

# Weekly Crypto Market Wrap

8th April 2024



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**ZEROCAP.COM**

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

## Week in review

- Tether [acquires 8,888 BTC](#), making it the seventh largest Bitcoin holder in the world.
- Asset manager Monochrome applies for a spot [Bitcoin ETF in Australia](#).
- Ripple to release [US dollar stablecoin](#), seeks to compete with USDT and USDC.
- Bankrupt lender Genesis buys [\\$2.2 billion worth of Bitcoin](#) following redemption of GBTC shares in effort to repay customers.
- Ethereum earnings [tripled in Q1 2024](#), reaching \$370 million.
- Crypto staking rewards are now [450% higher](#) than S&P 500 dividends.
- Crypto-related [job openings](#) in global companies grow steadily by 30% m/m.
- [US job openings](#) rise slightly, labour market steadily easing.
- FED chair Jerome Powell [pumps brakes on rate cuts](#), wants to let incoming data guide the Reserve's decisions.

# Technicals

## BTCUSD

The biggest risk to a more sustained downside move last week was the US employment figures (NFPs) that were following on from the gnarly ISM inflation data. Risks were centred around stagflation indicators. Instead, data saw wage inflation at bay, with better-than-expected employment figures. Perhaps we are beginning to see data normalise despite 'high' interest rates? Time will tell but for now, the robust data has led to a BTC bounce at the 65,000 level despite the Fed reiterating probabilities of only two rate cuts this year (down from three expected last month).

Technically, we did expect a break lower from 65,000 - at least to take out some stops - but notable real money buyers are sitting at these levels to pick up the slack. The BTC ETF flows have turned positive again this week, which positions spot BTC to be supported in the short term.



Key event risk this week is centred around US CPI numbers (MoM) and the FOMC minutes. It looks like the market is looking for an excuse to bid anything dovish could light the fire to get us above all-time highs again, if we don't get there before the data.

### **Key levels**

65,000 / 70,000 / 73,130 (ATH!)

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## Spot desk

### **Crypto/fiat flow balances**

Surprisingly, we've seen heavier than usual off-ramp activity after the easter break even though AUD has strengthened throughout the week in the majors. We're seeing decent buy-the-dip activity on desk, in line with the action on BTC and ETH prices this week.

### **SOL frenzy - Follow up**

Following the Solana mania from the previous week, the frenzy seems to have somewhat tapered down, with meme coins like SLERF, WIF and BONK being hit heavily over the week. Interestingly, we've yet to see clients taking profits on their tokens. Perhaps these tokens are truly becoming a collectors' item, or maybe it's a "hold on for dear life" manoeuvre.

### **Bitcoin Halving**

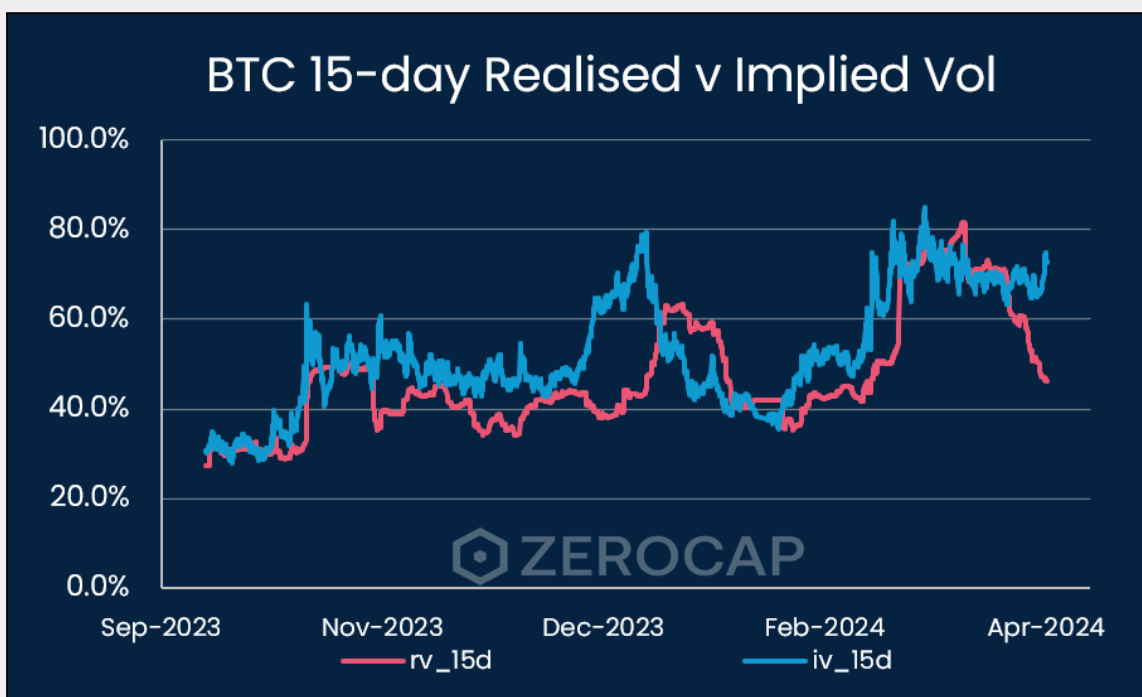
With the Bitcoin halving just 12 days away, we are expecting a pickup in volatility over the coming weeks. Combine this with 2-weeks of consolidation and Open Interest in derivatives rising, we could see some action both ways.

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## Derivatives desk

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We've seen realised volatility drop off significantly since the highs of March, while implied volatility has sustained its levels. As seen below, 15-day implied volatility is trading roughly 27 vol points above 15-day realised volatility. One could trade this negative carry by selling ATM options to harvest the implied premium, and delta-hedging your spot exposure. This is a more complex trade for those without options experience - hit the team up if you'd like it packaged into a Structured Product.



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

## What to Watch

- USD CPI, FOMC meeting minutes and Bank of Canada's monetary policy report, on Wednesday.
- ECB press conference and EU's monetary policy statement, on Thursday.
- UK's month-on-month GDP, 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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