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DIGITAL ASSET MARKET NEWS

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Key Metrics					
Assets	Spot Price	Change (%)	Low	High	7-Day Volatility
 BTC/USD	\$62,232.61	-0.85%	\$61,320.72	\$ 63,248.00	
 ETH/USD	\$ 4,570.36	-1.05%	\$ 4,486.52	\$ 4,637.99	
 Gold	\$ 1,793.60	1.68%	\$ 1,770.00	\$ 1,799.00	
 USD/CAD	\$ 1.243	0.31%	\$ 1.238	\$ 1.243	
 EUR/CAD	\$ 1.436	-0.17%	\$ 1.432	\$ 1.440	

BITCOIN: A snapshot of Bitcoin's spot price as of this writing is \$62,232 representing 0.7% increase the last 24 hours and 1% increase in trading volume. The 30-day volatility of BTC is 41%.

ETHEREUM: ETH is trading at \$4570 as of this writing, representing a 24-Hour decrease of 2% and 30-day volatility of 46%. Over the last 24 Hours, the trading volume decreased by 1%. As of today, ETH holds 19% of the cryptocurrency market, making it the second-largest coin traded.

MACRO : FOMC STATEMENT TAKE AWAY

Thoughts and notes from the research made pre FOMC Statement release

1. Tapering is fully priced in the market.
2. \$15 BN reduction in treasury purchase starting in November from the current \$120 BN.
3. \$10 BN in treasuries, \$5 BN in MBS.
4. The tapering schedule would be set to end in June 2022.
5. From what the market is telling us, we could have at least two rate hikes in 2022. Looking more in debt into the bond market, the Fed won't let the balance sheet runoff and go down, as they could buy the bonds expiring. Although the Fed will start tapering, they should keep buying bonds expiring at any given month, continuing reinvesting. Simply put, they will be done adding new purchases at the end of June but should buy the expired bonds.
6. Then, after that process and once the tapering schedule is met, they should start raising rates. From the Fed meeting and the economic forecast presented in September, we can pick up that the Fed moved forward with their rate hike expectation, as the median for in 2022. The global expectation is that central banks will need to be more aggressive, as the market, specifically the Dec22 Eurodollar, is pricing in two rates hikes in 2022. Moreover, from the September meeting, the 2022 economic projections showed:
 - The Fed funds target rate going from 0.1 to 0.3.
 - The PCE core inflation gone from 2.3 to 2.1.
 - The Unemployment down to the pre-pandemic level.
7. The expectations from the Statement were very hawkish.

8. Now, here are some interesting comments from Powell last's speech:

- “it would be premature to slow job gains while tapering is near.”
- “We’re still 5m jobs below the high in 2020”
- “Sounds like it is time to taper, but not time to raise rates moreover, the break-even rates around the world are starting to price in inflation, with consumers also expecting more inflation. The Fed is worried about higher core inflation, which would be hard to bring down in the future. The Fed also has an average inflation target and needs to be ready in case inflation is here to stay. So, the market is currently telling us the Fed will ignore the employment situation and focus on inflation early on. Based on what Powell said, before the blackout period, it is not time for rate hikes. Hence, if the comments and expectations are in line, the market could initially go down (Equities, BTC) to then get picked up as investors would buy the dip.”

Now, looking at the market after the FOMC Statement release, here are some assessments.

“In light of the substantial further progress the economy has made toward the Committee’s goals since last December, the Committee decided to begin reducing the monthly pace of its net asset purchases by \$10 billion for Treasury securities and \$5 billion for agency mortgage-backed securities. Beginning later this month, the Committee will increase its holdings of Treasury securities by at least \$70 billion per month and of agency Mortgage-backed securities by at least \$35 billion per month. Beginning in December, the Committee will increase its holdings of Treasury securities by at least \$60 billion per month and of agency mortgage-backed securities by at least \$30 billion per month. The Committee judges those similar reductions in the pace of net asset purchases will likely be appropriate each month, but it is prepared to adjust the pace of purchases if warranted by changes in the economic outlook.” -Federal Reserve Statement

Here are the main points we can take from the release: -The Fed will start the tapering schedule in November 2022

