

# Weekly Crypto Market Wrap

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

## Week in Review

- Former President Trump survives [assassination attempt](#) at Pennsylvania rally, with audience member losing their life - shooter identified as local 20-year old, killed at the scene.
- Bitcoin sentiment [plunges to "extreme fear"](#) as BTC struggles to break upper resistance.
- US House [fails to overturn](#) Biden's veto that would end controversial SEC crypto guidance.
- [Crypto market rebound](#) expected for August, liquidations to finish by July, states JPMorgan report.
- Labour party victory in the [UK renews crypto hopes](#), as party promises to make it a global leader in tokenisation.
- Ryan Selkis, CEO of crypto intelligence firm Messari, declares "[independence from the SEC](#) and its corrupt chair Gary Gensler" in harsh open letter.
- German government has seemingly offloaded its [final Bitcoin holdings](#).
- Supreme Court [ends Paxos investigation](#), will not pursue enforcement action.
- US inflation [falls to 3%](#), cooling to slowest pace in a year - Fed chair Powell states [US labour market](#) is back in balance.
- UK economy [grows by 0.4% in May](#), doubling the expected figure.

# Technicals & Macro

## BTCUSD

We noted last that there was a nice divergent signal - with the market still betting on a dovish Fed, a soft landing, and an upcoming (expected) strong quarterly earnings season, whilst at the same time BTC and the crypto space dumped on the back of orderflow (Mt Gox and German government selling). Combine that with a beautiful technical set-up - double false break of the inside trendline from late 2023, and touching support from an even longer-term trendline dating back to mid-2021. When you have a confluence of factors line up, it can lead to beautiful moves like this.

Helping the move is the failed Trump assassination attempt, which has the makings of a longer-term risk rally. This cements Trump as president in November in our opinion - the US is looking for strength, and like him or not, he symbolises an alpha-driven, decisive leader. There are 50M or so crypto holders in the US, many of which are swing voters. Trump has promised that Ross Ulbricht (Silk Road founder) gets pardoned from two life sentences and that Trump will provide support to the crypto industry. It's a big claim, and a bullish one.



Next key resistance is 66,000 - watch this for a break higher on risk this week, as long as US retail sales do not surprise massively to the upside.

### Key levels

53,000 / 59,000 / 66,000 / 72,000 / 73,130 (ATH!)

### ETHUSD

ETH is in a similar boat to BTC - with a bottom tick of the support base low from May 01. We've now rallied through the trendline resistance and are looking at 3,350 resistance. There's some chop to get through above this range, but it still puts ETH bulls back in the driver's seat after the dip last week. The S-1 forms are still waiting on approval from the SEC. When these get the green light, the ETH ETF should start trading very soon afterwards.



Source: Tradingview

### Key levels

2,700 / 3,350 / 3,600 / 4,000

## Spot Desk

BTC reclaimed the key 60,000 level this week leading the way for a broader crypto market upturn, with almost every coin in the top 100 recording either double-digit or high single-digit weekly percentage gains (ex: stablecoins).

For the majority of the week, USDT traded above parity which is something that the most popular stablecoin hasn't seen since May.

The desk noticed mostly balanced flows across stablecoins this week, with a slight bias towards the bid. Our clients were skewed towards buying BTC and ETH. However, there was a slight decrease in BTC and ETH volume compared to last week. The desk saw clients trading altcoins such as BNB, SOL and MPC, seeing value at last week's levels.

With the crypto market having a nice pump this week, we expect to see some further volume pickup in the majors, particularly in the Ethereum ecosystem in light of the much anticipated Ethereum ETF.

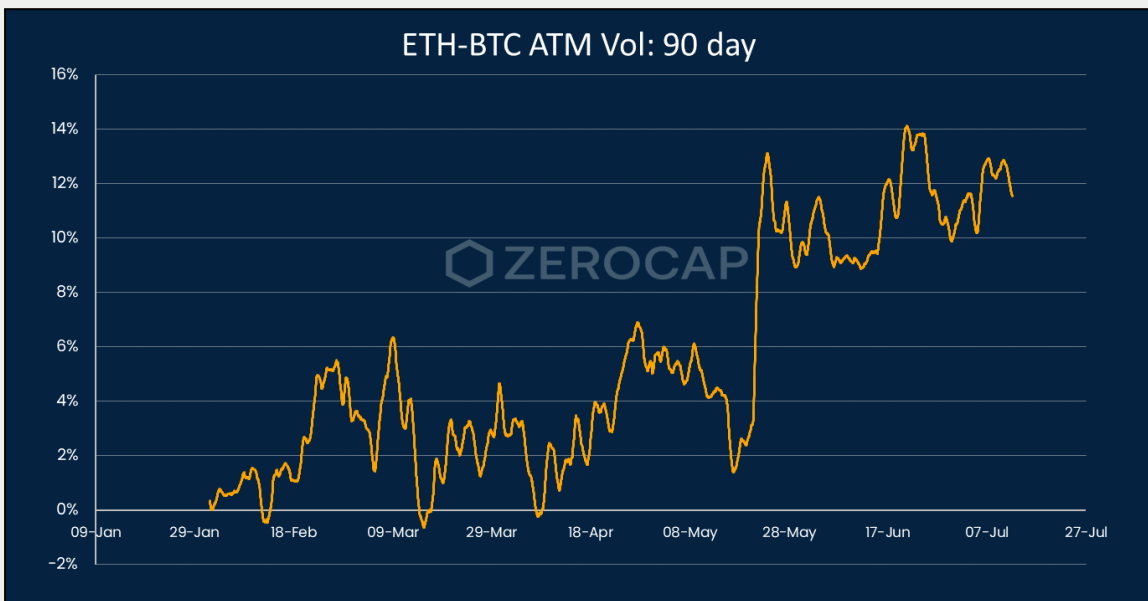
Feel free to hit up the desk for quotes!

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## Derivatives desk

### WHOLESALE INVESTORS ONLY

With the probable ETH ETF approval date drawing closer we are seeing a clear preference towards ETH volatility over BTC, with the ATM (At-The-Money) implied volatility spread sitting near the high of the year. While an approval will likely give a short-term boost to Ethereum's volatility, this could likely be short-lived, so there should be a repricing of this premium.



Given the potential for a rally accompanied by a drop in implied volatility, Ethereum discount notes could be of interest since the maximum payout is achieved for a moderate rally to the topside. The table below has current pricing indications.

<b>23-Oct-2024 Expiry</b>			
<b>Discount</b>	-5.0%	-7.5%	-10.0%
<b>Cap Price</b>	122.5%	115.0%	105.0%
<b>Max Return</b>	29%	24%	17%
<b>Max Return (%pa)</b>	146%	116%	73%

For this product (using the 7.5% Discount, 15% Cap Price as an example), there are two potential payout outcomes on the 23rd of October:

1. If the price of ETH is above the Strike Premium, then investors would receive a return on cash invested of 24% (116% p.a.).
2. If the price of ETH is below the Strike Premium then the investor would have bought ETH at a 7.5% discount to today's price.

Hit the derivs desk for variations and pricing!

# What to Watch

- Empire State manufacturing index and Fed chair Powell's speech at the Economic Club of Washington DC, on Monday.
- Canada's yearly CPI and US monthly retail sales, on Tuesday.
- UK's yearly CPI and Australia's employment data, on Wednesday.
- UK's claimant count change, EU's monetary policy statement and ECB press conference, US' unemployment claims, on Thursday.
- UK's monthly retail sales, 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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