

Weekly Crypto Market Wrap

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Week in Review

- Mt. Gox wallet [moves \\$9 billion](#) worth of Bitcoin to a single address as part of repayment plan.
- [BlackRock overtakes Grayscale](#) in world's largest spot Bitcoin ETF title.
- ARK's Cathie Wood claims spot Ethereum ETFs were approved because [crypto is now an election issue](#) - "It was absolutely not going to be approved."
- [Mastercard](#) launches peer-to-peer blockchain service "Crypto Credential".
- US President Biden [vetoes SAB 121 repeal](#) seeking to overrule SEC's authority over crypto assets.
- Gemini [returns \\$2.2 billion](#) to Earn platform users following an 18-month freeze.
- Bank of Israel launches its own [CBDC initiative](#), the Digital Shekel.
- Seychelles based exchange [HTX](#) overtakes Coinbase in daily trading volume.
- US [consumer confidence recovers](#), but inflation concerns persist.
- US GDP grew at [1.3% annual rate](#) in Q1 2024 - [weekly jobless](#) claims higher.

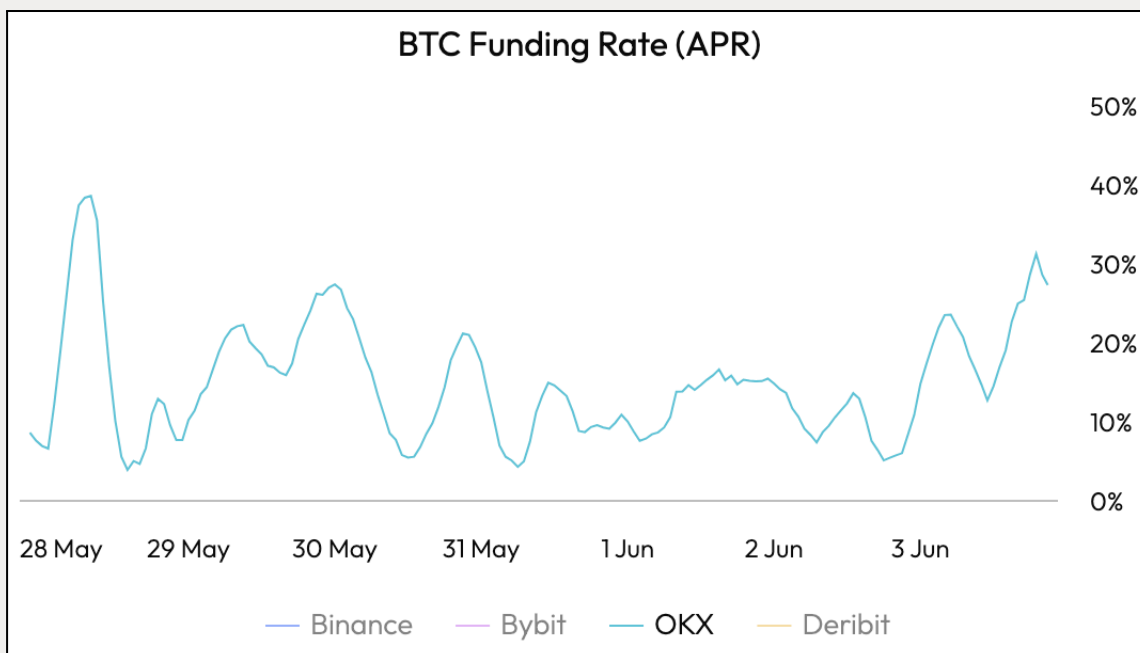
Technicals

Macro & BTCUSD

There's a great technical set-up brewing here - we've bottomed out at 67,000 with multiple rejects of that level. The RSI indicator is in oversold territory, and perpetual funding rates are building. We have a relatively quiet week on the US macro front, with some low(ish) impact on manufacturing, services, and jobs data. This environment is ripe for a continuation of medium-term momentum - and we expect BTCUSD to retest the 72,000 level this week. A break of 72 gets us to all-time highs, but we would need a catalyst for this. The following week (commencing June 10) is bringing us US CPI numbers which could lean the Fed and market into dovish/bullish territory with a lower print. Keep an eye on this piece of event risk, it'll be worth a watch. Until then, enjoy the orderly markets.. while they last. One such catalyst could be the sentiment building on the upcoming US presidential elections.



