July, marking its most substantial monthly increase in 2023, chiefly driven by escalating energy expenses. Despite robust U.S. consumer activity and mounting energy costs, market consensus remains firmly anchored in the belief that the Fed will refrain from rate hikes next week. Presently, the market foresees interest rates remaining static until the potential initial cut in July 2024.
- Following an initial re-test of the 24,800 support level, a robust recovery ensued, bolstered by optimistic expectations surrounding the upcoming FOMC meeting. On September 14, Bitcoin ascended above the 20-day exponential moving average and surpassed the 26,000 mark, indicating diminishing selling pressure. Subsequently, bullish forces effectively thwarted attempts by bears to push the price below the 20-day EMA. It's likely that the bulls will attempt to steer the market towards the 50-day Simple Moving Average (SMA). Should they successfully overcome this obstacle, we can anticipate a shift towards the 28,000 level. Nevertheless, formidable resistance is expected along the way. Conversely, if the bears seek to regain control, they must drive the price below the 20-day EMA, necessitating a successful retest of the 24,800 support for further downward price movement. The upcoming FOMC meeting in the coming week has the potential to introduce heightened volatility. While the prevailing consensus leans towards the Fed maintaining interest rates, it's worth noting that unexpected developments could emerge during Fed Chair Jerome Powell's press conference, which follows the rate decision.



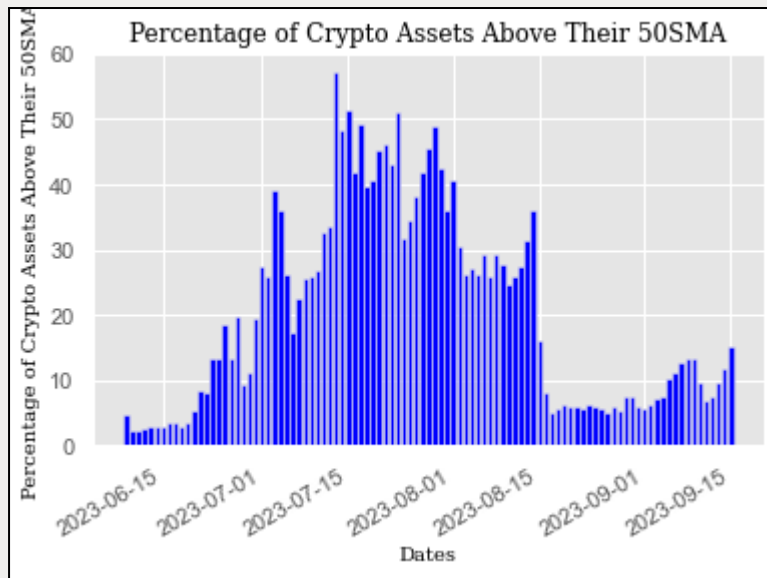
Data Source: TradingView

- BTC's robust recovery early in the week, stemming from the 24,800 support level, triggered a surge in buying interest within select altcoins. Nevertheless, for a sustained upward trajectory in alts, BTC's ability to maintain levels above 26,500 is critical. It's noteworthy that a year has elapsed since the Ethereum Merge, during which BTC has taken the lead in the market, causing ETH to lag behind by 28% in comparison. Consequently, it is reasonable to conclude that increased buying enthusiasm for altcoins will likely hinge on positive price developments in BTC, at least in the short term. However, it's worth contemplating the possibility of this divergence expanding as institutional capital inevitably enters the market through the introduction of ETFs.



Data Source: TradingView

- FTX received approval from a local court to liquidate \$3.6bn crypto assets in weekly blocks between \$50 million to \$100 million. Managed by Galaxy Digital, the intent behind the staggered sales is to stave off drastic market and price volatility. FTX's assets include major holdings in Solana, Bitcoin, Ethereum, among other tokens. Particularly, the Solana assets have drawn attention since they account for a significant 16% of the total circulating supply. This large-scale liquidation comes in the aftermath of FTX's bankruptcy last year, attributed to alleged fraud by its CEO, Sam Bankman-Fried. Interestingly, as of late a host of alt-coins have shown strength and are beginning to trade above their short-term averages, and this news may restrict their upside in the coming weeks.



Data Source: @pedma7 via Twitter

- CRV's price plunged to below \$0.40 following the transfer of Curve DAO tokens, initially bought over-the-counter (OTC) from founder Michael Egorov, to Binance. These tokens, originally meant to be locked for half a year, were acquired in August to alleviate Egorov's liquidation risks in a number of DeFi protocols. A transaction involving 609,000 CRV tokens was observed moving to Binance and later returned a few hours afterwards, causing uncertainty regarding the motive behind these actions. Previously, Egorov had made substantial OTC sales of CRV to mitigate his existing DeFi debts. The deals had a 6-month lock-up assigned to prevent immediate selling pressure, which added to the confusion in last week's transfers. As it stands, the larger of Egorov's positions across numerous DeFi protocols will be liquidated between \$0.25 and \$0.3.

Protocol	CRV Deposited	Collateral (\$)	Borrow (\$)	Ratio	Health Ratio	Px Decline to Liq	CRV Liq Px
Aave	101,336,491	42,743,732	11,325,309	3.77	1.80	44%	0.23
Fraxlend	60,707,195	25,606,295	11,675,935	2.19	1.66	40%	0.25
Inverse (CRV)	43,628,033	18,402,304	7,689,209	2.39	1.57	36%	0.27
Inverse (cvxCRV)	19,033,858	8,028,481	2,333,084	3.44	1.64	39%	0.26
Inverse (yCRV)	375,794	158,510	35,000	4.53	2.19	54%	0.19
Cream	13,000,000	5,483,400	2,513,843	2.18	1.54	35%	0.27
Silo	37,740,000	15,918,732	6,348,553	2.51	2.53	60%	0.17
Total	275,821,371	116,341,454	41,920,933	2.78			

Data Source: @0xAkrasia via Twitter

What to Watch

- Australia's monetary policy meeting minutes, on Monday.
- Canadian CPI, on Tuesday.
- FOMC press conference and federal funds rate, on Wednesday.
- UK monetary policy summary, on Thursday.
- Bank of Japan press conference and monetary policy statement, France, Germany, UK and US PMI data, on Friday.

Research Lab

- [A Deep Dive Into Blockchain Security and Solutions for the Future:](#)

Blockchain security remains a pivotal topic in the financial realm. Unravel the layers of blockchain security in a detailed analysis that covers its architectural nuances, the role of nodes, the distinctions between public, private, and consortium blockchains, and the evolution of consensus mechanisms like PoW and PoS. Additionally, understand the significance of Layer 2 solutions and the intricacies of settlement.

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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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