

# Weekly Crypto Market Wrap

4th September 2023



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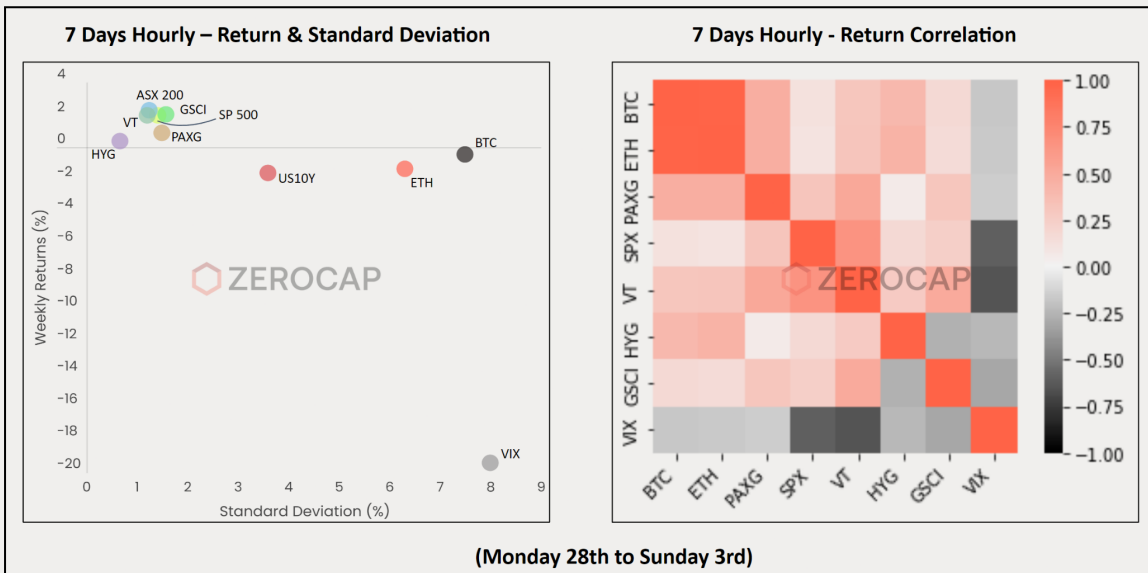
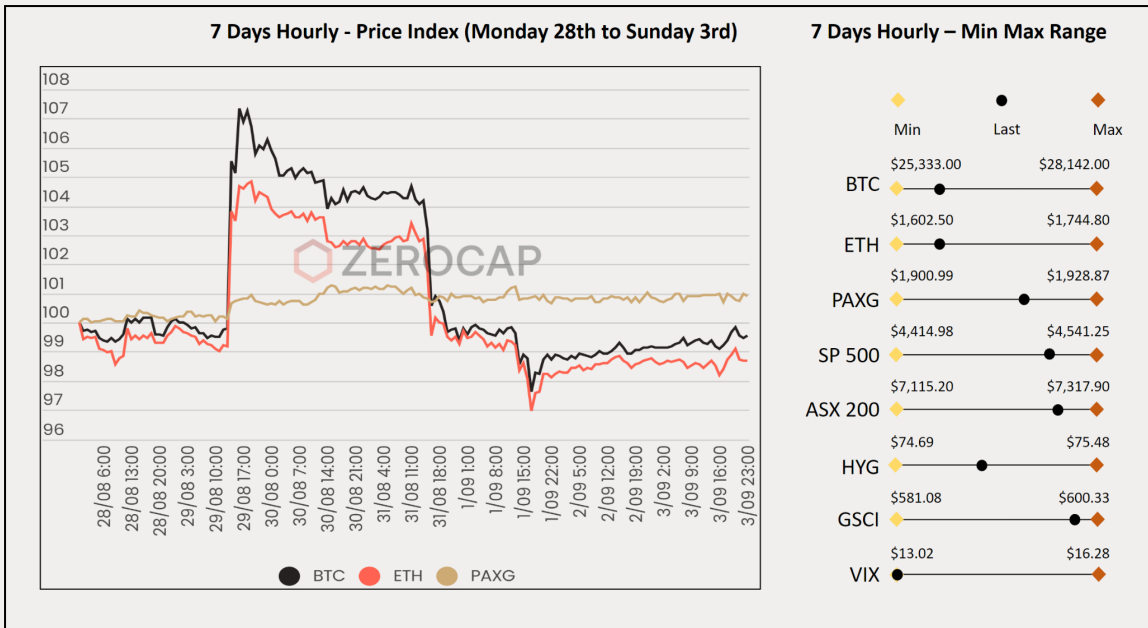
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## Week in Review

