

Market Update

July 30, 2024

Grayscale Prepares for Bitcoin Mini Trust, SEC Amends Binance Complaint

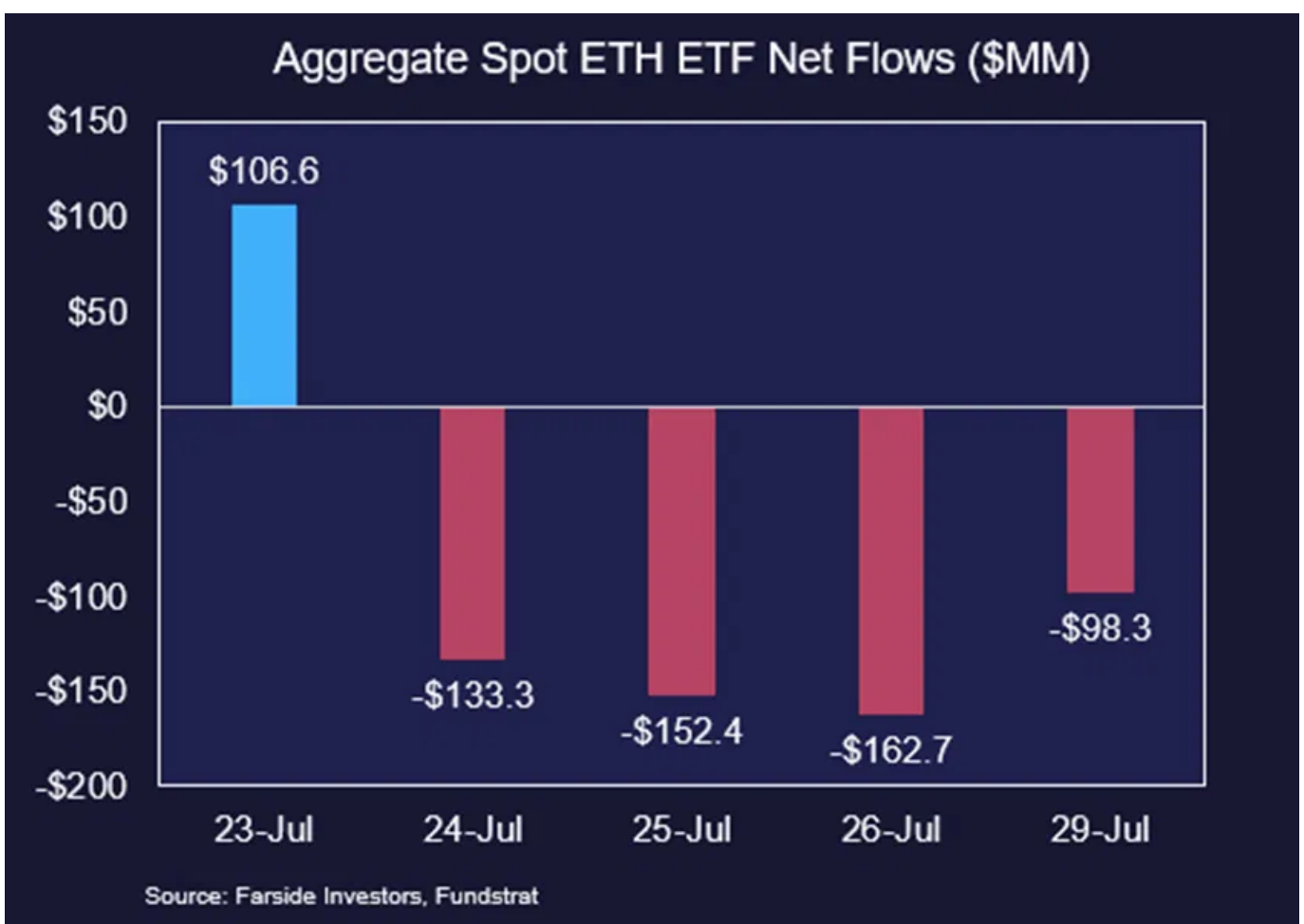


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Market Update

U.S. equity indices are moving lower, with the \$SPY trading at \$540.95 and the \$QQQ showing more pronounced losses, trading at \$457.75. Economic data this morning exceeded expectations, with job openings and consumer confidence both surpassing estimates, although rates are still showing modest declines. Crypto assets are mixed, with #BTC holding slightly above \$66k and #ETH gaining slightly to \$3,320, and #ETHBTC increasing above 0.05. Yesterday marked the fourth consecutive day of ETH ETF outflows, with ETHE outflows overwhelming the positive flows from other issuers. Net flows have totaled -\$440 million since launch, although yesterday represented a decline in the pace compared to last week.



Grayscale Prepares for Bitcoin Mini Trust Trading

Grayscale’s Bitcoin Mini Trust should go effective tomorrow and trade under the ticker “BTC” pending final approval from the SEC. Today is the listed record date for the initial creation and distribution of shares, meaning that from and after today, anyone who purchases GBTC will not be entitled to any Mini Trust shares. 10% of the Bitcoin held in the GBTC trust will be converted to the Mini Trust at a ratio of 1:1. BTC’s fee is set at 0.15%, compared to GBTC’s 1.5% fee. The Mini Trust will give GBTC holders exposure to a lower-fee product without triggering a taxable event and hopefully reduce the amount of outflows from GBTC. \$GBTC was down 10% in early morning trading as they rebalance the two.

