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DIGITAL ASSET MARKET NEWS

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## Market Insight



Key Metrics					
Pairs	Spot Price	24 Hr Change	Low	High	Funding Rates
BTC/USD	\$20,880	-3.41%	\$20,880	\$22,868	-0.0071%
ETH/USD	\$1,092	-4.61%	\$1,060	\$1,246	-0.0122%
XAU/USD	\$1,826.30	-0.45	\$1,815.70	\$1,837.20	
USD/CAD	\$1.2959	0.54%	\$1.2859	\$1.2971	
EUR/CAD	\$1.3549	0.67%	\$1.3417	\$1.3557	

**BITCOIN:** A snapshot of Bitcoin's spot price as of this writing is \$20,880 representing a 3.41% decrease the last 24 hours and 8.23% decrease in trading volume. The funding rate of BTC is -0.0071%.

**ETHEREUM:** ETH is trading at \$1,092 as of this writing, representing a 24-Hour decrease of 4.61% and a funding rate of -0.0122%. Over the last 24 Hours, the trading volume decreased by 7.28%. 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
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) US Central Bank Hikes Benchmark Rate by 75 bps, Fed's Largest Increase Since 1994 <sup>1</sup>

America's central bank raised the interest rate by 75 bps on June 15, as it was the highest increase in decades. The last 75 bps rate hike took place during Alan Greenspan's tenure, as the central bank's former lead shocked the nation with the drastic increase. "Inflation remains well above our longer-run goal of 2% over the 12 months ending in April, total PCE prices rose 6.3%, excluding the volatile food and energy categories," Jerome Powell, the U.S. central bank's current chair said on Wednesday in a statement. The nineteen Fed officials believe the bank will end 2021 with a benchmark rate of 3.4%. This means the central bank will increase the rate by 1.5% over the next few months according to the Fed's "dot plot."

### 2) Bitcoin May Be Cheaper Than it Looks, says Fidelity <sup>2</sup>

Jurrien Timmer – the Director of Global Macro at Fidelity – recently claimed that Bitcoin may be "cheaper than it looks." An analysis of certain on-chain data metrics suggests that the coin's true valuation may be significantly higher than its current price. In a tweet on late Tuesday, Timmer shared a chart of Bitcoin's price/network ratio, plotted against its USD price. The price/network ratio is calculated by dividing Bitcoin's price by the total volume transmitted on-chain. This is also sometimes called the NVT ratio. A high NVT ratio can indicate that an asset is overvalued, whereas a low NVT ratio can mean its undervalued. As the director explained, Bitcoin's NVT ratio has now returned to levels from the 2013 and 2017 bull markets, whereas the price has only returned to late 2020 levels.

### 3) Former NYSE president joins Uniswap Labs as advisor <sup>3</sup>

Former New York Stock Exchange (NYSE) president Stacey Cunningham has joined Uniswap Labs as an advisor, according to Wednesday a tweet by Uniswap Labs. Cunningham has spent almost a decade at the NYSE. She served as president from May 2018 to December 2021 and remains a member of its board. She was the NYSE's first female president. Uniswap Labs — the developer behind the Uniswap decentralized cryptocurrency exchange — said that Cunningham was joining the team due to her belief in "the potential of decentralized exchange and in Uniswap Labs's commitment to fairer markets." "Stacey's seen how it's done in TradFi — and she's excited about working with our team toward a better system in DeFi," Uniswap Labs said.

<sup>1</sup> <https://news.bitcoin.com/us-central-bank-hikes-benchmark-rate-by-75-bps-feds-largest-increase-since-1994/>

<sup>2</sup> <https://cryptopotato.com/bitcoin-may-be-cheaper-than-it-looks-says-fidelity/>

<sup>3</sup> [https://www.theblock.co/post/152253/former-nyse-president-joins-uniswap-labs-as-advisor?utm\\_source=cryptopanic&utm\\_medium=rss](https://www.theblock.co/post/152253/former-nyse-president-joins-uniswap-labs-as-advisor?utm_source=cryptopanic&utm_medium=rss)

#### **4) Total supply of stablecoins dropped sharply for first time ever in Q2 <sup>4</sup>**

The total supply of stablecoins saw its sharpest drop in history during Q2 2022, with stablecoin redemptions spiking as a result of “short-term liquidity and concerns about insolvency that were not present during the panic of 2020,” according to data analytics firm Coinmetrics. CoinMetrics head of research and development Lucas Nuzzi highlighted the data via Twitter on June 16, with a graph showing the total supply of stablecoins since January 2020. The list included DAI, UDST, OMNI and TRON, SAI, USDK, PAX. While Circle’s USDC and Binance’s BUSD were compiled in a separate graph. Terra’s original variant of UST was not included in the graph.

