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# DIGITAL ASSET MARKET NEWS

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## MARKET INSIGHT | October 05 2021, 8:55 AM EST

Key Metrics					
Assets	Spot Price	Change (%)	Low	High	7-Day Volatility
 BTC/USD	\$50,096.96	2.24%	\$48,581.08	\$ 50,366.97	
 ETH/USD	\$ 3,460.41	2.28%	\$ 3,357.43	\$ 3,476.00	
 Gold	\$ 1,758.80	-0.50%	\$ 1,753.30	\$ 1,762.50	
 USD/CAD	\$ 1.258	-0.05%	\$ 1.258	\$ 1.263	
 EUR/CAD	\$ 1.460	-0.21%	\$ 1.460	\$ 1.464	

**BITCOIN:** A snapshot of Bitcoin's spot price as of this writing is \$50,096 representing **4.82%** increase the last 24 hours and **29.27%** increase in trading volume. The 30-day volatility of BTC is **42.5%**. Bitcoin remains the top cryptocurrency trading with a support at \$42,000 and resistance at \$50,000.

**ETHEREUM:** ETH is trading at \$3,460 as of this writing, representing a **24-Hour decrease of 3.33%** and **30-day volatility of 72.28%**. Over the last 24 Hours, the **trading volume increase by 11.47%**. 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) **Inflation and Debt:** The U.S. is moving closer to its first-ever default, with neither party in Washington yet ready to back down from the partisan showdown over the federal debt limit. Furthermore, Biden was asked if he can guarantee the U.S. wouldn't exceed the ceiling on its debt, after the White House Speech on the debt-limit dispute held yesterday, Biden answered "No, I can't". While investors still expect little risk of a default, the yield on Treasury bills maturing near the end of the month is higher than those maturing later.
- 2) **Challenging:** The authorities in Beijing appear to be failing in their efforts to ringfence China Evergrande Group. An additional Chinese developer, Fantasia Holdings Group Co., failed yesterday to repay \$205.7 million in bonds, fueling fears of widespread defaults. The country's junk dollar bonds are experiencing their biggest selloff in the last eight years, with the closure of mainland Chinese markets for a week-long holiday contributing to increased liquidity problems.
- 3) **Coming up:** The Senate Facebook hearing begins at 10:00 a.m. Meanwhile, Gary Gensler, chairman of the Securities and Exchange Commission, testifies before the House Financial Services Committee at 12:00 p.m.

## LATEST DIGITAL ASSET NEWS

- 1) **Bank of America, Digital Asset report.** This report provides an in-depth analysis of critical trends in the current blockchain industry, from cryptocurrencies to decentralized exchanges and NFTs, conducted by Bank of America's Alkesh Shah, head of Global Cryptocurrency and Digital Asset Strategy.

A key highlight from the report noted that the cryptocurrencies and decentralized finance services industries have grown to be "too large to ignore."

BofA's researchers note that nearly 221 million users have exchanged cryptocurrencies or used a Defi service, with steady growth. Furthermore, the increasing participation of institutional investors underscores the fact that cryptocurrencies are more than a fad. Bank of America also highlighted that the growth of NFTs was a surprise for everyone. However, researchers emphasized their fear that the large valuations of some NFT pieces could be a bubble that affects many investors who are not aware of the level of risk involved.

Bank of America reported in Q2 of 2021 that bitcoin's surge to \$60,000 was primarily due to speculation rather than its intrinsic value. However, after the surge, Bank of America followed in the footsteps of other banks and founded a research group dedicated to covering areas of the digital asset space. "Growing institution interest" and massive appetite from retail clients were some of the critical reasons why Bank of America launched its research group. Furthermore, BoFA gradually begins to change its treatment and view of digital assets upon founding the research group.

In a statement released by Candace Browning, head of global research at BofA Securities, "This isn't just Bitcoin anymore, this is digital assets, and it's creating a whole ecosystem of new companies, new opportunities, and new applications." Therefore, Bank of America is bullish about the crypto space beyond bitcoin.

- 2) **Citadel, hedge fund billionaire Ken Griffin describes cryptocurrency as a "jihadist call," saying it's ridiculous that some people don't believe in the dollar.** Though he isn't a big fan of the resources allocated to digital assets, he said his firm would trade cryptocurrencies if they were properly regulated. He praised Securities and Exchange Commission Chair Gary Gensler for paying greater attention to cryptocurrencies.

Griffin, the founder of hedge fund Citadel and market-maker Citadel Securities, has long been skeptical of cryptocurrencies. In 2018, he questioned cryptocurrency value, lamenting how younger investors invest in digital coins rather than stocks that drive economic growth.

