

# Weekly Crypto Market Wrap

16th October 2023



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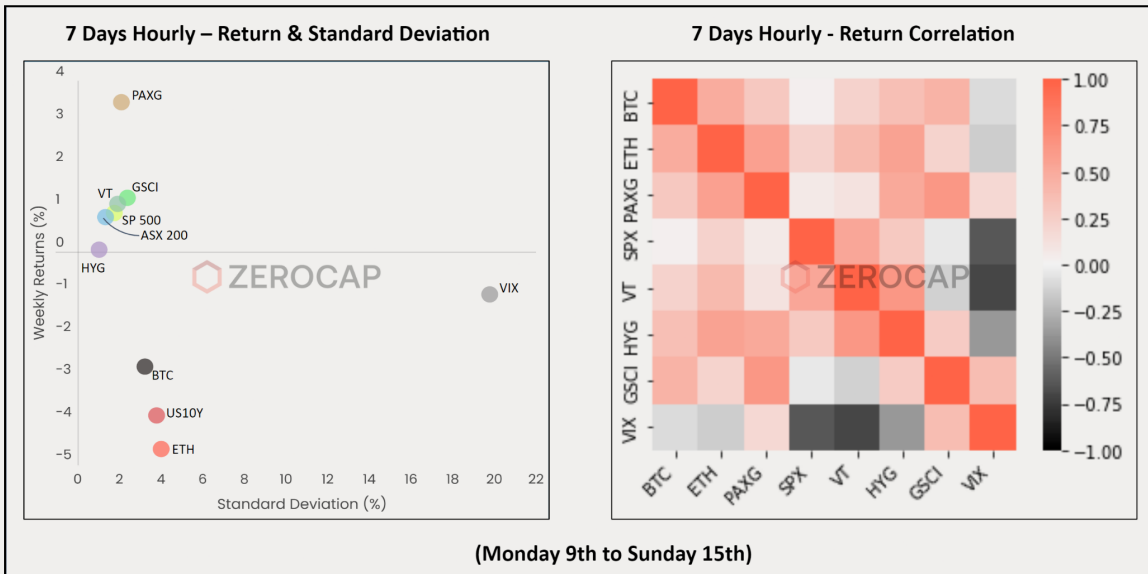
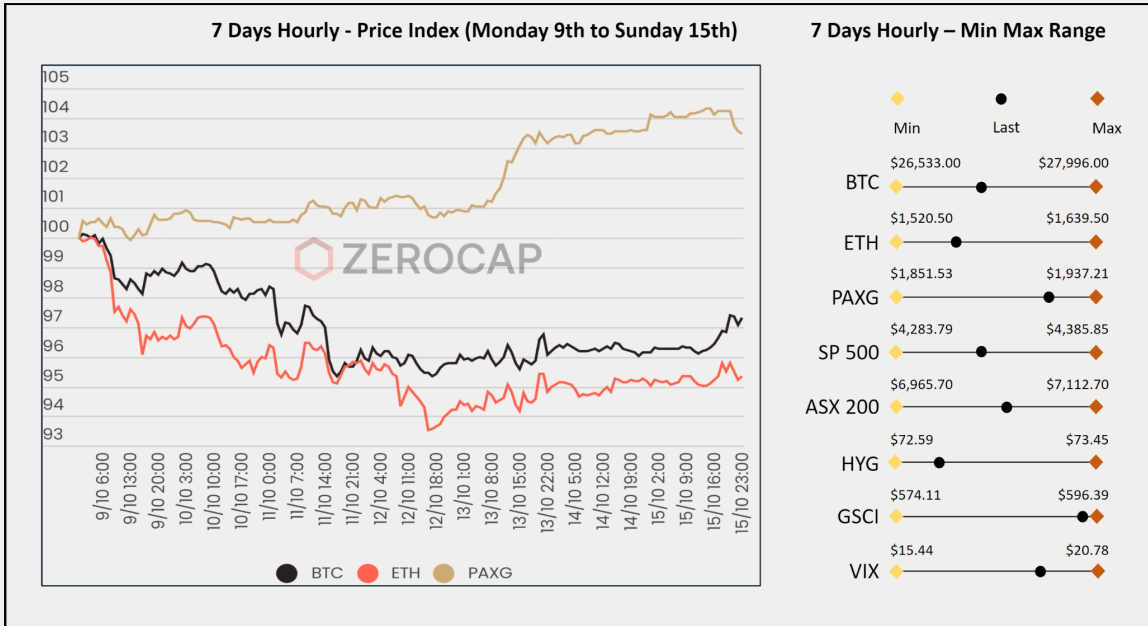
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## Week in Review

