

Weekly Crypto Market Wrap

8th January 2024



ZEROCAP.COM

AUSTRAC REGISTERED DIGITAL CURRENCY EXCHANGE SERVICE PROVIDER DCEI00635539-001
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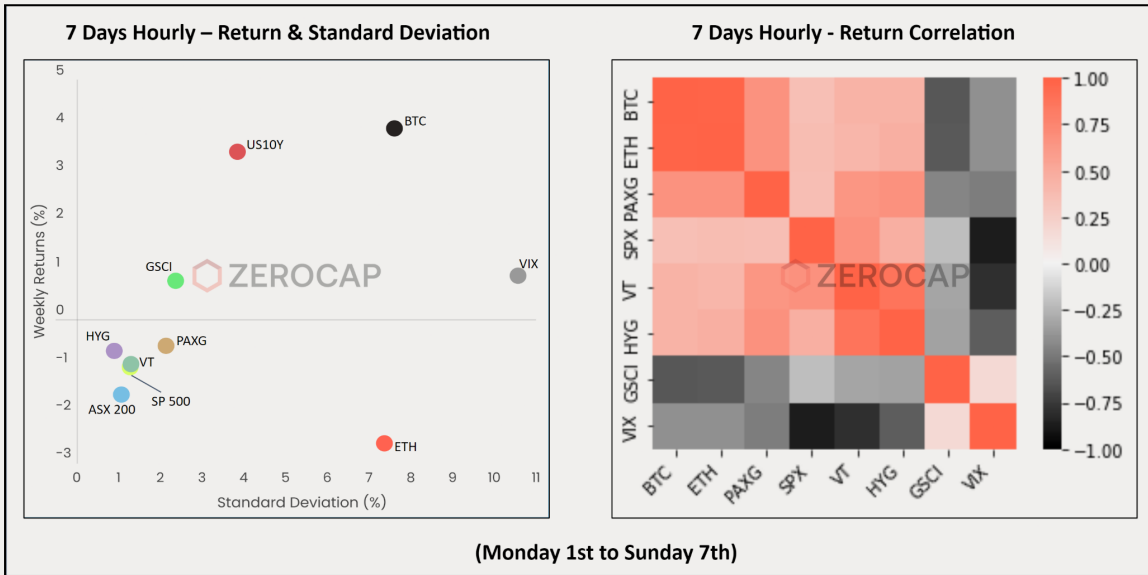
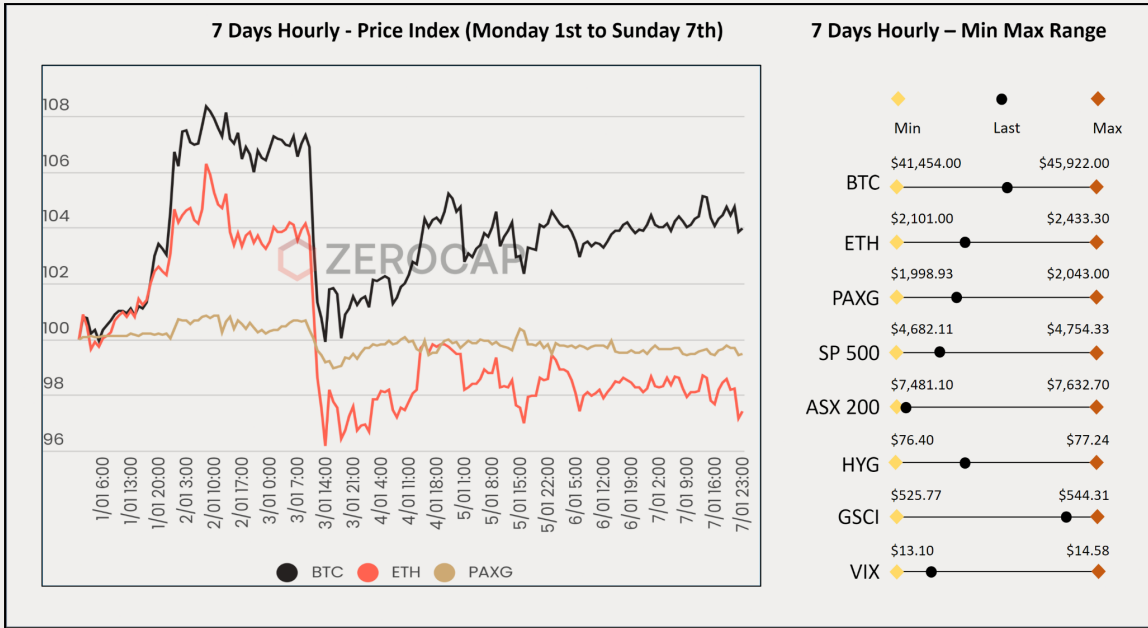
We are changing the style of our Weekly Crypto Market Wrap, bringing you a new experience to our weekly insights newsletter. Therefore, the next edition of the Wrap will be out on 22nd January. See you soon!