- They will reduce the asset purchasing by \$15 BN, as expected.
- \$10 BN in treasuries, \$5 BN in MBS.
- The Fed does not intend to hike the Fed funds rate as we haven’t yet reached the employment mandate nor the average inflation target. Hence, the Statement and the comments were entirely in line with expectations.
- Therefore, here are the market reactions:
 - Equities rallied to new all-time highs
 - BTC initially retraced to 60,000 before investors bought the dip back above 63,000
 - The USD Index pushed lower, now trading below 94.000
 - The bond market showed a Long-end Led Bear Steepener, as the long end massively underperformed the short end.
 - US10Y yields are now back above the 1.600 handle

LATEST DIGITAL ASSET NEWS

1) **Regulations: Hong Kong regulator re-evaluates retail crypto EFTs laws:**

The securities and futures commission of Hong Kong, SFC, is currently reviewing regulations surrounding virtual currency transactions amid many requests to approve crypto ETFs for trading. According to a report by South China Morning News, the 2018 regulations limited transactions of cryptocurrencies via funds or trading platforms to professional investors with at least \$8 million HK (\$1,028,624). SFC's deputy chief executive stated that the re-evaluation will be made "to see if it is still fit for purpose and whether modifications are required" He also mentioned that "virtual assets are edging toward traditional finance."

2) **Ethereum miner revenue outpaces Bitcoin in 2021:**

Ethereum miners saw a total of \$17 billion in revenue from their mining activities while bitcoin miners only saw \$13.6 billion. Although this is not a very wide gap, it is still a notable difference between both assets. Volatility also may have played a role in this with Ethereum mining volatility being at 47% while Bitcoin only being at 28%.

3) **Coinbase is testing a subscription service with no trading fees:**

Coinbase has begun testing its subscription service for customers to buy, sell, and convert digital currencies without trading fees. However, spread fees will continue to apply to each trade. This does not replace Coinbase's tiered-fee platform called Coinbase Pro. This new rollout will be monitored by Coinbase according to a spokesperson "We're always looking to learn more about how we can best serve our customers in different ways. Right now, we are still in early stages, so everything about the future product experience will be shaped by the feedback we receive from our customers."

4) **Quentin Tarantino announces Secret pulp fiction NFT collection:**

The filmmaker announced that he is auctioning seven "secret NFTs" which feature uncut Pulp Fiction scenes. These non-fungible tokens feature content that is viewable only by the owners, making them much more unique and valuable. This new collection will be distributed on SCRT labs "secret network", which is a layer 1 blockchain focused on privacy. These NFT pieces will be initially auctioned on OpenSea, the world's largest NFT platform. Each secret one of a kind NFT will feature uncut handwritten scripts from pulp fiction as well as comments from Quentin Tarantino himself.

5) **Around the world: China's CBDC has been used for \$9.7 billion of transactions:**

China's central bank digital currency (CBDC) has been used to conduct approximately \$9.7 billion (62 billion Yuan) worth of transactions as of the end of the month October. According to the People's Bank of China (PBOC), 140 million people have opened wallets for digital yuan, also referred to as (eCNY). In addition, Mu Changchun, director-general of the digital currency institute of China's central bank claims that over 1.5 million merchants could

accept payments using eCNY wallets. There is currently no official launch date for CBDC. The eCNY however has been undergoing trials in cities across China over the past year.

TRADER'S DIGEST: MARKET MOVEMENT

A few days ago, on November 1st, the primary cryptocurrency crashed below \$60,000. However, it bounced back quickly and even exceeded \$62,000. In the midst of another brief decline, BTC exploded to \$64,500, setting a new price high since mid-October.

However, it failed to continue upwards, as reported yesterday, stalling around \$63,000. Mainly due FOMC statement from the US Federal Reserve indicating that the central bank will slow down its money-printing initiatives. Within minutes, BTC dropped by \$3,000, bottoming at \$60,000. Shortly thereafter, it spiked up again. At the time of publication, BTC/USD is trading slightly below \$62,500.

Nevertheless, while bitcoin's market capitalization remains above \$1.150 trillion, its dominance over the alts has fallen below 43%.



Technical Indicators:

- Support: \$60,000 USD
- Resistance \$64,000 USD
- RSI: The BTC/USD RSI is trading in neutral level
- 4H MACD: The MACD is decreasing in a bear direction indicating a near-term downside momentum

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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