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DIGITAL ASSET MARKET NEWS

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Key Metrics					
Assets	Spot Price	Change (%)	Low	High	7-Day Volatility
 BTC/USD	\$63,127.71	3.97%	\$59,771.46	\$ 63,228.69	
 ETH/USD	\$ 4,141.67	3.94%	\$ 3,962.93	\$ 4,176.49	
 Gold	\$ 1,804.40	0.45%	\$ 1,796.00	\$ 1,806.00	
 USD/CAD	\$ 1.237	-0.01%	\$ 1.234	\$ 1.238	
 EUR/CAD	\$ 1.436	-0.26%	\$ 1.434	\$ 1.441	

BITCOIN: A snapshot of Bitcoin's spot price as of this writing is \$63,127 representing 4.0% increase the last 24 hours and 20% increase in trading volume. The 30-day volatility of BTC is 58%. Bitcoin remains the top cryptocurrency trading with a support at \$60,000.

ETHEREUM: ETH is trading at \$4141.67 as of this writing, representing a 24-Hour increase of 2% and 30-day volatility of 71%. Over the last 24 Hours, the trading volume increased by 4.80%. As of today, ETH holds 18% of the cryptocurrency market, making it the second-largest coin traded.

MACRO

Inflation: The current situation reflects "temporary" pain, as noted by Janet Yellen. The secretary of treasury said she expects price increases to remain high through the first half of 2022 but dismissed criticism that the U.S. is losing control of inflation. Yellen said on CNN's "State of the Union" on Sunday that inflation is likely to ease in the second half as supply bottlenecks, a tight U.S. labor market, and other factors related to the pandemic ease.

Global Market: Global trade is relatively quiet, with the notable exception of the Turkish lira's overnight slump amid the diplomatic spat. Japan's Topix index closed 0.34% lower, while the MSCI Asia Pacific Index declined 0.1%. Meanwhile, the Stoxx 600 Index in Europe was flat at 5:54 a.m. Eastern Time. Futures on the S&P 500 were up slightly, the 10-year Treasury yield was 1.655%, oil was \$84 per barrel, and gold rose.

LATEST DIGITAL ASSET NEWS

1) **Business Week: Polymarket.** Bloomberg reports that the Commodity Futures Exchange Commission is investigating Polymarket, the decentralized prediction market. Polymarket has been investigated by the derivatives regulator to see if it is letting customers trade binary options or swaps improperly. "Polymarket is firmly committed to complying with applicable laws and regulations and to providing regulators with information they can use to resolve any inquiry," a Polymarket representative told Bloomberg. Polymarket "has not been accused of wrongdoing," according to the report. Bloomberg also said that the company has hired former CFTC enforcement chief James McDonald, now a partner at Sullivan & Cromwell, as part of its response to the investigation. Just before the U.S. presidential election last fall, the market raised \$4 million in new funding. Bloomberg reports that Polymarket is negotiating a fresh round of funding at a valuation of nearly \$1 billion

2) **Regulations Around the world:**

i) **Australian Regulator Advocates for Crypto**

The Senate committee in Australia has suggested that the country should establish favorable regulations to encourage the development of the crypto industry, to be "competitive with Singapore, the UK, and the U.S". There were 12 proposals made by the Australian Senate committee to alter the current laws governing crypto assets and taxation laws. The legislators believe that Australia could lead the way in the digital economy if the laws were amicable.

A number of guidelines have been provided by the committee on the structure of newly updated regulations. The committee advised proposed laws should focus on issuing tax discounts for crypto trading and establishing a licensing regime for exchanges. The regulation should also incorporate an effective crypto taxation rule that provides traders with the ability to pay taxes when they record clearly defined capital gains on trading the asset class. In addition, new regulations also should provide clarity on how various digital currencies should be categorized to identify the relevant rules applicable to them. At last, the proposed regulatory clarity should also assist banks in making decisions regarding de-banking crypto customers since indiscriminately closing cryptocurrency accounts has hampered the industry's growth.

ii) **Russian's Central Bank is shutting its doors to bitcoin ETF trading.**

Central Bank of Russia (CBR), Russia's apex bank, has continued to take a hard line against cryptocurrencies. In a recent press conference, Russian central bank official Elvira Nabiullina emphasized that cryptocurrency ETFs will not be permitted to trade on the Russian market. The disclosure came in response to being asked if the European country would follow in the steps taken by the U.S., which approved its first Bitcoin futures ETF, the ProShares Bitcoin Strategy ETF, to trade on regulated exchanges and will roll out more in the coming days. In July, the central bank issued a warning to stock exchanges to avoid listing tickers tied to digital assets as they *“increased risks of losses for people who do not have sufficient experience and knowledge.”*

