

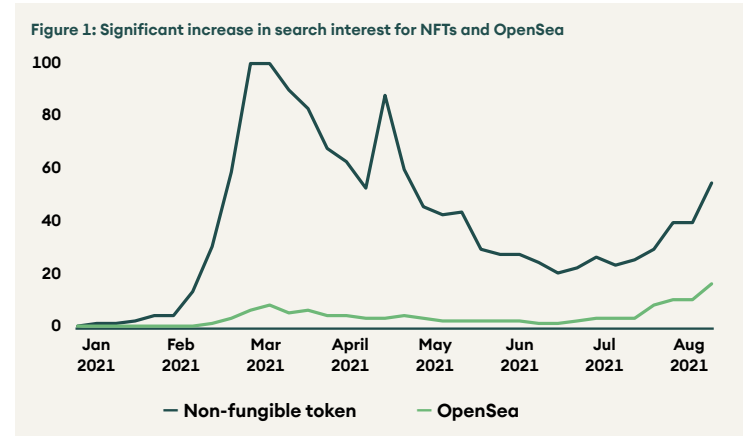
Top Market Events

Executive Summary

- Non-Fungible Tokens are trending again, and this time it is not just retail that is interested but also corporates
- Bitcoin recently made a three-month high of USD 50,487 on the back of positive news flow

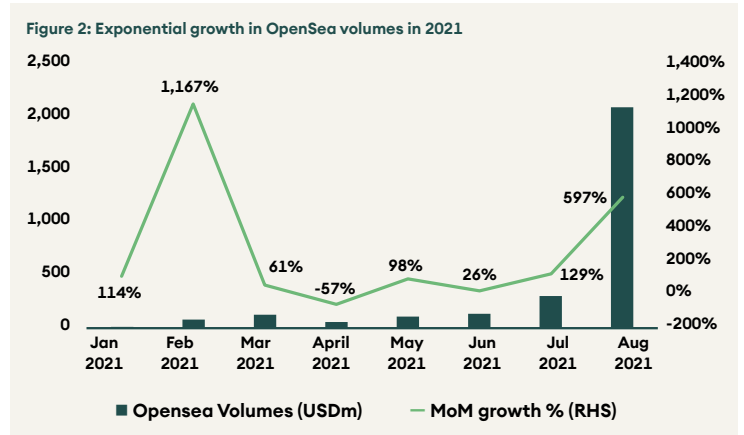
NFT Season

We may be living in the funniest timeline. This week, Visa announced that it had bought a CryptoPunk for -50 ETH or USD -150 thousand. Budweiser was next to follow; they purchased beer.eth ENS domain for 30 ETH or USD -100 thousand and changed their Twitter profile picture to a rocket drawn by NFT artist Tom Sachs. Budweiser has now collected 20 NFTs, including penguins and Christmas hats. Google search trends for “Non-Fungible Tokens” show an increasing interest in NFTs, but it is still off the peak in March 2021.



Source: SEBA Bank, Google Trends

OpenSea is a decentralised marketplace for buying, selling and creating NFTs. In July, it had raised USD 100 million at a valuation of USD 1.5 billion and has been a significant beneficiary in this boom. August has been an excellent month with 7x monthly growth and daily volumes trending at USD 1 billion. Search trends for “OpenSea” are also at their highest level ever.



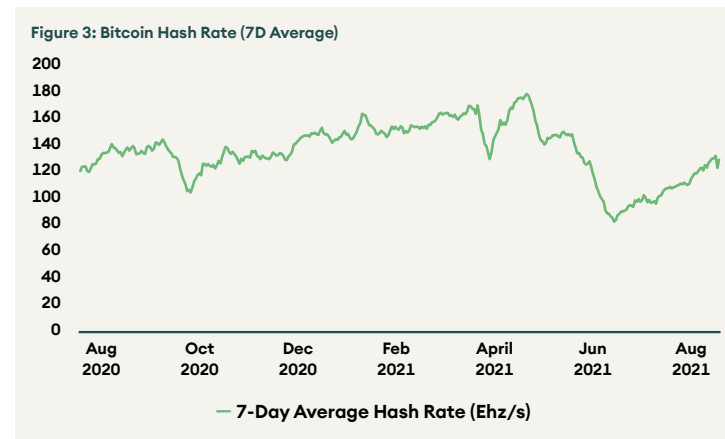
Source: SEBA Bank, Dune Analytics

As we covered in The Bridge – NFTs: A New Fancy Technology, NFTs being digitally available and independently verifiable on the blockchain allows them to deliver more use cases than physical art. One important use case that is gaining popularity is that of the metaverse. The metaverse will connect all digital universes, and NFTs will be a way to keep your assets across these universes. The owner of a CryptoPunk can currently make it their profile picture on Twitter but may later also be able to use it as their character in a video game or attend exclusive virtual meetups for CryptoPunk owners. As humans increasingly spend more time online, they will want to identify more closely with their digital identities. They will build and invest more into their digital identities so they can better tell their individual stories.

