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Market Insight



Key Metrics					
Pairs	Spot Price	24 Hr Change	Low	High	Funding Rates
BTC/USD	\$28,617	-2.93%	\$28,262	\$29,972	0.0100%
ETH/USD	\$1,810	-8.08%	\$1,759	\$1,978	-0.0057%
XAU/USD	\$1,849.20	-0.24%	\$1,839.50	\$1,852.10	
USD/CAD	\$1.2805	-0.07%	\$1.2798	\$1.2849	
EUR/CAD	\$1.3724	0.29%	\$1.3678	\$1.3752	

BITCOIN: A snapshot of Bitcoin's spot price as of this writing is \$28,617 representing a **2.93%** decrease the last 24 hours and **16.33%** increase in trading volume. The funding rate of BTC is **0.0100%**.

ETHEREUM: ETH is trading at **\$1,810** as of this writing, representing a **24-Hour** decrease of **8.08%** and a funding rate of **-0.0057%**. Over the last 24 Hours, the **trading volume increased by 39.21%**. As of today, ETH holds 18.3% of the cryptocurrency market, making it the second-largest coin traded.

UPCOMING DATES		
Company	Pending Applications	SEC Response Date
One River Carbon Neutral Bitcoin Trust	One River Digital Asset Management	June 2, 2022
Bitwise	Bitwise Bitcoin ETP Trust	July 1, 2022
Grayscale	Grayscale Bitcoin Trust	July 6, 2022
WisdomTree Bitcoin Trust	WisdomTree	October 10, 2022

Latest Digital Asset News



1) CFTC roundtable on FTX proposal highlights barriers in clearing of digital vs physical assets¹

The CFTC has been working on FTX's proposal to allow a relatively new market structure for its derivatives trading for much of the past year, including several months of open public comment. Today, the agency hosted a roundtable, welcoming dozens of stakeholders from traditional derivatives trading as well as the crypto industry to its offices to voice criticism and support for the proposal. Stakeholders from the derivatives trading industry appeared in force, with representatives from exchange operators CME and ICE joined by others from Citi, Goldman, FTX, Citadel, JPMorgan and BlackRock.

2) JPMorgan places BTC fair price at \$38K, declares crypto a preferred alternative asset²

JPMorgan has placed Bitcoin's (BTC) fair price at \$38,000, which is 28% higher than its current level of around \$29,500, according to a note the bank issued to clients on Wednesday. "The past month's crypto market correction looks more like capitulation relative to last January/February and going forward we see upside for Bitcoin and crypto markets more generally," the note said. Bank strategist Nikolaos Panigirtzoglou was the lead author of that document. A bank investors' note placed Bitcoin's fair value at the same level in February. It was trading around \$43,000 at that time.

3) Babel Finance Valued at \$2B After Latest Fundraise³

Crypto financial services provider Babel Finance has raised \$80 million at a \$2 billion valuation as the company seeks to continue driving institutional adoption in the space. The company's primary clients are crypto-native firms, banks, investment funds, ultra-high-net-worth accredited investors and family offices. Founded in 2018, Babel Finance's main businesses are crypto lending and trading, and it focuses on bitcoin, ether and stablecoins.

¹ https://www.theblockcrypto.com/post/148786/cftc-roundtable-on-ftx-proposal-highlights-barriers-in-clearing-of-digital-vs-physical-assets?utm_source=rss&utm_medium=rss

² <https://cointelegraph.com/news/jpmorgan-places-btc-fair-price-at-38k-declares-crypto-a-preferred-alternative-asset>

³ <https://blockworks.co/babel-finance-valued-at-2b-after-latest-fundraise/>

4) Andreessen Horowitz Announces New \$4.5 Billion Crypto Fund ⁴

Andreessen Horowitz (a16z), the Silicon Valley-based venture capital firm, today announced it raised a whopping \$4.5 billion for a new crypto fund, the firm's fourth and the biggest so far. Crypto Fund 4 doubles the size of a16z's previous crypto fund raised in June last year, showcasing that despite the turmoil in the crypto market, the firm's partners are increasingly looking to get more exposure to promising Web3 startups.

