

Weekly Crypto Market Wrap

4th December 2023



ZEROCAP.COM

AUSTRAC REGISTERED DIGITAL CURRENCY EXCHANGE SERVICE PROVIDER DCEI00635539-001

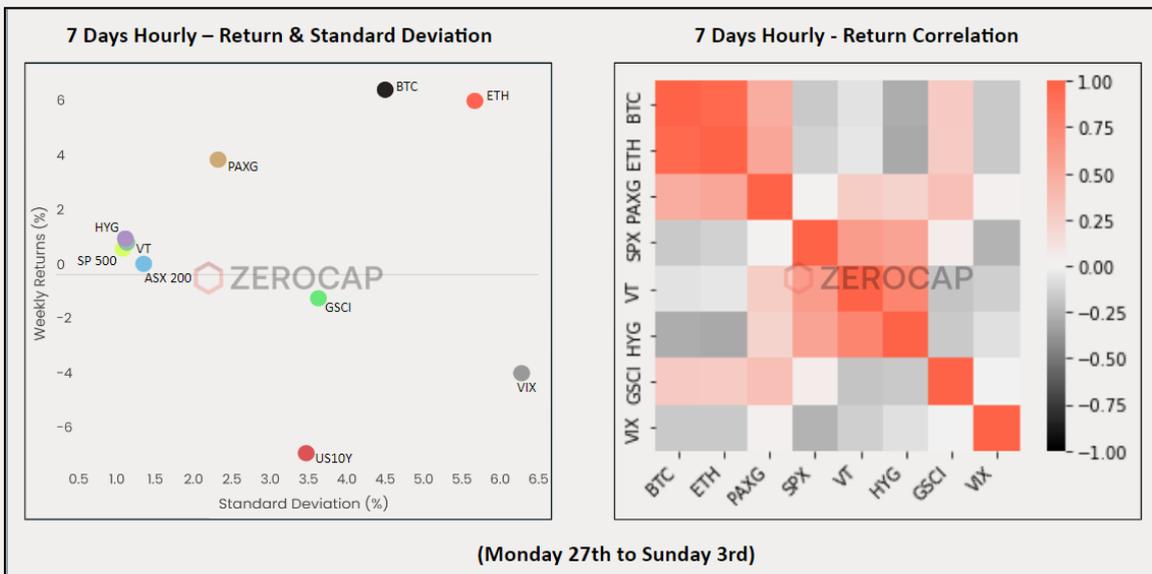
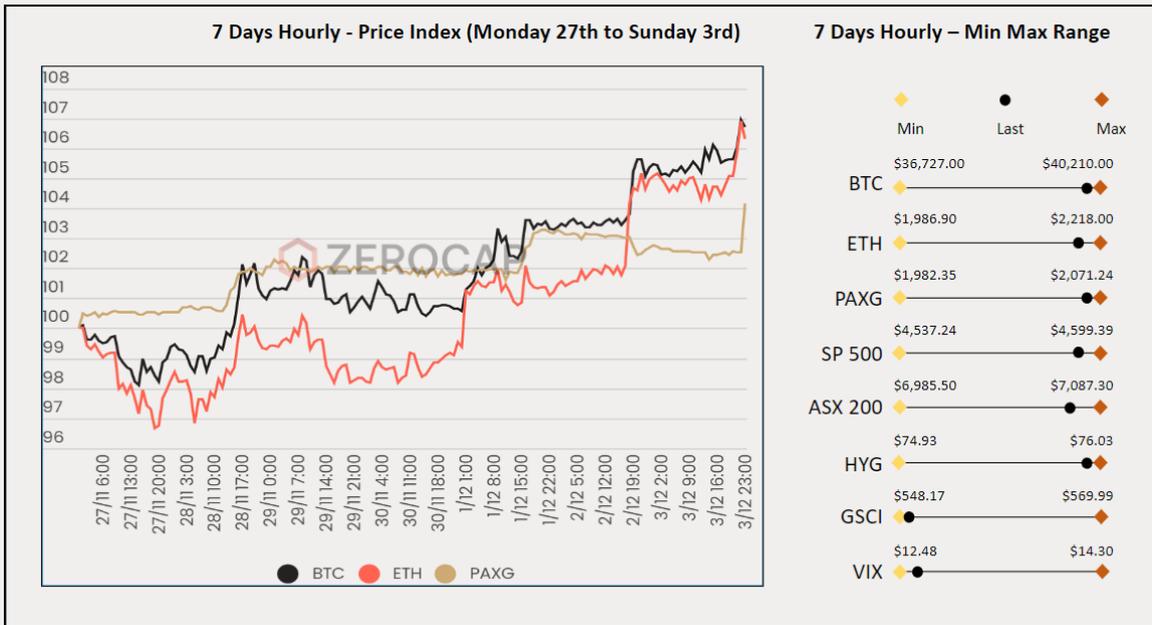
Zerocap Pty Ltd ABN: 99 164 874 597

