

# Weekly Crypto Market Wrap

3rd October 2023



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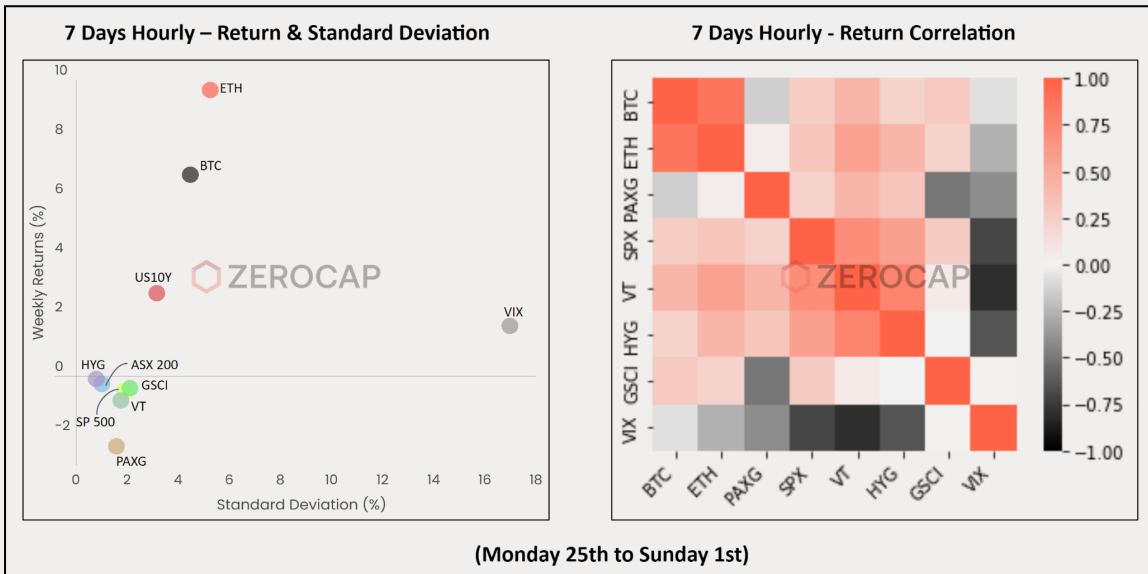
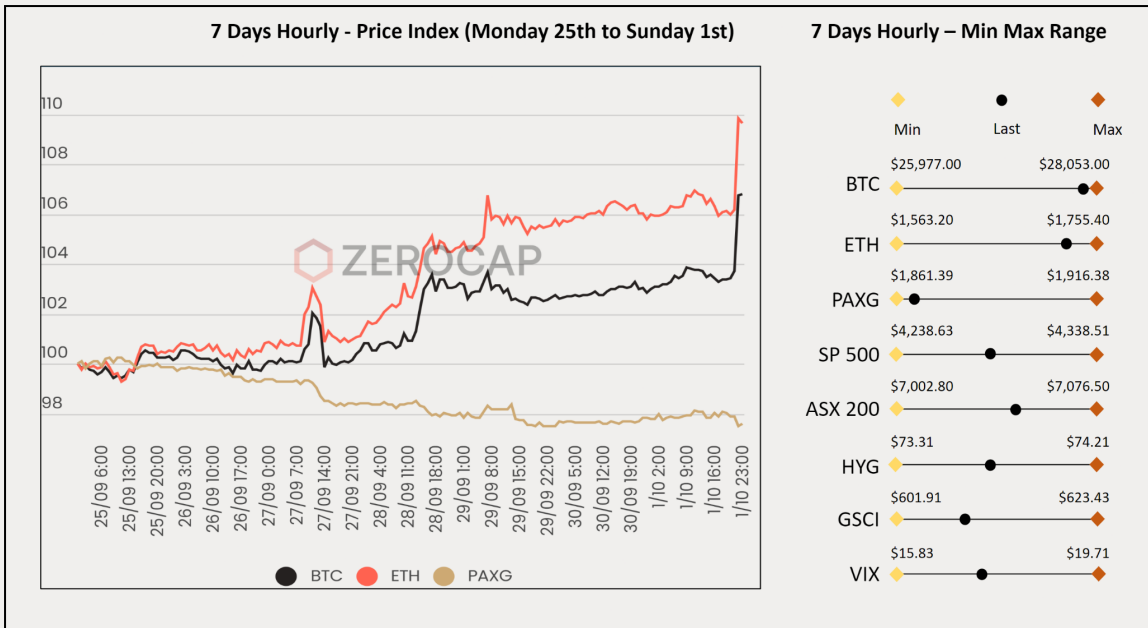
This Market Wrap edition was released on a Tuesday due to the Labour Day holiday in New South Wales, Australia, on 2nd October.

