

# Weekly Crypto Market Wrap

11th June 2024



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Zerocap Pty Ltd ABN: 99 164 874 597

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*This week's Weekly Crypto Market Wrap was released on a Tuesday due to the King's Birthday public holiday in Australia, on the 10th of June.*

## Week in Review

- Bizarre [NYSE glitch](#) sparks volatility in dozens of stocks - Berkshire Hathaway shown 99.7% down in a single day.
- Bitcoin NFTs break [\\$4 billion](#) in all-time trading volume - [Ordinals and Runes](#) hit \$1 billion market cap.
- GameStop (GME) [surges 21%](#) in a day after infamous advocate Keith Gill reveals to still hold \$116 million of its stocks.
- US Navy launches ["PARANOID"](#) blockchain security tech for private sector.
- Australia's [first spot Bitcoin ETF](#) begins trading.
- Telegram launches [TON-based currency](#) "Stars" for in-app purchases.
- McDonald's Singapore launches ["My Happy Place"](#) metaverse for customers.
- Ethereum co-founder [Vitalik Buterin speaks](#) out against celebrity memecoins.
- [Canada](#) becomes first G7 nation to cut interest rates.
- European Central Bank [cuts rates](#) for the first time since 2019.
- US job openings fall to [new 3-year low](#), as economy continues to slow.
- Australian economy records [weakest growth](#) in almost three years.

# Technicals & Macro

## **BTCUSD**

We got the retest of 72,000 last week before a fairly aggressive reversion back below 70,000 on the back of a big week of US data. Markets were relatively muted until Friday's NFP figures came out well above forecast. The release catalysed a spike in the dollar, which sent AUD lower and below the 0.66 level, which fueled increased off-ramp activity this week on the desk. US treasury yields surged higher as well, and risk assets had a knee-jerk reaction to the downside.

Even though we only have two data prints this week - they are of high impact - US CPI and the FOMC rate decision (alongside its market-moving statement). Once again we enter the back-and-forth vortex between how many rate cuts the market is pricing in this year, and the data that backs it. French political unrest has not helped the end of the past week - Macron is now looking like a resignation, even if only through the rumour mill. It makes sense - if the party cannot reform, we go south fast. This will likely keep a lid on EUR gains, and has been part of the risk-off moves heading into the key inflation data this week out of the US. It's tough to forecast what this data will look like. The ECB and Canadian Central Banks recently cut, whilst Australia has some more sticky inflationary pressures. We are beginning to see global divergences in how Central Banks will need to manage "normalisation".

On the crypto front, the ETF flows have still been leading spot flows - and last week was no different. Inflows at the beginning of the week, and now outflows, with the US ETFs turning negative. There is some market jawboning that the futures basis trade has been leading to spot inflows from institutions, with compression in (regulated - read CME) future markets. We don't buy this thesis - it's bloody tough to get margin against the BTC ETF via traditional PBs, and then cross-collateralising on the CME is another step beyond this. The market is just not mature enough for PBs to entertain this.. For now. The ETF inflows are real money buyers in our view, buying to join the asset class.

We are hearing of more traditional investment funds seeing this as a relative market cap play against gold's \$14 trillion capitalisation.

Watch the CPI figures and FOMC meeting - this will help drive the next price levels. We are looking for a break on either side of 66,000 and 72,000, data dependent.