However, despite Russia's central bank's reservations, cryptocurrencies are given serious consideration for adoption across other government circles. Russian Deputy Foreign Minister Alexander Pankin noted last week that the country could use other currencies and even "digital assets" to partially replace the use of dollars in currency reserves and trade settlements. The Foreign Ministry, along with other government officials, is considering this action as a way to counteract the effects of increasing U.S. sanctions on the domestic economy as well as limit the influence of U.S. dollars. A bullish stance has been expressed on cryptocurrencies by the Russian president Vladimir Putin, who also commented on the situation.

3) Bitcoin ETF: Proshare requesting exemption from trading limits at CME.

In an interview with Barron's, ProShares CEO Michael Sapir said that his firm has applied for an exception from trading limits at the Chicago Mercantile Exchange, where it purchases Bitcoin futures contracts, and that ProShares will seek to invest in other kinds of derivatives contracts.

For Bitcoin futures contracts that expire in the same month, the CME sets a limit of 2,000. ProShares can only [hold](#) 4,000 contracts for November, and 5,000 contracts overall. Currently, ProShares holds 2,133 contracts for November and 1,679 contracts for October, so 76% of its limit is occupied.

The ETF invests 25% of investors' cash in a Cayman Islands subsidiary that buys Bitcoin futures on the Chicago Mercantile Exchange. In the first 24 hours since its launch, the ETF managed more than \$1 billion in assets. At present, ProShares invests the remaining 75% in Treasury securities and the repo market. To gain leverage on its investments, ProShares also borrows money from the repo market. With this leveraged cash, ProShares invests in futures contracts – bets on the future price of Bitcoin and settled with cash. Despite the market conditions, the fund's investment strategy remains unchanged. In the case of Bitcoin's price increasing, ProShares profits. These profits would be used to borrow money from the money market to buy Bitcoin futures. In the event that Bitcoin sinks, ProShares loses its cash-settled bets and its Bitcoin exposure will shrink.

- 4) **NFT:** Reddit, a popular online community, plans to build its own platform for users to buy and sell NFTs, according to a job listing posted.

The job listing for Reddit's upcoming "Senior Backend Engineer, NFT Platform" does not conceal the firm's plans. The ideal candidate, according to the posting, will "design, build and ship backend services for millions of users to create, buy, sell and use NFT-backed digital goods."

NFTs aren't Reddit's first venture into the crypto industry. The firm currently has an Ethereum-based crypto token rewards program called Community Points, which has been deployed in just two of its more than 100,000 subreddits.

TRADER'S DIGEST: MARKET MOVEMENT

After the large rally in the past three weeks, Bitcoin has finally entered a correction to flush out the leverage, cool off the overbought conditions, and help build a structure. This occurred after the open interest rate, funding rate, and leverage ratio reached record levels. On a closing basis, the cryptocurrency must hold \$60K. An ideal scenario would be to hold \$60K, create a cup and handle, retest \$64.8K, and break out higher towards \$70K.

In the past three weeks, Bitcoin rallied significantly, and leverage in derivatives was increasing rapidly – therefore a near-term pullback might be necessary. For the structure to remain intact and form a higher low, support must hold between \$60K and \$53K. In terms of fundamentals and on-chain, the trend is bullish, and no signs of aggressive distribution have emerged, which indicates there is more upside to come in this bull market.

At the time of writing, Bitcoin is trading at \$63,100 against the US Dollar, having broken through local resistance of \$63,000 in the past 24 hours.



UPCOMING DATES		
Company	Pending Applications	SEC Response Date
VanEck	VanEck Bitcoin Trust	Nov. 10 2021
Wisdomtree	Wisdomtree Bitcoin Trust	Dec. 05 2021
Kryptoin Invst Advisrs	Kryptoin Bitcoin ETF Trust	Dec. 18 2021
Valkyrie Investments	Valkyrie Bitcoin Fund	Jan. 1 2022
First Trust & SkyBridge	First Trust SkyBridge Bitcoin ETF Trust	Jan. 16 2021
Fidelity	Wise Origin Bitcoin	Jan. 20 2022
21Shares / Ark Invest	ARK 21Shares Bitcoin ETF	Mar. 30 2022
Global X	Global X Bitcoin Trust	Apr. 14 2021

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