

Weekly Crypto Market Wrap

1st July 2024



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Week in Review

- Spot Bitcoin ETFs hit [\\$1.3 billion outflows](#) in two weeks.
- US Treasury [issues crypto tax regime](#) for 2025, delays rules for non-custodians.
- VanEck files for a [spot Solana ETF](#), states Head of Digital Assets.
- SEC [sues Consensys](#) over MetaMask staking and broker allegations, claims Lido and Rocket Pool programs constitute unregistered securities.
- US government sends [3,940 BTC to Coinbase](#) seized from Silk Road-related investigations.
- After reaching more than 50% of all Bitcoin transactions in April, Runes transactions tank over 88% in June; [Dune Analytics](#).
- First extra-official [US presidential debate](#) disastrous for Biden, democratic party spirals into reelection bid crisis.
- Japanese Yen [falls to 38-year low](#), as country announces new FX diplomat.
- WikiLeaks founder [Julian Assange is freed](#) after reaching US plea deal.
- US [first quarter GDP](#) grows modest 1.4%, while [consumer confidence](#) dips and [core PCE inflation](#) softens to expected 2.6%.

Technicals & Macro

BTCUSD

Core PCE inflation provided a consensus figure that has formed a great-looking base in the range. Last week we had an inkling that this would be an outlier figure, which could lead to some further downside. That is not the case - with investors now looking for the Fed to cut and kick off the easing cycle by year-end.

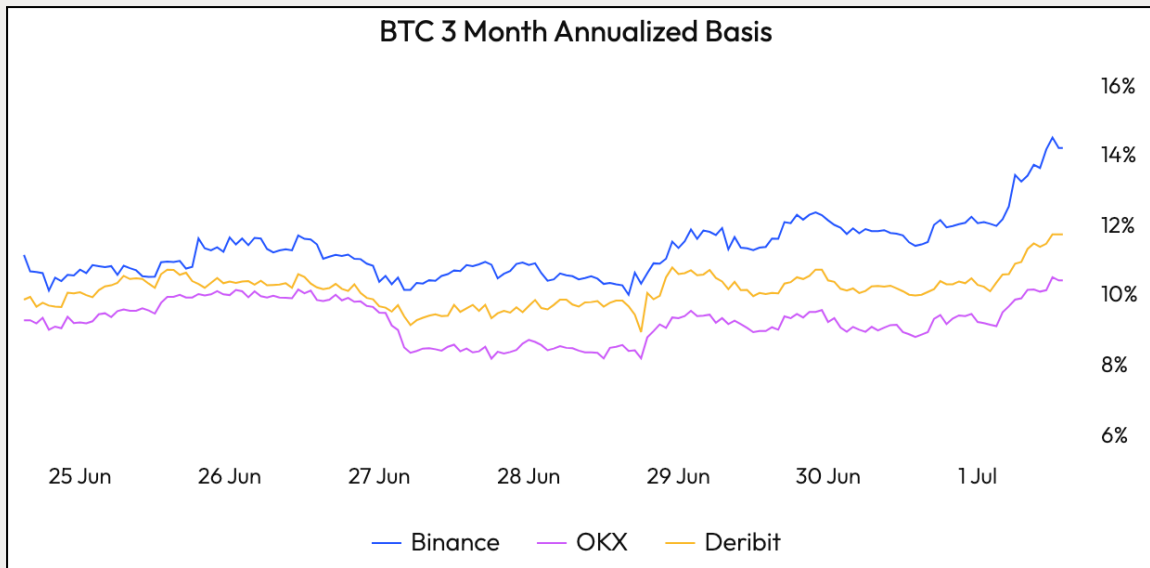
We are in a fairly efficient price zone at the moment, with two key levels to trade through if we continue higher - 66,000 (midpoint of current range) and 72,000 (range high). A break above sends us to all-time high territory, and a break below would look to fill the gap down to 53,000, but not before hitting the ascending inside trendline from late 2023.



Source: Tradingview

Despite the immediate downside pressures - Mt Gox disbursements flooding the market with 140,000 BTC and ETF outflows (which seem to be leading short-term sentiment), the futures and options markets are telling a different story. The put/call ratio is slowly dropping off in the options market, and the futures' basis is heading into bullish territory. If perpetual funding rates hop to

elevated and hold, we'd expect movement back toward the top of the range in quick succession.



Keep an eye on NFPs this week - as the market will be looking at growth as the next easing indicator.

Key levels

53,000 / 57,000 / 60,000 / 66,000 / 72,000 / 73,130 (ATH!)

ETHUSD

Ethereum is in a similar boat all around, and given the basis curve is rising, we'd argue that the market makers have probably built their long ETH positions in anticipation of the spot ETF launch in the US, and are sitting in a nice carry trade until investors start bidding through their brokerage platforms. Not too far off we don't think, the S-1 forms are due for an amendment on July 08 which should give us some guidance on timing from the SEC.



Source: Tradingview

Key levels

3,150 / 3,350 / 3,700 / 4,000

Spot Desk

As the price of bitcoin slid below 60K for the first time since early May, touching 58.4K, it was quickly being bought up by investors to close out the week at 62.6K. With this, Bitcoin is up 7.75% from its weekly low, while ETH behaved similarly closing out the week +6.81% from its weekly low. USDT traded below parity all week, and AUD/USD trended higher, closing with a weekly gain of +0.81%.