5) Around the world: Portugal's Parliament rejects crypto tax proposals amidst budget negotiations ⁵

The Portuguese Parliament voted against two separate proposals from minority political parties to tax crypto assets. The proposals were from left-wing parties Bloco de Esquerda and Livre and were both rejected on Wednesday afternoon during a 2022 budget voting session, according to economic newspaper ECO. Nevertheless, the days of a crypto tax-free Portugal may still be numbered. Livre's proposal would see gains above €5,000 be taxed. Prior to the vote, Mariana Mortágua, a member of parliament with Bloco de Esquerda — who has been very vocal about crypto taxation — criticized the government for failing to find a way to tax crypto.

⁴ <https://decrypt.co/101321/andreessen-horowitz-announces-new-4-5-billion-crypto-fund>

⁵ https://www.theblockcrypto.com/linked/148806/portugals-parliament-rejects-crypto-tax-proposals-amidst-budget-negotiations?utm_source=rss&utm_medium=rss

Traders' Digest



Amid risk-off sentiment in the broader market, the cryptocurrency market took a heavy hit this morning. SOL lost as much as 9%, DOGE dropped 5%, while BNB, ADA, and XRP slid a relatively around 5%.

Outside of the top ten, AVAX slid 11%, while SHIB lost 7.5% being a more volatile token. Ether, on the other hand, lost 7% with falling demand for block space on Ethereum, suggesting lower development and on-chain activity.

Yields on a three-month rolling basis for futures hover over around 3.1% for both Bitcoin and Ether, which is historically very low. Such yields are generated when there is mispricing between an asset's spot and futures price. Traders go long on the underlying asset and short its, or a related asset's, futures.

Moreover, the put/call ratio on bitcoin options reached 12-month-highs of over 0.72, indicating traders were hedging their portfolios against a move downwards. Bitcoin has spent the past week trading within a tight range between \$28,700 and \$30,500 and has printed over eight consecutive weeks of downside for the first time in its trading history.

Finally, we had the FOMC Minutes being released yesterday afternoon, and here are the main takeaways:

- All participant voted for 50 basis point hike
- Several participants commented on the challenges that monetary policy faced in restoring price stability while also maintaining strong labor market conditions
- China lockdowns and Ukraine increased risks
- Restrictive stance on monetary policy may well become appropriate
- Should assess the risk the economy later this year after the rate hikes
- Fed should move expeditiously to neutral
- Some felt inflation expectations could become unanchored

The market reaction was somewhat choppy, but more tilted towards the bullish side, as some investors were anticipating a 75 basis point hike.

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Altcoin Analysis

Ethereum has broken below an interesting level that may open the door for a period of underperformance vs. Bitcoin.

ETHUSDT continues to trade below its 20-day moving average and traded lower by 6% this morning while Bitcoin was trading slightly lower by 1.5%. There's a lot of chatter online regarding the 2.0 merge potentially being delayed as the Ethereum Beacon Chain recently experienced a seven-block reorganization.

Moving on with ETHBTC, the pair finally broke below a major trend channel that has been in place since 2Q2021, indicating that ETH is expected to underperform BTC in the near future.

ETH is currently rebounding off the lows posted on Summer 2021 near \$1,700. This would be the ultimate test. If ETH breaks below this level, we would expect further downside towards \$1,300. If ETH breaks above its 20-day moving average near \$2,150, prices would most likely get back to the \$2,700 range.



When it comes to trading alt coins, it is very important to track the movement of Bitcoin. When BTC appreciates or consolidates in a range, some of these coins can flourish but if the former gets dumped then the latter will get destroyed. Therefore, these types of analysis depend on the trajectory of Bitcoin's price action. Timing is of the essence.

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