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DIGITAL MARKET NEWS

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Key Metrics					
Assets	Spot Price	Change (%)	Low	High	7-Day Volatility
 BTC/USD	\$38,431.80	-1.11%	\$37,707.57	\$ 39,786.99	
 ETH/USD	\$ 2,510.72	-3.33%	\$ 2,444.00	\$ 2,637.45	
 Gold	\$ 1,815.20	-0.38%	\$ 1,831.70	\$ 1,810.20	
 USD/CAD	\$ 1.255	0.29%	\$ 1.249	\$ 1.255	
 EUR/CAD	\$ 1.490	0.38%	\$ 1.483	\$ 1.491	

BITCOIN: A snapshot of Bitcoin's spot price as of this writing is \$38,431.80 representing 2.26% decrease in the past 24 Hours and 11.44% decrease in trading volume. The 30-day volatility of BTC is 53.46%. Bitcoin remains the top cryptocurrency trading with a support at \$35,000 and resistance at \$42,000.

ETHEREUM: ETH is trading at \$2,510.72 as of this writing, representing a 24-Hour decrease of 3.38%, and 30-day volatility of 67.69%. Over the last 24 Hours, the trading volume decreased by 0.28%. As of today, ETH holds 17.94 % of the cryptocurrency market, making it the second-largest coin traded.

FIVE THINGS TO START YOUR DAY

- 1) **The ISM manufacturing report turned out to be weaker than expected**, included the dimmest price growth since March, sent the yields on U.S. Treasury bonds below 1.15% and 1.83%.
- 2) **It has come to light that Republican Senator Graham, one of the ten Republicans who supported the material infrastructure compromise, has contracted Covid, which may delay voting on the bill.** In any case, the House will not take it up until it returns from its recess next month. The House failed to extend the moratorium on evictions before recess began. Treasury Secretary Yellen will meet with Democrats today to discuss how to expedite the distribution of the \$46.5 billion in federal rental assistance. Funds have not been distributed yet; however, there may be a bottleneck at the state and local levels.
- 3) **Federal Reserve Governor Christopher Waller** noted that if the next two U.S. jobs reports continue to show gains, he may soon announce a plan to scale back on bond purchases.
- 4) **Today, Canada releases its July manufacturing PMI.** So far, the recovery peak was set in March at 58.5 but fell to 56.5 in June and slipped month by month in Q2. Despite this, economic growth in Canada seems to be picking up again, as reflected in today's report.
- 5) **Thursday, Canada's June trade data will be released**, followed by the employment report, which forecasters (Bloomberg) predict will show an increase of 165k jobs following a nearly 231k rise in June.

LATEST CRYPTO EVENTS

- 1) **As part of the Upcoming Ethereum London Hard Fork**, Binance will suspend ETH and ERC-20 token deposits and withdrawals at 11:45 (UTC) on 2021-08-05.
- 2) **The German government** plans to allow certain institutional funds to invest billions of dollars in crypto assets for the first time. Effective August of 2021, so-called Spezialfonds with fixed investment rules will be able to hold as much as 20% of their holdings in Bitcoin and other crypto-assets. The funds, which can only be accessed by institutional investors such as pension companies and insurers, currently manage about 1.8 trillion euros (\$2.1 trillion)
- 3) **The South Korean government has been reported to be exploring amendments to tax codes that would allow authorities to confiscate crypto holdings of tax evaders.** In June, South Korean officials seized \$47 million worth of crypto due to unpaid taxes.

Furthermore, 11 South Korean exchanges will likely be forced to close their doors as a result of fraudulent collective accounts. Neither authorities nor reports had revealed the suspected exchanges at the time of publication. Local exchanges must obtain FSC approval for business operation by September 24. Moreover, the FSC, however, is not likely to approve the exchanges in question for operating in the future. The South Korean authorities have recently focused on tax evasion within the crypto space.

- 4) **The US: One of the United States' leading lawmakers**, who previously showed little interest in cryptocurrencies, has suddenly taken an interest, and introduced what may be the most comprehensive legislation to date to regulate the sector.

Beyer introduced a 58-page bill Thursday titled "[Digital Asset Market Structure and Investor Protection Act](#)" that will create an exhaustive regulatory regime for digital assets. This would be accomplished partly by defining what is classified as crypto security and commodity while bolstering tax data collection for reporting purposes. The definition of digital asset security will be met if a token has rights to equity, profits, interest, dividend payments, or voting rights.

As such, the bill appears to address a long-standing desire for regulatory clarity among the industry. This bill, however, tackles multiple issues at once, unlike other bills that addressed each piecemeal. Crypto supporters were upset by certain provisions, which appear heavily researched.

Furthermore, the bill appears to authorize the Federal Reserve, the U.S.'s central bank, to create a central bank digital currency (CBDC), likely in response to Fed officials who said they were not sure they had the authority under their current mandates.

Don Beyer is the Chairman of Congress' Joint Economic Committee and a member of the tax policy-making House Ways and Means Committee. To date, his involvement with digital assets appears to have been tangential at best.

TRADER'S DIGEST: MARKET MOVER

The Hex cryptocurrency was launched by Richard Heart in 2019 on the Ethereum network. As described by Crypto.com "HEX is designed to be a store of value to replace the Certificate of Deposit as the blockchain counterpart of that financial product used in traditional financial markets. HEX is also designed to leverage the emerging DeFi (Decentralised Finance) ecosystem in cryptocurrencies within the Ethereum network".

In an interview with Business Insider, Richard Heart discussed the state of the current crypto market, comparing price analysis from the asset's top performance in 2017 with that from 2021, and predicted the near future of the market:

"I think crypto is in a bear market... I think we're in a bull trap right now. These systems are reflexive, they don't have base demand, it's 90% speculation. The last bear market lasted 364 days – I wouldn't be surprised if we saw 8 or 9 more months of bear."

Heart's comments suggest that crypto assets will have a rough ride over the next few months, but others believe the market is far more bullish than it appears.

Technical Analysis: A correction from weekend highs of \$42,500 pushed the bellwether cryptocurrency lower to \$38,750. In the wake of the surge in selling orders, the chances of holding above \$40,000 began to dwindle. In addition, the 200 Simple Moving Average (SMA) currently contributes to the overhead pressure.



In the meantime, the primary focus should be on obtaining a large amount of support, preferably higher than \$38,000. Bulls will plan their next attack mission from here, with a goal of reaching \$40,000.

Traders, however, must pay attention to the sell signal from the Moving Average (MACD) indicator on the four-hour chart. This indicates that bullish expectations are fading, and sellers are taking control.

UPCOMING DATES

DATE	EVENTS
August 10 th	Second SEC response date for Valkyrie Bitcoin Fund
August 25 th	Second SEC response date for First Trust SkyBridge ETF
September 15 th	The Third Sec response date for VanEck Bitcoin Trust

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