

Weekly Crypto Market Wrap

27th November 2023



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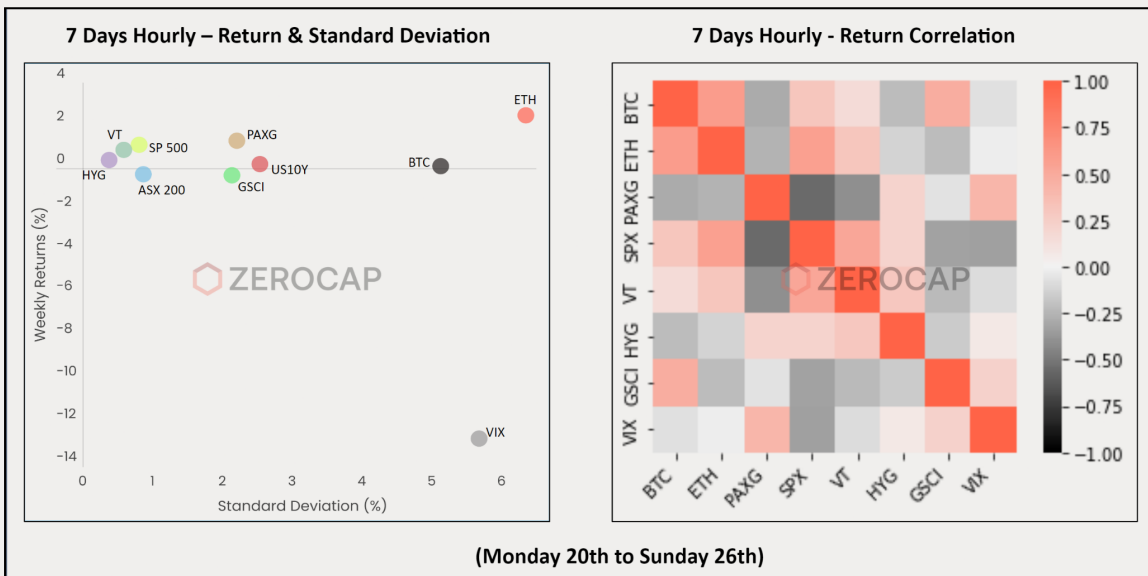
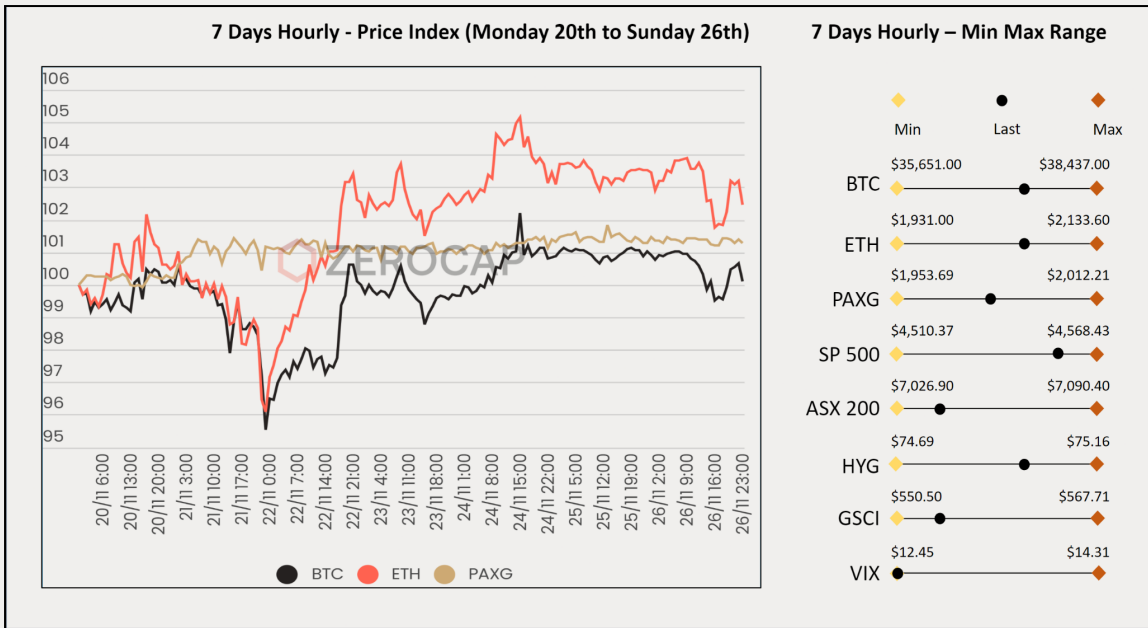
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Week in Review