In this piece, Citadel highlights that, despite their skepticism, they would diversify their product line if regulation were to be established. They are motivated in part by the growing interest from institutions and retail appetite.

- 3) **Brazilian Federal Deputy: You'll soon be able to buy McDonald's using Bitcoin.** Brazil may soon use Bitcoin as a currency, following the lead of El Salvador. According to Federal Deputy [Aureo Ribeiro](#), Brazilians will be able to buy houses, cars, and McDonald's with the world's largest cryptocurrency.

Fortunately, this was made possible by passing Bill 2.303/15 last Wednesday, which provides a legal framework for virtual currencies. Nevertheless, the Bill faces a final hurdle in passing in the coming days before the plenary of the Chamber of Deputies (Câmara dos Diputados).

According to the survey conducted by Sherlock Communications, 48% of Brazilians believe their country should adopt Bitcoin, while 31% agree and 17% strongly agree. Researchers discovered 55% of Brazilians invest in Bitcoin to diversify. In comparison, 39% said they do so to protect against inflation and economic instability.

Why it matters...The inflation rate in Brazil has increased consecutively since February, with the latest August figure just shy of double digits at 9.68%. The central bank has raised interest rates five times this year to combat spiraling prices, and some analysts have called for even higher rates since they believe the current measures are not enough.

Furthermore, tens of thousands of protestors called for President Bolsonaro's impeachment last weekend. Citizens are blaming President Bolsonaro for soaring unemployment and the spread of hunger among the population.

Bill 2.303/15, despite its highly improbable nature in the grand scheme of things, may go into effect if politicians want to save their careers.

- 4) **Crypto Transactions surge an average of 706% in Asia as Institutional adoption grows**

Central and Southern Asian emerging markets have witnessed a surge in cryptocurrency transactions, indicating diverse motivations to acquire digital assets such as Bitcoin (BTC) and Ether (ETH).

According to Chainalysis, the markets of India, Vietnam and Pakistan are helping to foster the expansion of cryptocurrency in central and southern Asia. Noted in Chainalysis' research report, India's crypto market grew 641% over the past year and

Pakistan's 711%, using a metric that estimates the total cryptocurrency received by a country.

As per the report, large institutions and corporations accounted for most cryptocurrency trading volume and transactions, providing further evidence of smart money adoption. Large institutional transfers above \$10M represented 42% of trading activities in India. For Vietnam and Pakistan, that figure was 29% and 28%, respectively.

Asian, African, and South American emerging markets are pivoting toward digital assets to combat hyperinflation, capital controls, and strict foreign exchange policies. On the other hand, the Indian crypto market has experienced several twists and turns over the past year, including on the regulatory front, with some reports indicating the country may ban cryptocurrency. Chainalysis highlights recent developments that indicate the government may merely favor taxation.

### TRADER'S DIGEST: MARKET MOVEMENT

Mark Zuckerberg's net wealth fell by over \$7 BN within hours after a whistleblower came forward and outages took Facebook Inc's flagship products offline. A highlight of this is that any centralized system will be vulnerable to centralized attacks. The problem with centralized products is that the controlling authority has the right to censor and shut you down. Furthermore, this concept can be used to explain the importance of decentralized finance and the potential of value of cryptocurrency against Fiat. Nevertheless, we will move onto exploring the technical aspect of BTC/USD, as the pair recently broke \$50,000 psychological level.

Following a fairly brutal September, Bitcoin is finally rebounding strongly this week, breaching the recent low of \$40,931. Renewing optimism for the fourth quarter of 2021 has been fostered by this rally.

As the trend towards the pioneer cryptocurrency continues to be upward, the trend seems insurmountable. However, the pair BTC/USD is set to face substantial resistance ahead, an outburst to \$52,000 appears imminent.

A little over a week ago – on September 30th – bitcoin's price fell below \$41,000 for the third time in five days. The situation has changed a lot since then, perhaps in part due to the statement made by Fed Chair Jerome Powell, who hinted that the country does not intend to ban digital assets. At the time of publication, Bitcoin/USD is changing hands at \$49,800, having broken \$50,000 for the first time in over a month.

Cryptocurrencies are defying the downward trend playing out in traditional financial markets, pushing the crypto market capitalization upward to almost \$2.2 trillion. Alternative coins,

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however, have fallen in value against their leader lately, while BTC dominance has increased slightly.



Nevertheless, further buying pressure could see Bitcoin rise toward \$52,000.

**Support:** The support range is between \$40,000 and \$42,000, where a breakout occurred on August 6.

**Resistance:** Following the rally above \$50K, the next resistance level is seen at \$52K.

### 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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