

Crypto - Market Update

September 26, 2024

Crypto Surges on More China Stimulus, Ethena Announces New Stablecoin

**Tom Couture** ^{AC}

VICE PRESIDENT OF CRYPTO STRATEGY

Market Update

The PBoC has announced a fresh package of economic stimulus, weighing a \$142 billion injection into top domestic banks and pledging to stabilize the housing and stock markets. Domestically, durable goods data came in better than expected, and GDP met expectations, providing more confidence in the stability of the U.S. economy. Crypto is responding positively to both developments, as #BTC has gained to \$65.3k and #ETH to \$2,650, with altcoins showing larger moves. #SOL and ecosystem memecoins #WIF and #BONK are some of the top gainers, rising 6.01%, 12.13%, and 9.65%, respectively. Crypto-related equities are reacting to the move, with \$COIN and \$MSTR gaining about 8%. Equity indices are showing more muted gains, with the \$SPY and \$QQQ gaining around 0.30%, while Chinese names continue to outperform, with \$KWEB gaining more than 10%.

Ethena Announces UStb



Ethena, a stablecoin protocol, has announced its newest product, UStb, a fully collateralized stablecoin backed by Blackrock's BUIDL fund. BUIDL is a tokenized MMF fund that mainly holds U.S. treasuries. UStb will diversify Ethena's product suite, creating a fiat-backed stablecoin separated from its main product, USDe. The new product comes in response to concerns about how USDe would operate in times of prolonged negative funding environments. If needed, Ethena can now adjust the backing composition of USDe between basis positions and liquid stables. They can close hedging positions and reallocate collateral towards UStb to alleviate potential risks. Additionally, as Ethena integrates with centralized exchanges, they can now offer two options for margin collateral. Ethena has surged following the product announcement, with #ENA gaining more than 16%.