Top Market Events

Flirting with 50 k

Bitcoin has rallied around 30% in the past month, from USD 37 thousand to USD 48 thousand. Quite a few factors have helped bitcoin in this rally. Bitcoin’s hash rate has more than doubled to 152 EH/s since its lows of 57 EH/s in June, as shown in figure 3 below.



Source: SEBA Bank, Coinmetrics

Asset managers and corporates also increased their exposure to bitcoin, and now hold an accumulated supply of 1.2 million BTC, worth USD 57 billion. Greyscale Bitcoin Trust represents more than 3% of the total bitcoin supply managing 654,600 BTC, worth USD 32 billion. Morgan Stanley acquired 928,051 GBTC shares via the Morgan Stanley Insights fund, as revealed in their SEC Q2 filings. Michael Saylor’s MicroStrategy picked up another 3,907 BTC at an average price of USD 45 thousand.

Paypal announced that users in the UK with accredited identities can now access crypto trading through their non-business accounts. They will have exposure to Bitcoin, Bitcoin Cash, Litecoin and Ethereum at the start.

Top Market Events

Technical Outlook

by Swaminathan Iyer of the Trading Desk

BTCUSD



Source: TradingView

The USD 50,000 level was defended for the pair as sellers took control of the near-term momentum. A clear break and close on the daily chart above the level would indicate a resumption of the bull trend. The market appears to be trending downward currently.

Support: USD 46,400

Resistance: USD 50,000

ETHUSD



Source: TradingView

The pair hit a high of USD 3,380, where aggressive selling took the pair back below USD 3,100. The pair should find support at the psychologically relevant USD 3,000 level, although price action favours sellers in the near term.

Support: USD 3,000

Resistance: USD 3,280

Market Monitor

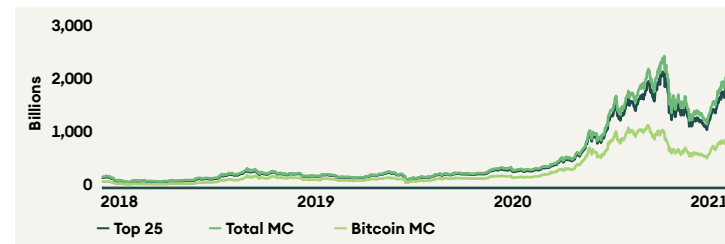
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The total market gave positive returns for the fifth week in a row. Unlike the previous week, Bitcoin also gave positive returns closing up by 9.3%.

Figure 1: Market Capitalisation

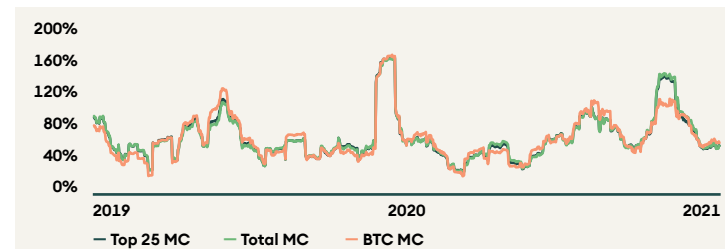
	Market Cap (USDbn)	Weekly Change
Total Market	2,095.8	9.1%
Top 25	1,885.2	9.1%
Bitcoin	920.3	9.3%



Volatilities for all markets are significantly below the 1-year averages of ~75% as the markets gave steady returns for the month.

Figure 2: Risk Measures

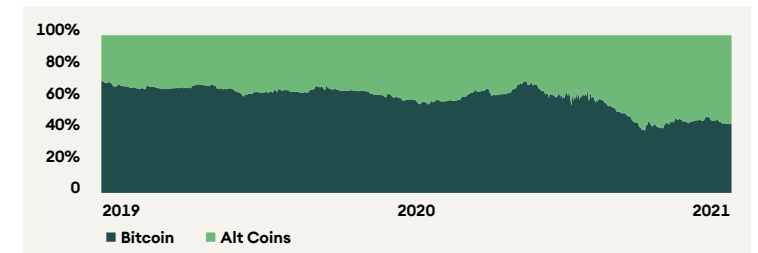
	Current Value	Weekly Change
Total Market	59.6%	-2.2%
Top 25	59.9%	-1.4%
Bitcoin	63.6%	-3.4%



Bitcoin dominance is largely unchanged as both the broad market and bitcoin close up by ~9%.

