

# Weekly Crypto Market Wrap

2nd April 2024



---

**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](mailto:hello@zerocap.com) or [www.zerocap.com](http://www.zerocap.com)

*This Market Wrap edition was released on a Tuesday due to the Easter holidays in Australia.*

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

## Week in review

- Over [\\$1 billion in US treasuries](#) have been tokenised on public blockchains.
- Ethereum blockchain reaches [one million validators](#).
- Fidelity [files with SEC](#) for spot Ethereum ETF.
- FTX co-founder Sam Bankman-Fried [sentenced to 25 years](#) in prison.
- Terra founder [Do Kwon released](#) in Montenegro on bail.
- Fifth richest Bitcoin whale [moves \\$6 billion](#) worth of BTC.
- Bitcoin ETFs [end five-day](#) outflow streak.
- Google now allows [wallet address searches](#) for Bitcoin, Fantom, Arbitrum and others.
- Singularity.Net, Fetch.AI and Ocean Protocol discuss [potential token merger](#) - new token would have a fully diluted valuation of \$7.5 billion.
- FED Chair Jerome Powell stated [recent US inflation data](#) is "along the lines of what we would like to see" for potential rate cuts in the future.

# Technicals

## BTCUSD

Happy Easter - hope the bunny brought some fun.

The ISM data overnight certainly didn't bring much fun, pulling risk assets and bonds down, and putting further pressure on risk parity portfolios. All eyes are still on the Fed's monetary timeline, and last night's data has brought the probability of a cut in June below 50%.

BTC feeling the pressure, more so than stocks.

We are currently finding some support on the ascending trendline from early Feb 2024 (65,500 level), but it's looking like a break lower at this stage. Next level would be 60,000 and below this a fairly exposed liquidity gap down to 53,000. Do we get down here? There are still huge swathes of real money buyers below 65,000, but ultimately macro forces will dictate capital flows until we get real signs of sustained dovish sentiment from the Fed.



The biggest risk to a move into the 50s is outlier (high) unemployment figures at the Friday Non-Farm Payroll event. The stagflation narrative could ignite further downside into the weekend when other markets are closed.

### **Key levels**

53,000 / 65,500 / 69,000 / 70,000 / 80,000

---

## Spot desk

The desk saw a heavy skew towards crypto off-ramp flows into fiat as AUD grinded lower throughout the week.

### **Volatility contraction in BTC**

BTC saw the entire week consolidating within a tight range of ~4% as investors took a breather after the volatility of the previous week which had the FOMC meeting. Only overnight did we see the blow-off on the back of the ISM data.

Coinciding with this, BTC's weekly volume has also tapered pretty significantly to its lowest since a few weeks back when it decisively broke through 53k and made the huge run-up. Such dynamics are classic tell-tale signs of the market building up energy for a strong move - this time leading price the other way.

The desk is seeing balanced two-way flows for BTC at these levels, particularly from spot buyers shorting the perpetual futures to capture the funding arb. As we write, Deribit has turned a negative funding rate - keep an eye on those positions!

### **Solana mania**

As the Solana frenzy continues, we have had clients express interest in trading meme coins such as SLERF and WIF. The desk is positioned to facilitate best execution in these tokens as well, although watch the NFP figures on Friday - as these could turn even the best meme coins southward.

## BUIDL and Real World Assets

Post the launch of BlackRock's BUIDL on 20 March, we have seen tokens linked to Real World Assets (RWA) skyrocket as this adoption by the world's largest asset manager sparks newfound interest in the possibilities that RWA technology could bring to financial markets.

Tokens like ONDO, OM, and POLYX have been outperformers amongst altcoins in the past two weeks.

In regards to this thematic, we saw some profit-taking in tokens like OM, which has rallied ~100% since two weeks ago.

---

## Derivatives desk

### WHOLESALE INVESTORS ONLY

BTC and ETH 30-day Basis rates surged to highs of 39% and 40% (annualised) over the Easter weekend - indicating a heightened level of leverage in the current market structure, that is now blowing off some steam.



With risk-off sentiment starting to creep in, it might be worth considering a collar structure to protect from downside on spot holdings. The high basis

rate + long-term skew towards calls means that pricing on collars is reasonably attractive at the moment.

Collars (puts over)

Underlying	Spot Ref	Strike	Tenor	Premium	Delta
BTC/USD	69,408	95%/105%	1m	-0.98%	82%
BTC/USD	69,408	90%/110%	3m	-3.57%	90%
BTC/USD	69,408	85%/115%	6m	-6.57%	94%
BTC/USD	69,408	80%/120%	12m	-9.50%	96%
ETH/USD	3,494	95%/105%	1m	-0.99%	82%
ETH/USD	3,494	90%/110%	3m	-3.46%	91%
ETH/USD	3,494	85%/115%	6m	-6.19%	94%
ETH/USD	3,494	80%/120%	12m	-10.05%	96%

As can be seen in the pricing above, investors can get paid a premium to protect their downside by selling an equal % of their upside.

Contact the derivatives team at [derivatives@zerocap.com](mailto:derivatives@zerocap.com) for more information.

## What to Watch

- ISM manufacturing PMI, on Monday (ouch).
- US Jolts job openings, on Tuesday.
- FED Chair Jerome Powell speaks at Stanford, on Wednesday.
- US Unemployment claims, on Thursday (biggie given ISM data print).

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	Reserve Assets
BTCC	ETH	GLD	S&P 500, ASX 200, VT	HYG	PGSCI	US10Y

## 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](mailto:hello@zerocap.com)

