

Weekly **Crypto** Market Wrap

5 October 2026



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Week in Review

- The RBA [raised the cash rate 25bps to 4.60%](#) in a unanimous decision, the fourth increase this year and the highest level since late 2011, with the Board noting that some of the upside risks flagged in August are materialising.
- Australian [CPI rose 4.0% in the year to August](#), up from 3.5% in July, while trimmed mean inflation held at 3.6% for a third consecutive month and the monthly underlying measure came in at 0.2% against a 0.3% forecast.
- US [nonfarm payrolls rose just 29,000 in September](#) against an 84,000 consensus, with unemployment climbing to 4.2% and 60,000 of downward revisions to the prior two months, prompting traders to trim bets on a further Fed hike this year.
- The SEC [proposed a tailored custody framework for crypto assets](#) held by investment advisers and regulated funds, permitting state-chartered trust companies to act as custodians and allowing limited self-custody where no eligible third party is available, with a 60-day comment period to follow Federal Register publication.

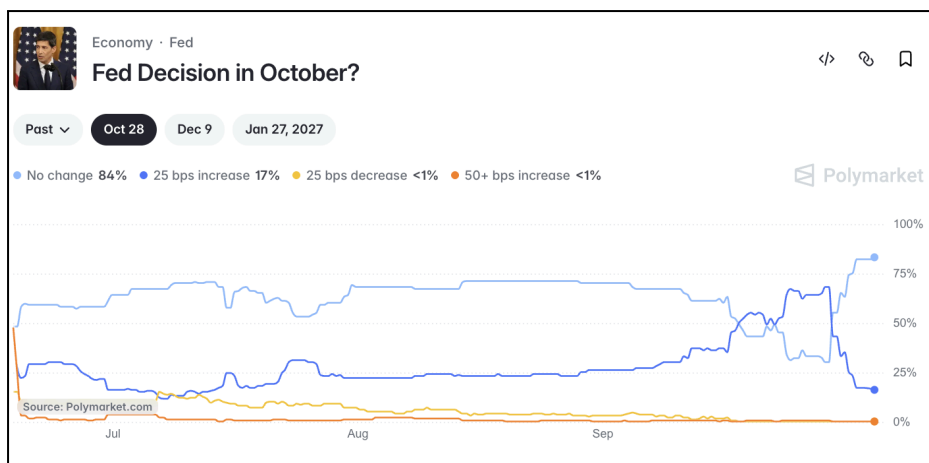
- Crypto ETF flows [reversed sharply](#), with US spot bitcoin funds taking in a provisional \$82.9m across the week against \$2.39bn the week prior, while ether products swung to \$118m of net outflows and Solana funds drew \$800,000 after \$188.1m.



Technicals & Macro

Markets

The US rate outlook shifted materially last week. A week ago, markets were pricing roughly a 70 percent chance of a further Fed hike at the 27-28 October meeting. By Friday that had fallen to below 20 percent. The repricing came in three steps: New York Fed President Williams and Vice Chair Jefferson signalled no urgency to move again, August core PCE came in softer than expected at 3.0 percent, and Friday's payrolls confirmed the shift. The US added just 29,000 jobs in September against expectations near 90,000, unemployment rose to 4.2 percent and wage growth slowed to 3.0 percent, with July and August revised down by a combined 60,000. Jefferies described the report as the nail in the coffin for an October hike.



Source: Polymarket

We would caution against reading this as the end of the tightening cycle. Markets still price better than a 75 percent chance of a December increase, and the 10-year yield actually rose over the week to around 5.27 percent despite the softer data. The bond market is drawing a clear distinction between an October pause and a Fed that is done, and with heavy issuance and oil above US\$100 still weighing on the long end, the curve is not yet giving up the higher-for-longer framing. September CPI is now the decisive input before the October meeting.

Equities reflected the same split. The Nasdaq rose 0.5 percent to 27,190.86, touching an intraday record on Friday as Nvidia and the semiconductor complex rallied, while the S&P 500 slipped 0.3 percent to 7,722.72, still within 1 percent of its record. The Dow lagged, falling 1.3 percent to 51,176.96. Oil eased modestly, with Brent around US\$101 this morning after Saudi Arabia restarted its East-West pipeline and resumed loadings at Yanbu, partly offsetting the absence of progress on Hormuz.

Domestically, the RBA raised the cash rate 25 basis points to 4.60 percent on 29 September, a unanimous decision and its fourth increase this year, taking the rate to its highest level since 2011. The Board cited energy prices running above its August assumptions and, for the first time, AI-driven demand lifting global technology goods prices. August CPI followed the next morning at 4.0 percent, up from 3.5 percent but slightly below the 4.1 percent consensus, with trimmed mean steady at 3.6 percent. The marginally softer print cooled expectations for a follow-up move and weighed on the Australian dollar. The September quarter CPI on 28 October is now the key input ahead of the 3 November meeting.

