

# Weekly Crypto Market Wrap

22nd July 2024



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

## Week in Review

- Biden [drops out of election bid](#), endorses VP Kamala Harris as replacement.
- Travel, banking and businesses across the world hit with outages after the CrowdStrike software bug causes [global IT chaos](#).
- Bitcoin and Ethereum lead record \$17.8 billion year-to-date inflows into digital asset investment products; [CoinShares data](#).
- Bitcoin holding addresses [fall by 672,510](#) over the past month.
- [BlackRock CEO Larry Fink](#) states Bitcoin is a legitimate financial instrument, calls himself a "major believer" in the asset.
- Chicago Board Options Exchange sets 23rd July as [launch date](#) for trading five spot ETH ETFs.
- SEC has given [preliminary approval](#) to at least three ETH ETF issuers.
- FTX and CFTC agree to [\\$12.7 billion settlement](#) after months of negotiations.
- Mt. Gox confirms payments to over 13,000 creditors, where most are opting to [hold the asset](#) - bankrupt exchange also moved [\\$9 billion in BTC](#) to undisclosed wallets.
- Trump eyes [JPMorgan CEO](#) and crypto critic Jamie Dimon for Treasury Secretary.

- Fed Chair Powell somewhat confident that data shows [inflation retreating](#) to key levels.
- British pound [hits one-year high](#) against US dollar as inflation holds steady.

# Technicals & Macro

## **BTCUSD**

The double false break continues higher with a confluence of factors that bode well for a broader crypto market recovery. The major catalyst to a sustained move higher from here is the Trump Trade - long energy, banks and bitcoin. With the assassination attempt and the iconic photo of American strength, Biden's breakdown, and now the subsequent pull-out of the presidential race, we have the foundations for a Trump presidency in 2024. Kamala Harris is less popular than Biden in polls, but more popular than any other potential running mates. She is the only viable candidate at this point regarding democratic popularity, but also on the back of the fundraising for the Biden/Harris duo - that are only deployable if Harris takes his place. We also have some tight timing before the election, and an unfamiliar candidate at this point could spell further disaster for the Democrats.

This all means an increasing possibility that we will have a strong pro-crypto government come November. Trump has said he'll release Ross Ulbricht (Silk Road Founder serving two life sentences), and has stated that he wants to enable innovation in the crypto space through looser regulation.

On the back of this, BTC is once again travelling to all-time high territory (67,000 heading for ~73,800), breaking through key resistance 66,000, and a believable bounce on the retest of 66,000 support. Next stop could be 72,000 if momentum persists. The key downside risk is the Mt Gox creditor disbursements (140,000 BTC) that could bring some selling pressure in the near term, although we haven't seen it yet.



Source: Tradingview

Despite the crypto momentum, last week saw equities take a dive. We had already begun to see some sectoral rotation out of technology stocks and into stocks that will benefit from easing interest rates. This selloff accelerated when the CrowdStrike software bug caused global IT chaos. We also have an earnings season that is above average levels in terms of the number of companies outperforming but below average levels in the magnitude of that performance. Given Alphabet, Tesla, Amazon, and Coca-Cola earnings are all out this week, the smart money has understandably made the call to take some profits and sit this one out.

### Key levels

59,000 / 66,000 / 72,000 / 73,794 (ATH!)

### ETHUSD

Ethereum is higher, albeit with less gusto. ETH is trading really efficiently at the moment within the range, surprising given the upcoming ETH ETF. The CME ETH futures basis is holding steady alongside BTC which makes us think all the spot accumulation is complete by the market makers. Now, we just need to launch. S-1 ETF forms were amended again by issuers on Friday, with

the conjecture that at least three have preliminary approval. We seem to be very close to launch - potentially as early as this week.

The next key level for ETHUSD is 4,000 the figure.



Source: Tradingview

## Key levels

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

## Spot Desk

BTC continues its bullish momentum from last week, closing out the week recording a 12.71% gain, setting the trend for the broader crypto market. Solana takes the spotlight in the majors closing out the week +25.79%.

For the second week in a row, USDT traded above parity for the majority of the week reaching as high as 9 pips above. Coupled with last week's pump, this is indicative of investors offramping stablecoins and swapping into other crypto assets.

The desk noticed large volumes of clients offramping stable coin flow into AUD as AUD/USD takes its first dip in 6 weeks, offering favourable rates for bidders. The desk saw balanced flows for BTC and ETH, and as anticipated we noticed an increased volume in altcoin trading activity. Our clients were persistently trading SOL, XRP, AERO, TRX, OM and FIL.

The options market got more volatile as BTC's 3-month ATM volatility saw a weekly gain from 52.77% to 64.48% and as a result, we expect to see further volume pickup across the majors and the broader crypto market, particularly in the Ethereum ecosystem in light of the much anticipated Ethereum ETF.