- Binance names [Richard Teng as CEO](#) following CZ's abrupt departure - DoJ determines former CEO is an ["unacceptable risk of flight"](#) and must stay in US.
- [SEC files charges against Kraken](#) for operating as an unregistered exchange, commingling client assets with company funds, and paying opex from an account holding client funds.
- Tether has [frozen \\$225 million](#) in USDT allegedly linked to human trafficking, following ongoing DoJ investigation.
- HTX halts deposits and withdrawals as Justin Sun confirms [HTX and Heco Chain were hacked for \\$100mm](#), but promises to compensate for any losses.
- Crypto lender [Genesis sues Gemini](#) to recover \$689M in preferential transfers.
- CoinDesk [acquired by Bullish](#), crypto exchange run by former NYSE president.
- South Korea will invite 100,000 citizens to [test its CBDC](#) in 2024.
- Easy Crypto, partners with Labrys to launch [NZD stablecoin](#) (NZDD) which is regulated by the New Zealand Financial Markets Authority.
- Bitcoin-friendly [Javier Milei](#) wins Argentina presidential election.
- Sam Altman [returns as CEO](#) of OpenAI - company researchers warned board of major [AI breakthrough](#) that could "threaten humanity" right before firing.
- Meta dissolves [responsible AI division](#) amid company restructuring.
- [KPMG Canada](#) partners with Chainalysis to enhance AML programs.
- [FED minutes](#) determine US rates must stay high.

- [UK Composite PMI print](#) beats market expectation, 50.1 vs 48.7 prior.
- Japan's [factory activity](#) shrinks for 6th straight month as demand weakens.
- China puts [Country Garden](#) on a draft list to be eligible for financial support.

Winners & Losers



Data source: TradingView

Market Highlights

- Each week like a broken record I find myself talking about the VIX being so very low, and each week after that it seems to find another leg down. The Dec FOMC meeting has priced in a certain hold on rates, which is helping to keep volatility low. But again I question whether total complacency has set in - from a geopolitical (Israel unrest) and macro (rate cuts next year?) perspective. Any deviation from goldilocks scenarios could lead to this sucker blasting higher, particularly if unexpected newsflow hits over the lower liquidity December period.



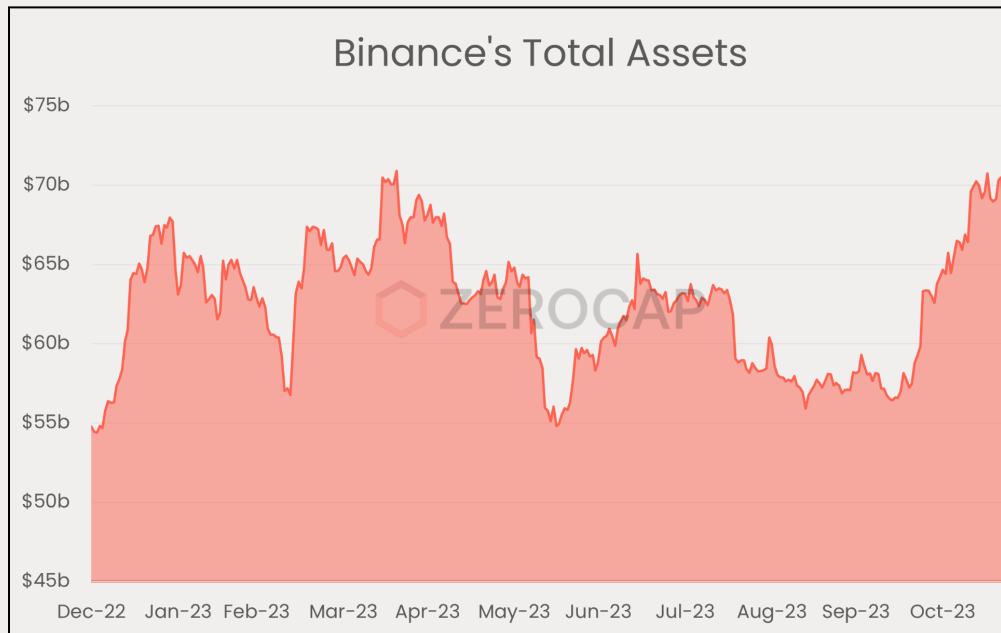
- BTC played back into the range as expected, but unexpectedly we shot straight back above 38,000 taking out stops before resting below the figure. The ascending triangle is starting to squeeze price, and from here I must admit a break higher could be on the cards if the VIX stays depressed. Ultimately I'm still betting that we see a range-bound environment below 38,000 in December, but the rest of the office is already calling for me to buy beer on the bet. Time will tell!



