

Weekly Crypto Market Wrap

19th August 2024



ZEROCAP.COM

AUSTRAC REGISTERED DIGITAL CURRENCY EXCHANGE SERVICE PROVIDER DCE100635539-001
Zerocap Pty Ltd ABN: 99 164 874 597

ZeroCap is a market-leading digital asset firm, providing **trading, liquidity and custody** to forward-thinking institutions and investors globally. To learn more, contact the team at hello@zerocap.com or visit our website www.zerocap.com

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

Week in Review

- Goldman Sachs reveals [\\$419 million stake](#) in spot Bitcoin ETFs in recent filing.
- Spot Ether ETF weekly [flows turn positive](#) for first time since launch.
- Ethereum blockchain [median gas fees](#) hit 5-year lows.
- MetaMask [partners with Mastercard](#), launches crypto debit card.
- NYSE [scrubs plan](#) to list Bitcoin ETF Options.
- [Celsius sues Tether](#), seeking \$3.5 billion over Bitcoin collateral sell-off.
- US Senator Chuck Schumer [promises crypto bill](#) for 2024 if Kamala Harris wins election.
- [IMF execs](#) ponder raising crypto mining and AI electricity prices by 85%.
- Trump Organization announces launch of [crypto real estate initiative](#) - former US President [recently discloses his crypto holdings](#).
- US [annual inflation rate](#) slows to 2.9% in July, lowest since 2021.
- [UK inflation](#) picks up less than expected, boosts rate cut bets - economy [expands 0.6%](#) in second quarter.

Technicals & Macro

BTCUSD

Bit of up, bit of down, and we finish the week where we started last week at 58,000. Technically price is compressing into a wedge that will need to break one way or the other. Tough call on whether we head lower to retest the 55,000 zone - the ascending trendline from late 2023, or if we trend higher to the 66,000 range low. The primary short-term factors that are keeping price muted are orderflow driven - the Mt Gox disbursements are huge, at around 140,000 BTC being sent back to creditors of the exchange, and combine that with recent disbursements in the Genesis administration, and you get a wall of capital suppressing price. Also keep a keen eye out this week on macro factors with the Democratic National Convention, FOMC Minutes, Jobless claims and Powell's Jackson Hole speech all coming in.

Importantly for the medium term, the US election will be one helluva race. Betting odds are tight, with Harris slightly ahead of Trump at the moment. Trump is a clear winner for crypto, but we think the market is underpricing what a Harris presidency could look like. She's already stated that she wants to "reset" relations with the crypto space, and we believe this will happen well before November, which is coming up quickly. Senate Majority Leader Chuck Schumer, and other advocates assured attendees at a recent "Crypto4Harris" event that she would advocate for supportive crypto regulations.

Furthermore, other risk assets are rallying again. The S&P and Nasdaq had stellar prior weeks. Many roads are pointing to a rally in the crypto space, but orderflow will dictate short-term sentiment.



Source: TradingView

Key levels

50,000 / 55,000 / 66,000 / 72,000 / 73,794 (ATH!)

ETHUSD

Same comments as last week - normally we'd call a beta play here on the back of positive risk, but BTC has the US election potentially bringing a Strategic Reserve bill into the fold so we are still short-biased on ETHBTC. The caveat to this would be the launch of a staking ETF that we think will eventually provide a dividend/income hedge that changes the dynamics of risk allocation in the listed crypto space.



Source: Tradingview

Key levels

2,100 / 2,800 / 3,600 / 4,000

Spot Desk

USDT traded above par most of the week. However, it did little to offset the rising AUD, which saw off-ramping activity take a breather compared to previous weeks. The CPI release brought some volatility to markets, but BTC still kept within a range, hovering around 60k - the desk subsequently saw balanced flows for BTC and ETH.

Minimal altcoin trading activity, with some further interest in FTM at these levels. Keep an eye on FTM as one of the premiere DAG blockchains.

