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MARKET INSIGHT

January 12th, 2021, 10:00 AM EST

Key Metrics					
Pairs	Spot Price	24 Hr Change	Low	High	Funding Rates
BTC/USD	\$43,746.67	5.24%	\$41,559.08	\$43,925.55	-0.0060%
ETH/USD	\$3,360.89	8.26%	\$3,091.97	\$3,370.71	-0.0147%
XAU/USD	\$1,823.70	0.11%	\$1,814.60	\$1,826.50	
USD/CAD	\$1.2520	-0.43%	\$1.2509	\$1.2581	
EUR/CAD	\$1.4292	0.01%	\$1.4232	\$1.4309	

BITCOIN: A snapshot of Bitcoin's spot price as of this writing is \$43,746.67 representing a **5.24%** increase the last 24 hours and **1.29%** decrease in trading volume. The funding rate of BTC is **-0.0060%**.

ETHEREUM: ETH is trading at \$3,360.89 as of this writing, representing a **24-Hour increase of 8.26%** and a funding rate of **-0.0147%**. Over the last 24 Hours, the **trading volume increased by 11.54%**. As of today, ETH holds 18.3% of the cryptocurrency market, making it the second-largest coin traded.

LATEST DIGITAL ASSET NEWS

1) **Regulations: IMF Finally Admits Bitcoin Has Evolved Into An Integral Part Of The Digital Asset Revolution, But Highlights New Risks**¹

After years of downplaying the effects of Bitcoin and cryptocurrencies, the International Monetary Funds concedes that the asset class is no more on the fringes. However, it warns of several potential pitfalls that could plague the wider markets. The IMF revealed its position on cryptocurrencies via a blog post. “Our analysis suggests that crypto assets are no longer on the fringe of the financial system,” the IMF said. “Given their relatively high volatility and valuations, their increased co-movement could soon pose risks to financial stability especially in countries with widespread crypto adoption.”

2) **Crypto bank SEBA raises \$120 million in Series C funding**²

SEBA — the Switzerland-based regulated crypto bank founded by former UBS employees — has raised 110 million Swiss francs (around \$120 million) in a Series C funding round. The round was co-led by a consortium of three investment firms — Altive, Ordway Selections, and Summer Capital — and DeFi Technologies. Alameda Research and SEBA's existing investor Julius Baer, a Swiss private bank, also participated in the round, among other investors.

¹ <https://zcrypto.com/imf-finally-admits-bitcoin-has-evolved-into-an-integral-part-of-the-digital-asset-revolution-but-highlights-new-risks/>

² https://www.theblockcrypto.com/post/130055/crypto-bank-seba-raises-120-million-series-c-funding?utm_source=cryptopanic&utm_medium=rss

3) Ripple v. SEC case Might Be Pushed Back One Month ³

Ripple's case against the SEC might be pushed back another month according to Fox Business journalist Eleanor Terrett. As Terret reports, the case might receive another pushback due to an expert discovery deadline delay. The pushback is tied to the "new" pandemic (new variant) that has emerged in the U.S. and Europe. In addition to the delay in the case, a source close to Fox Business points out that the new motion will be filed in court tomorrow. Ripple was one of the few companies looking for regulatory clarification over their operations, but the SEC cracked down on this. The company's defense is built on the premise that the commission has not notified the company about its violation of federal laws.

4) Jack Dorsey Tables a Proposal of a Non-Profit Bitcoin Legal Defense Fund ⁴

Through an email addressed to BTC developers, Jack Dorsey proposed the formation of a legal defense fund to protect BTC developers from legal attacks. In the mail, he explained that Developers face a hard time dealing with multiple litigation threats, and some cannot afford good legal teams. The email also bore signatures from Chain Code Labs co-founder Alex Morcos and Academic Martin White. Some people also forwarded the email through Twitter which sparked mixed reactions. Jack believes that the fund is a necessary relief to BTC developers. He believes that it will help solve their issues like affording legal counsels and functional legal strategies.