Binance

- Binance experienced a notable surge in withdrawals following the guilty plea of co-founder Changpeng Zhao (CZ) for violating the Bank Secrecy Act, leading to his resignation as CEO. Wednesday saw 24-hour outflows exceeding \$1 billion, contributing to a total net outflow of \$1.784 billion over the past 7-days.
- Binance is set to pay a whopping \$4.3 billion fine. The penalty imposed is one of the largest prosecuted by the U.S. government against a financial firm. The list of breaches includes insufficiently identifying customers' true identities, actively engaging in business with criminals, and failure to register U.S.-based businesses with regulators. Notably, the DOJ claims that sanctioned countries were indirectly provided services — including Cuba, Iran and Syria. Other exchanges have benefited from Binance's situation, with OKX, Bybit, and Bitstamp receiving inflows of \$280 million, \$158 million, and \$336 million respectively over the last week.
- With the fall of Sam Bankman-Fried who faces a very long prison sentence, CZ must have felt the pressure to bring forward a guilty plea in exchange for leniency. The DOJ is not messing around with this stuff - and clear smoke

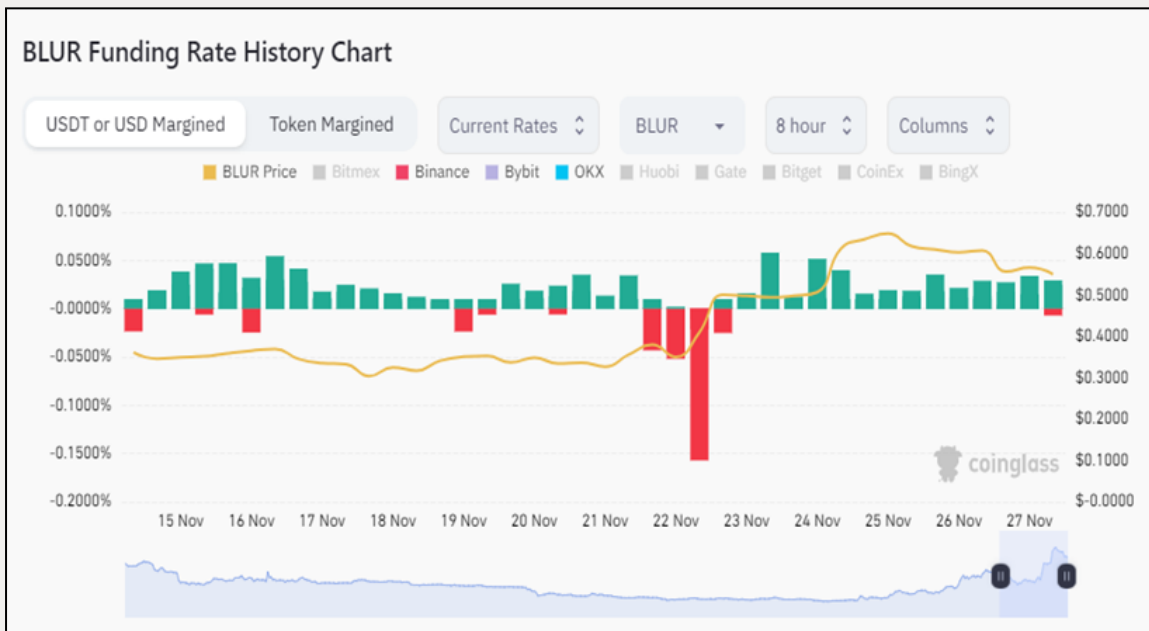
signals are being sent to crypto firms that push the limits.



