

Weekly Crypto Market Wrap

18th December 2023



ZEROCAP.COM

AUSTRAC REGISTERED DIGITAL CURRENCY EXCHANGE SERVICE PROVIDER DCEI00635539-001
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Holiday Break

This (brief) Weekly Crypto Market Wrap is our last of 2023 - and an abridged version, as most of the team takes a well-deserved break. We are grateful for your support and are looking forward to an amazing 2024. The next Market Wrap will be out on 8th January. Happy Holidays and a Happy New Year!

Week in Review

- We have launched the [Bitcoin Discount Note](#), our latest structured product enabling investors to take a long position in Bitcoin at a lower price than the market value under specific expiry conditions - ideal for those with a stable to moderately bullish outlook on Bitcoin. **Wholesale investors only.*
- Global blockchain [gaming market](#) expected to reach \$600 billion by 2030.
- US SEC [denies Coinbase push](#) for crypto regulations as "unwarranted".
- Chinese government [plans to use blockchain](#) for identity verification.
- US' [national vulnerability database](#) adds Bitcoin inscriptions to its records.
- KuCoin agrees NY [users ban and \\$22 million settlement](#) in novel NYSC case.
- Sales of [Solana phone SAGA](#) surge as buyers seek BONK token airdrop.
- [FOMC](#): Federal Reserve keeps rates steady, but open to discussion on rate cuts soon, Chair Powell points to "signs of economy normalising" - US inflation [slows to 3.1%](#) annual rate in November.
- European Central Bank [keeps rates on hold](#), lowers inflation forecast.
- UK's [m/m GDP](#) shows economy shrinking once again in October - rates [held at 5.25%](#) following policy summary release, inflation at 2% remains the target.

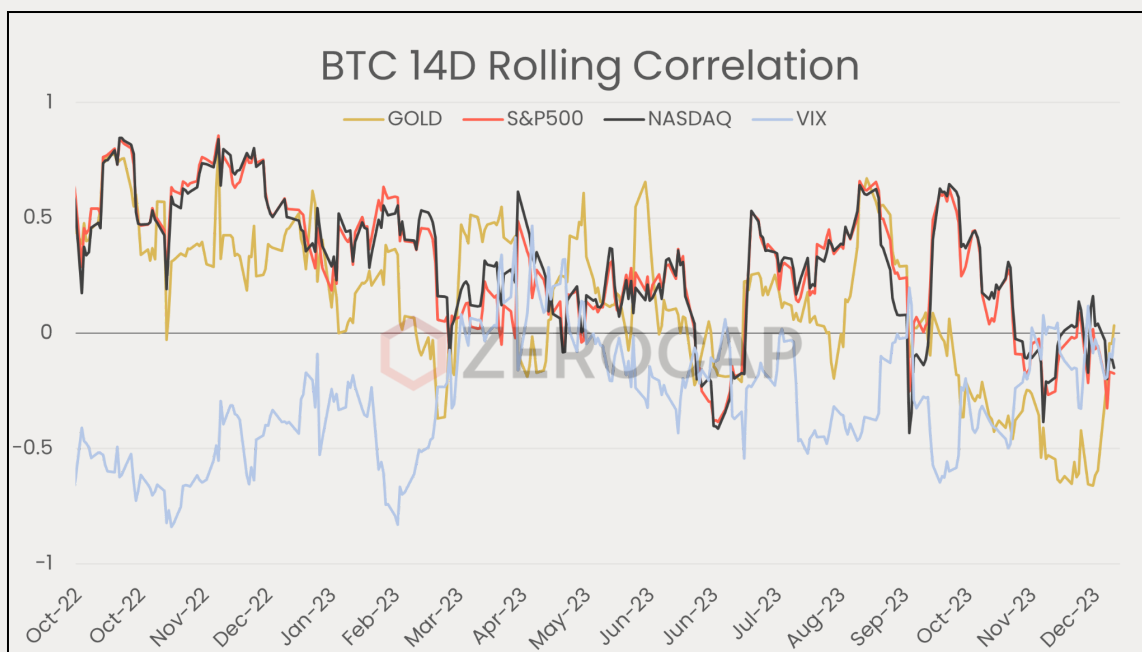
Market Highlights

- The crypto market closed the week with BTC and ETH down by 5.60% and 6.5% as US equities hit all-time highs last week, alongside a dovish Fed. We are heading into the lower liquidity Christmas period, and expect gaps within the range as everyone takes a well-deserved break.



Data Source: TradingView

- A continued upward trend in equities may benefit the crypto market, particularly if we see more than one spot Bitcoin ETF announced in January. The upcoming halving should begin to play into the narrative as we get into Q1, 2024.
- Right now, however, rolling spot correlations are off between equities and cryptocurrency.



Data Source: TradingView

Protocols and Alts

- DeFi witnessed a notable week with unfolding events on Dec. 14. As a malicious actor exploited a vulnerability in the Ledger hardware wallet's connector library, the exploit posed a significant risk to the entire decentralised application (DApp) ecosystem. On-chain analysts and prominent DApps like SushiSwap and MetaMask urged users to refrain from wallet interactions. Ledger responded promptly, releasing a patch within hours to address and contain the vulnerability.
- This brings up the issue once again of asset security in the DeFi space. Keep an eye out for increased innovations across MPC custodians as they tend to outpace the native cold hardware wallet solutions in terms of connective security.

Have a fantastic and safe break into the New Year, and hope 2024 brings rich life experiences and green candles!

Jon de Wet, CIO

What to Watch

- Australian monetary policy minutes, on Monday.
- Bank of Japan conference and monetary policy statement, on Tuesday.
- UK's CPI and US' consumer confidence report, on Wednesday.
- US' final quarter GDP and unemployment claims, on Thursday.
- Canada's m/m GDP report, on Friday.

Insights

- [The Bitcoin Discount Note - Defined Outcome Investing:](#)

Implement a structured approach to investing in Bitcoin, combining potentially high returns with strategic entry points. Tailored for those with a stable to moderately bullish outlook on Bitcoin, The Bitcoin Discount Note is ideal for sophisticated portfolios seeking asset exposure with a defined risk-reward structure.

The Note provides you with one of two possible outcomes:

1) If BTC is above \$50,400 on 28 June 2024, investors earn a 33% return in USD.

2) If BTC is below \$50,400, investors have the option to buy BTC at a 10% discount from its current price.

Learn more in the article above.

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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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