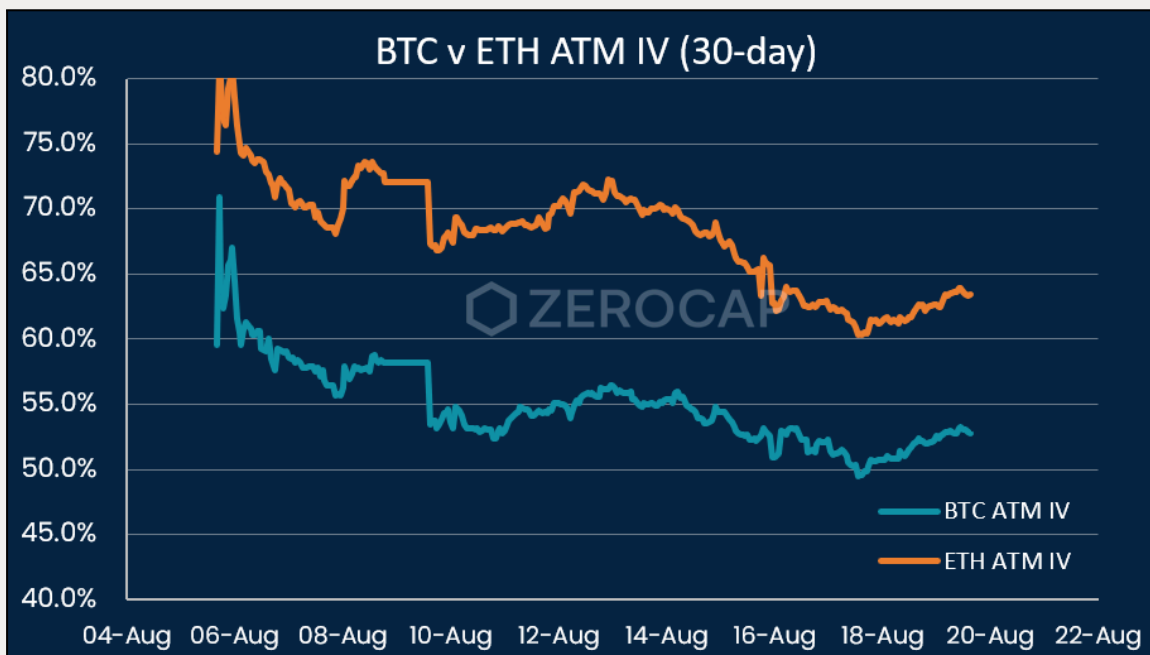
The desk remains strategically positioned to offer competitively priced stablecoin/AUD and USD pairs and T+0 settlement. Corporates, exchanges and other desks are encouraged to reach out with any interest.

Derivatives desk

WHOLESALE INVESTORS ONLY

For several weeks now, BTC's 3-month annualised futures basis rate has been ranging between 8-10%. ETH's futures basis rate continues to trade lower between 6.5-8%.

- Options are priced at a slight discount to last week, with ATM IV on both BTC and ETH dropping off (BTC ATM IV - 52.7, ETH ATM IV - 63.4).
- There is a heavy macro focus in markets this week (Democratic National Convention, FOMC Minutes, Jobless claims and Powell's Jackson Hole speech).
- Given the cheapness of options and the potential for macro-driven market movements this week, now might be a good opportunity to consider a long position in volatility via crypto options.



Hit up the derivs desk if you'd like to package any options trades into a Structured Product.

What to Watch

- US Democratic National Convention, from Monday till Thursday.
- FOMC meeting minutes, on Wednesday.
- French, German, US and UK PMI reports, on Thursday.
- Jackson Hole symposium, on Friday.

Disclaimer

This material is issued by Zerocap Pty Ltd (Zerocap), a Corporate Authorised Representative (CAR: 001289130) of Gannet Capital Pty Ltd (GC) AFSL 340799.

Material covering regulated financial products is issued to you on the basis that you qualify as a “Wholesale Investor” for the purposes of Sections 761GA and 708(10) of the Corporations Act 2001 (Cth) (Sophisticated/Wholesale Client), or your local equivalent.

This material is intended solely for the information of the particular person to whom it was provided by Zerocap and should not be relied upon by any other person. The information contained in this material is general in nature and does not constitute advice, take into account financial objectives or situation of an investor; nor a recommendation to deal. Any recipients of this material acknowledge and agree that they must conduct and have conducted their own due diligence investigation and have not relied upon any representations of Zerocap, its officers, employees, representatives or associates. Zerocap has not independently verified the information contained in this material. Zerocap assumes no responsibility for updating any information, views or opinions contained in this material or for correcting any error or omission which may become apparent after the material has been issued. Zerocap does not give any warranty as to the accuracy, reliability or completeness of advice or information which is contained in this material. Except insofar as liability under any statute cannot be excluded, Zerocap and its officers, employees, representatives or associates do not accept any liability (whether arising in contract, in tort or negligence or otherwise) for any error or omission in this material or for any resulting loss or damage (whether direct, indirect, consequential or otherwise) suffered by the recipient of this material or any other person. This is a private communication and was not intended for public circulation or publication or for the use of any third party. This material must not be distributed or released in the United States. It may only be provided to persons who are outside the United States and are not acting for the account or benefit of, “US Persons” in connection with transactions that would be “offshore transactions” (as such terms are defined in Regulation S under the U.S. Securities Act of 1933, as amended (the “Securities Act”). This material does not, and is not intended to, constitute an offer or invitation in the United States, or in any other place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or invitation. If you are not the intended recipient of this material, please notify Zerocap immediately and destroy all copies of this material, whether held in electronic or printed form or otherwise.

Disclosure of Interest: Zerocap, its officers, employees, representatives and associates within the meaning of Chapter 7 of the Corporations Act may receive commissions and management fees from transactions involving securities referred to in this material (which its representatives may directly share) and may from time to time hold interests in the assets referred to in this material. Investors should consider this material as only a single factor in making their investment decision.

* 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

Contact Us

Zerocap is a market-leading digital asset firm, providing **trading, liquidity and custody** to forward-thinking institutions and investors globally. To learn more, contact the team at hello@zerocap.com