#### **5) Russia Developing Sandbox for Cross-border Crypto Payments <sup>5</sup>**

The Russian Export Center (REC), which is a state-run institute tasked to support Russia’s exports, is now considering the employment of digital currencies as an alternative approach to international settlements under sanctions. The organization believes that setting up a “cross-border digital sandbox” is a promising initiative. The project will aim to create opportunities for fintech companies to process payments using digital financial instruments on behalf of Russian exporters and importers. Settlements in cryptocurrencies represent an alternative payment system, which will develop incredibly quickly now, according to Veronika Nikishina who heads the REC. Speaking at the St. Petersburg International Economic Forum, she elaborated:

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<sup>4</sup> <https://cointelegraph.com/news/total-supply-of-stablecoins-dropped-sharply-for-first-time-ever-in-q2>

<sup>5</sup> <https://news.bitcoin.com/russia-developing-sandbox-for-cross-border-crypto-payments/>

## Traders' Digest

On Wednesday, Bitcoin came very close to falling below \$20,000. The crypto leader has fallen more than 30% this month and its decline on Wednesday marked the ninth straight day of losses. Bitcoin also rallied on the back of Jerome Powell's announcement to \$22,900 to then fall back to \$21,015.

Indeed, Cryptocurrencies have rallied following the announcement of a 75-basis point hike by the U.S. Federal Reserve. With inflation in the U.S. soaring past 8.6% in May 2022, the Fed made the most aggressive rate hike in 28 years yesterday.

This rally on Equities and Bitcoin seemed like the perfect bull trap as the Asian and European market sold both risk asset groups during the overnight session. Bitcoin is down over 68% from its all-time high of \$69,000 recorded in November 2021 while Ether has shed 76% from its all-time high of \$4,891 in the same month.

The Fed's hawkish commitment to controlling inflation has already touched off a broad tightening of credit conditions being felt in U.S. housing and stock markets, and likely to slow demand throughout the economy.

Officials also envision steady rate increases through the rest of this year, possibly including additional 75-basis-point hikes, with the fed funds rate ranging from 3.4% to 3.9% at year's end. That would be the highest level since January 2008 and enough, Fed projections show, to slow the economy markedly in coming months and lead to a rise in unemployment.



Table 1. Economic projections of Federal Reserve Board members and Federal Reserve Bank presidents, under their individual assumptions of projected appropriate monetary policy, June 2022

Variable	Median <sup>1</sup>				Central Tendency <sup>2</sup>				Range <sup>3</sup>			
	2022	2023	2024	Longer run	2022	2023	2024	Longer run	2022	2023	2024	Longer run
Change in real GDP	1.7	1.7	1.9	1.8	1.5-1.9	1.3-2.0	1.5-2.0	1.8-2.0	1.0-2.0	0.8-2.5	1.0-2.2	1.6-2.2
March projection	2.8	2.2	2.0	1.8	2.5-3.0	2.1-2.5	1.8-2.0	1.8-2.0	2.1-3.3	2.0-2.9	1.5-2.5	1.6-2.2
Unemployment rate	3.7	3.9	4.1	4.0	3.6-3.8	3.8-4.1	3.9-4.1	3.5-4.2	3.2-4.0	3.2-4.5	3.2-4.3	3.5-4.3
March projection	3.5	3.5	3.6	4.0	3.4-3.6	3.3-3.6	3.2-3.7	3.5-4.2	3.1-4.0	3.1-4.0	3.1-4.0	3.5-4.3
PCE inflation	5.2	2.6	2.2	2.0	5.0-5.3	2.4-3.0	2.0-2.5	2.0	4.8-6.2	2.3-4.0	2.0-3.0	2.0
March projection	4.3	2.7	2.3	2.0	4.1-4.7	2.3-3.0	2.1-2.4	2.0	3.7-5.5	2.2-3.5	2.0-3.0	2.0
Core PCE inflation <sup>4</sup>	4.3	2.7	2.3		4.2-4.5	2.5-3.2	2.1-2.5		4.1-5.0	2.5-3.5	2.0-2.8	
March projection	4.1	2.6	2.3		3.9-4.4	2.4-3.0	2.1-2.4		3.6-4.5	2.1-3.5	2.0-3.0	
Memo: Projected appropriate policy path												
Federal funds rate	3.4	3.8	3.4	2.5	3.1-3.6	3.6-4.1	2.9-3.6	2.3-2.5	3.1-3.9	2.9-4.4	2.1-4.1	2.0-3.0
March projection	1.9	2.8	2.8	2.4	1.6-2.4	2.4-3.1	2.4-3.4	2.3-2.5	1.4-3.1	2.1-3.6	2.1-3.6	2.0-3.0





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# Altcoin Analysis

Despite the recent meltdown in Bitcoin's price, there are multiple altcoins that have been outperforming the overall market. Let's go over some of them briefly.

In the last week:

ADA/BTC has increased by 15%, but surged over 50% since the end of May

BNB/BTC has gone up by 10%. What is interesting is that the pair has been bouncing off the same support for the fourth time now.

SOL/BTC and DOT/BTC have both broken above a declining trend line and surged by over 25% since.

In other news, ETH has been severely underperforming BTC for the last couple of weeks.



*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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