- Bitcoin Lightning Network [grows by 1,200%](#) over past two years.
- Crypto investment products see [largest inflows](#) since July.
- [JPMorgan](#) debuts tokenisation platform.
- [Australian crypto exchanges](#) set to become subject to the same existing financial services laws of traditional exchanges - licence could be mandatory.
- Binance [freezes accounts](#) linked to Hamas following Israeli request.
- Blockchain gaming saw [\\$2.3 billion in investments](#) this year.
- SEC does not plan to [appeal court decision](#) on Grayscale Bitcoin ETF.
- Ferrari to accept [crypto as payment](#) for cars in the US.
- CFTC and FTC file lawsuit [against Voyager Digital CEO](#), claiming fraud.
- Alameda former [CEO Caroline Ellison](#) blames Sam Bankman-Fried for misuse of user funds at trial, claims [Binance's CEO tweets](#) contributed to collapse.
- Uniswap launches [mobile Ethereum wallet](#) on Android.
- FED sees ["restrictive" policy](#) still in place for the foreseeable future, until inflation eases.
- Slow UK economy faces [partial bounceback](#) in latest GDP data - [BoE governor](#) states future rate decisions will be "tight."
- US consumer prices rise more than expected; [September CPI data](#).

# Winners & Losers



Data source: TradingView

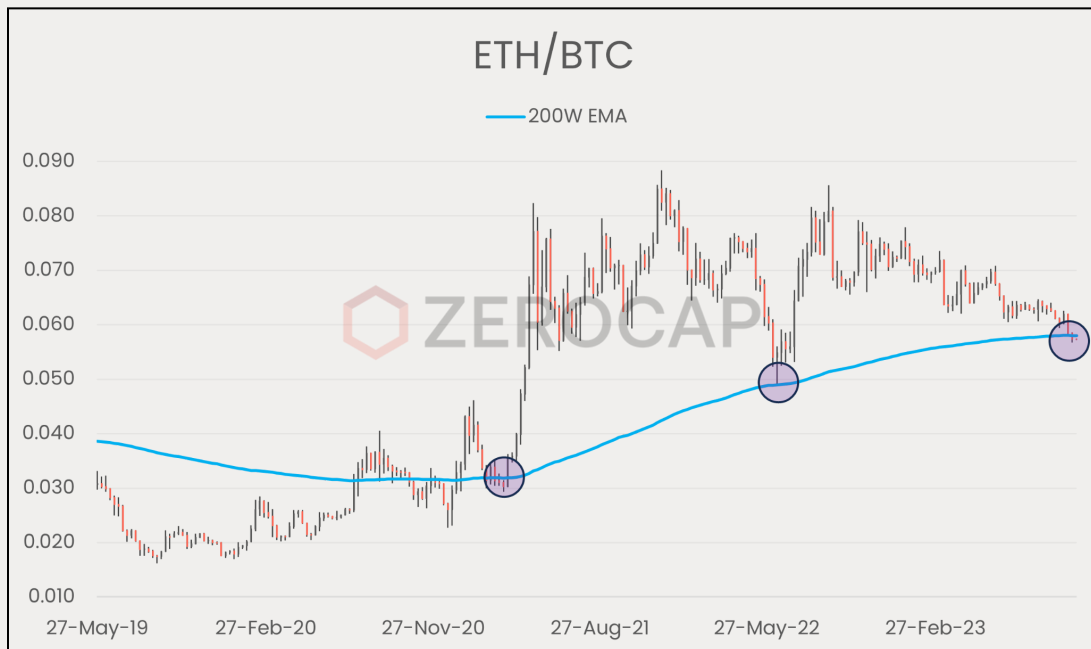
# Market Highlights

- Bitcoin's consolidation phase hinges on opposing market drivers: apprehensions over the Federal Reserve's potential extended high-interest rates and shifting sentiment on a Bitcoin ETF approval. While September's CPI data met expectations, the PPI MoM for the same month surpassed forecasts at 0.5%. PPI is commonly viewed as a leading CPI indicator. The S&P 500 had its second straight week of modest gains at 0.45%, but gold's impressive 5% surge suggests market participants may be reevaluating the potential for a core CPI rebound, favouring safer assets. Conversely, Bitcoin bulls faced a less fortunate fate, with Bitcoin set to conclude the week with a decline of over 3%.
- According to Bloomberg's ETF experts, there's a 90% likelihood of a Bitcoin spot ETF gaining approval within the next three months. This positive sentiment is bolstered by ongoing buying interest around the 50-day Simple Moving Average (SMA) at 26,600. Looking ahead to the upcoming week in technicals, if buyers push the price above the 20-day Exponential Moving Average (EMA) at 27,100, it could propel the BTC/USD pair beyond the 28,000-resistance level. Conversely, a downturn below the 50-day SMA may lead to a decline to 26,000, with the potential to test pivotal support at 24,800. As I write this, BTCUSD is breaking higher - with stops clearing above 27,000. The pressing concern is whether the Fed can strike a balance between combatting persistent inflation with rate hikes while also addressing significant apprehensions from the credit and housing markets, which may warrant lower rates. Simultaneously, the escalating Middle East conflict poses a risk of oil price increases. Investors should remain watchful.