## Week in Review

- SEC [delays decision](#) of spot Bitcoin ETFs for BlackRock, BitWise and Invesco - lawmakers [push SEC to approve ETFs](#) “immediately.”
- Bitcoin gains [legal recognition](#) as digital currency in Shanghai.
- MakerDAO (MKR) can now invest [up to \\$6 billion](#) in US treasuries.
- Digital Yuan app adds [Mastercard and Visa](#) top-up options for tourists.
- Brazil rolls out [blockchain-based IDs](#) - [Country's recent crypto surge](#) props central bank to tighten regulations - crypto imports spiked by 44% from January to August 2023.
- Hong Kong regulator [intensifies crackdown](#) on unregistered crypto platforms.
- Argentina's state oil company to [start mining crypto](#) with gas power leftovers.
- Kraken [plans move](#) into US stock trading - secures [money license registrations](#) in Spain and Ireland.
- Reserve Bank of Australia [eyes tokenisation standards](#) with a report by EOY.
- Ripple [cancels plans](#) to buy Fortress trust.
- North Korean hacking group [“Lazarus”](#) has amassed \$40 million in crypto.
- FED Chair [Jerome Powell states](#) the Reserve's ability to improve the economy relies on whether “people understand what we are saying.”
- Bank of Japan chief warns of [“very high uncertainty”](#) in wage, price outlook.

- US economy shows resilience with [quarter GDP growth](#) at 2.1% - meanwhile [consumer sentiment](#) slips slightly in August.
- Germany's [business sentiment worsens](#) for fifth consecutive month in 2023.