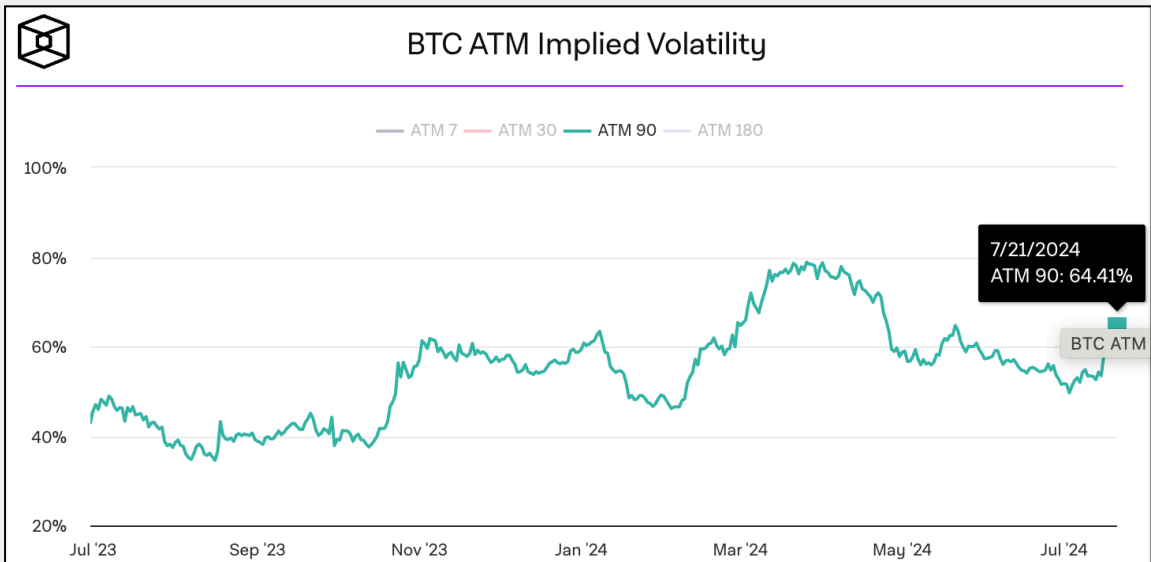
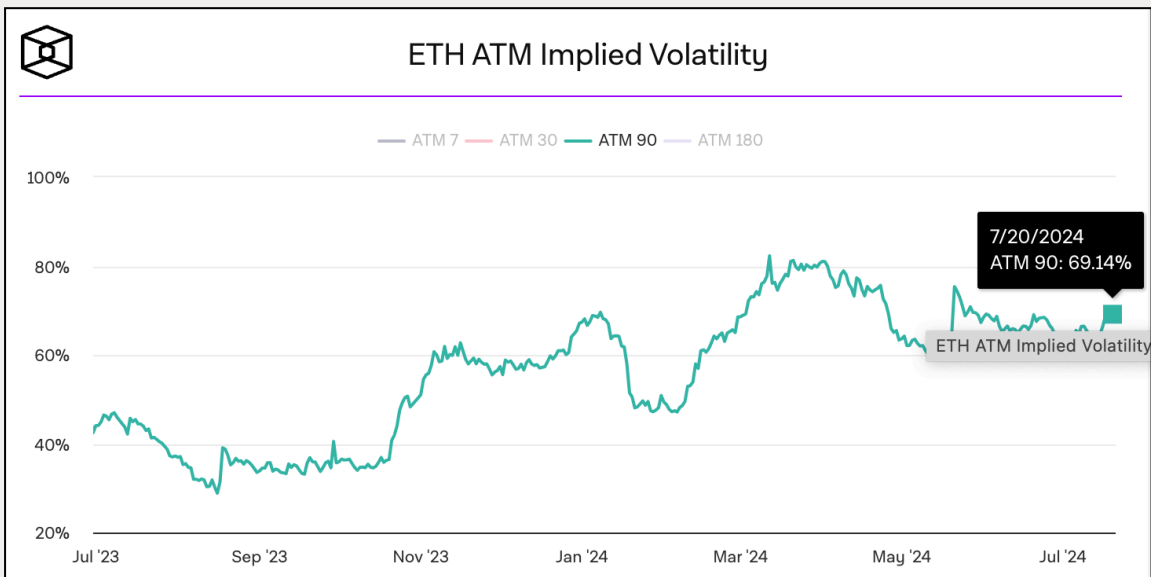
Feel free to hit up the desk for quotes!

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# Derivatives desk

WHOLESALE INVESTORS ONLY

Following on from last week, we did see compression in the ETH/BTC ATM IV spread, now sitting at 69.14% / 64.415 respectively. While there is still some juice in this trade, some of the wind is out of the sails until the ETH ETF launches. Keep an eye out for any IV expansion, and hit the derivs desk for trade ideas if you're interested.



Source: The Block



## What to Watch

- French, German, UK and US flash manufacturing and services PMIs, on Wednesday.
- Bank of Canada monetary policy and press conference, also on Wednesday.
- US advance quarter GDP and unemployment claims, on Thursday.
- US PCE price index, 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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