- Grayscale [wins lawsuit](#) against the SEC towards a Bitcoin ETF.
- USDT stablecoin issuer, [Tether's market cap](#) declines for the first time in nine months.
- Binance CEO believes DeFi will [surpass traditional finance](#) volume in the next crypto bull run.
- China court declares [virtual assets](#) as legal properties protected by law.
- Hong Kong retail investors finally [gaining access](#) to local crypto exchanges.
- Binance excludes [Venezuelan national bank](#) from P2P payments.
- SEC issues first [NFT-related enforcement action](#), labens NFTs as unregistered securities.
- SEC [delays decisions](#) on 7 Bitcoin Spot ETFs - Bloomberg analysts put [Bitcoin ETFs](#) at 75% chance of approval this year.
- Indian Prime Minister [Modi](#) calls for global crypto framework in G20 meeting.
- Adidas announces launch of [resident Web3 art studio](#) for exclusive content.
- Soccer player [Ronaldinho](#) fails to testify in crypto scam probe, faces possible arrest in Brazil.
- Over 76% of Vietnamese crypto holders make investment decisions based on close friends' referrals; [VC Kyros report](#).
- US labor market [loses steam](#) as job openings, resignations decline - Revised GDP down to 2.1% in Q2 2023.
- Canada's economy [unexpectedly shrinks](#), central bank likely to hold rates.

