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# DIGITAL ASSET MARKET NEWS

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## MARKET INSIGHT | October 12 2021, 9:30 AM EST

Key Metrics					
Assets	Spot Price	Change (%)	Low	High	7-Day Volatility
 BTC/USD	\$57,269.50	-0.09%	\$56,394.31	\$ 57,673.49	
 ETH/USD	\$ 3,451.73	-1.15%	\$ 3,403.60	\$ 3,546.23	
 Gold	\$ 1,762.10	0.36%	\$ 1,753.00	\$ 1,766.20	
 USD/CAD	\$ 1.246	-0.14%	\$ 1.245	\$ 1.250	
 EUR/CAD	\$ 1.439	-0.21%	\$ 1.438	\$ 1.444	

**BITCOIN:** A snapshot of Bitcoin's spot price as of this writing is \$57,269 representing 0.56% increase the last 24 hours and 4.7% decrease in trading volume. The 30-day volatility of BTC is 57.5%. Bitcoin remains the top cryptocurrency trading with a support at \$50,000 and resistance at \$58,000 – \$60,000.

**ETHEREUM:** ETH is trading at \$3,451 as of this writing, representing a 24-Hour decrease of 3.85% and 30-day volatility of 71%. Over the last 24 Hours, the trading volume decrease by 6%. As of today, ETH holds 19.31 % of the cryptocurrency market, making it the second-largest coin traded.

### THREE INTERESTING FACTS TO START YOUR DAY

- 1) **Debt Ceiling:** A \$480 billion increase in the government's borrowing limit is set to be voted on today in the U.S. House, averting an immediate risk of a catastrophic default. However, as Laura Davison and Billy House explain, this set the stage for a far more serious showdown within just two months.
- 2) **Global Market and Earning Season:** Global markets appear to have shaken off concerns that inflation, caused by a supply-chain disruption: the aftermath of an energy crunch, will undermine company profits and economic expansion. Throughout this week, financial firms will begin the third-quarter earnings season, signaling a critical test of investor confidence.
- 3) **Coming up:** US FOMC minutes and CPI Wednesday. China PPI, CPI Thursday and US initial job claims – PPI Thursday.

## LATEST DIGITAL ASSET NEWS

- 1) **Regulations:** The blockchain and crypto asset sectors are undergoing higher levels of regulation and enforcement; finding the right balance between investor protection and fostering innovation is critical.

Regulating the crypto space is a topic many world leaders have discussed over the past several years. It's a problem that very few of these leaders have ever put forth solutions that have both proved to be bad and good simultaneously.

Now, the U.S. Justice Department has established a new unit that will investigate crimes pertaining to cryptocurrencies including money laundering and theft. The Justice Department is looking to create this division during a time when the U.S. appears hell-bent on regulating crypto and making sure there are no loopholes for illicit actors to exploit. The use of sanctions on exchanges that are part of illegal transfers is one method. Illegal transfers may involve funds that have been stolen or ill-received.

The Justice Department's efforts, however, appear to be prompted in part by an attack on the Colonial Pipeline that occurred earlier this year. The Pipeline was ultimately held hostage by hackers who encrypt their data and deny access to it unless a bitcoin ransom of several million dollars is paid.

**Bank of England** – Bitcoin and Crypto Assets pose "limited" risks to the stability of the UK financial system, according to the Bank of England.

The Financial Policy Committee (FPC) released its October edition of "Financial Stability in Focus" on Friday. As digital assets and their related markets and services continue to grow, the FPC notes that crypto has become increasingly integrated into the financial system.

Although the body, which was formed to oversee the nation's financial sector, says the crypto market does not pose an immediate threat to monetary stability in the United Kingdom, it says local and international measures should be taken to effectively manage potential risks.

Moreover, the committee noted that it will continue to pay close attention to developments, including those related to crypto-assets and the UK financial system, and seek to ensure resilience to vulnerabilities associated with further developments in the crypto-asset market. Financial institutions considering crypto adoption will also have the opportunity to receive advice from the committee.