Week in Review

- Final [Bitcoin ETF application](#) filings posted by major US exchanges.
- Crypto users likely to reach \$1 billion in 2024; [Bitfinex analysis](#).
- Following its 15th birthday on January 9th, Bitcoin has more than [90,000 wallets](#) worth \$1 million or more, up 300% since the start of 2023.
- BlackRock expects [Bitcoin ETF approval](#) on Wednesday.
- US court orders [Binance settlement](#) to CFTC at \$2.7 billion.
- Crypto [investment products](#) saw \$2.2 billion total inflows in 2023 - Zerocap recently launched the [Bitcoin Discount Note](#), enabling investors to take a long position in Bitcoin at a lower price than the market value. **For Wholesale investors only.*
- China's central bank [urges world](#) to properly regulate crypto assets.
- Ripple, Coinbase and a16z invest [\\$78 million in pro-crypto](#) political action committee (PAC) ahead of US elections.
- Co-founder Vitalik Buterin reveals Ethereum ["game plan"](#) for 2024.
- Sotheby's sold \$35 billion worth of digital art in 2023, [VP states](#).
- Roughly \$1.8 billion was lost to [Web3 fraudsters](#) in 2023, a 52% decline to 2022.
- FOMC [Meeting Minutes](#): Fed officials in December saw rate cuts likely, but path highly uncertain.

- US adds [216,000 jobs](#) in December as stronger than expected rise caps year.
- UK economy [shrinks by 0.1%](#) in third quarter of 2023.
- Bank of Japan sticks to [ultra-easy policy](#) amid "extremely high" uncertainties, as yen continues to tumble.

Winners & Losers



Data source: *TradingView*

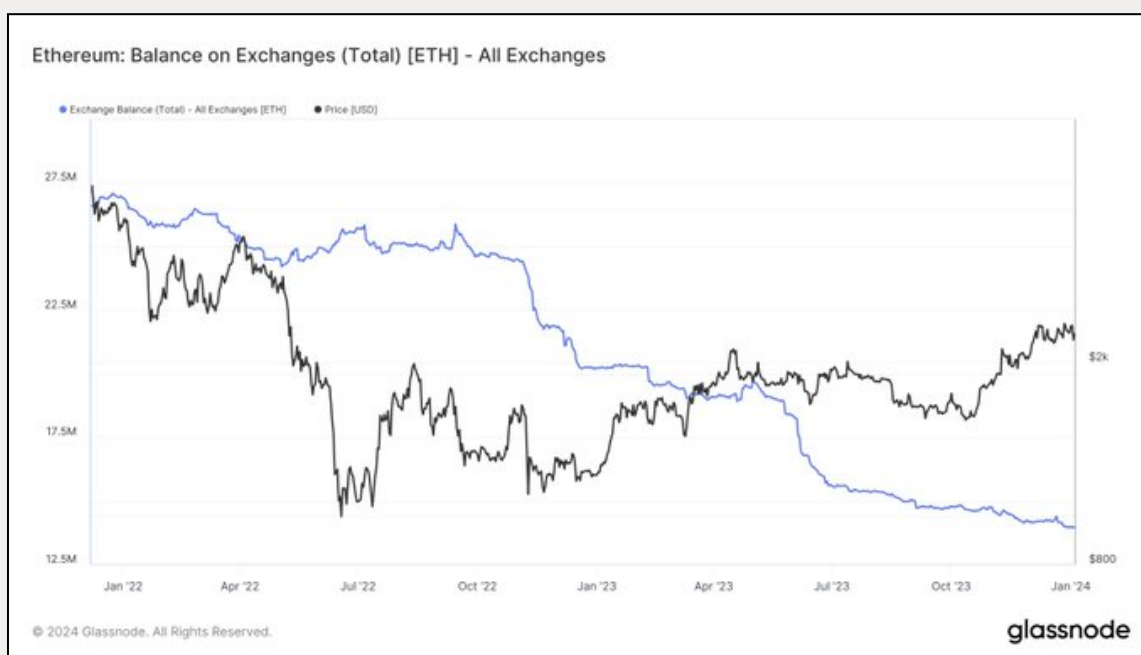
Market Highlights

- This week is poised to be a massive week for the industry, as the much-awaited spot Bitcoin ETF is predicted at an 83% chance for approval by the weekend.
- The market, while hopeful, remains cautious. BTC's price fluctuated significantly last week, closing with a 3% gain but not without high volatility. The options market reflects this uncertainty, with high implied volatility for BTC, notably higher than Ethereum (ETH), and a noticeable skew towards call options.
- The competition among ETF issuers is heating up, with strategies ranging from aggressive marketing to low fees, and even direct appeals to the crypto community - with VanEck pledging 5% of BTC ETF profits to BTC core developers. This rivalry is expected to boost Bitcoin's visibility and attractiveness as each issuer battles to be the favoured investment vehicle.
- Despite Bitcoin's slight gain, the broader cryptocurrency market is down, with Ethereum dropping by 3.5% and other altcoins SOL, ARB, and MATIC also experiencing larger declines.



Data Source: Trading View

- Approving a Bitcoin ETF could create a regulatory precedent for other crypto-based ETFs. The approval process for a Bitcoin ETF involves establishing a framework that could be adapted for other cryptocurrencies like Solana, simplifying the approval process for similar ETFs.
- Is ETH positioned for a pump upon approval? Likely - given a high correlational profile to BTC. ETH balance on exchanges has diminished substantially since 2022 - assisted by the merge and increased number of stakers (diminished liquidity / potentially more volatile - also indicates continued demand for ETH).



Data Source: Glassnode

- ETH is currently trading around 2,200 - a key support formed at the start of Dec 23. A delay or denial in the ETF could see the price correct lower and toward 1,800. On the other hand, it is pretty clear skies until 3,000.

In summary - big week ahead. Watch the volatility, watch your leverage!

What to Watch

- Australia's yearly CPI, on Tuesday.
- Bank of England governor Bailey's speech, on Wednesday.
- US yearly and monthly CPI results, on Thursday.
- UK's monthly GDP and US' monthly PPI, 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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