SEC Amends Binance Complaint Regarding Third-Party Tokens

The SEC is moving to amend its complaint against Binance, removing its language seeking a court ruling on whether specific tokens sold on Binance were securities. The original complaint filed in November alleged that multiple assets on the Binance platform constituted sales of investment contracts under the Howey test. The third-party crypto assets in question include #SOL, #ADA, #MATIC, #FIL, #ATOM, #AXS, #COTI, #ALGO, #MANA, and #SAND. In the joint status [report](#) filed Monday, the SEC's proposal would obviate "the need for the court to issue a ruling as to the sufficiency of the allegations as to those tokens at this time." The defendants and the SEC disagreed on whether the discovery process should begin, with the defendants claiming they would like to see the full amended allegations before allowing discovery to proceed.

Technical Strategy

Ripple traders are hoping that lawsuits potentially come to an end this week as price action continues to reflect lots of near-term optimism. Its daily chart shows the bullish triangle pattern from 7/17 which is giving way to an upside breakout as of today, 7/30/24. Thus, a rally up to \$0.68-70 looks likely in the short run (from its current \$0.62850 but could prove to be strong resistance into early August. Thus, despite a very good gain throughout the month of July, #XRP looks to be approaching its first meaningful area of resistance on this rise. Following a test of \$0.68 in the days ahead, I suspect that August might give way to some near-term consolidation which might retrace 38-50% of its July gains before additional rallies into this Fall get underway.



Daily Important Metrics

Crypto Size

Bullish signal is tied to the crypto market growing

Market cap **2.39T** \$-92.9B (-3.74%)

BTC Dominance 54.84 % (-1.25%)

Stablecoins

Increase in circulating stablecoins is a Bullish signal

In Circulation **+\$114B** (0.04%)

In Exchanges **+\$19B** (-1.73%)

BTC Metrics

A decrease in Bitcoin on exchanges is bullish, indicates investors are moving coins to cold storage

Sentiment



Futures

A positive spread between Futures Prices and Spot Prices is Bullish



BTC Exchanges **+\$3.0M** (-0.15%)

CME Price \$66,885 (-5.44%)

Funding Rates

Spot Basis **+\$391** (0.59%)

Volume 882,265 (208.02%)

Open Interest 313,996 (1.96%)

Positive funding rates indicate traders are Bullish

Aggregate	+0.4950	(-0.4699)
Binance	+0.9989	(0.0568)
Bitfinex	+0.5355	(0.5350)
Bitmex	+0.3507	(-0.5194)
ByBit	+1.0000	(0.0000)
Deribit	+0.0276	(-1.3230)
Huobi	+1.0000	(1.0000)
Kraken	+0.0492	(-0.6829)
Mean	+0.4950	(-0.4699)
OKex	-0.3572	(-1.5867)

Options all exchanges

Higher open interest change in a bull market is bullish for the sector

Volume 47,941 (323.14%)

Open Interest 248,157 (5.68%)

Vol. Put/Call Ratio 0.5342 (19.69%)

OOI Put/Call Ratio 0.4341 (1.33%)

All metrics as of 2024-07-30 12:38:43

All Funding rates are in bps

Crypto Prices

Symbol	Market Cap	Last Price	Daily Change	Year to Date	Relative to BTC YTD
BTC	\$1.30T	\$65,888	-1.59%	56.00%	
ETH	\$396B	\$3,293	-0.44%	44.73%	-7.23%
SOL	\$83B	\$178	-4.36%	74.52%	11.87%
DOGE	\$288,259	\$0.0003	-7.03%	-99.68%	-99.79%

All prices as of 2024-07-30 13:46:45

Exchange Traded Products (ETPs)

Symbol	Prem. to Nav	Last Price	Daily Change	Year to Date	Relative to BTC YTD
BITW	-29.95%	\$35	-2.28%	50.77%	-3.35%
ETHE	-0.40%	\$28	-0.45%	43.76%	-7.85%

News

Quick Bits

The Block

Solana-based PayPal stablecoin supply closes gap on Ethereum PYUSD

After launching in May, supply of PYUSD on Solana has nearly caught up with the supply of PYUSD on Ethereum.

The Block

WazirX faces backlash on 'socialized loss strategy' after \$230 million exploit

Indian cryptocurrency exchange faces backlash after announcing plans to socialize breach losses amongst its users.

The Block

Artists sue SEC over whether NFTs are securities, use Taylor Swift tickets as example

A pair of NFT artists sued the SEC as they look for answers from a court on whether NFTs fall under the agency's jurisdiction.

Market Data

The Block

US spot Ethereum ETFs saw \$98.3 million in net outflows, extending negative flow streak

The spot ether ETFs experienced their fourth consecutive day of negative flows, with net outflows of \$98.29 million on Monday.

The Block

DEX market share surges to record high, outpacing centralized exchanges

The monthly trade volume of DEXs relative to CEXs is already the highest its ever been at 14.22%.

Dose of DeFi

The Block

Compound reaches truce with crypto whale Humpy after controversial vote to move \$24 million in tokens

Compound Finance may have brokered a truce with pseudonymous crypto whale Humpy and associated group The Golden Boys.

The Block

Aave's fee switch proposal sparks major rally in AAVE token

Following the release of Mark Zeller's "temp check," AAVE has added \$188 million to its market cap.

Regulation

CoinDesk

SEC Intends to Amend Complaint Against Third Party Tokens (Like SOL) in Binance Case



The U.S. SEC may be dropping its charges against so-called third-party tokens such as Solana and Matic which have been part of its case against Binance, according to a court filing early Tuesday morning.

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