

Weekly Crypto Market Wrap

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

Week in Review

- Spot Ethereum ETFs see [net inflows](#) of \$106 million on launch, and \$1 billion in [total trading volume](#).
- Kraken finished [Mt. Gox Bitcoin distribution](#); creditors are not selling their BTC.
- Bitcoin mainnet receives [first-ever zk-proof](#) without altering base layer.
- Trump [speaks at Bitcoin Conference](#), vows to make US the "crypto capital of the planet". Former President shows concern for China potentially [taking over](#) the crypto industry.
- BlackRock's head of digital assets states [client interest](#) is mainly on Bitcoin and Ethereum, with "very little interest beyond the two."
- Kamala Harris [wins enough support](#) for official democratic nomination - could be a [crypto-friendly candidate](#), states Mark Cuban.
- Ferrari expands [crypto payments](#) system to European dealers.
- US [manufacturing data slumps](#), while services PMI recovers - economy regains speed at [2.8% GDP growth](#) over second quarter.
- Bank of Canada [cuts interest rates](#) again, trims growth prospects.

Technicals & Macro

BTCUSD

Gear up for a big week, people.

Last week, we mentioned that the Trump trade was alive and well - long energy, banks, and bitcoin. The key downside risk was Mt Gox creditor payments, which seem to be hodling at this point, adding to positive sentiment. The largest momentum driver right now is political - Trump went further last week stating that if he was elected, he would build a strategic bitcoin reserve, prevent the U.S. from ever selling its bitcoin holdings, and fire current SEC Chair Gensler. He further stated that the asset could compete with gold one day and be "the steel industry of 100 years ago." This is some serious clout to these claims. Just prior to this, Robert F. Kennedy Jr. announced that he would consider creating a massive government reserve of Bitcoin should he return to the White House. Kennedy said he would match the proportion of gold in its reserves with bitcoin. Candidates are gunning for the vote of the 50M or so crypto holders in the US, and no one is holding back.

On the back of this, BTCUSD heading higher to the 72,000 level, and then potentially a run at all-time highs (~73,800). I wouldn't be surprised if we hit all-time highs this week. There has been talk in the past of BTC as a tactical reserve asset, which could help solve the US debt ceiling woes - and with dialogue now coming to the fold from potential presidents, we have Michael Saylor's dream scenario. The market seems to be taking all of this with a grain of salt - we are moving up, but not with the gusto I'd expect. Keep an eye on the highs, it could be a violent one-sided move above if we break.



Key levels

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

ETHUSD

ETH following BTC higher. The ETF launch was positive, but nothing on BTC. If you are playing political momentum, bitcoin could be the outperforming asset on a relative basis to ETH. The next key level is 4,000.



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 at 68.2k following Trump's appearance and positive stance on crypto. While majors such as BTC and SOL had positive weeks, ETH closed out the week -7.5% as Grayscale's Ethereum Trust ETF net outflows hit \$1.5b.

After a brief stint above parity, USDT traded on par or slightly below for the majority of the week reaching as low as 23 pips below. Coupled with last week's pump, this is indicative of market participants selling their USDT for other crypto assets.

On the back of concerns over Chinese demand for Aussie commodities, AUD/USD took a 4% hit over two weeks, and as a result, the desk noticed clients were heavily skewed towards the bid on USDT/AUD. The desk saw clients favouring the offer for BTC and ETH, and as anticipated we noticed an increased volume in altcoin trading activity. Our clients were persistently trading FLOKI, NEAR, PAAL, SOL, CORE and LDO.

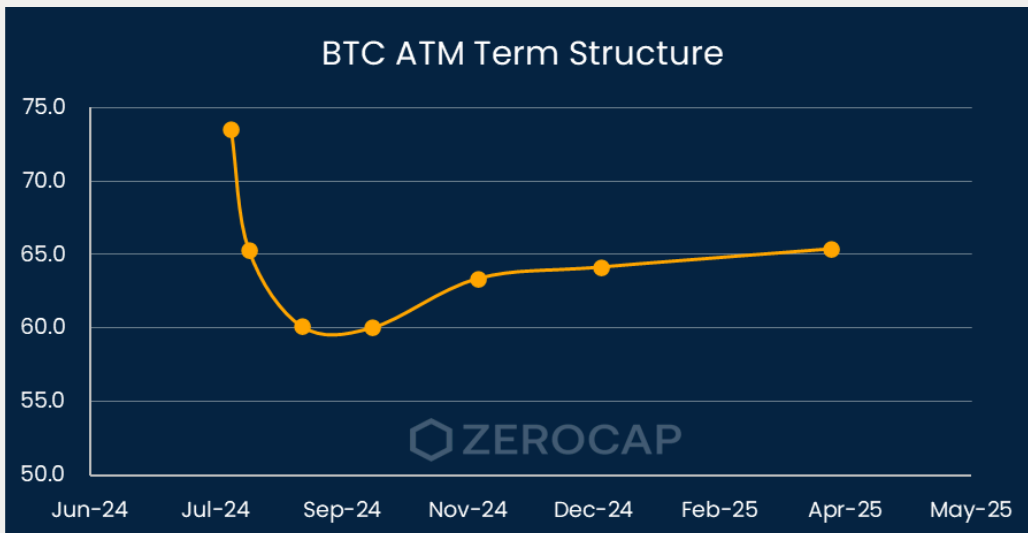
The crypto market remains volatile while BTC is just 6% off all-time highs, with the potential to crack them this week. As a result, we anticipate further volume pickup across the majors and the broader crypto market, particularly in the low to mid-cap altcoins as participants become more optimistic about chartering into unknown price ranges.

Feel free to hit up the desk for quotes!

Derivatives desk

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This week all eyes will be on the US with the FOMC rate decision and Non-Farm Payrolls data which have put the vol term structure into contango despite relatively low realised volatility. 2-August expiry is priced well above back months, an event move of around 7% expected in BTC.



After these events have filtered out, we'd expect the term structure to revert to regular backwardation, making short-term yield entry notes a good play to take advantage of IV while it's elevated.

Below are sample yields for 1-month and 3-months with a clear advantage to 1 month APY.

Underlying	Strike	1m APY	3m APY	6m APY
BTC/USD	95%	45.1%	27.7%	21.0%
BTC/USD	90%	25.1%	20.2%	17.0%
BTC/USD	85%	13.4%	14.2%	13.5%
ETH/USD	95%	51.8%	32.5%	23.8%
ETH/USD	90%	30.8%	24.4%	19.6%
ETH/USD	85%	18.0%	17.8%	15.8%
AVAX/USD	90%	73.7%	52.0%	38.9%
MATIC/USD	90%	52.7%	40.9%	32.0%
SOL/USD	90%	73.8%	52.0%	38.9%

Hit the derivs desk for variations and pricing!

What to Watch

- US' consumer confidence, Jolts job openings and BoJ's monetary policy rate and statements, on Tuesday.
- BoJ's outlook report, US' federal funds rate decision and FOMC press conference, on Wednesday.
- US non-farm payroll data, from Wednesday to Friday.
- BoE's monetary policy report, official bank rate and US' unemployment claims, on Thursday.

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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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