

Weekly Crypto Market Wrap

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ZEROCAP.COM

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

Week in Review

- The U.S. added [254K jobs in September](#) in a notable data beat. Unemployment rate ticked down to 4.1%.
- AI tokens are driving a crypto [market rebound](#), supported by strong U.S. economic data.
- Bullish bets predicting Bitcoin could hit \$100,000 by the end of the year has attracted nearly [\\$1 billion](#) in open interest on Deribit.
- Bitcoin and Ether spot ETFs continue to bleed as geopolitical tensions weigh over risk assets. Bitcoin ETFs bled [\\$54.2 million](#) on Thursday.
- The UAE has announced that crypto transfers and conversions will be [exempt](#) from Value-Added Tax (VAT).
- Microstrategy may soon [hold more](#) Bitcoin than Grayscale in the next major purchase.
- A new [HBO documentary](#) claims to unmask the creator of Bitcoin, named as Len Sassaman who died in 2011.

Technicals & Macro

BTCUSD



Source: TradingView

Key levels

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

The US non-farm payroll report has cemented a 25 bps (vs 50 bps) cut at the next meeting, with Fed Funds futures pricing in a 93% probability. The payroll data came in better than the market expected across all fronts - unemployment rate, employment change and the average hourly earnings. The US is looking more and more like a soft landing, with some solid economic data coming through.. but not too hot, just enough to keep markets content as long as the goldilocks scenario lasts.

Downside risks persist in the Middle East though - with crude oil and the USD dollar climbing as Israel-Iran conflict remains elevated. We saw the initial dump in risk assets early last week as the conflict escalated, and Israel began ground attacks in Lebanon. Crypto, equities and high-yield corporate bonds came off, and whilst crypto and broader equities are on the recovery, the junk bonds are not - which is giving some early insight into the fragility beneath a seemingly orderly market.

In the absence of an escalating crisis, we see BTCUSD at 70,000 in the coming weeks, continuing off current downside support, with equities breaking further highs. If the crisis escalates, we see broader risk begin to come off with a little gusto, with a BTCUSD floor in the early 50Ks. In our opinion there is simply too much buoyancy on the back of the US rate cutting cycle for price to head much lower. Altcoins present an interesting relative value play in a moderating risk environment - it's been late start for coins outside the majors, but if we see de-escalation in the Middle East combined with reaffirming goldilocks data, we could be off to the races across a few key thematic - real world assets, AI and bitcoin based blockchain innovations.

Hell, apparently they've [found Satoshi](#), so this is reason enough for a rally right?

