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MARKET INSIGHT

December 10th, 2021, 10:00 AM EST

Key Metrics					
Pairs	Spot Price	24 Hr Change	Low	High	Funding Rates
BTC/USD	\$48,846.60	-0.02%	\$47,358.35	\$49,797.58	0.0100%
ETH/USD	\$4,184.53	-4.28%	\$4,026.33	\$4,256.37	0.0054%
XAU/USD	\$1,780.60	0.28%	\$1,770.10	\$1,791.30	
USD/CAD	\$1.2722	0.09%	\$1.2678	\$1.2740	
EUR/CAD	\$1.4345	-0.07%	\$1.4304	\$1.4373	

BITCOIN: A snapshot of Bitcoin's spot price as of this writing is \$48,846.60 representing a **0.02%** decrease the last 24 hours and **9.50%** increase in trading volume. The funding rate of BTC is **0.0100%**.

ETHEREUM: ETH is trading at \$4,184.53 as of this writing, representing a **24-Hour decrease of 4.28%** and a funding rate of **0.0054%**. Over the last 24 Hours, the **trading volume increased by 51.19%**. As of today, ETH holds 18.3% of the cryptocurrency market, making it the second-largest coin traded.

LATEST DIGITAL ASSET NEWS

1) Reddit Introduces ETH-Based Community Points Beta Program with Custom Tokens for Subreddits: ¹

At the end of July, Reddit announced that the platform's Community Points system would leverage the Layer 2 (L2) protocol Arbitrum. This week, Reddit revealed a new website that features the Community Points beta program, which says that Reddit patrons will be able to leverage native crypto assets tethered to unique subreddits. At the time of writing, there is a waitlist and users can sign-up via a form Reddit created. "Community Points are the first step towards a different future for online communities," Reddit's description of the new beta program notes. "These tokens live on the blockchain, which means they are truly owned by the community. Over time, your community will benefit from even greater control and independence... on and off of Reddit."

¹ <https://news.bitcoin.com/reddit-introduces-eth-based-community-points-beta-program-with-custom-tokens-for-subreddits/>

2) Ripple's Chris Larsen Says Bitcoin Mining Firms Will Benefit from Ditching Proof-of-Work:²

Ripple co-founder Chris Larsen has expressed his concerns about the rapidly growing Bitcoin mining industry in the U.S, once again urging miners to abandon the proof-of-work consensus algorithm in a recently penned blog post. Larsen claims that US-listed public companies of the likes of BIT Mining, Riot Blockchain and Marathon Digital Mining would be better off staking their coins. In such a way, they would be receiving rewards on a pro-rata hash power basis. The code change would involve taking a snapshot of their hashrate to ensure that they will be compensated fairly for investing in the equipment.

3) WisdomTree Amends Bitcoin ETF Application:³

WisdomTree amended its application for an ETF that would invest directly in bitcoin after the US Securities and Exchange Commission (SEC) rejected its proposal for such a product last week. "The trust is not registered under the Investment Company Act of 1940, as amended," according to a Dec. 8 filing. "However, the sponsor is applying certain of the substantive requirements of the 1940 Act to the operations, infrastructure and oversight of the Trust [in] order to provide investors with some of the significant protections of the 1940 Act." As part of the changes, the WisdomTree Bitcoin Trust would use US Bank as a qualified custodian, the SEC disclosure indicates.

4) Microsoft injects \$27 million investment in crypto startup Palm NFT Studio:⁴

Palm NFT Studio, a cryptocurrency startup, has announced raising \$27 million in a Series B funding led by Microsoft's (NASDAQ: MSFT) venture fund M12. In a press release, the startup indicated that the funding would be channeled towards scaling its team as it expands its services across entertainment, fine art, gaming and creative culture. The company singled out the ongoing development of Palm NFT Studio's technology platform, which allows convenient development and rollout of large-scale NFT drops on the Palm Network.

5) Around the world: Central Banks of France, Switzerland and BIS Complete Cross-Border CBDC Trial:⁵

An experiment carried out by the monetary authorities of France, Switzerland and the Bank for International Settlements (BIS) has indicated that central bank digital currencies (CBDCs) can be used effectively for international settlements between financial institutions, the participants in the trial announced. Project Jura, which has been completed recently, focused on settling foreign exchange transactions in euro and Swiss franc wholesale CBDCs as well as issuing, transferring, and redeeming a tokenized euro-denominated French commercial paper between French and Swiss financial institutions, the banks explained.

