

# Weekly Crypto Market Wrap

16th September 2024



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Zerocap Pty Ltd ABN: 99 164 874 597

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

## Week in Review

- MicroStrategy stock [jumps 8%](#) after purchasing 18.3K more BTC for \$1.1B USD, their [largest purchase since 2021](#).
- US spot bitcoin ETFs record [highest daily inflows](#) in nearly two months as BTC taps \$60,000.
- US Commodity Futures Trading Commission [prepares for a huge spike](#) in election speculation.
- FTX's Sam Bankman Fried appeals his fraud conviction [appealing for a new trial](#).
- Monetary easing saw Stocks, Bonds and Gold rally with [gold hitting ATH](#) while BTC still around 20% below ATH.
- Tether [onboarded](#) former head of government affairs from PayPal.
- Hong Kong considers a new [licensing regime](#) for OTC crypto trading.
- English court [rules](#) that Tether is personal property.

# Technicals & Macro

## BTCUSD



### Key levels

53,000 / 55,000 / 66,000 / 72,000 / 73,794 (ATH!)

BTC got the rally to 60,000 last week off the back of within expectation inflation data (CPI and PPI), and an interesting shift in Fed Funds Futures - now pricing in a 59% chance that we see a 50 bps cut. This will be a closely watched, and volatile event - and is very close to call. Given the Fed has waited this long for the initial cut, we are in the 50 bps (vs 25 bps) camp. The Fed's dot plot is looking more and more like the start of a rate cutting cycle, which should support risk assets into the end of the year.

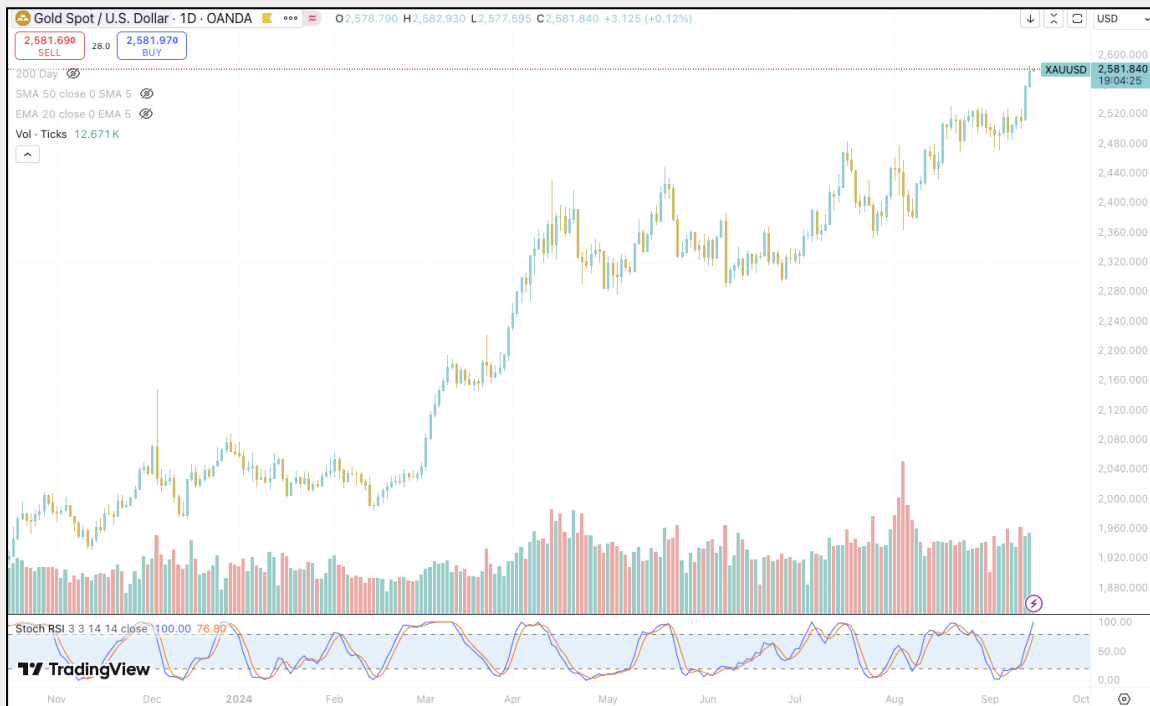
The S&P and Nasdaq had great weeks, getting close to all time highs. BTC, and to an extent ETH, followed - but we are now seeing reversion back into the range in the early Asian session (Mon 16 Sep). Gold was the star performer though, breaking all time highs and rallying into early Asia today.

BTCUSD is forming an imperfect descending wedge on the daily chart, with a lot of chop (indecision) inbetween. Michael Saylor's \$1.1B of additional BTC

purchases over the past month have helped to somewhat buoy the spot price, but we are definitely seeing underperformance when compared to equities. We follow that the upcoming election is playing into this - we are still not certain on how a Kamala Harris presidency would look for the crypto space. Harris leads in the polls, and had a convincing win over Trump in the recent debate. If these odds begin to shift, watch out for the long banks, energy and bitcoin trade with a Trump win.

