

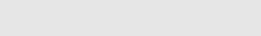


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DIGITAL MARKET NEWS

AUGUST-05-21 // GLOBAL MARKET

MARKET INSIGHT | August 5 2021, 10:00AM EST

Key Metrics					
Assets	Spot Price	Change (%)	Low	High	7-Day Volatility
BTC/USD	\$37,815.84	-4.83%	\$37,305.00	\$ 39,964.08	
ETH/USD	\$ 2,656.18	-1.95%	\$ 2,529.99	\$ 2,771.37	
Gold	\$ 1,801.80	-0.70%	\$ 1,831.70	\$ 1,810.20	
USD/CAD	\$ 1.250	-0.31%	\$ 1.249	\$ 1.255	
EUR/CAD	\$ 1.479	-0.35%	\$ 1.479	\$ 1.485	

BITCOIN: A snapshot of [Bitcoin's spot price](#) as of this writing is \$37,815.84 representing 2.57% increase in the past 24 Hours and 9.64% increase 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 \$40,000.

ETHEREUM: ETH is trading at \$2,656.85 as of this writing, representing a 24-Hour increase of 2.40%, and 30-day volatility of 67.69%. Over the last 24 Hours, the [trading volume increased by 42.79%](#). 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 Biden Administration announced its first weapons sale to Taiwan.** Despite its modest size, the \$750 mln deal will enrage Beijing. To de-escalate tensions between the two world powers, Singapore Prime Minister Lee Hsien Loong has warned that the Taiwan issue could 'quite easily' become dangerous. These facts illustrate how Taiwan has become the most significant risk to any Sino-American relationship conflict.
- 2) **The White House is now requiring all foreign visitors to be vaccinated.** As delta-driven outbreaks grew to over 500 cases across 15 provinces, China imposed new travel restrictions. The World Health Organization requested a moratorium on booster shots to enable third-world countries to catch up in vaccination rates. Meanwhile, the U.K quarantine rules have eased. Melbourne and the rest of Victoria are in a new lockdown, covering about 2/3 of Australia's population. Sydney is reporting record cases still.
- 3) **In June, Australia reported a record trade surplus of A\$10.5 billion.** Exports to China increased 8.2% despite the trade sanctions (for Canberra's foreign policy). The recent decline in iron ore prices will be reflected in the trade figures later this year. Australia exports a record amount of iron ore. Exports of coal increased by 15.5% month-over-month.
- 4) **China's next industry crackdown.** Traders continue to scour Xi Jinping's past speeches for clues as to which industries may be next on Xi's regulatory hit list. Several reports cited by state media suggest that the next target for stricter regulation could be liquor and e-cigarettes in China.

- 5) **The Bank of England** may move closer to tightening monetary policy by unwinding almost 900 billion pounds (\$1.2 trillion) in government bond purchases and lowering borrowing costs.

LATEST CRYPTO EVENTS

- 1) **Invesco has filed for a Bitcoin ETF with the SEC on August 5th, 2021**, holding GBTC and futures. This Bitcoin Strategy ETF will track the performance of Bitcoin futures contracts, Canada Bitcoin ETFs, and Grayscale Bitcoin Trust shares (GBTC). Gary Gensler, chairman of the SEC regulatory agency, required the application to be filed under the 1940 Investment Company Act.
- 2) **Melanion Capital, a prominent French investment management company**, is set to launch an ETF that tracks the price of Bitcoin through a basket of equities. An essential feature of this ETF is its UCITS status, hence regulated throughout the EU.
- 3) **US-Russia Relations may improve with Russia's crypto regulatory efforts**. Russia's Federal Financial Monitoring Service in Moscow, named Rosfinmonitoring, a subsidiary of Sberbank, has commissioned the latest tracing system to track cryptocurrencies. Furthermore, the tracking system attempts to decrypt traders' identities by analyzing their behaviors and movements.

A particular problem for Russia has been its hacker gangs targeting the US. Ransomware group REvil, allegedly based in Russia, hacked into a US institutional database and demanded \$70 Million in Bitcoin (BTC) to provide universal decryption codes. Recent hacks victimized over 200 firms in the US alone, and hundreds more were prey globally.

- 4) **The Chairmen of the US SEC appeared on CNBC to discuss crypto regulations and how the commission plans to implement rules around decentralized markets**. His refusal to comment on whether Ethereum qualifies as a security under the "Howey Test" attracted everyone's attention. Gensler once stated that there is a strong case for Ether to be classified as a security.