Data source: Tradingview



Data source: Velodata

Key levels

60,000 / 67,000 / 70,000 / 73,130 (ATH!)

Spot Desk

With non-stop action in the crypto sector over the past few weeks filled with positive narratives for the crypto space, the market is taking a breather, with the majors trading range-bound throughout the week.

The desk has witnessed some rotation out of altcoins back into BTC and ETH this past week with some opportunistic accumulation within these range-bound levels.

The sentiment is definitely still bullish, and quiet times in the market make the best opportunities to build up a thesis or even take some positions before the next narrative starts to shake markets up again. As mentioned above, CPI to US elections and everything in between has the potential to move markets.

Sectors we're watching

- The focus has been on majors most recently, with attention on other sectors fading.
- One sector holding strong is Real World Assets (RWA) tokens. Mantra (OM) announced on Friday that it has launched a savings vault powered by Ondo's USDY, which sent the stock soaring 30% over the weekend. Ondo also saw a surge higher, albeit lesser at 16%.
- AI is still showing strong signs in the right projects. Arcblock was a forgotten project until a few months ago - and is now unstoppable. Given the AI integration happening across so many sectors in the real world, naturally, some aspects would make sense on the blockchain. Emphasis on *some*.
- Notcoin (NOT), a Telegram mini-app, also had an extraordinary surge in its price over the last week. It is up 328% on the week as of writing, potentially due to the introduction of a staking function, as well as a surge in users.

Token watch: \$ONDO*

Ondo Finance is a blockchain project on a mission to connect traditional finance (TradFi) and Decentralized Finance (DeFi) through real-world asset (RWA) tokenisation. Their star product is the OUSG, a stablecoin tethered to short-term U.S. Treasuries, offering stability in the often-volatile DeFi space.

In a recent major development, Ondo partnered with financial giant BlackRock. Ondo shifted a significant portion of OUSG's backing (around \$95 million) to BlackRock's new tokenised fund, BUIDL. Post-deployment, OUSG now provides liquid exposure to short-term US Treasuries with 24/7 stablecoin mints and redemptions bringing the traditional finance (TradFi) world to the convenience of the crypto world.

TVL is on a constant rise with +23.27% monthly increase and we have a strong uptrend established now. Consider trading momentum or bidding on dips in the \$1 to \$1.15 zone.



Chart courtesy of CryptoBeri

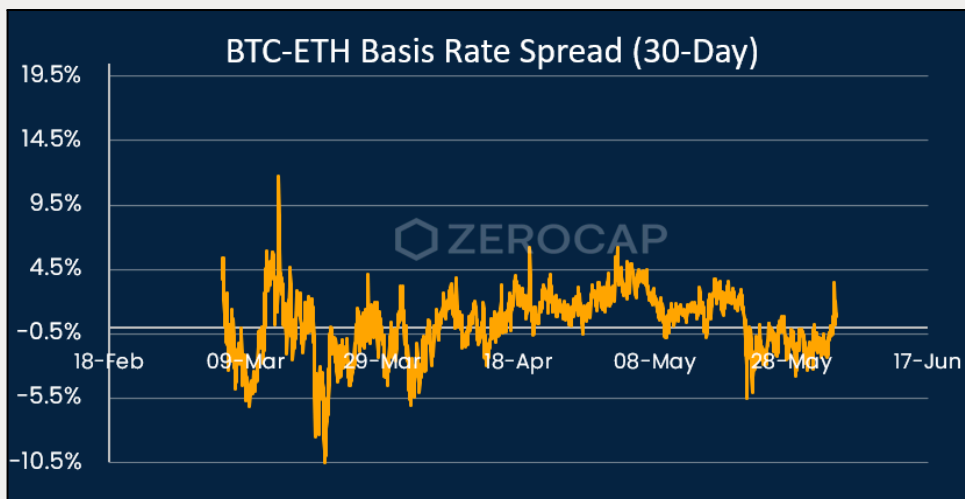
Huge opportunities are still ever present in cryptoland. Do hit the desk up if you are looking to trade as we offer access and bespoke execution for most altcoins.