***South Korea's opposition party wants to postpone cryptocurrency taxation rules until January 1, 2023.***

A proposal by the opposition party in South Korea, the People Power Party, appears to propose delaying taxation regulations for digital assets by one year. The lawmakers also intend to revise tax rates, proposing the investors who generate profits

over \$42,000 pay 20% in tax, while gains over \$2,900 are taxed under the initial legislation.

The current proposals state that South Korea will begin taxing profits earned from trading with cryptocurrencies on January 1, 2022. Hong Nam-ki – the country's Finance Minister – even called the move inevitable.

South Korea's People Power Party, however, has objections. Representative Cho Myoung-hee – a Member of the opposition – explained:

“It is not right to impose taxes first at a time when the legal definition of virtual currency is ambiguous. The intention is to ease the tax base to the level of financial investment income tax so that virtual currency investors do not suffer disadvantages.”

Furthermore, politicians would seek to change the taxation rate. In contrast to financial regulators who will slam South Koreans with 20% in excess of \$2,900, the People Power Party intends to raise this limit to people with profits between \$42,000 and \$251,000. Gains above \$251,000 would be subject to a 25% tax. Despite this, Hong Nam-ki, the Finance Minister, expressed no interest in the proposal.

- 2) **Crypto Miner:** Bitcoin mining company BitFury plans to go public in the next 12 months with a valuation of billions of pounds. According to The Telegraph, BitFury's IPO will be the largest cryptocurrency company IPO in Europe to date.

### 3) Worldwide:

- I. **Venezuela** – By the end of the year, airline tickets can be purchased in Venezuela using cryptocurrencies. The Director of Maiquetia International Airport, Freddy Borges, stated that the airport is working to include cryptocurrencies such as Dash, bitcoin, and the national petro in the airport's payment system.

In this sense, Borges stated: *“We will activate a button for cryptocurrency payments in the airport platforms and commercial activities, in coordination with Sunacrip.”*

- II. **US** – Texas and New York are leading the race to lure bitcoin miners in the US. Several states are competing to attract bitcoin miners, and new data suggests that a lot of them are headed to New York, Kentucky, Georgia, and Texas.

According to Foundry USA, the biggest mining pool in North America and the fifth-largest globally, 19.9% of bitcoin's hash rate resides in New York, 18.7% in Kentucky, 17.3% in Georgia, and 14% in Texas.

## TRADER'S DIGEST: MARKET MOVEMENT

With notable losses, most altcoins are covered with red. However, bitcoin is still within striking distance of \$58,000.

At nearly \$58,000, bitcoin reached another multi-month high before retracing slightly. Over the past several days, Bitcoin's performance has been in stark contrast to that of altcoins. This is reflected in the increased dominance of BTC, which has reached a two-month high of nearly 47%.

Ever since it broke the \$50,000 mark, the main asset has steadily increased its value. Following a jump to \$55,000, it then reached \$56,000 and \$57,000 in two days to chart new five-month highs.

It went on yet another run shortly after dropping to \$54,500 in the last 24 hours, but just missed \$58,000 due to tight spreads. Once again, the bears intercepted the move and pushed it south by several hundred dollars.

Currently, BTC is around \$57,000, and its market capitalization is nearing \$1.1 trillion once more. Bitcoin has gained more than 90 percent of its value since hitting a low of \$29,856 on July 20.



UPCOMING DATES		
Company	Pending Applications	SEC Response Date
VanEck	VanEck Bitcoin Trust	Nov. 10 2021
Wisdomtree	Wisdomtree Bitcoin Trust	Dec. 05 2021
Kryptoin Invst Advisrs	Kryptoin Bitcoin ETF Trust	Dec. 18 2021
Valkyrie Investments	Valkyrie Bitcoin Fund	Jan. 1 2022
First Trust & SkyBridge	First Trust SkyBridge Bitcoin ETF Trust	Jan. 16 2021
Fidelity	Wise Origin Bitcoin	Jan. 20 2022
21Shares / Ark Invest	ARK 21Shares Bitcoin ETF	Mar. 30 2022
Global X	Global X Bitcoin Trust	Apr. 14 2021

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