

# Weekly Crypto Market Wrap

8th July 2024



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

## Week in Review

- German government continues [selling its Bitcoin](#), with \$75 million more in BTC transferred to exchanges - local lawmaker demands strategic overhaul amid sell-off chaos, states country is likely not aware of OTC solutions.
- TRON founder [Justin Sun](#) offers to buy all of Germany's Bitcoin off-market to avoid further market instability.
- Mt. Gox moves [\\$2.7 billion in Bitcoin](#) to wallet address and begins repaying creditors.
- Spot Ethereum ETFs in "[window dressing stage](#)" for US approval in July, states Galaxy head of asset management.
- NFT sales [fell by 44%](#) during the second quarter of 2024.
- Tron starts development of [gas-free stablecoin](#) solution for Ethereum, Tron chains.
- Labour Party's Keir Starmer is the [new UK Prime Minister](#), as Conservative Party loses for the first time in 14 years.
- FOMC Minutes: Fed [not ready for rate cuts](#) until inflation reaches 2% goal.
- Speaking at ECB Forum, Fed chair Jerome Powell continues stance on [not providing timeline](#) for rate cuts.
- US job openings [unexpectedly rose](#) in May to 8.14 million; JOLTS report - [non-farm payroll data](#) shows higher-than-expected spike.

# Technicals & Macro

## BTCUSD

We got the break lower on the back of the Mt Gox disbursements and the German government flooding crypto exchanges. Ole Deutschland decided that the 50,000 or so BTC that it had seized from a pirate movie site was better dumped on exchanges than 'hodled'. On the back of this, BTC has been under pressure all week - breaking the 60k support level, and continuing lower through key support levels. We've been watching the 53,000 level for a while, as it finally closes the gap up in orderflow in the months post spot BTC ETF launch. We are almost down there now, hitting 53,550 on the spike, and forming a double false break of the ascending trendline from October last year.



Source: Tradingview

FOMC minutes released after the Wednesday close didn't help already fragile sentiment with FED officials noting that the US economy was cooling (growth), and showing a fairly divided set of opinions on how long they should keep rates elevated since the last meeting. Eight officials forecast two cuts, whilst the remaining four forecast nil.

Equities are telling a different story though, with the S&P and Nasdaq up a couple of percentage points for the week. There is a nice divergent signal - with the market still betting on a dovish Fed, a soft landing, and an upcoming strong quarterly earnings season. For those looking to accumulate, here's your shot.

## Key levels

49,000 / 53,000 / 59,000 / 66,000 / 72,000 / 73,130 (ATH!)

## ETHUSD

The S-1 forms for the spot ETF launch are due for an amendment submission on July 08 which should give us some guidance on timing from the SEC. If approved, we could see the ETFs trading as soon as July 15th. This could be the precursor to a move back into the range. Ultimately, the market will be following BTC's sentiment, and this is predominantly order flow-driven right now. An ETF launch could see a positive bump, but will likely take the medium-term cue from BTC.



Source: Tradingview

## Key levels

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

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## Spot Desk

BTC crashing through the key 60,000 level this week, saw investors take the opportunity to add to their crypto holdings at the levels in the low 50s.

After trading 27bps below parity early in the week, USDT finally began trading above parity on Friday for the first time since early June.

The desk noticed balanced flows across stablecoins this week, and saw bullish bias towards majors and altcoins, despite the bloodbath. Our clients were heavily skewed towards buying Bitcoin, with clients buying 10x more BTC than we saw selling, More balanced flows for ETH. Other Altcoins our clients traded included MATIC, SOL, TON, FTM and TIA, seeing value at current levels.

With the crypto market taking a dip this week, we wouldn't be surprised to see some further volume pickup in the majors, particularly in light of the expected ETH ETF approval.

Feel free to hit up the desk for quotes!