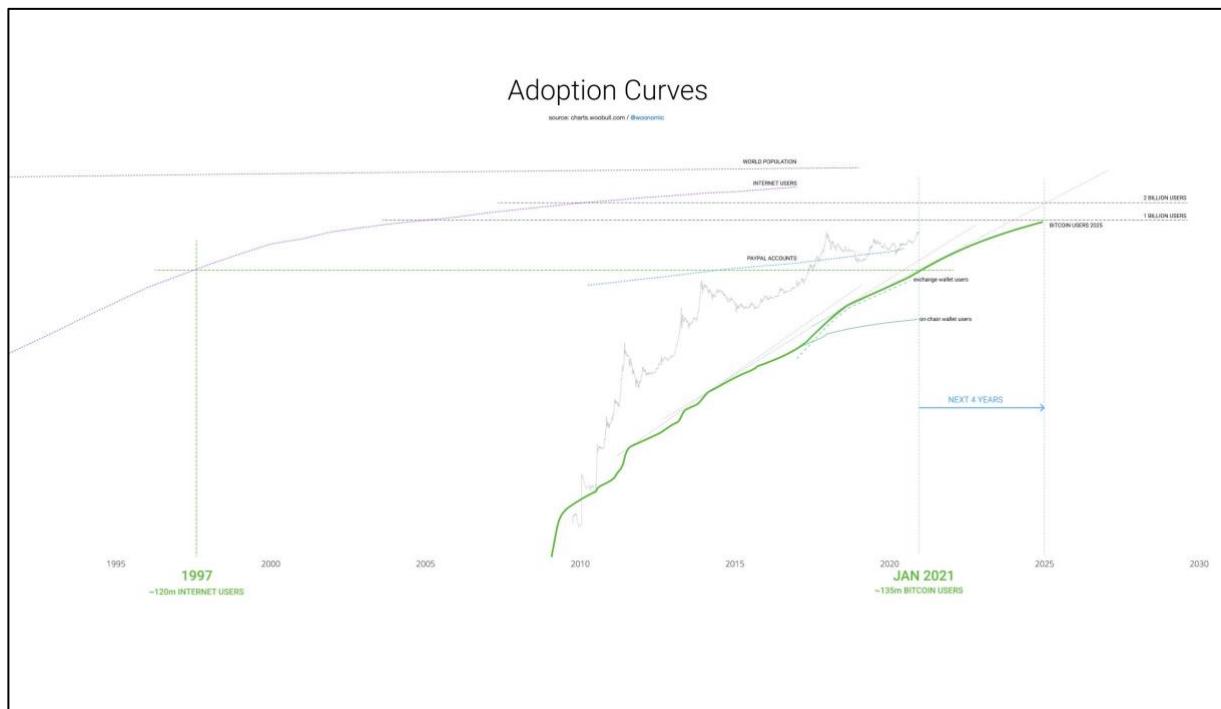
Moreover, Gensler's comments concerning ICOs make the situation for Ethereum even more alarming. Gensler recently attended the Aspen Security Forum and expressed support for his predecessor Jay Clayton in dealing with Initial Coin Offerings (ICOs). In a statement by Clayton, all crypto tokens offered an ICO meet the criteria to qualify as a security.

Ethereum held an ICO before its public debut, and the recent comments by the SEC commissioner may stir up fresh controversy about its status as an asset class. Moreover, the controversy comes when the Ethereum network is about to undergo a significant upgrade. In addition to the Ethereum London Hardfork commencing today, the network will transition to Proof-Of-Stake Eth 2.0 by the end of this year or early next year.

TRADER'S DIGEST: MARKET MOVER

The London hard fork, which includes four Ethereum Improvement Proposals (EIP), will be implemented around 12:30 UTC. With EIP 1559, one proposal will introduce a mechanism to burn a portion of mining fees, thereby curbing ether's supply growth over time and bringing a store-of-value appeal to Ethereum's native token. The positive effects of the upgrade will most likely take time to realize, and there may be little immediate price movement. However, Ethereum gained nearly 60% in the two weeks leading up to the upgrade. Therefore, it appears to be vulnerable to a "sell-the-fact" trade. The term "buy the rumor, sell the fact" refers to a situation in which some traders purchase an asset before a supposedly bullish event and sell it afterward. Nevertheless, Ethereum surged over \$2,700 has prompted some crowd euphoria, according to Santiment's data. A great deal of social volume plays a role in recent spikes leading to peaks and valleys leading to troughs.

The number of bitcoin users is comparable to the number of internet users in 1997. Bitcoin, however, is growing faster. The next four years will bring bitcoin users to 1 billion, the equivalent of 2005 for the internet.



Technical Analysis: Consolidation is expected to continue for a while before the recent recovery rally from \$30,000 extends. The price of Bitcoin rose over 12% last week, its highest weekly performance in three months. Price momentum has slowed this week, with prices falling to \$37,500 on Wednesday.

- **Resistance:** 40,000K range
- **Support:** The area between \$35k and \$38.3k currently represents near-term support.

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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