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Market Insight



Key Metrics					
Pairs	Spot Price	24 Hr Change	Low	High	Funding Rates
BTC/USD	\$23,445	3.19%	\$22,431	\$23,671	0.0047%
ETH/USD	\$1,603	6.34%	\$1,485	\$1,641	0.0100%
XAU/USD	\$1,737.20	0.99%	\$1,713.70	\$1,740.40	
USD/CAD	\$1.2836	-0.23%	\$1.2821	\$1.2898	
EUR/CAD	\$1.3154	-0.05%	\$1.3050	\$1.3174	

BITCOIN: A snapshot of Bitcoin's spot price as of this writing is \$23,445 representing a 3.19% increase the last 24 hours and 15.15% decrease in trading volume. The funding rate of BTC is 0.0047%.

ETHEREUM: ETH is trading at \$1,603 as of this writing, representing a 24-Hour increase of 6.34% and a funding rate of 0.0100%. Over the last 24 Hours, the trading volume decreased by 2.50%. 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
WisdomTree Bitcoin Trust	WisdomTree	October 10, 2022

Latest Digital Asset News

1) Three Arrows Founders Break Silence Over Collapse of Crypto Hedge Fund ¹

After five weeks in hiding, the disgraced founders of Three Arrows Capital spoke extensively about the spectacular implosion of their once high-flying hedge fund, saying their bungled crypto speculation unleashed cascading margin calls on loans that should never have been made. Su Zhu and Kyle Davies, built 3AC into a crypto-trading behemoth before its collapse bankrupted creditors and exacerbated a selloff that foisted steep losses on mom-and-pop owners of Bitcoin and other tokens. At times contrite and at times defensive, Davies and Zhu, speaking from an undisclosed location, described a systemic failure of risk management in which easy-flowing credit worsened the impact of wrong-way bets. “The whole situation is regrettable,” said Davies, opening up about 3AC’s current state of affairs. In the lengthy interview, Zhu and Davies revealed how they had misjudged the market, leveraging up their long positions to gain maximum exposure to what they believed would be a “crypto Supercycle.” However, after the abrupt collapse of the Terra ecosystem put an estimated \$600 million dent in the firm’s balance sheet, things started to go from bad to worse.

2) Xiaomi Files Patent to Create Its Own Blockchain-Powered Virtual Characters ²

More and more industries are including blockchain as part of their new products due to its decentralized and immutable traits. Xiaomi, a Chinese company known for its mobile phones and gadgets, has revealed a patent filing that includes blockchain in the process of the generation of its virtual characters. The patent, titled “Virtual Character Processing Method, Device and Storage Medium,” which was introduced in January 2022, was just recently disclosed by the company. In the patent, the company established that their own virtual characters will be generated using different gene sequences, which will be used to determine the images that will identify these characters.

3) California to allow politicians to receive Bitcoin donations for campaigns ³

California has passed a new law enabling state and local office political contestants to receive donations in cryptocurrency. The new law, which will take effect in 60 days, was passed after the state’s Fair Political Practices Commission approved the new requirement. According to the new law, candidates can receive crypto donations if they can convert the digital assets into fiat immediately. The law stipulates that that candidate must work with a registered cryptocurrency processor to handle the transaction. The processor must also perform essential Know Your Customer (KYC) practices like collecting the contributor’s name, address, occupation, and employer.

¹ <https://www.bloomberg.com/news/articles/2022-07-22/three-arrows-founders-en-route-to-dubai-describe-ltcm-moment#xj4y7vzkg>

² <https://news.bitcoin.com/xiaomi-files-patent-to-create-its-own-blockchain-powered-virtual-characters/>

³ <https://finbold.com/california-to-allow-politicians-to-receive-bitcoin-donations-for-campaigns/>

4) Curve Finance Plans to Issue Stablecoin ⁴

According to sources, Curve is looking to launch its first native stablecoin. At an online event on Thursday, the firm's CEO Michael Egorov said the stablecoin would be overcollateralized. Terra USD has previously come under fire for an implosion that sent the digital asset market spiraling so much that many traders have yet to fully recover, partly for not maintaining enough collateral to maintain its one-to-one peg to the U.S. dollar. Egorov did not elaborate on the specific assets in reserve for the new product. Stablecoins are usually backed by USD, EUR, or other mainstream fiat currencies with liquidity. Other stablecoins, including Tether, have faced scrutiny for lack of transparency and for investing client stablecoin funds in relatively liquid assets.

⁴ <https://coinnounce.com/curve-finance-plans-to-issue-stablecoin/>

Traders' Digest



Bitcoin continues to push higher after having two consecutive close above its 50-day moving average which hasn't taken place since the beginning of April. Another level to look out for, is the 200-week moving average located near \$22,700. If Bitcoin can close the week above this level, it would provide the much needed confidence to continue higher. The RSI remains above 50 and is trying to push higher, advocating for further advance.

As long as Bitcoin and the equity market both remain above their 50-day moving averages, we could expect further upside from here.

Moving on with economic data, the US private sector unveiled its first contraction in economic activity since June 2020 based on the most recent flash PMI data. This contraction was led by a drop in the service sector with a marginal decrease in manufacturing production. As you can see below, the French and German PMIs are also pointing to a contraction in manufacturing and service activity.





















































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Bitcoin / U.S. Dollar, 1D, COINBASE +367.49 (+1.59%)



TradingView

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Fri Jul 22	2:00am	»	GBP		Retail Sales m/m		-0.1%	-0.2%	-0.8% 	
	3:15am	»	EUR		French Flash Services PMI		52.1	52.6	53.9 	
		»	EUR		French Flash Manufacturing PMI		49.6	51.1	51.4 	
	3:30am	»	EUR		German Flash Manufacturing PMI		49.2	50.6	52.0	
		»	EUR		German Flash Services PMI		49.2	51.4	52.4	
	4:00am	»	EUR		Flash Manufacturing PMI		49.6	51.0	52.1 	
		»	EUR		Flash Services PMI		50.6	52.0	53.0 	
	4:30am	»	GBP		Flash Manufacturing PMI		52.2	52.1	52.8 	
		»	GBP		Flash Services PMI		53.3	52.9	54.3 	
	6:00am	»	EUR		German Buba Monthly Report					
	8:30am	»	CAD		Core Retail Sales m/m		1.9%	1.8%	1.1% 	
		»	CAD		Retail Sales m/m		2.2%	1.6%	0.7% 	
	9:45am	»	USD		Flash Services PMI		47.0	52.6	52.7 	
		»	USD		Flash Manufacturing PMI		52.3	52.0	52.7 	

Altcoin Analysis

Polkadot continues to impress with its adoption milestones. By the end of June 2022, Polkadot reported 1,400 monthly active developers, a 75% YoY increase, which surpasses any other Web 3.0 protocol apart from Ethereum.

Messari's 2Q report on the coin outlined that "strong developer activity has been Polkadot's plus point. [...] Developer activity scored an average of 11,000 developer activity events per month. Evidently, Polkadot's developer activity remains among the strongest in the crypto market."

Prices have increased by 12% in the last 7 days, but unfortunately, the altcoin has underperformed BTC by 12% in the last month.

From a technical point of view, DOTUSDT has been trading within a declining trend channel since the start of the year. More recently, prices have been capped by a short-term consolidation zone. Prices are now trading right on resistance and might break out any moment now.

Looking at the RSI, we were capable of breaking above an ascending triangle pattern, advocating for further upside. If prices manage to break above \$8.50, we would most likely witness a rise to \$11.75.

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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.

Start trading with Secure Digital Market today by e-mailing Trading@securedigitalmarkets.com

Disclosure

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