Figure 3: Bitcoin Dominance within Total Market

	Dominance	Weekly Change
Bitcoin	43.91%	0.09%
Alt coins	56.09%	-0.09%



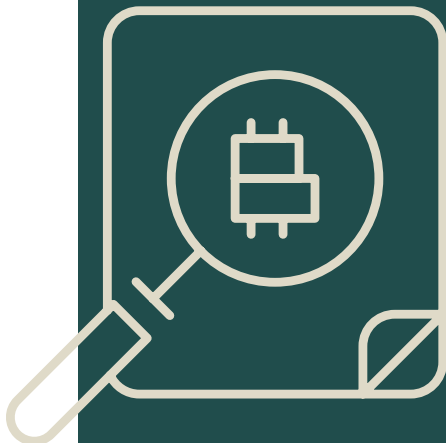
30-day bitcoin returns were largely uncorrelated with the returns on equities and bonds and negatively correlated with returns on gold. 1-year average of correlation is positive at 0.25 with equity, 0.16 with bonds, and 0.11 with gold.

Figure 4: 30-day Rolling Correlations of BTC

Equities	Bonds	Gold
-0.03	0.06	-0.235

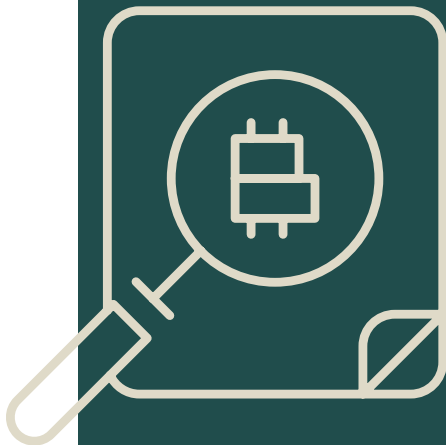


Source: Coinmarketcap.com



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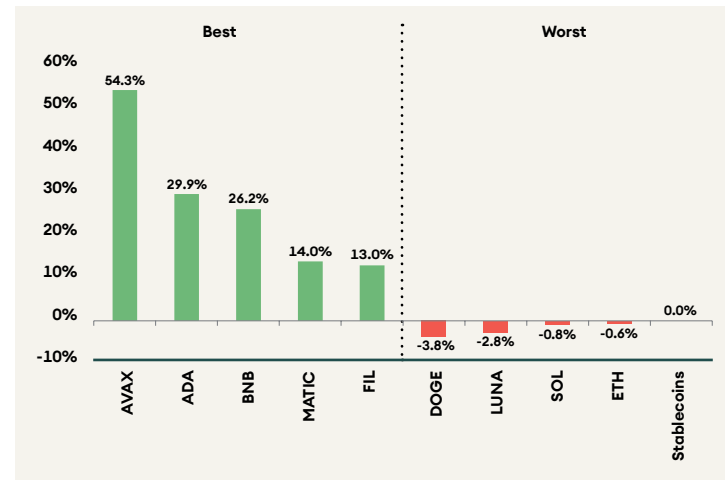


Crypto Market Monitor

Market Monitor

After the rise of Solana, Avalanche is the next platform chain to attract the attention of the market as it rallied by more than 50% for the week. Cardano also closed up by 30% as the launch date for much awaited smart contracts draws near.

Figure 5: Weekly Best & Worst Five Performers within the Top 25 Coins



Source: Coinmarketcap.com, Thomson Reuters.

Platform chains are the big outperformer for the year with Polygon, Solana and Luna among the best performers. The old payment coins - Bitcoin, Bitcoin Cash and Litecoin - are the underperformers for the year. Dogecoin is the big exception, much wow!

Figure 6: Top 25 Crypto Assets by Market Cap

Coin	Marketcap (USDbn)	Price	Weekly Change	YTD
Bitcoin	920.34	48,960.8	9.3%	67%
Ethereum	378.14	3,224.9	6.8%	342%
Cardano	88.01	2.7	29.9%	1,462%
Binance Coin	84.54	502.8	26.2%	1,226%
Tether	65.48	1.0	0.0%	0%
XRP	54.54	1.2	2.3%	394%
Dogecoin	38.29	0.3	-3.8%	5,040%
USD Coin	27.05	1.0	0.0%	0%
Polkadot	25.61	25.9	8.3%	212%
Solana	20.92	72.0	-0.8%	4,665%
Uniswap	16.53	27.0	1.7%	470%
Bitcoin Cash	12.23	649.3	2.3%	90%
Binance USD	12.13	1.0	0.0%	0%
Luna	12.12	30.0	-2.8%	4,514%
Chainlink	11.87	26.5	3.9%	123%
Litecoin	11.86	177.6	6.1%	41%
Polygon	9.88	1.5	14.0%	7,530%
Internet Computer	9.74	62.0	5.8%	-86%
Wrapped Bitcoin	9.67	48,967.1	9.3%	67%
Stellar	8.46	0.4	4.6%	171%
Ethereum Classic	8.22	63.6	-0.6%	1,017%
Vechain	8.19	0.1	6.2%	567%
Avalanche	8.03	46.1	54.3%	1,369%
Filecoin	7.59	76.4	13.0%	243%
Theta	7.20	7.2	4.9%	265%

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