We saw balanced flows on the desk across stables and majors, but noticed our clients continue to trade high volumes of alts, including PAXG, TRX, ILV, SOL, MATIC and TON. Clients were skewed towards buying ETH while we saw balanced flows for BTC.

Although the exact timeline of the Ether ETF remains unclear, the ETFs are expected to trade soon and we wouldn't be surprised to see some pickup in

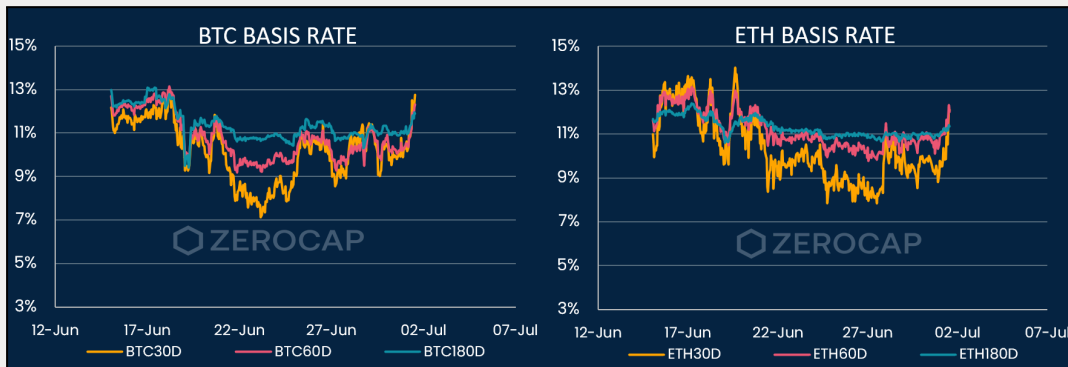
trading of tokens within the Ethereum ecosystem. As mentioned, July 08 should be the guide, keep an eye on it!

Feel free to hit up the desk for quotes.

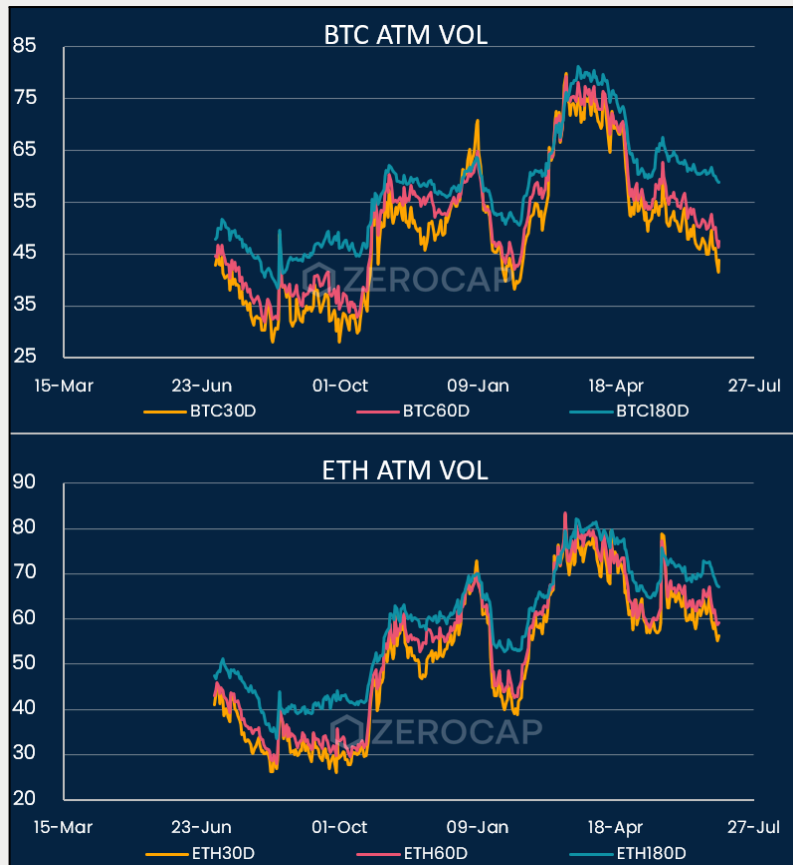
Derivatives desk

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The Basis Rates have kicked back up, marking a potential change in market sentiment coming out of June. BTC and ETH Basis Rates both sit at around 12.5% (30-day annualised).



Vol, on the other hand, looks relatively unchanged at the start of the month. We have been seeing a continuing downtrend in ATM IV since the highs in March this year.



If you believe that this downtrend will continue, it might be a good idea to look at trades that involve selling volatility, to capture the Yield Premiums. For those holding BTC and ETH, Yield Exit Notes are a good way to capture some of this premium, by selling some upside volatility on their spot holdings.

Hit the derivs desk for pricing!

What to Watch

- Fed chair Jerome Powell speaks at ECB Forum and US Jolts Job openings report, on Tuesday.
- FOMC meeting minutes, on Wednesday.
- UK's parliamentary elections, on Thursday.
- Canada and US unemployment rate (the big NFPs), 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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