

# Weekly Crypto Market Wrap

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Zerocap Pty Ltd ABN: 99 164 874 597

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**This is not financial advice. As always, do your own research.**

## Week in review

- Crypto exchange-traded products hit [record levels](#) with \$67B AUM.
- Former US President Trump is [no longer anti-Bitcoin](#), shifting stance on asset.
- Binance to shut down several [leveraged token services](#) of specific pairs.
- Sam Altman's Worldcoin (WLD) [soars 140% in a week](#), wallet users reach 1m.
- [AI-focused tokens soar](#) as total aggregated market cap doubles in a month.

# Technicals

## BTCUSD

We are holding strong above the 50K level, despite some market participants still digesting the CPI inflation spike. This week will bring further insights into the inflationary environment. The Core PCE Price Index is the Fed's preferred inflation measure, and right now there is a growing divergence between what equity markets think 2024 rate cuts look like, and how the Fed thinks they look. The road out of hawkish Central Bank moves was always going to be a little rocky.

We also have US GDP data earlier in the week (second print) which will potentially bring some volatility. For this reason, I think we get a retest of 49,000, closing the gap from the last break of highs and finding support at the ascending trendline from mid-2021. Amazing to watch this asset class mature at the moment - the ability to buy a few BTC next to Apple shares on TradFi investment platforms is a game-changer for access.



We noted last week that the fuel behind this fire is also its greatest risk - if the Goldilocks inflation pricing is significantly off, we could see some downside in

the short term, but I'd expect BTC and ETH to outperform the rest of the crypto market given the ETF and expected ETF flows.

### **Key levels**

40,000 / 44,000 / 49,000 / 50,000 / 55,000

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## Spot desk

### **Stables**

USDC largely traded close to parity with USDT this week as selling of USDC post the new fee structure outflows were exhausted. Circle has some competition on the way with a handful of other solid stablecoins gaining market share. FDUSD has just reached a \$3.3B market cap and is showing no signs of slowing down. We are also seeing other projects out of Europe and the UAE following suit.

### **Altcoins**

This week we observed some profit-taking in altcoins, taking advantage of the huge run-up the market has experienced over the past 3 weeks. AI tokens are going fairly ballistic - but we are also seeing buying of a range of other alts in anticipation of airdrops.

### **AI Boom**

AI tokens like AGIX, WLD, LPT and OCEAN were the clear outperformers over last weekend and into the week. OpenAI's debut of its text-to-video AI model Sora pushed WLD, LPT and OCEAN 146%, 145% and 51% higher. As the adoption of AI grows at breakneck speed, it wouldn't be a surprise to see this theme continue to play out in the crypto market. Blink and you might miss it!

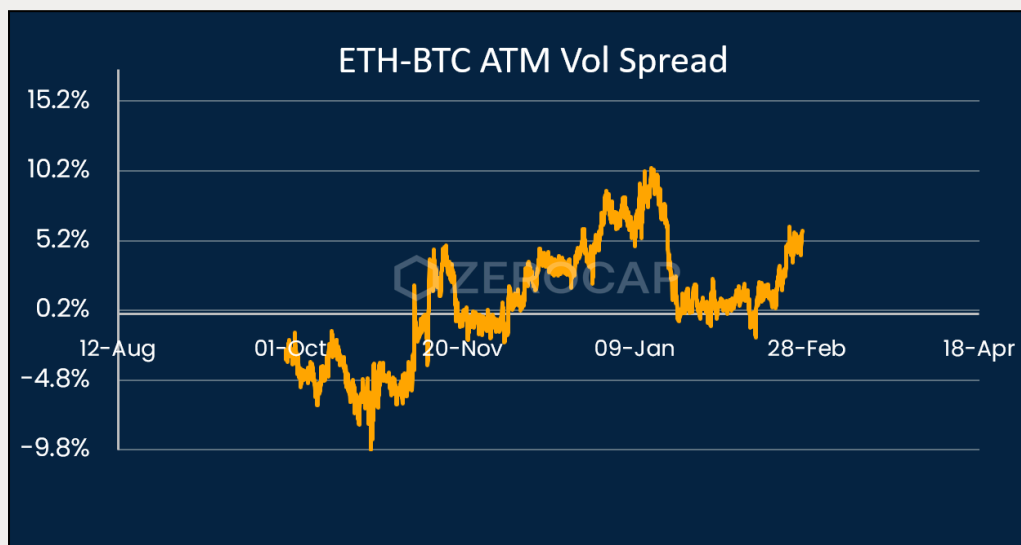
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# Derivatives desk

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## ETH volatility getting bid

As ETH Spot ETF approval becomes increasingly imminent, the ETH-BTC volatility spread continues to climb higher. While we envision that this trend will continue until the ETF is priced in, we still think it is an attractive opportunity to capture the high-yield premium in ETH options at current levels.



The ETH Discount Note could be a way to capture the heightened yield premiums in ETH options while also being exposed to further upside. The ETH Discount Note can generate a greater discount for investors in comparison to BTC due to the volatility spread.

This note has two potential outcomes at the end of the 4-month term - earn 28% (112% p.a), or buy ETH at a 6.5% discount from today's spot price. Not a bad dual scenario.

### Discount Note Sample Terms (4-Month Term)

Coin	BTC	ETH	LDO
Discount %	5.0%	6.5%	7.5%
Cap Price %	120.0%	120.0%	120.0%
Max Return %	26.3%	28.3%	29.7%
Max Return % (p.a.)	102.3%	112.3%	119.3%

Get in touch with the derivatives team at [derivatives@zerocap.com](mailto:derivatives@zerocap.com) for more information.

## What to Watch

- US durable goods orders and CB consumer confidence report, on Tuesday.
- US preliminary quarter GDP, on Wednesday.
- Canada's monthly GDP, on Thursday.

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\* Index used:

Bitcoin	Ethereum	Gold	Equities	High Yield Corporate Bonds	Commodities	Real Estate
BTCC	ETH	XAU	S&P 500, ASX 200, VT	HYG	PGSCI	.10Y

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