Cryptocurrency

Bitcoin consolidated in a constructive range, trading near US\$85,583 this morning, up approximately 2.9 percent on the week, having briefly touched US\$86,885 on Thursday ahead of payrolls. Ether gained around 1.9 percent to US\$2,702. The softer US data provided a supportive backdrop, and Citi lifted its 12-month Bitcoin target to US\$113,000 from US\$82,000, citing renewed ETF demand and the prospect of broader adviser and brokerage allocation. Spot Bitcoin ETFs closed September with approximately US\$2.65 billion of net inflows, one of the strongest months since October 2025, though daily flows have moderated in early October.



Source: TradingView

The more interesting activity again sat below the majors, where rotation was narrative-driven and selective rather than broad.

Quant extended its extraordinary run, gaining around 158 percent over the week to approximately US\$261, following its selection for The Clearing House's US tokenised deposit network. That is a meaningful institutional mandate and continues the theme we flagged last week of capital positioning around settlement and tokenisation rails. After

a cumulative gain of several hundred percent across two weeks, however, the technical setup is now deeply overbought, and we would expect volatility rather than linear continuation.



Midnight, the privacy-focused network, nearly doubled after opening permissionless smart contract deployment on mainnet. Its rise coincided with a cooling in Zcash, which fell around 14 percent to roughly US\$1,313 as the privacy trade rotated and the squeeze that drove ZEC higher through September lost momentum. Bitway rose

around 67 percent in the final week of its Binance Wallet campaign, and Pump.fun gained on continued buybacks. Sui firmed after its Hashi protocol went live, allowing Bitcoin to be used as collateral on the network.

On the other side, Lighter was the week's weakest performer, falling around 29 percent and giving back its monthly gains, while Ethena declined roughly 15 percent ahead of a restructuring of its investor vesting schedule. The divergence across these names supports our view that this is a rotation driven by specific catalysts rather than a general altcoin bid.

On structure, Bitwise's NEAR ETF debuted on 29 September with US\$35.5 million of first-day inflows, the first US spot NEAR fund, and CME is scheduled to launch Bitcoin Cash futures on 19 October. On regulation, the SEC proposed new crypto custody rules on 1 October, with comments due 20 October alongside the Regulation Crypto Assets framework, reinforcing that agency rulemaking rather than legislation is now setting the US agenda.

For Bitcoin, the US\$80,000 to US\$82,000 zone, the average ETF cost basis, remains the key support, with the US\$88,000 to US\$90,000 supply wall overhead. A softer October Fed removes a near-term

headwind, but December pricing and a 10-year above 5 percent keep the opportunity cost of holding non-yielding assets elevated.

For any pricing needs, please get in touch.

Emir Ibrahim



Spot Desk

Spot held its ground despite a sharp slowdown in institutional flow. US spot BTC ETFs took in \$82.9m across the five sessions to 2 October against \$2.39bn the week prior, and ETH funds swung to modest outflows, yet BTC traded up toward \$86.9k midweek before settling back and ETH held its range

On the desk, stablecoin offramping drove the book. USDT carried a heavy net selling skew, with USDC similarly offered and USD bought against limited sell interest. EUR saw a small net buying skew.

Activity across the majors was subdued through the week, with BTC the only meaningful participant and carrying a modest net selling skew. Interest in the long tail was close to absent, leaving the digital asset book quiet relative to the fiat side.

In FX, RBA's hike of 25bps to 4.60% on Tuesday was a unanimous decision, the fourth increase this year and the highest level since late 2011. August CPI the following morning showed headline inflation accelerating to 4.0% from 3.5%, in line with consensus, though the

trimmed mean held at 3.6% for a third consecutive month and the monthly underlying measure came in softer than expected at 0.2%. That was enough to cool expectations for a follow-up move, with November pricing falling back toward 20%. AUDUSD broke below the 0.70 handle on the print and continued lower, settling at 0.6933 at Friday's RBA reference from 0.7019 the week prior. Desk AUD flow ran against the move, with clients net buyers through the decline, while AUDD and AUDM were both offered.

The OTC desk continues to provide tailored cryptocurrency liquidity solutions and competitive pricing across major digital assets, stablecoins, selected altcoins and key fiat currency pairs. With T+0 settlement capability, the desk continues to facilitate efficient execution and settlement across client flows.