Zerocap provides digital asset liquidity and custodial services to forward-thinking investors and institutions globally. For frictionless access to digital assets with industry-leading security, contact our team at hello@zerocap.com or www.zerocap.com

Week in Review

- [Zerocap partners with AUDD](#) to integrate the stablecoin into its services.
- Bitcoin sees its [highest monthly close](#) in nearly two years.
- BlackRock meets with SEC, [refines Bitcoin ETF proposal](#) to attract more investors.
- FTX [gets approval](#) to sell \$873 million more in assets to repay creditors.
- Around \$750 million in [locked altcoin tokens](#) to be released in December.
- Cristiano Ronaldo [sued](#) for promoting Binance following exchange fines.
- [Standard Chartered China](#) rolled out e-CNY (China's CBDC) exchange services allowing customers to mint and redeem via their interconnection platform.
- Montenegro court approves [Do Kwon's extradition](#) after he serves 4-months for document forgery.
- Number of [altcoins unlocking](#) towards the end of year, largest unlock occurred on 1st Dec with dYdX unlocking 30% supply ~ 150mm tokens.
- [FED Chair Powell](#): cutting rates would be "premature", more hikes may come.
- ECB [President Lagarde](#) states fight against inflation is not yet done.
- US [consumer confidence](#) rebounds, housing prices still surging - preliminary quarter GDP [exceeds expectations](#) at 5.2%.
- OPEC+ members agree to [additional voluntary cuts](#) to oil production.