We're seeing a BTC downside target of 53,000 after the recent range lows, with an upside target of 65,000 after breaking the loose descending wedge. Tough to call on direction until we get closer to the election, but risk on conditions should lead to short-term positive sentiment.

### Gold on the move



Source: TradingView

# ETHUSD



Source: TradingView

## Key levels

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

We mentioned last week that we are still short biased on ETHBTC, despite it hitting multi-year lows. It has indeed dropped further, breaking recent lows and seeing levels not touched since 2021. Are we still short biased? Price has come a long way, but fundamentals are still in BTC's camp - and we expect this ratio to decline further. Would we get short here? Probably not - tough to make a case for a momentum trade when it's already come this far on a short-term basis, however longer-term, happy to sell into ETHBTC as a long BTC proxy trade.

Jon de Wet, CIO



Source: TradingView

## Spot Desk

The Australian Dollar (AUD) took a dive, and then a rally - moving moderately against the US Dollar (USD) week on week, with a close at 0.6705. This sustained demand for AUD offramping for the desk. The late week recovery in the AUD was supported by a recovery in global stock markets and a decline in the US Dollar, as investors looked ahead to the Federal Open Market Committee (FOMC) meeting this week.

The week didn't see substantial demand towards majors, with some bidding towards BTC and SOL. Alts haven't been a preferred choice lately among investors as BTC remains the preferred asset on a relative basis.

Looking ahead, there is volatility anticipated as the Fed prepares to make its first rate cut decision this week.

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.

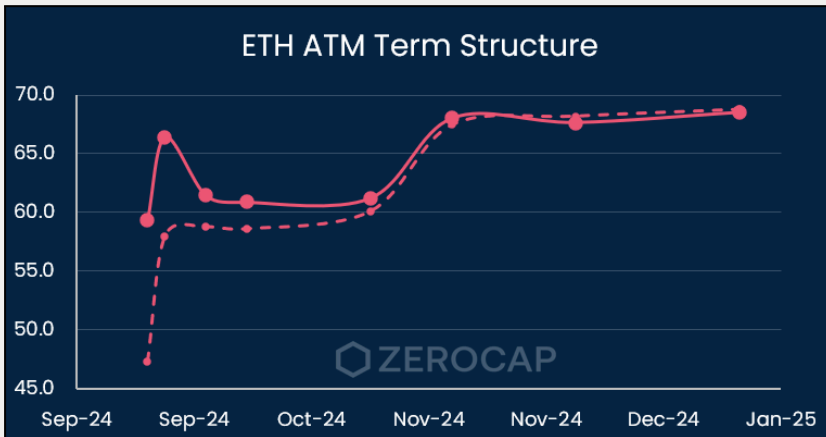
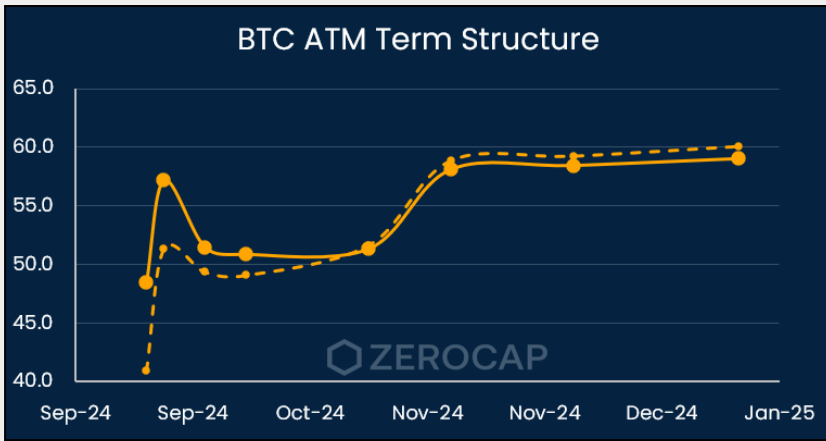
Arpit Berit, Operations Analyst

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## Derivatives Desk

WHOLESALE INVESTORS ONLY

The Basis Rates rates are relatively unchanged for the week, with BTC's 90-day annualised rate sitting at 7.25% and ETH's sitting at 5.29%. While IV has been dropping off over the last few months on BTC and ETH, there is a slight kink in the front-end of the term structure ahead of the FOMC interest rate decision on Tuesday.



If you believe that the IV downtrend will continue, you could 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!

Berkeley Cox, Derivatives Analyst



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## What to Watch

- Canadian CPI and Retail figures, on Tuesday.
- UK CPI and PPI figures, on Wednesday.
- US Fed Fund Rates, Unemployment Rates, FOMC Economic Projections and Press Conference, on Thursday.
- AU Unemployment Rate and Employment change rates, on Thursday.
- UK Monetary Policy Summary and Interest Rates released, on Thursday.
- Japanese Interest Rates, 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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