Oliver Davis, OTC Trader

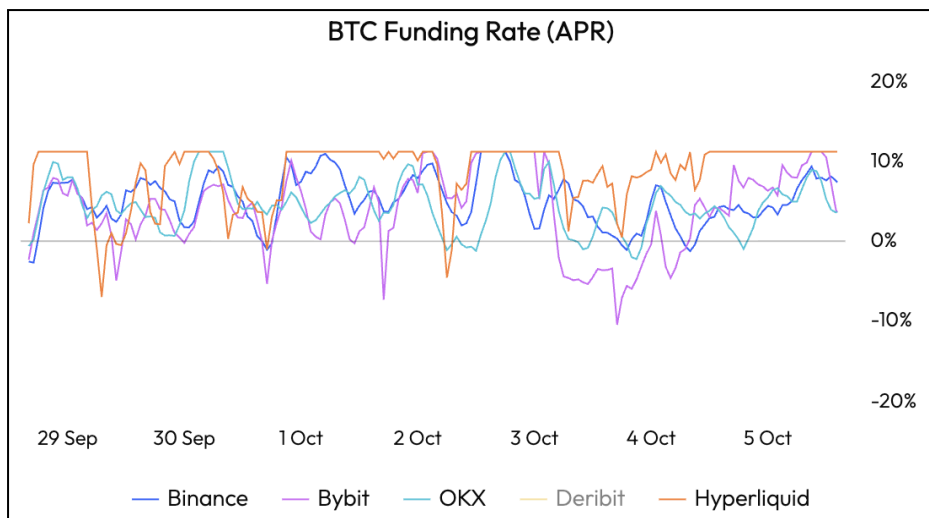


Derivatives Desk

WHOLESALE INVESTORS ONLY

BTC has started Q4 on firmer footing. Importantly, the recovery has come from a relatively clean positioning base. BTC futures open interest fell to a year-to-date low of 628k BTC on 29 September, versus 763k BTC at the beginning of August. It has rebuilt modestly since, with CoinGlass now showing approximately \$55.9bn of outstanding BTC futures OI, but leverage remains well below the levels seen earlier in the cycle.

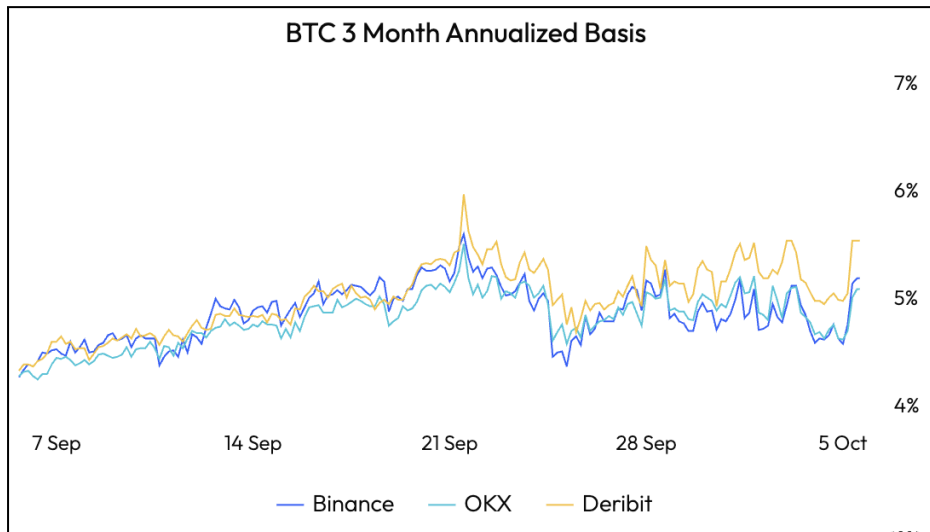
Funding tells a similar story. Perpetual funding briefly turned negative for part of the week as BTC traded back toward \$83k, but has somewhat normalised today. Longs are paying again, but these levels remain orderly rather than indicative of an aggressively leveraged market.