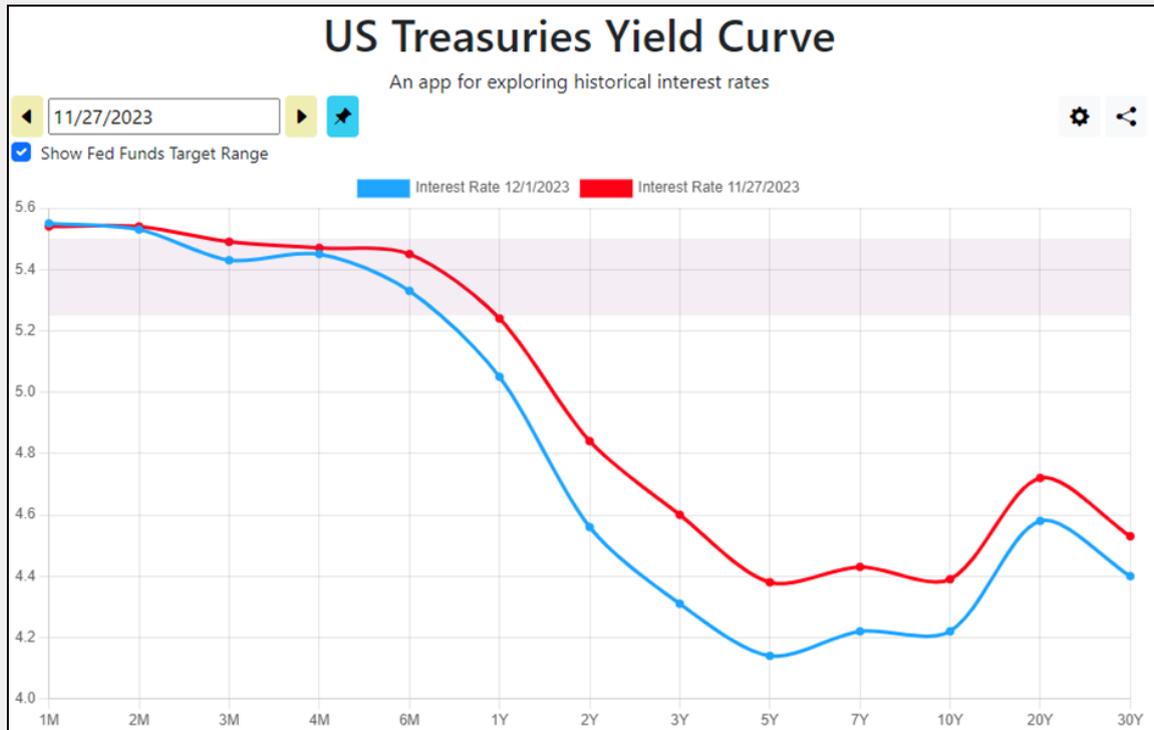
Winners & Losers



Data source: TradingView

Market Highlights

- Last week - a lot of action in US rates. The action began with Fed speaker Waller, who is conventionally a hawk, stating that rate cuts were off the table - expecting a run of soft inflation prints continued into early Q2 2024. As a result, backend curve duration rallied as interest rates fell across the board. The market-wide sentiment was further bolstered with the PCE numbers coming in lower than expected.



Data Source: <https://www.ustreasuryyieldcurve.com/>

- Coinciding with a little risk-on action is the expected positive BTC ETF announcement between Jan 5th and 10th from the SEC. Combine this with 4-year seasonality (the halving rally), and we have serious fire in the cauldron. I honestly didn't think we'd be breaking the 40s into the December 'lull', but we are screaming into the 42s as I write this, and it looks like I will end up owing the team that beer. This time.



Data Source: tradingview.com

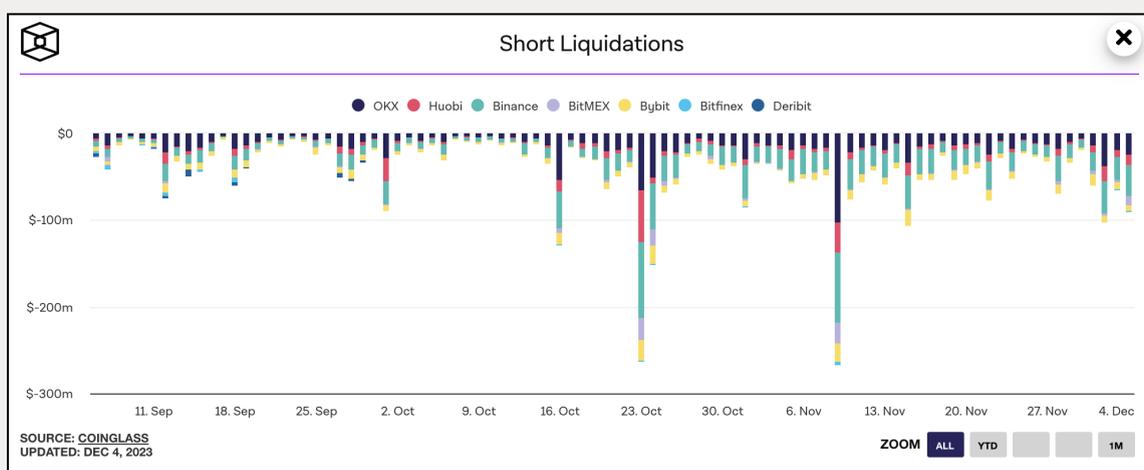
- Technically, you really have to zoom out to see where the next resistance could be. Going back to early 2022, we have prior highs at the 48,000 level which coincides with the trendline resistance from mid-2021. It's a long way off, but with the current momentum, stranger things have happened. If I was betting man, again, I'd say we don't get there this month. There is a Goldilocks scenario being priced into markets right now, and I don't think we are out of the woods just yet. I won't be betting on this one, though.



- MicroStrategy announced they have acquired an additional 16,130 BTC for \$593.3 million at an average price of \$36,785 per bitcoin. Gotta hand it to Michael Saylor, the guy has hands of steel. The media were all over his unrealised losses when BTC was down at 15K, and Microstrategy now holds 174,530 BTC acquired for 5.28 billion at an average price of 30,252 per bitcoin. One in every 138 BTC is owned by Microstrategy. If you follow Saylor's thinking - if the financial system ends up in the place he thinks it will, Microstrategy could be one of the most powerful global entities around - essentially the reserve bank of BTC.