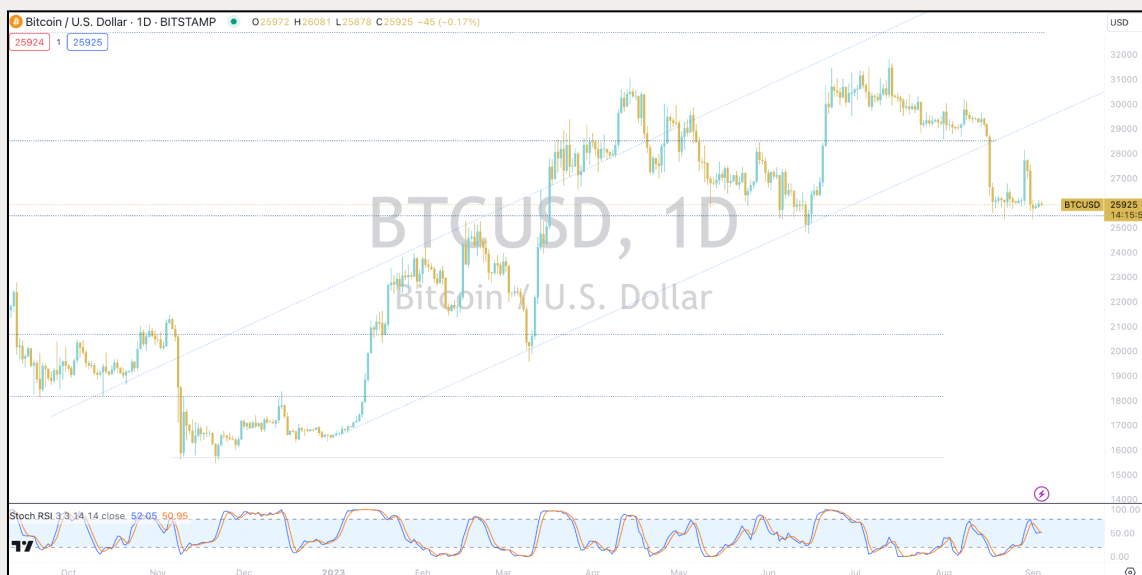
# Winners & Losers



Data source: TradingView

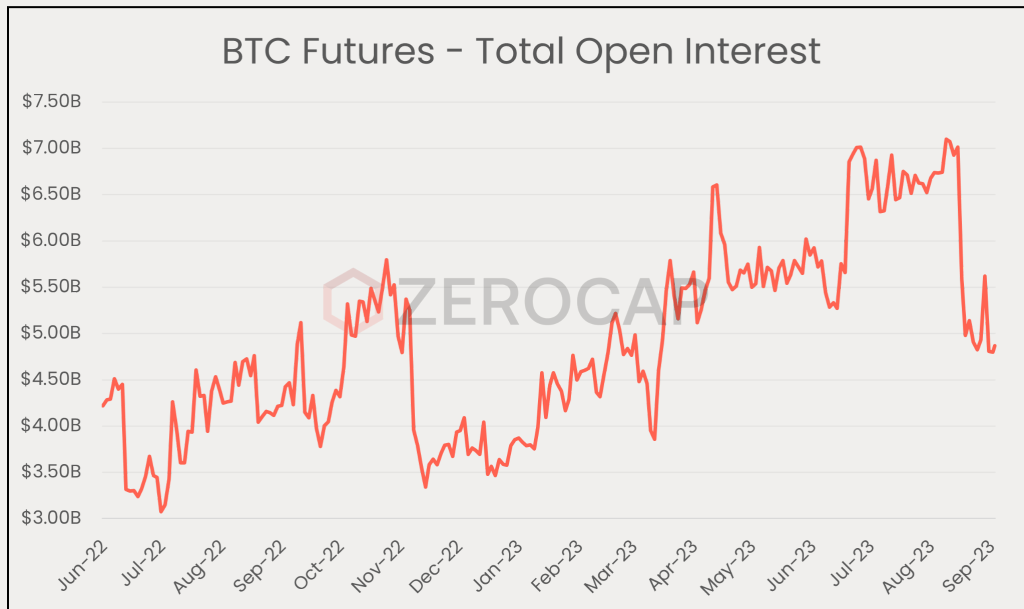
# Market Highlights

- Bitcoin opened the week in a consolidative phase, fluctuating between the \$25,500 and \$26,800 range. Mid-week, a surge in volatility was triggered by Grayscale's legal win against the SEC. The cryptocurrency briefly surged above \$28,000 but swiftly retraced its gains in response to news of the SEC's delay in deciding on six spot Bitcoin exchange-traded fund (ETF) applications. The SEC prolonged its evaluation period by an additional 45 days, postponing the final decision until October. Shortly after, the SEC also placed BlackRock, the world's largest asset manager, in the same category of delayed decisions. Within two hourly trading candles, Bitcoin (BTC) witnessed a sharp \$1,000 decline. This sequence of events underscores the crypto market's continued sensitivity to regulatory developments.
- Once more, Bitcoin (BTC) demonstrated strong buying interest below the \$26,000 mark, reaffirming its significance as a short-term support level. In the immediate future, it's reasonable to anticipate a period of short-term consolidation, with traders closely monitoring the release of next week's U.S. inflation data for potential market direction cues. Potential price movements may include a retest of the \$25,000 support level if the market trends lower, or encountering resistance around the \$30,000 mark if it moves higher.