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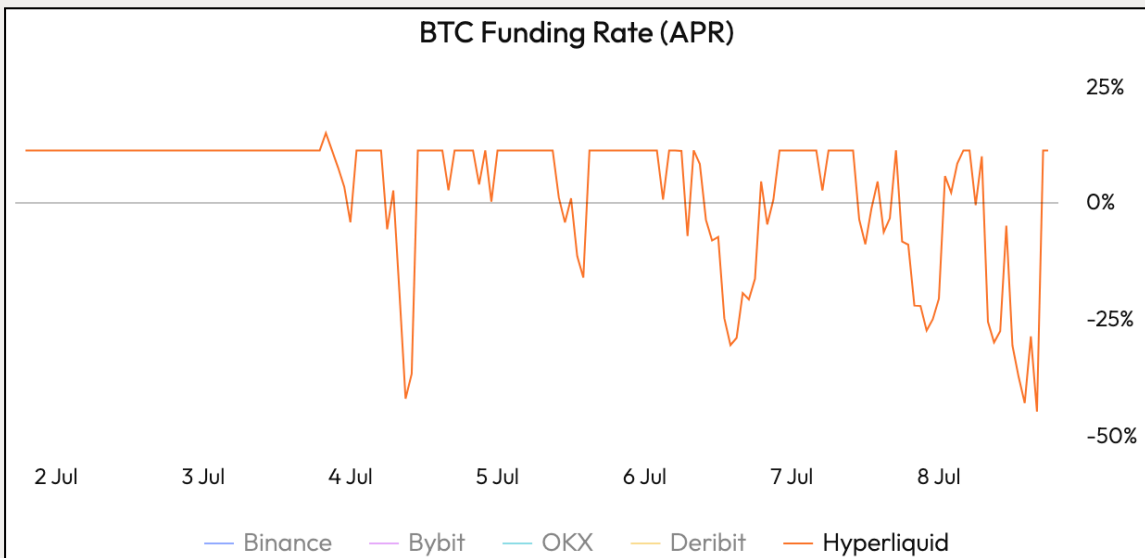
# Derivatives desk

## WHOLESALE INVESTORS ONLY

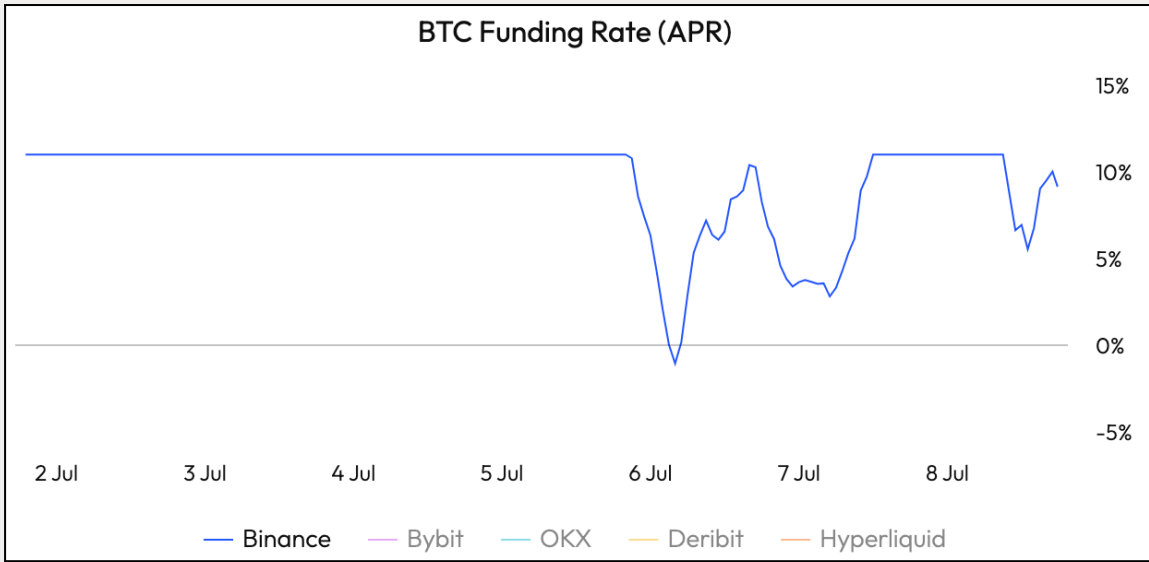
With perpetual funding rates kicking into negative territory, and diverging across venues, there is an interesting play to cross-arbitrage the rates curve between CEXes and DEXes.

HyperLiquid (DEX) is showing some pretty wild negative spikes in funding, whilst Binance holds fairly steady in the positive territory (given its more balanced flow).

Selling the BTC perp on Binance, whilst buying the perp on HyperLiquid is a nice funding play - just be prepared to watch the margin closely with any leverage, and to get out when rates go the other way. HyperLiquid can also be wildly positive when the market gets bullish again. You'll need wallet access to DEXes and a CEX account at a relevant venue to run this trade.



Source: Velodata



Source: Velodata

Good luck out there!

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# What to Watch

- Fed chair Powell testifies for the semi-annual monetary policy report, on Tuesday.
- UK's monthly GDP and US' monthly and yearly CPI report, on Thursday.
- US' PPI reports and preliminary consumer sentiment, 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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