Derivatives

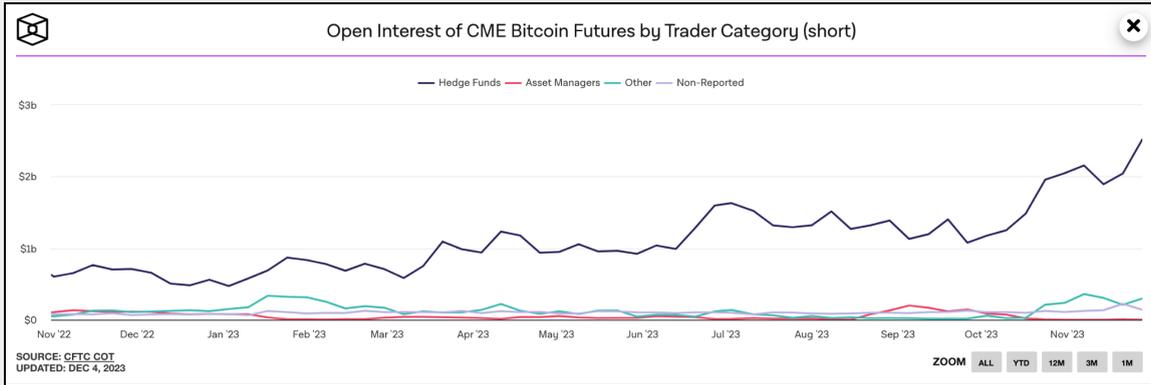
- If I see the short liquidations substantially spike on this move through 40,000, I think we get some reversion back below the figure - but if liquidations stay relatively muted, this move could have some legs. Watch the orderflow for cues.



Data Source: theblock.co

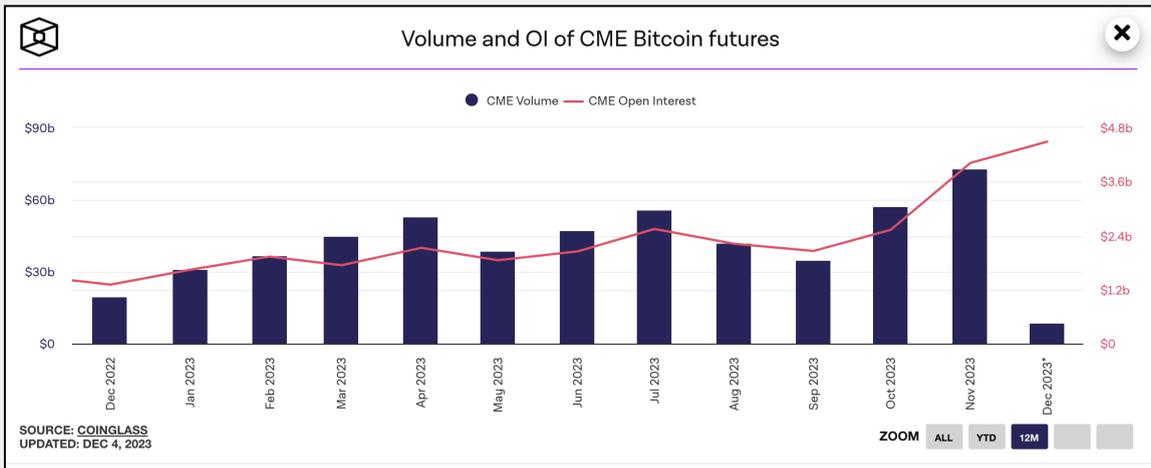
- A good indication of the leverage buildup can be seen in the CME - hedge funds building some notable short exposure. Many would be jumping on the