Data Source: DefiLlama

Protocols and Alts

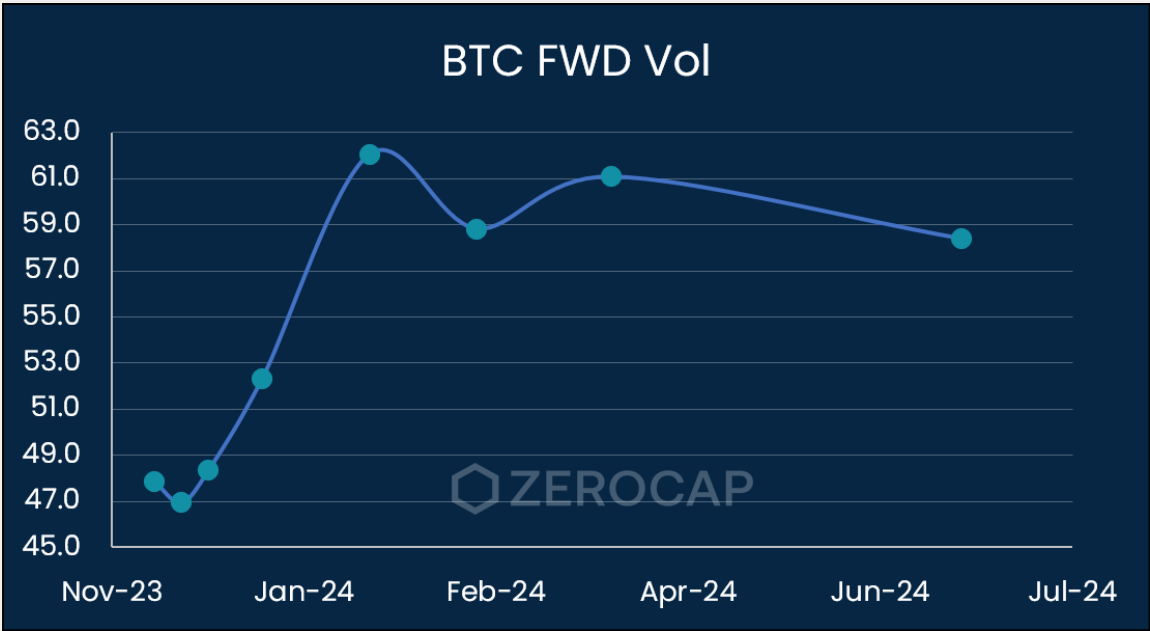
- Blast has revealed plans to develop a Layer 2 Optimistic rollup, with the project led by @PacmanBlur, the founder of Blur. Backed by \$20 million in funding from Paradigm, Blast aims to offer users native yield for both ETH and stablecoins. Notably, Blast has introduced the opportunity for users to stake BLUR, leading to eligibility for a Blast Airdrop. Currently, a total of 289 million BLUR has been staked. The announcement triggered a significant impact on Blur's funding rate, turning sharply negative on major centralised exchanges (CEXs) on the back of traders adopting a delta-neutral strategy (long Blur, short perps). The mainnet launch for Blast is scheduled for February 2024, keep an eye on this for expected volatility.



Data Source: Coinglass

Derivatives

- BTC and ETH options have been showing a persistent skew towards calls in longer-dated expiries (roughly 5-10 vol points). The market has almost fully priced in an ETF announcement in January, with BTC FWD vol at its highest between Dec and Jan. This said, AD Derivatives put out an interesting note looking at the gamma profile - stating that 'a positive ETF news catalyst would likely move prices into the \$42k - \$43k price range. We can see a clear "air pocket" here'. Technically this lines up, but we still have 6 or so weeks before a Jan 10 deadline and much can happen between now and then on either side. It's shaping up to be an exciting Christmas.



Data source: Deribit

What to Watch

- ECB President Lagarde speaks before the Economic Committee on Monday.
- US Consumer Confidence report, on Tuesday.
- US preliminary quarter GDP and BoE Gov Bailey speech, on Wednesday.
- OPEC JMMC meetings, on Thursday.
- FED Chair Powell speaks on Pathways to Economic Mobility, on Friday.

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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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