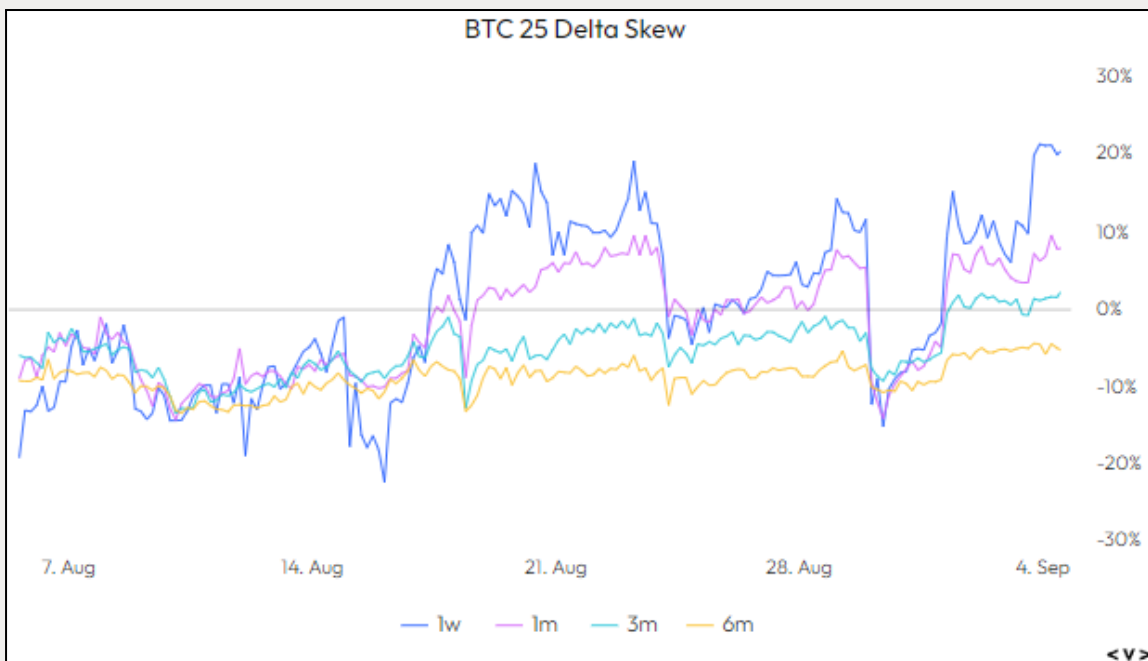
Data Source: TradingView

- In late August, we delved into the significant long liquidations that amounted to a staggering \$1 billion across all major derivatives exchanges. While we saw this revert higher temporarily, its general trend remains dampened. Moreover, much of the leverage that has built since mid-2023 has effectively been wiped out which may paint a more bullish picture as the BTC has held strong above 25,000 since March despite the intensity of such events.



Data Source: Velo Data

- Over the past week, we've observed a noticeable shift in Bitcoin's 25-day implied volatility (IV) skew, with puts becoming cheaper in back-month expiries relative to calls. This is largely due to the SEC delaying its decision on the Bitcoin ETF - a narrative that has influenced calls to be more favoured over puts for most of the year, at least for longer-dated expiries. With the odds of ETF approval seeming to wane in the near term and sentiment shifting, the change in skew appears to reflect the market's evolving expectations about the ETF getting approved within those timeframes. In the short term, however, 7-day and 30-day puts are priced notably higher than calls. Upside risk reversals could be an interesting way to play this differential for those with a short-term bullish outlook.



*Data Source: Velo Data*

- Digital Currency Group (DCG), the parent company of Genesis Global Holdco, has reached a preliminary agreement with Genesis creditors to settle outstanding debts, following its bankruptcy filing in January 2023. DCG's new plan aims to resolve its liabilities and establish new debt facilities, targeting a recovery range of 65% to 90% for unsecured creditors, depending on the type of asset. Genesis initially filed for bankruptcy due to financial losses stemming from the collapse of crypto hedge funds Three Arrows Capital and FTX. Currently, Genesis owes roughly \$3.6 billion to its top 50 creditors, which includes the crypto exchange Gemini.
- In a recent joint experiment, the global interbank messaging system Swift and Web3 protocol Chainlink successfully transferred tokenized assets across multiple blockchains, indicating a significant advancement towards scalable, frictionless tokenized asset markets. The collaboration involved major financial institutions like BNP Paribas, BNY Mellon, and Lloyds Banking Group. While underscoring the potential for improved efficiency and transparency in bond markets through tokenization, the summary report provided by Swift also highlighted the need for regulatory clarity and a greater focus on data privacy in future initiatives.

## What to Watch

- Australia's quarter GDP, on Tuesday.
- Bank of Canada's rate statement and US' ISM Services PMI, on Wednesday.
- US unemployment claims, on Thursday.

## Research Lab

- [What is Eclipse Fi?:](#)

Innovation Analyst Beau Chaseling offers a meticulous examination of Eclipse Fi, a pivotal entity within the Cosmos universe. Learn about its role as a decentralized launchpad, its unique approach to token launches, and the transformative potential of ECLIP tokens - with Eclipse Fi's vision to reshape token launches and its commitment to transparency as project standouts.

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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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