# Winners & Losers



Data source: TradingView

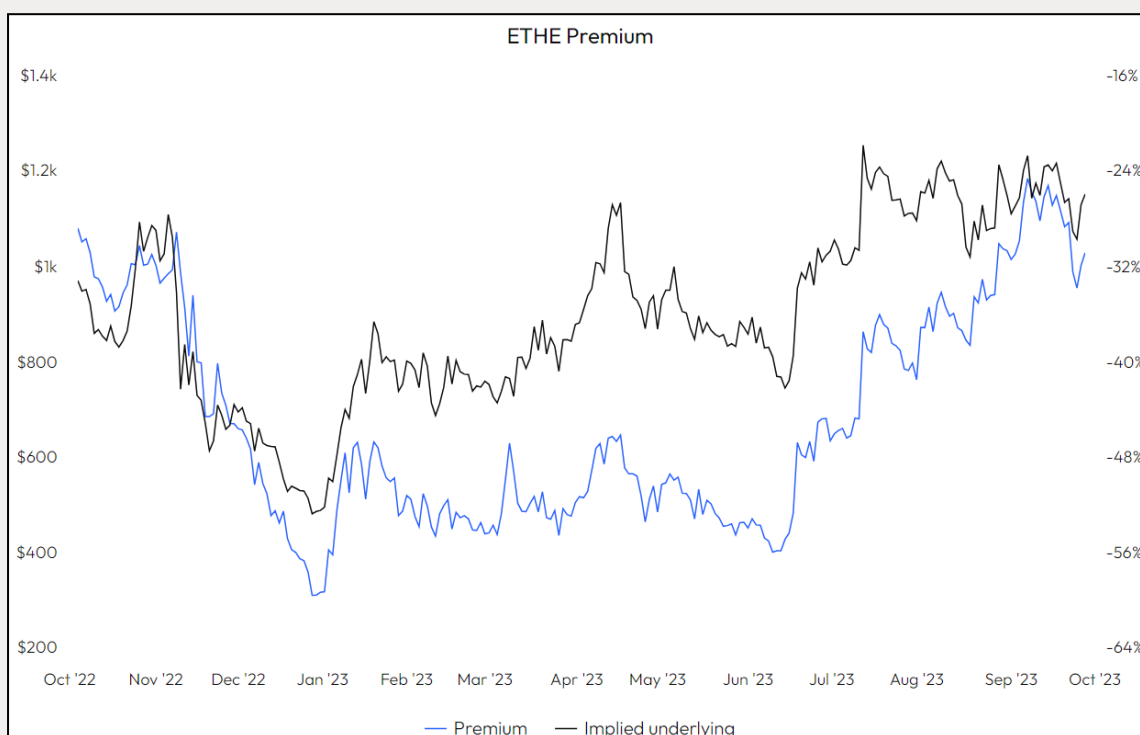
# Market Highlights

- BTC has gained 5% in the past 5 days. In a crucial move, U.S. legislators in both the House and Senate reached a temporary agreement on Sep. 30, averting a government shutdown for the next 45 days. Although this didn't have an immediate impact, it may have triggered Bitcoin's sharp rally on October 1st. Correspondingly the historically strong performance of Bitcoin in October may have boosted sentiment further with BTC breaking above the 28,000 level on Oct 1st. Notably, the recent victory by Valkyrie in offering the first ETH futures ETF, which actively invests in Ethereum Futures Contracts, and the anticipation of more ETF approvals by the end of 4Q, if not early 2024, acted to bolster sentiment surrounding the increased likelihood of institutional adoption. We saw ETH outperform, suggesting that further positive news regarding ETH ETFs could erode BTC's outperformance in the short term, a trend that has persisted since the beginning of 2023. While macro and regulatory uncertainty continue to have a top-heavy effect on price, the growing institutional interest is improving sentiment across the market.
- On Oct. 1, Bitcoin surged beyond immediate resistance at \$27,500, and maintained its position above \$28,000 on Oct. 2. Technically, for a sustained rally, Bitcoin above \$28,000 should allow the bulls to target the psychological level of \$30,000. However, since the price is trading near the 200-day SMA, there's a possibility of tapering momentum. Nevertheless, it's likely that we'll see further consolidation within the range of \$25,500 to \$30,000 in the short term.



Data Source: TradingView

- Grayscale is aiming to transform its Ethereum Trust (ETHE) into an ETF following a statement on Monday and subsequent filing with the SEC. This move comes after the SEC's green light for several Ethereum futures ETFs and echoes Grayscale's continued efforts to have their trusts converted to ETFs. Since its inception, the Grayscale Ethereum Trust boasts around \$5 billion in assets, equivalent to 2.5% of all circulating Ether in supply. Notably, the current structure of ETHE has seen it trading at significant discounts to its net asset value, reaching a discount of -56% in January earlier this year. Its transformation to an ETF and recent developments in these areas has led to the discount closing to pre-FTX levels at -30%.



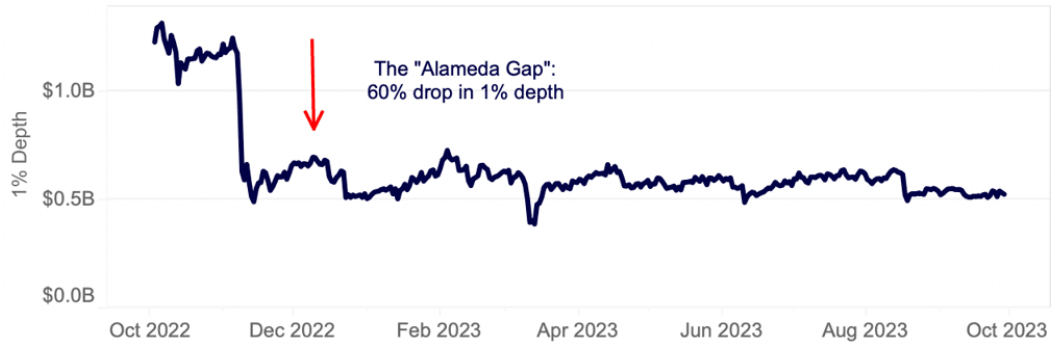
Data Source: Velo

- Since the collapse of FTX last year, we haven't seen a recovery in broader market liquidity, which has become more noticeable in a number of once-popular altcoins. The crypto sector post-FTX has wrestled with reduced trade volumes, diminishing market depth, and suppressed price volatility, with each metric hitting multi-year lows in previous weeks. However, we're optimistic that the impending ETF approval could introduce a fresh wave of liquidity that benefits the market depth across all venues and tokens. Although, as it has in prior years, liquidity may naturally increase in alignment with the overall sentiment of risk assets, which has been notably weak as of late.



## The Alameda Gap

BTC, ETH and top altcoins 1% market depth



Source: Kaiko Liquidity Asset Metrics Data.



Data Source: Kaiko Research

# What to Watch

- FED chair Powell speech, on Monday.
- US Jolts job openings, on Tuesday.
- US unemployment claims, on Thursday.

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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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