

05 May 2021

# Daily Market Report

## Daily Rundown – BTC and ETH

BTCUSD formed a solid red candle on Tuesday, continuing the sell off from late Monday, closing at USD 53,236, very close to the day's low. But, aggressive bids emerged here, causing a jump in the pair, trading at USD 55,000 at the time of writing.

Volumes were higher than the preceding day, indicating a strong momentum in the downtrend.

Resistance for the pair should be at around USD 56,000 levels, while on the downside, we have last week's low of USD 52,400 levels.

Shorts could be initiated ay USD 55,900 with stops above USD 56,750 targeting USD 53,000.



Source: Tradingview

The Ether (ETHUSD) rally hit pause on Tuesday, but, not before making another all time high of USD 3,530. The pair was sold off there, and closed at USD 3,240. Bids emerged early today, the pair was trading at USD 3,320 at the time of writing.

Volumes were the highest seen in the last one month, indicating a pause to the upside rally.

The pair could be sold at USD 3,380, with stops above USD 3,450, targeting USD 3,200 levels.



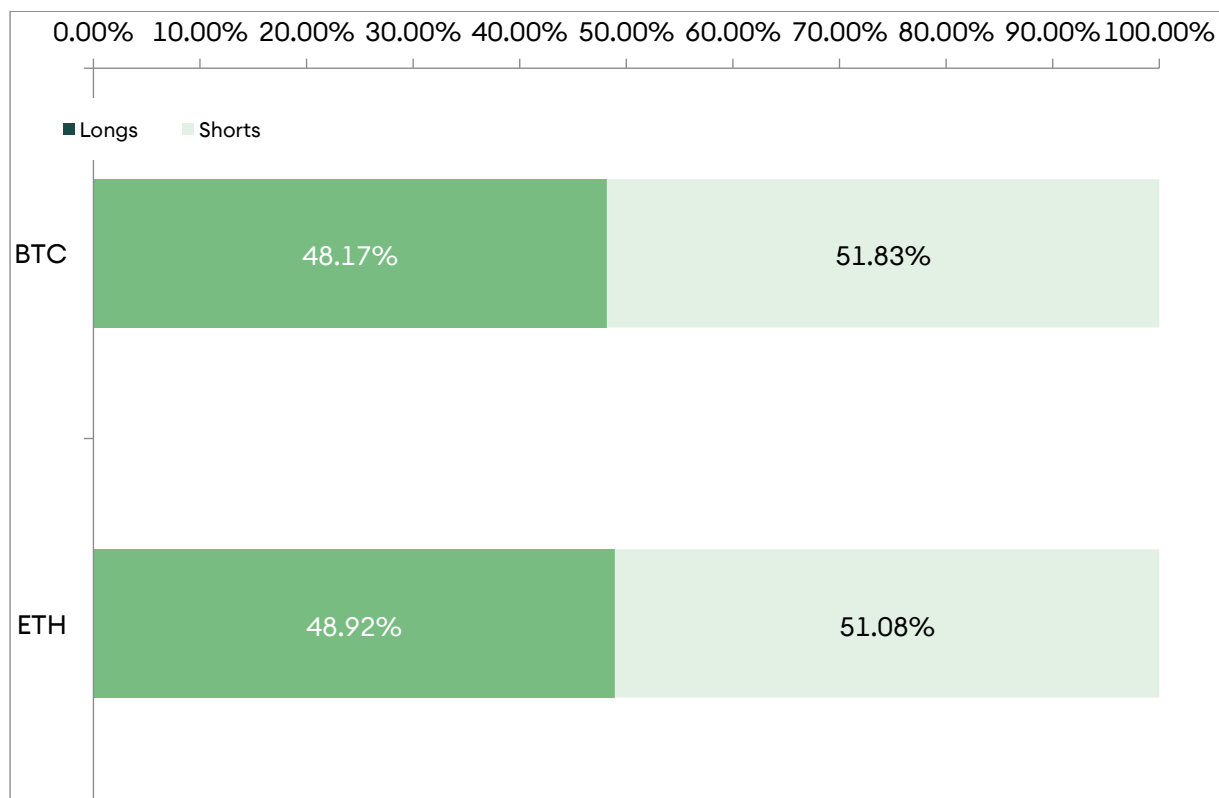
Source: Tradingview

## Summary of Top News Flow

- Digital Asset funds posted largest inflows last week since February this year, as ETH attracted the bulk of investment.
- Cryptocurrency ATM operator launched 355 new tellers in the US, with the global count of crypto-fiat exchange ATMs globally exceeded 19000.

## 24 Hours Long vs Short

The 24-hour long-short data suggest that the market is slightly biased towards shorts as they stand at 51.83% for Bitcoin, while shorts stand at 51.08% for Ethereum.



Source: Bybt, SEBA Bank AG

## Vol Report (as of 15:30 CET on 30.04.2021)

BTC ATM		
Expiry	IV	Change
1d	66.20%	-6.70%
1w	65.40%	-3.90%
2w	65.90%	-0.50%
1m	67.20%	-1.30%
2m	70.60%	-4.40%
3m	70.40%	-5.80%
6m	72.00%	-6.60%

Risk Reversal 25d		Risk Reversal 10d		Risk Reversal 5d	
IV	Change	IV	Change	IV	Change
3.60%	1.80%	21.80%	15.60%	28.10%	19.80%
6.90%	3.80%	21.60%	9.50%	18.80%	9.60%
3.50%	1.30%	14.90%	4.90%	20.20%	8.10%
-0.10%	-1.30%	4.20%	-2.10%	11.50%	4.50%
-2.30%	-1.10%	-0.40%	-0.30%	3.20%	1.60%
-5.10%	-0.90%	-2.50%	1.60%		
-10.40%	-2.00%	-11.10%	-1.10%		