² <https://u.today/ripples-chris-larsen-says-bitcoin-mining-firms-will-benefit-from-ditching-proof-of-work>

³ <https://blockworks.co/wisdomtree-amends-bitcoin-etf-application/>

⁴ <https://finbold.com/microsoft-injects-27-million-investment-in-crypto-startup-palm-nft-studio/>

⁵ <https://news.bitcoin.com/central-banks-of-france-switzerland-and-bis-complete-cross-border-cbdc-trial/>

Market Insight – December 6:

Regulations:

- [SEC Chairman Gary Gensler Stresses Crypto Markets Are Open to Manipulation, Investors Vulnerable](#)

Company-wide news:

- [Binance, Animoca Brands launch \\$200M investment program to accelerate GameFi startups](#)
- [BitMart CEO admits \\$196 million hack was the result of leaked private keys](#)
- [Australian Music Artist Sia Furler to Launch NFT Collection](#)

Around the world:

- [Binance is planning to launch an FCA-compliant U.K. entity, Changpeng Zhao reveals](#)

Market Insight – December 7:

Regulations:

- [Biden admin spotlights digital assets in global corruption, calling for greater AML](#)

Company-wide news:

- [Former Facebook engineers at Mysterium Labs raise \\$36M for Web3 infrastructure](#)
- [NFL Legend Tom Brady Set to Launch NFT Series Highlighting Early Career](#)
- [CME Group launches micro Ether futures as ETH hovers at \\$4K](#)

Around the world:

- [U.K.: New proposal excludes crypto investors from its compensation program](#)

Market Insight – December 8:

Company-wide news:

- [Binance Forms \\$200,000,000 Partnership To Invest in Early Crypto Gaming and Metaverse Projects](#)
- [Three Arrows Capital Buys 100,000 ETH In Deal Worth Nearly Half A Billion Dollars, Days After Its CEO Zhu Trashed Ethereum](#)
- [Dan Tapiero's 10T will launch \\$500M fund for late-stage crypto firms](#)
- [Former Google CEO Eric Schmidt Is Now a Chainlink Labs Advisor](#)

Around the world:

- [Puerto Rico Lawmakers to Tackle Corruption Using Blockchain Technology](#)

Market Insight – December 9:

Company-wide news:

- [Meta Starts Crypto Payment Pilot on WhatsApp For US Customers](#)
- [Coinbase Announces Ledger Hardware Wallets Support](#)

- [Bitcoin hash rate returns to all-time high levels](#)
- [Visa Launches Crypto Advisory Services — Says 'Digital Currencies Are Taking Greater Hold in Popular Consciousness'](#)

Around the world:

- [Kazakhstan to decide whether to launch CBDC by late 2022](#)

TRADER'S DIGEST: MARKET MOVEMENT

Bitcoin found support at the 47,250 point of control yesterday and overnight. Bitcoin is now trading 4.50% from yesterday's close, bouncing from Monday's low. We are also trading right at the 200-day EMA situated at 50,000. One very important economic metric this morning also supported Bitcoin higher. Indeed, Bitcoin is seen by a growing number of investors as a hedge against inflation. BTCUSD jumped 2.00% after the U.S CPI report for all items rose 6.8% YoY through November. The cost-of-living increase was in line with the average forecast of economist, while it is still an important increase from October's 6.2% print. After the release of the October CPI data, bitcoin shot up by almost \$3,000 to quickly print a new all-time high of \$68,950. But within a few hours, the move reversed completely, and prices fell as more traders shifted to focus on the logical consequence of faster inflation: monetary policy tightening by the Federal Reserve that might crimp demand for riskier assets from stocks to cryptocurrencies. This morning, the exact same scenario happened. Bitcoin is now trading 3.50% from this session high. Heavy sellers came in, pushing Bitcoin back to the point of control, below 48,500.



We did mention yesterday that Ether would find support at the 38.2% fib, right around the 4,000 psychological level. Looking at this morning's price action, we can see Ether bouncing exactly from this level, back to the 50% Fib. Then, Ether followed Bitcoin lower, being rejected to new session lows. Once again, we are seeing a very similar scenario as last month, although in a shorter time frame.



Now, let's take a closer look at these two Metaverse coins, showing signs of a potential rebound

Let's start with Decentraland (MANAUSDT): Prices have been falling since its record high of \$5.9 in the second half of November. We noticed that it has been hesitating around the 50-day moving average (in red) around \$3.2 that seems to be acting as support. Looking at the volume profile, we also notice that there has been a lot of volume around that level. If you take a Fibonacci retracement from the record high to the start of the uptrend (when Facebook changed their name to Meta near the end of October), you can clearly see that the current price level is right above the 50% level. In order to clearly call this a rebound, we would need to see prices break above this declining trend line that has been in place since the record high and we would have to close above \$3.9, preferably on higher-than-average volume.

Looking at Alice (ALICEUSDT), the technical picture is much simpler. Alice has been trading within a clean trend channel since the start of the year. Each time we reached the bottom-end of this channel, we rebounded towards the top. We are currently near the bottom-end of this channel and right above the 200-day moving average (yellow line). The volume profile is showing us that these current levels have been traded heavily. Seems like we're near support and that the risk reward of this analysis is very attractive.

UPCOMING DATES		
Company	Pending Applications	SEC Response Date
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 2022
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 2022

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The information on which the analysis is based has been obtained from sources believed to be reliable such as, for example, the company's financial statements filed with a regulator, company website, company white paper, pitchbook and any other sources. While Secure Digital Markets has obtained data, statistics, and information from sources it believes to be reliable, it does not perform an audit or seek independent verification of any of the data, statistics, and information it receives.

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