ETHUSD



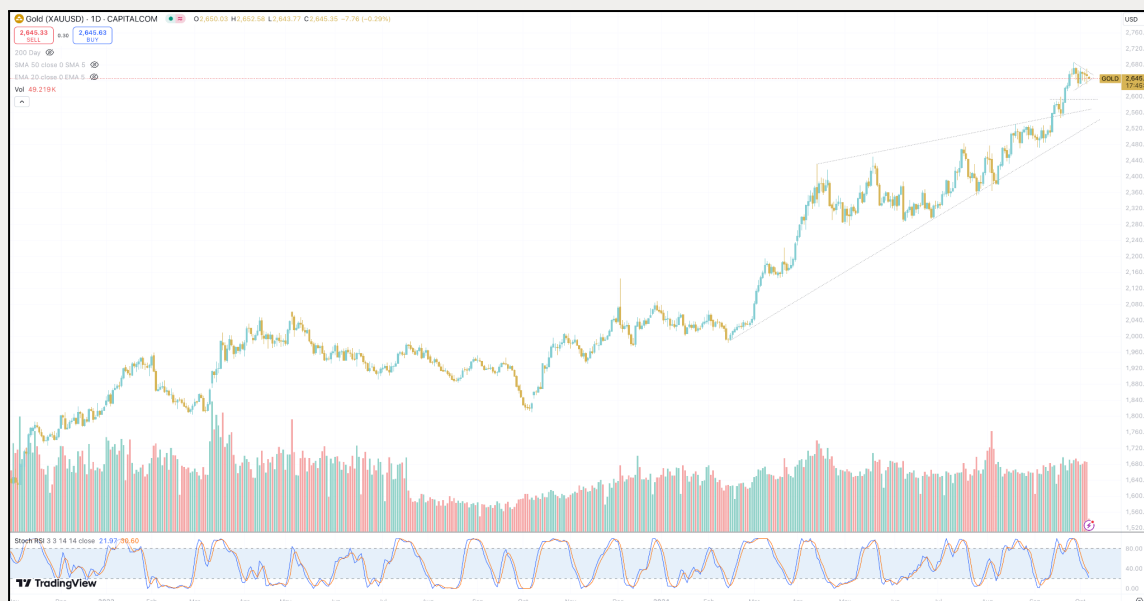
Source: TradingView

Key levels

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

ETH in the range - nothing notable apart from the short ETHBTC proxy trade that still makes sense long-term.

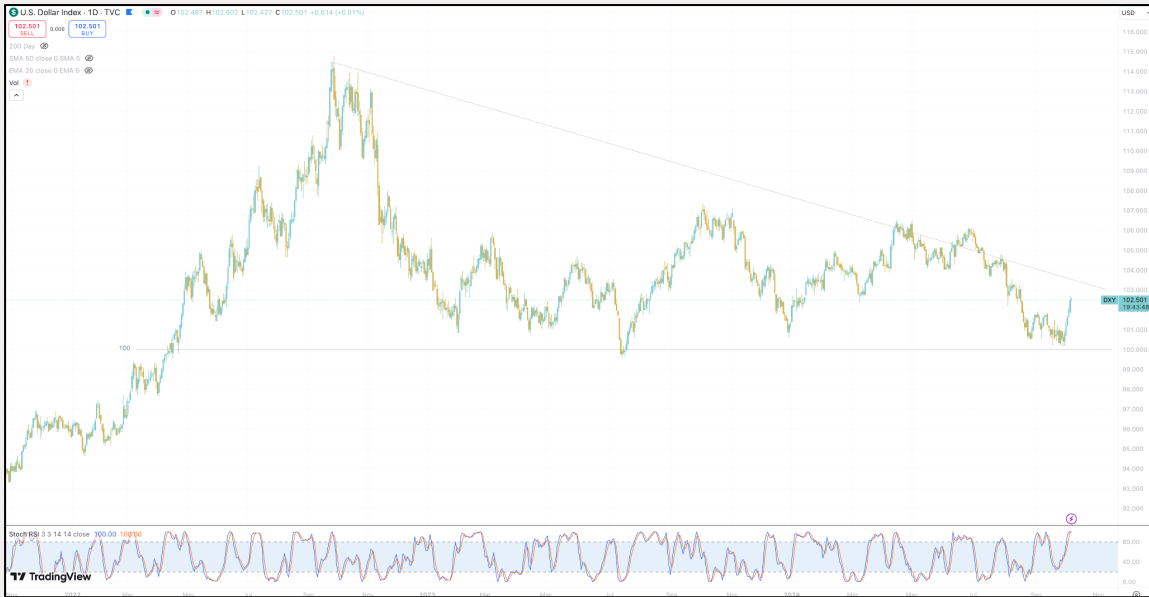
Gold still strong - looking to break higher



Source: TradingView

Gold is still on the mother of all runs, and looking for a break higher on the back of the Middle East crisis.

DXY rebound



Source: TradingView

DXY bouncing off the critical 100 level and firing back into the range on the back of the flight to safety. Despite this, equities and crypto are still moving higher presenting notable market dynamics.

Jon de Wet, CIO

Spot Desk

The Australian dollar has recently been strong, but last week's US dollar strength led to a slight decline in the AUD/USD pair. This week, the focus shifts to the RBA meeting minutes along with US CPI and PPI data.

Desk trading activity has been largely centred around on-ramping, with minimal off-ramping from crypto to fiat for the last few weeks. A consistent buying trend has emerged in major cryptocurrencies, particularly Bitcoin and Solana. Positive sentiment from a newly announced Chinese stimulus program has triggered a sharp rebound in the crypto markets, with several altcoins now taking the lead.