ETH ATM		
Expiry	IV	Change
1d	80.60%	-4.50%
1w	76.40%	-0.70%
2w	78.90%	6.60%
1m	80.70%	6.70%
2m	87.00%	3.90%
3m	88.20%	2.70%
6m	90.10%	-0.30%

Risk Reversal 25d		Risk Reversal 10d		Risk Reversal 5d	
IV	Change	IV	Change	IV	Change
6.30%	3.10%	24.20%	23.30%	33.30%	
5.20%	3.60%	19.10%	5.30%	25.00%	-2.20%
-1.00%	-1.90%	9.80%	2.40%	19.30%	6.10%
-3.10%	-1.70%	-0.10%	-0.90%	7.30%	3.00%
-7.90%	-3.30%	-11.20%	-0.40%	-16.90%	0.90%
-9.00%	0.30%	-1.10%	18.00%		
-13.00%	-2.30%	-11.80%	1.70%		

ETHUSD-BTCUSD		
Expiry	IV	Change
1d	14.40%	2.20%
1w	11.00%	3.20%
2w	13.00%	7.10%
1m	13.40%	8.00%
2m	16.30%	8.30%
3m	17.80%	8.50%
6m	18.20%	6.30%

Source: Skew.com

### BTCUSD

The Tuesday report called for the short-term bottom in the market and attractive upside trades. The second half of the week confirmed the bearish exhaustion with higher lows and higher highs.

Implied volatilities were well offered in BTC as structured flows persist, put selling and call selling to raise yields are favoured strategies at this time. Realized volatility is on a steady decline on a daily close basis, intraday spikes are seen in volatility mainly on the downside. With the support, traders are less concerned with those and selling options again.

BTCUSD spot 4hr chart below shows the tilted reverse head and shoulders can provide a nice base for a rally later today or this weekend if broken even in the face of ongoing rotation out of BTC into ETH.



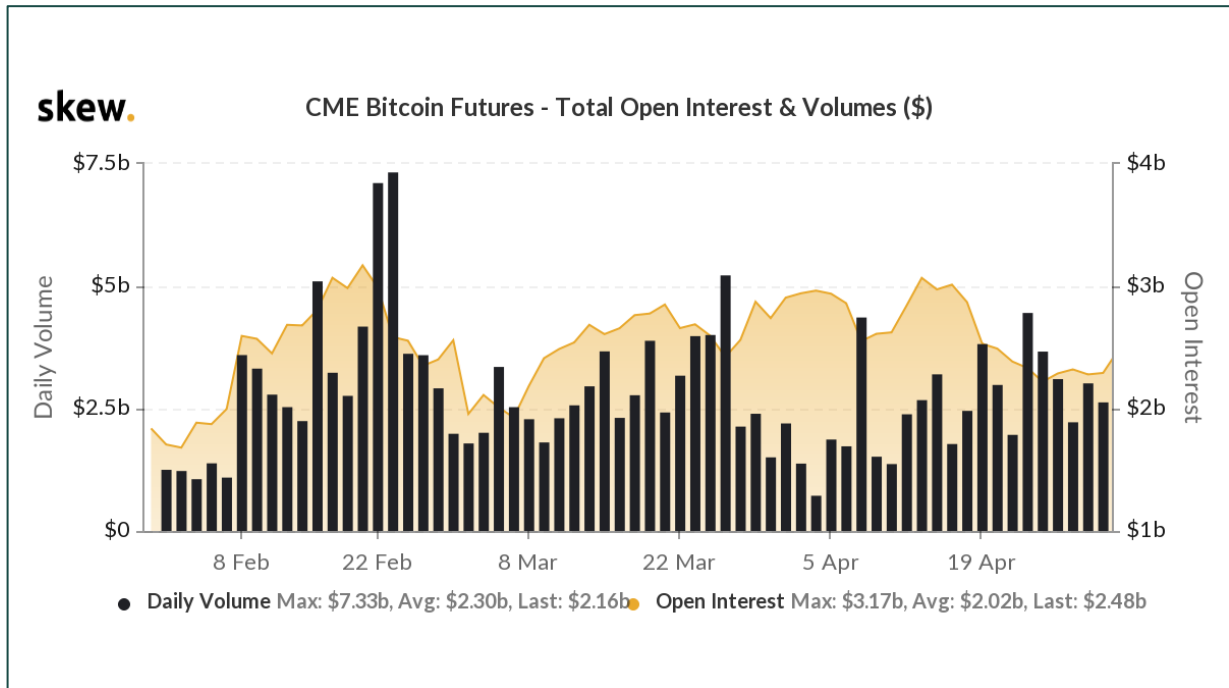
Source: Tradingview

DVOL has not changed much



Source: Deribit

CME futures open interest has hit a recent low. There is room for new leverage into the new month and with BTC positions seemingly a lot cleaner.



Source: Skew.com

## ETHUSD

Implieds have fared a bit better here and deservedly so. ETHUSD gamma is a lot better value with huge intraday moves and consistent new highs. The premium for futures is also more stubborn and leveraged positions are higher. Owning ETHUSD puts and owning spot as a way to be a long upside.

## Trades

Buy 14 May 65000 BTCUSD calls for USD 550 with a spot at 54500 - cheap breakout trade  
Buy 25 Jun 2560 ETHUSD puts for USD 235 with a spot at 2790 and buy 100% delta for continued bullish and volatile price action.

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