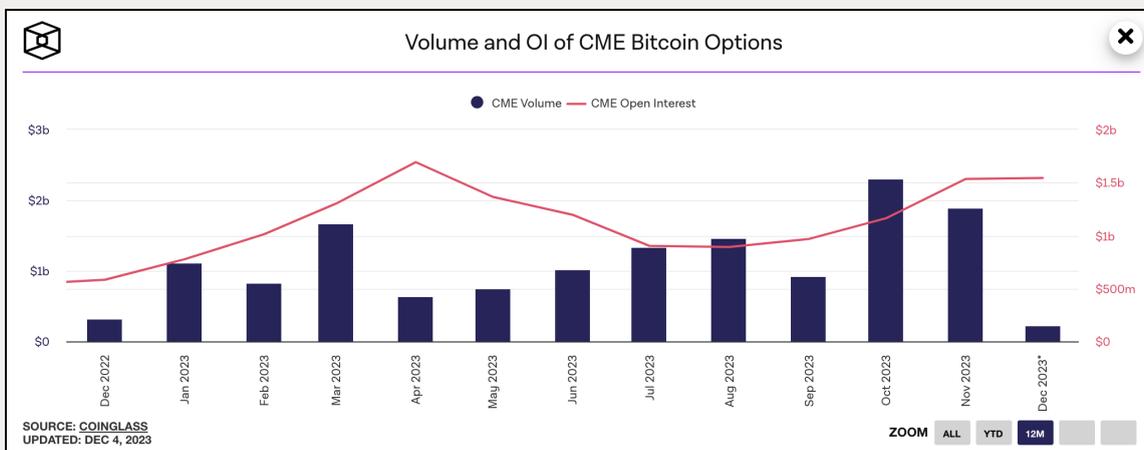
basis trade, but at 3:1 leverage, at least a few would be feeling the burn at these levels. Some short covering is expected as Chicago opens up today.



Data Source: theblock.co

- Speaking of the CME - with all the institutional adoption and fall of just about every centralised exchange founder out there, it's no surprise that CME volumes are catching a bid, both in futures and options. With prime brokers and trading firms (including us) working to close the Crypto/TradFi gap - I expect to see a significant uptick in volumes on the CME, and a compression of the basis arb that we've been seeing over the past few years.