Notably, POPCAT has surged approximately 43% over the week, surpassing a \$1 billion market cap, while TAO experienced significant growth, jumping to around \$670 for gains exceeding 30%. In the altcoin market, KARRAT, FLT, and LINK faced selling pressure, whereas SUI, AERO, SOL, and FTM attracted considerable buying interest. Additionally, STX saw noteworthy two-way trading activity.

The spot desk is well-positioned to offer attractive rates for major currencies, altcoins, and stablecoin pairs against major Fiat currencies, with T+0 settlement available.

Arpit Beri, Operations Analyst

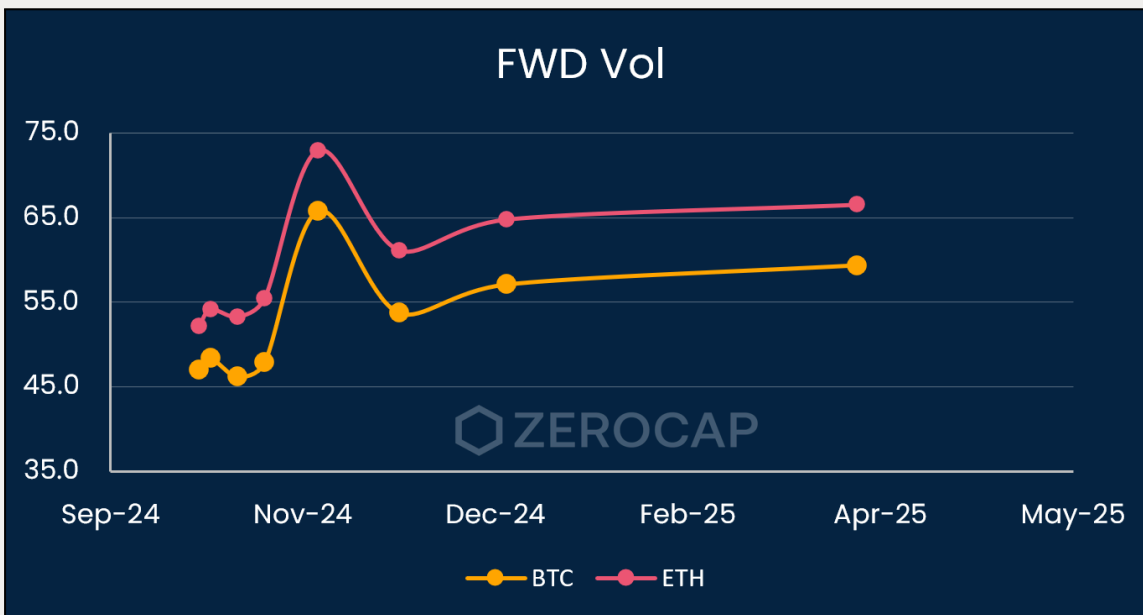
Derivatives Desk

WHOLESALE INVESTORS ONLY

Basis rates on BTC and ETH are edging higher again (both up 40bps from last week):

- BTC's 90-day annualised basis rate is up to 8.6%.
- ETH's is up at 7.1%.

The ATM IV priced into the Nov 8 expiries (US election) has dropped slightly. Comparing the chart below to last week's write-up, we can see that the spike in fwd vol has dropped since last week.



Fwd vol into the election is starting to be squeezed out. ATM IV has dropped nearly 10% on both BTC and ETH over the last month on this expiry. If one believes that this trend will continue, "selling the event" might be the play

with regard to trading options around the election - given there is still some juice in ATM IV around this expiry.

One could look at selling 30-day upside options and buying upside options further out on the curve - a way to cheapen-up any bullish bets on price action towards the end of the year.

Berkeley Cox, Derivatives Analyst

What to Watch

- US FOMC meeting minutes, CPI figures and unemployment claims, on Thursday.
- Bank of Canada unemployment change and employment rate, on Friday.
- UK GDP data, on Friday.
- US PPI figures, 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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