Source: Velodata

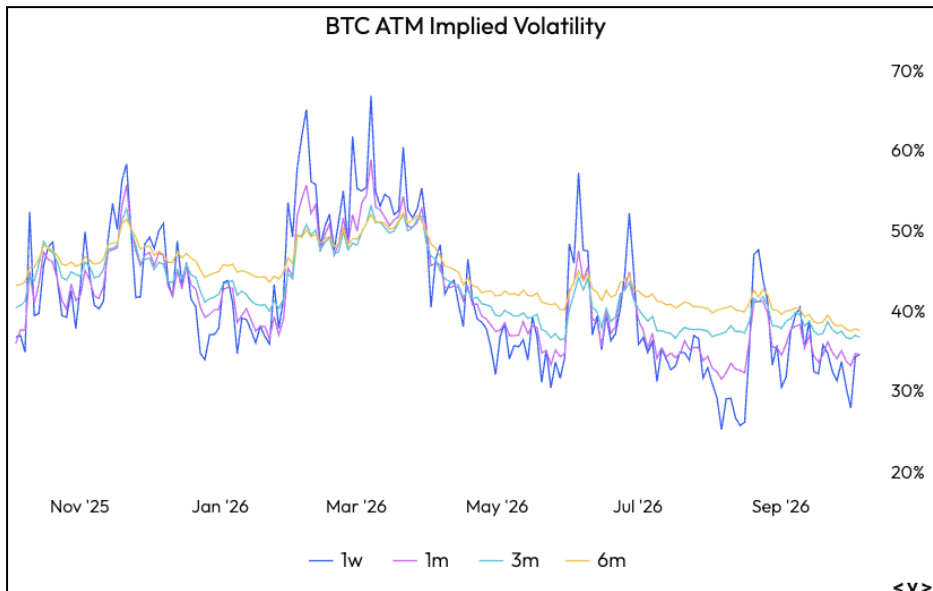
The dated futures curve has continued to edge higher, albeit cautiously. The December BTC basis is broadly around 5% annualised, with the major contracts trading approximately 4.7–5.7% depending on venue and margin type. Further out, March 2027 remains around 5% annualised across most major exchanges. The lack of a meaningful steepening in the curve despite BTC's rebound is notable: traders are prepared to pay for long exposure, but there is

still little evidence of the double-digit carry normally associated with speculative excess.



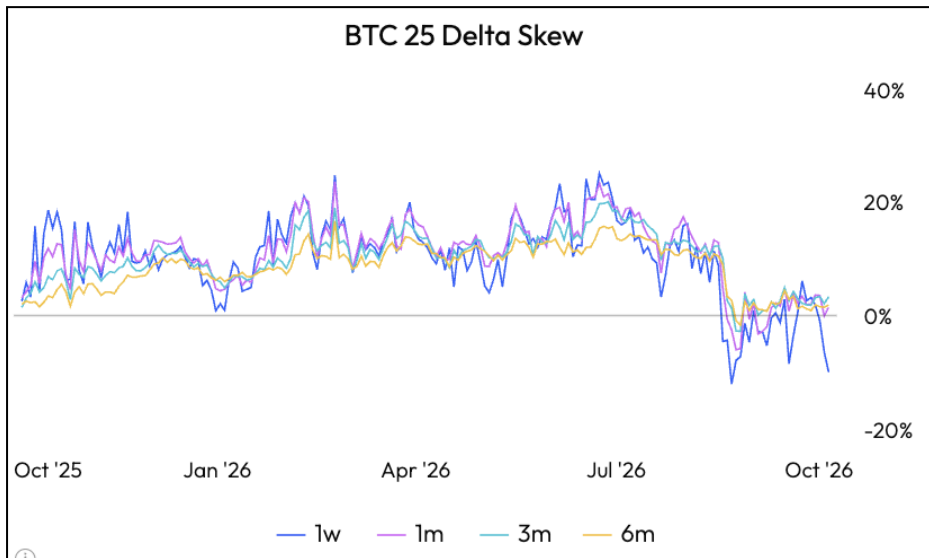
Front-end options volatility initially continued to compress with BTC 1-week ATM IV fell to 29.3% by Friday, before rebounding to 31.9% over the weekend as spot pushed higher. Even after that move, 1-week implied remains below 7-day realised volatility of 33.1%. One-month ATM IV is approximately 34%, while December is around 36.5–37%. In other words, volatility has repriced somewhat with the rally, but the

broadier surface remains relatively inexpensive given the recent realised moves in BTC. Derivasys



Skew has also evolved from the broadly neutral setup we highlighted last week. Demand for short-dated upside has returned: near one-week 25-delta calls are now trading richer than equivalent puts, while the one-month part of the surface remains close to neutral and December carries only a modest put premium. The distinction matters — traders are chasing the immediate breakout to some

extent, but that enthusiasm has not propagated meaningfully further down the curve.



Overall, the derivatives market continues to give a relatively constructive signal. BTC is higher, funding has moved from negative back to modestly positive, open interest has only partially rebuilt, and futures basis remains anchored around 5%.

If we see higher inflationary signalling, and this asset trading more like a hedge, we could be off the races - an interesting thought given how cheap vol is at the moment.

Safe trading out there!

Jon de Wet

CIO

What to Watch

Mon: US ISM Services PMI, EA PPI

Tue: Fed Bowman Speech, US RCM/TIPP Economic Optimism

Wed: FOMC Minutes, ECB Minutes

Thu: US Initial Jobless Claims, Fed Musalem Speech

Fri: CN Inflation Rate, CA Employment Change, US Michigan Consumer Sentiment Prel

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