## BTCUSD

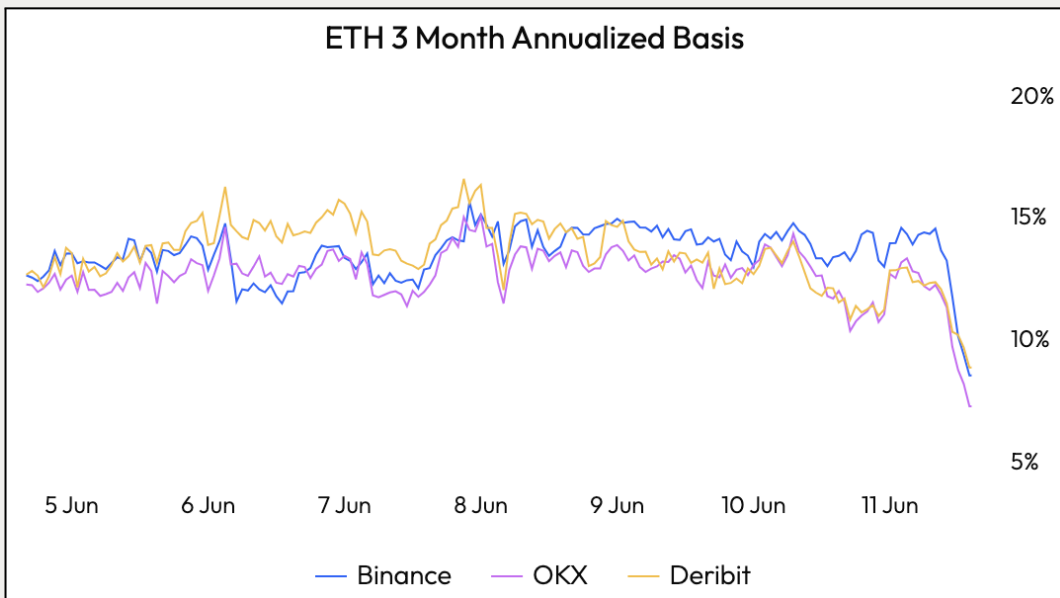


Ethereum is seeing a similar short-term dump, but the difference is that market makers will need to acquire the spot leg prior to the launch of the ETH ETF. This may keep some semblance of buoyancy in the medium term. But note, that macro factors will trump orderflow right now.

# ETHUSD



**On delta one trade ideas** - the ETH 3M basis is coming off hard. It's worth looking at calendar spreads between different expiries on the curve. The 3M is now looking mispriced.



## Key levels

60,000 / 66,000 / 72,000 / 73,130 (ATH!)

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## Spot Desk

We've seen balanced two-way flows on BTC and ETH this week, more balanced than the most recent break lower would suggest.

AUDUSD largely remained above 0.66 for the week, which has kept long-term bidders at bay. Flows in AUD and USD are still elevated for the desk QoQ.

## Follow-up from last week

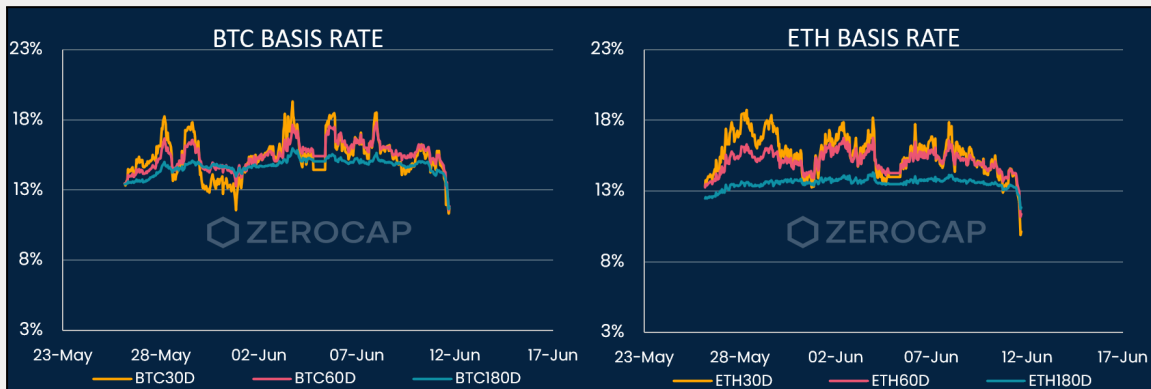
Following our commentary last week, RWA assets like OM quickly reversed Friday's post-NFP dip and broke convincingly into all-time-high territory. Another name within the space, TrueFi (TRU), continued its strong momentum since the start of the year to break highs again this week. The token is now up 266% for the year.

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# Derivatives desk

## WHOLESALE INVESTORS ONLY

The Basis Rates have come off heavily after today's selloff in spot BTC and ETH - with annualised basis rates for both tokens down ~4% on the 30-day. For now, skew is still showing a bias towards calls for both BTC and ETH on short and long-term expiries.



Given puts are still cheaper than calls, now might be a good time to consider collaring up spot BTC and ETH holdings to protect from any further downside moves. One could put on an 80/120 or 70/130 collar out to September and earn a premium from the skew.

Hit the derivs desk for pricing!

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## What to Watch

- UK's monthly GDP, FOMC press conference and economic projections, US federal funds rate and CPI, on Wednesday.
- Bank of Japan's policy rate and monetary policy statement, on Thursday.
- Bank of Japan's press conference and US preliminary consumer sentiment, 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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