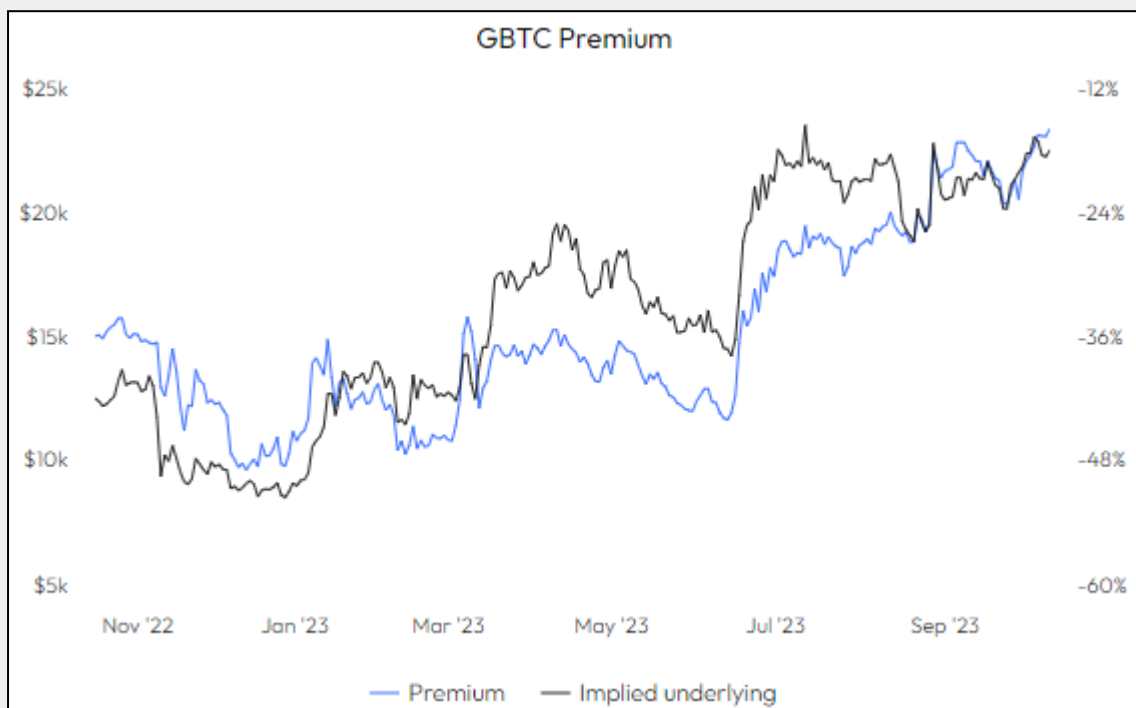
Data Source: TradingView

- The low volatility in Bitcoin and the recent regulatory uncertainties have deterred crypto investors from altcoins. Nevertheless, BTC's relative strength in the ongoing ETH/BTC pair downtrend is noteworthy. Significantly, we are currently observing a re-test of the 200-week Exponential Moving Average (EMA) support, a historically robust level. Keep an eye on risk assets for an indication of where ETH goes from here.



Data Source: TradingView

- In a noteworthy move, the SEC has chosen not to contest an August court ruling that criticised its denial of Grayscale's proposal to convert its Bitcoin Trust (GBTC) into an ETF. This could set the stage for the debut of the U.S.' first Bitcoin ETF. Grayscale's GBTC, the largest cryptocurrency fund globally, has witnessed its discount to net asset value (NAV) reduce from a staggering 48% earlier this year to the present 16.5%. Against this backdrop, Grayscale, supported by the DCG, is advocating for the transformation of GBTC into a Bitcoin ETF. The persistent discount has been a focal point of scrutiny over the years. While the SEC retains the right to reject the proposal on different grounds, the eventual transition of the trust into an ETF would be a welcome development for the industry.



Data Source: VeloData

- In local news, there's a noticeable momentum in the Australian government's efforts to regulate cryptocurrency, with the Australian Treasury recently unveiling new plans. The initial proposal states that platforms holding assets exceeding specified thresholds — AU\$1,500 individually or AU\$5 million collectively — must obtain an Australian Financial Services Licence. This initiative also includes directives concerning custody software standards and particular token transaction stipulations, spanning activities such as trading and tokenisation. The legislation, once it becomes law, will allow providers 12 months to transition to the new regime.

# What to Watch

- Australia monetary policy minutes and US manufacturing index, on Monday.
- US retail sales report, on Tuesday.
- UK CPI, on Wednesday.
- FED Chair Jerome Powell speaks, on Thursday.
- UK retail sales report, on Friday.

## Insights

- [The Significance of Market Makers & Our Unique Edge:](#)

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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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