

Weekly Crypto Market Wrap

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ZEROCAP.COM

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

Week in review

- Spot [Bitcoin ETFs](#) hit [negative flows](#) - Grayscale's GBTC [sheds \\$642 million](#) in a day.
- EU committees [approves ban](#) of anonymous crypto transactions through hosted wallets; [official document](#).
- Microstrategy shares [up 180% this year](#) after debt sale to buy more bitcoin - the company now owns [1% of all bitcoin](#) in circulation.
- Solana blockchain activity [flips Ethereum](#) amid recent meme craze.
- Binance's assets under custody now [surpass \\$100 billion](#) despite recent legal/regulatory setbacks.
- Bank of Japan brings negative interest rates era to an end, with the [first hike in 17 years](#) following pay gains.
- [FED meeting recap](#): Reserve looks for confirmation on last year's inflation readings, strong hiring won't delay rate cuts, policy rate likely at peak.

Technicals

BTCUSD

Wild week on macro expectation shifts. The market continued to deleverage leading up to the FOMC meeting last Wed 20th March. The Fed came out plotting three rate cuts this year, a dovish change from the two cuts expected. Bonds higher, stocks higher, crypto higher was the reaction - once again putting pressure on the old risk-parity and 60/40 bond/stocks trade.

This has led to a nice double false break of the 65,000 level and 20-day EMA, and we are moving higher once again. We've also had some fairly pivotal bank predictions coming out over the past week - including Standard Chartered at 150K USD by the end of 2024 and Cathie Wood calling for a \$75 Trillion market cap in Bitcoin by 2030.



Sentiment is once again on the up, and is reflected in the CME basis pushing up towards 15%. Given we've seen more balanced flows over the past fortnight, we expect the basis to rise in the CME in the absence of ETF spot hedging. We think the books are starting to look more balanced, albeit with some expected volatility in the lead-up to the BTC halving.

Key levels

50,000 / 65,000 / 69,000 / 70,000 / 80,000

Spot desk

Fiat to crypto onramps strong

The desk saw a skew towards onramps as AUD strengthened throughout the week, alongside real money USD bidding of BTC and Alts. ETH was the only asset we really saw liquidations on, due to the expected Ethereum ETF delay. We may not even get a look this year according to recent newsflow, but do keep an eye on Blackrock as they have a way of moving markets.

Alts bid across various themes

On the alts side, there was a wider range of tokens being traded on the desk, where we saw interest in DOT, FIL, OP, SSV, ORDI and many others. OM was of particular interest where we saw two-way flow as it rallied ~130% on an announcement that it was launching its 'Hongbai' test network, and applying for financial licences in Hong Kong and the UAE.

FOMC drama

As mentioned, the past week took BTC for a ride. We first witnessed it decline sharply prior to the FOMC meeting, front-running an expected negative event. This led to some great entry points for some of our clients who hit the spot desk up with limit buy orders for BTC and ETH, trying to capture the dip that was very much hoped for by those who might have missed the opportunity on the way up. We then witnessed a huge rebound rally on the back of the Fed meeting as market uncertainty was reduced, as the Fed clearly outlined their three rate cuts for the year. Some great opportunities around event risk at the moment!

Derivatives desk

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As the rally took a breather, futures basis/funding rates came slightly off the highs, but were elevated again post-FOMC. Given the basis looks like it could go either way we prefer parking spare cash in yield-generating perp strategies (long spot, short perp) to earn carry and wait for the next leg up. If spot takes off again, expect these to nudge 100% APY in high beta movers.

The desk can package any of these trades up into a Structured Product for investors.

Coin	Annualised Funding
NEAR	55.1%
CHZ	53.3%
APE	52.2%
SOL	51.8%
MATIC	49.8%
ADA	48.9%
DOT	48.1%
AVAX	48.0%
XRP	47.0%
FTM	47.0%
ETH	41.0%
BTC	39.1%

Contact the derivatives team at derivatives@zerocap.com for more information.

What to Watch

- Australia's yearly CPI, on Tuesday.
- US final quarter GDP and unemployment claims report, on Thursday.
- FED Chair Powell speaks at Macroeconomics and Monetary Policy Conference, on Friday.

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* Index used:

Bitcoin	Ethereum	Digital Assets	Equities	High Yield Corporate Bonds	Commodities	Reserve Assets
BTCC	ETH	XG	S&P 500, ASX 200, VT	HYG	PGSCI	.10Y

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