* Note that several staff and clients are long \$ONDO and associated assets.

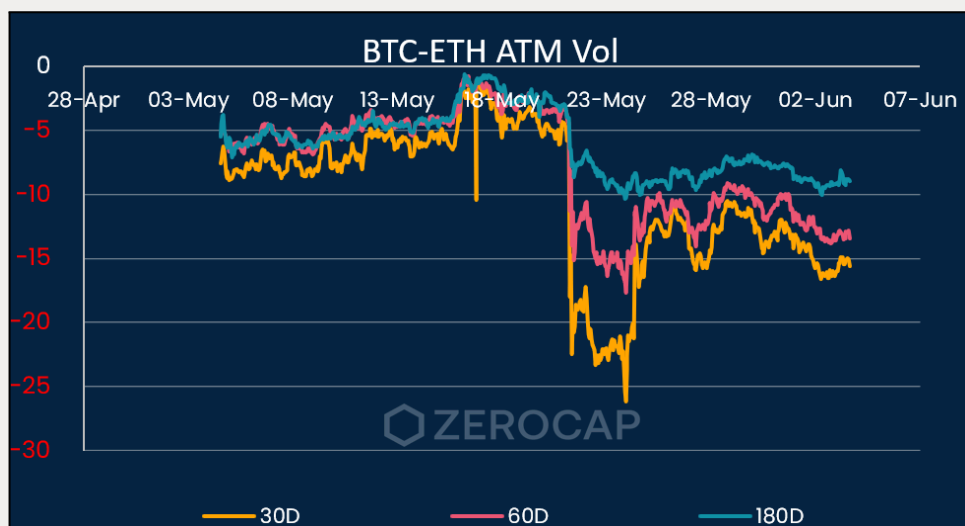
Derivatives Desk

WHOLESALE INVESTORS ONLY

BTC 30-day Basis Rate is elevated from May levels, currently sitting at just above 18% p.a. It's trading at a level above ETH's 30-day Basis Rate for the first time since the ETH Spot ETF surprise happened a couple of weeks ago (see chart).



Despite the rise in the BTC-ETH Basis Rate spread, ETH implied volatility is still trading at a much higher level than BTC. We are seeing a 15 vol point spread between BTC and ETH on the 30-day timeframe (see chart).



We have noted the heavy volatility premium being baked into ETH options for a couple of weeks now. We still see ETH Discount Notes as an attractive play given the higher yields in ETH options and the bullish narrative surrounding the ETH ETFs at the moment. For investors looking to get exposure to ETH at a discounted level to the current price, they could look at the following discount notes (expiring in December):

	27-December Expiry		
Discount %	-10.0%	-12.5%	-15.0%
Cap Price	130.0%	117.5%	112.0%
Max Return	44.0%	34.0%	29.0%

For this product (using the -10% Discount Note as an example), there are two potential payout outcomes on the 27th of December:

1. If the price of ETH is above the Strike Premium, then investors would receive a fixed return of 44% (87% p.a.).
2. If the price of ETH is below the Strike Premium then the investor would have bought ETH at a 10% discount to today's price.

What to Watch

- US ISM and Final Manufacturing PMI, on Monday.
- US Jolts Job Openings and AUS quarter GDP, on Tuesday.
- BoC rate statement and press conference, on Wednesday.
- ECB conference, monetary policy statement and main refinancing rate, on Thursday.
- US average hourly earnings and unemployment rate, 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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