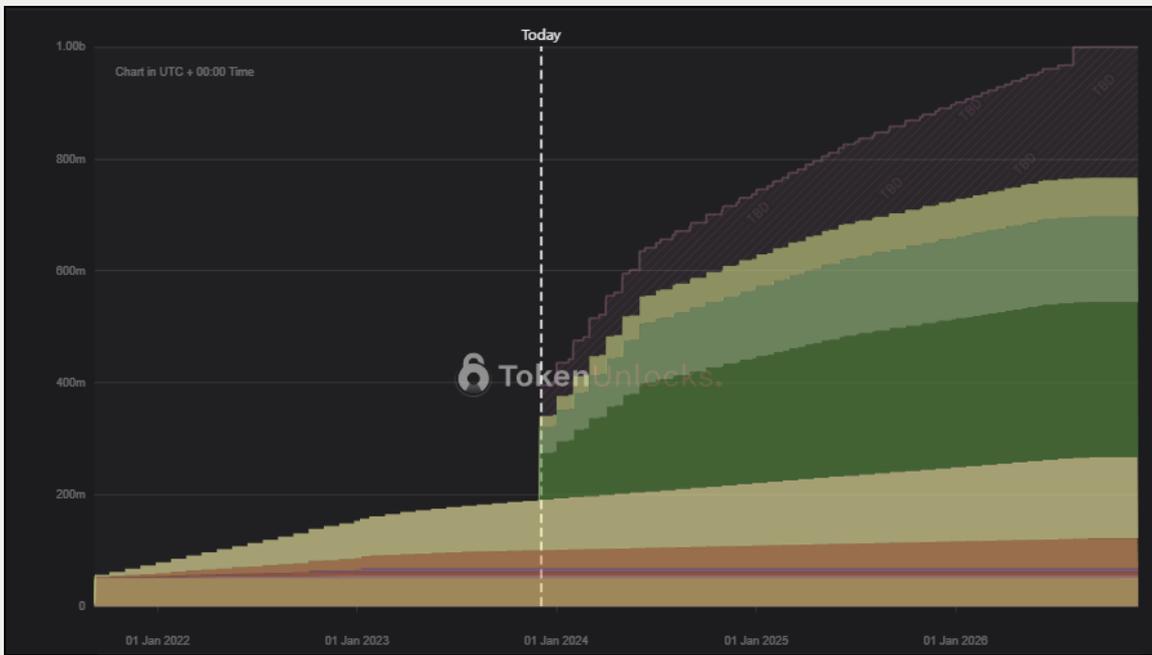




Data Source: theblock.co

Protocols and Alts

- Cosmos is considering a network fork with a new token, \$ATOM1, following the implementation of a 10% inflation cap on \$ATOM, as proposed by co-founder Jae Kwon. If you're interested in a long Sunday read on the topic of Cosmos - our innovation team have put together a comprehensive [overview of the ecosystem](#). Cosmos is a layer-0, which basically means it connects all layer-1 blockchains allowing each to focus on their best parts. Game-changing stuff.
- Chainlink has updated its staking to v0.2, expanding the pool to 45 million \$LINK, with current stakers given priority for migration before it opens to early access users on December 7th, and the general public on December 11th.
- \$DYDX has begun trading on the dYdX Chain, including a \$20 million incentives program over six months, and daily rewards of 50k \$DYDX. This coincides with the unlocking of 84.4% of its circulating supply, valued at \$488 million.



Data Source: TokenUnlocks

Happy trading out there, watch the leverage!

Jonathan de Wet, CIO

What to Watch

- US Jolts Job Openings and AUS quarter GDP, on Tuesday.
- Bank of Canada rate statement, on Wednesday.
- US preliminary inflation expectations report, on Friday.

Insights

- [Zerocap Partners with AUDD to Integrate the Stablecoin into its Services:](#)

Zerocap is thrilled to announce our partnership with AUDD. We have integrated the Australian Dollar stablecoin into Zerocap's offerings, revolutionizing digital asset trading in Australia and APAC.

Disclaimer

This material is issued by Zerocap Pty Ltd (Zerocap), a Corporate Authorised Representative (CAR: 001289130) of Gannet Capital Pty Ltd (GC) AFSL 340799.

Material covering regulated financial products is issued to you on the basis that you qualify as a “Wholesale Investor” for the purposes of Sections 761GA and 708(10) of the Corporations Act 2001 (Cth) (Sophisticated/Wholesale Client), or your local equivalent.

This material is intended solely for the information of the particular person to whom it was provided by Zerocap and should not be relied upon by any other person. The information contained in this material is general in nature and does not constitute advice, take into account financial objectives or situation of an investor; nor a recommendation to deal. Any recipients of this material acknowledge and agree that they must conduct and have conducted their own due diligence investigation and have not relied upon any representations of Zerocap, its officers, employees, representatives or associates. Zerocap has not independently verified the information contained in this material. Zerocap assumes no responsibility for updating any information, views or opinions contained in this material or for correcting any error or omission which may become apparent after the material has been issued. Zerocap does not give any warranty as to the accuracy, reliability or completeness of advice or information which is contained in this material. Except insofar as liability under any statute cannot be excluded, Zerocap and its officers, employees, representatives or associates do not accept any liability (whether arising in contract, in tort or negligence or otherwise) for any error or omission in this material or for any resulting loss or damage (whether direct, indirect, consequential or otherwise) suffered by the recipient of this material or any other person. This is a private communication and was not intended for public circulation or publication or for the use of any third party. This material must not be distributed or released in the United States. It may only be provided to persons who are outside the United States and are not acting for the account or benefit of, “US Persons” in connection with transactions that would be “offshore transactions” (as such terms are defined in Regulation S under the U.S. Securities Act of 1933, as amended (the “Securities Act”). This material does not, and is not intended to, constitute an offer or invitation in the United States, or in any other place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or invitation. If you are not the intended recipient of this material, please notify Zerocap immediately and destroy all copies of this material, whether held in electronic or printed form or otherwise.

Disclosure of Interest: Zerocap, its officers, employees, representatives and associates within the meaning of Chapter 7 of the Corporations Act may receive commissions and management fees from transactions involving securities referred to in this material (which its representatives may directly share) and may from time to time hold interests in the assets referred to in this material. Investors should consider this material as only a single factor in making their investment decision.

* 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

Contact Us

Zerocap provides digital asset investment and custodial services to forward-thinking investors and institutions globally. Our investment team and Wealth Platform offer frictionless access to digital assets with industry-leading security. To learn more, contact the team at hello@zerocap.com