5) Around the world: Hong Kong Monetary Authority aims to oversee stablecoin reserves ⁵

Hong Kong's central bank, the Hong Kong Monetary Authority (HKMA), wants to supervise stablecoin issuance and reserves management. HKMA published a discussion paper on Jan. 12 regarding cryptocurrencies and stablecoins, in which it provided its views on how the industry should be regulated in Hong Kong. In the 34-page long consultation document, the HKMA paid special attention to "payment-related stablecoins," pointing out that the market capitalization of all stablecoins hit \$150 billion in December, accounting for 5% of the entire crypto market. The regulator added that all existing stablecoins are "mostly asset-linked and predominantly pegged" to the United States dollar, including stablecoins like Tether (USDT) and USD Coin (USDC).

³ <https://u.today/ripple-v-sec-might-be-pushed-back-one-month>

⁴ <https://btcmanager.com/jack-dorsey-tables-a-proposal-of-a-non-profit-bitcoin-legal-defense-fund/>

⁵ <https://cointelegraph.com/news/hong-kong-monetary-authority-aims-to-oversee-stablecoin-reserves>

TRADER'S DIGEST: MARKET MOVEMENT

The stock and cryptocurrency market had an important relief rally yesterday after Fed chairman Jerome Powell testified and commented on the Fed balance sheet runoff timeline. Powell sees the potential for a runoff later in the year citing that it could take two, three, four meetings to decide on the details. He also said that the balance sheet is more focused in the shorter end which could imply a natural reduction through not replacing maturing debt. These comments directly supported Equities, Bitcoin and other altcoins as most investors were anticipating the shrinkage of the balance sheet to start as early as March 2022, taking an important chunk of liquidity out of the market. Then the USD Index found some selling pressure throughout the session followed this morning by a break lower into the low 95.000 after the US CPI data came in in-line with expectations. Although we are seeing the highest YoY number in the past four decades, the market took it as a relief, with the potential scenario of the Fed being less hawkish ahead of the next FOMC meeting this January.

*US CPI YoY: 7.0% vs expectations of 7.0% and prior of 6.8%

*US CPI MoM: 0.5% vs expectations of 0.4% and prior of 0.8%

Moving on into more technical analysis, we can see Bitcoin bouncing off the October 20' uptrend line, right around the major \$40,000 psychological level. Bitcoin is now entering a low liquidity vacuum zone from \$43,000 to \$45,50. Hence, we could see a significant rally towards the \$47,000 point of control, keeping in mind the \$46,000 resistance area. Now, the big question is, will we see a retracement back to the uptrend line or will we break higher? Interesting enough, a historically reliable blockchain indicator suggests bitcoin maybe in the final stages of a bearish trend, having lost nearly 40% of its value in the past two months. The entity-adjusted dormancy flow, a ratio of cryptocurrency's going market value to the annualized dollar value of coin dormancy, has dropped below \$250,000. Dormancy refers to the average number of days each coin transacted remained dormant or unmoved – a gauge of market's spending pattern. On the other hand, we do have a "death cross" on the radar, which would imply the beginning of a bearish trend. Even though the bearish indication of market sentiment sounds scary, the last "death cross" had a very little negative effect on Bitcoin. The last time it happened, around June 21', the market bottomed out, and shortly after pumped back up to new all-time highs.



Binance coin (BNBUSDT) is on our radar

The coin recently rebounded off a rising trend line that has been in place since the beginning of last Summer, just below its 200-day moving average. It is also rebounding off the bottom-end of a falling trend channel, providing temporary support.

Looking at the RSI, we can see that it has been trading within a falling wedge pattern, which is considered a bullish reversal pattern. A breakout of this pattern on the RSI would also intersect with the break above the 50 level, advocating for further upside.

We are approaching resistance near \$510. For those that are more conservative, it would be wise to wait for the breakout of this level as well as the breakout of the RSI before jumping in.

R3: \$650 (35%)

R2: \$560 (16%)

R1: \$510 (6%)

Price: \$482.5

S1: \$420 (-13%)



UPCOMING DATES		
Company	Pending Applications	SEC Response Date
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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