Ethena

As funding rates get negative



As funding rates get positive

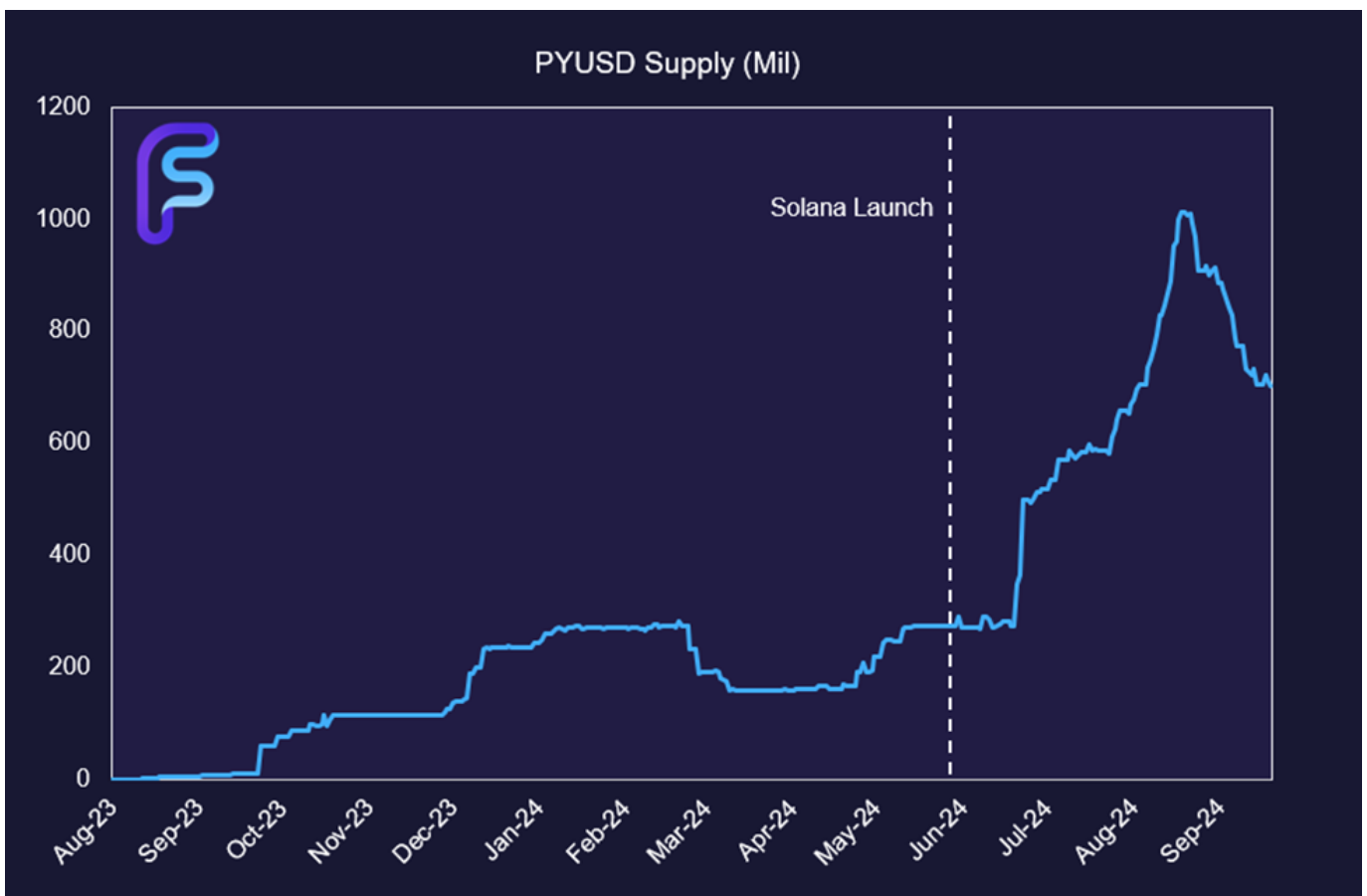


Source: Ethena

Paypal Enabling Crypto Capabilities for Businesses



Paypal has announced plans to allow U.S. business customers to buy, sell, hold, and transfer crypto via their PayPal accounts. The service will be available in all states except New York upon initial launch. The same functionality has been enabled within personal PayPal and Venmo accounts since 2020, but they stated they have observed how users want to leverage crypto and have seen increased interest among businesses looking to accept or use crypto. PayPal continues diving deeper into crypto, launching its own stablecoin last year, which has grown substantially after launching on Solana. PYUSD's market cap has grown to over \$700 million, making it the 7th largest stablecoin. \$PYPL shares are up 2.67% today and have risen more than 36% over the past three months.



Source: Defi Llama

Technical Strategy

#NEAR has begun to turn the corner given today's 12% gains. This directly followed last week's trendline breakout which exceeded a downtrend extending back since May, and NEAR was able to bottom out at an exact area of Ichimoku cloud support. Overall, gains look likely to test \$8.52 in the months ahead and this is a very key technical area of resistance. Getting above this argues for a much larger rally up to \$10.91 and then \$13.22, both of which have importance being retracements of the former decline from early 2022. Overall, NEAR looks like an appealing risk/reward and pullbacks likely find support near \$5-\$5.15 before turning back higher.



Source: TradingView

Daily Important Metrics

Crypto Size

Sentiment

Bullish signal is tied to the crypto market growing

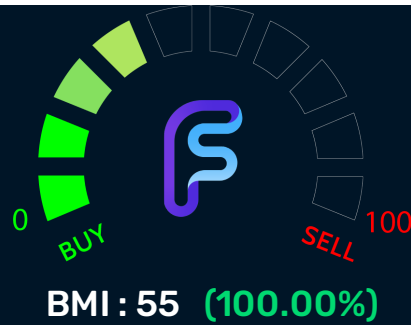


Market cap **2.27T** +\$24B (1.09%)
BTC Dominance 56.31 % (0.19%)

Stablecoins

Increase in circulating stablecoins is a Bullish signal

In Circulation **+\$119B** (0.04%)
In Exchanges **+\$22B** (0.02%)



BTC Metrics

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

BTC Exchanges **+\$3.0M** (-0.03%)

Funding Rates

Positive funding rates indicate traders are Bullish

Aggregate	+0.5710 (0.0200)
Binance	+0.4082 (-0.3787)
Bitfinex	+0.1997 (0.1997)
Bitmex	+0.2519 (-0.0401)
ByBit	+1.0000 (0.0047)
Deribit	+0.2392 (-1.4501)
Huobi	+0.9887 (0.9887)
Kraken	+1.0253 (-0.2815)
Mean	+0.5710 (0.0200)
OKex	+0.5071 (-0.4331)

Futures

A positive spread between Futures Prices and Spot Prices is Bullish

CME Price \$64,495 (1.17%)
Spot Basis \$-133 (-0.21%)
Volume 428,453 (-22.73%)
Open Interest 308,483 (-0.14%)

Options all exchanges

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

Volume 21,964 (0.87%)
Open Interest 301,903 (1.22%)
Vol. Put/Call Ratio 0.7297 (-29.25%)
OOI Put/Call Ratio 0.5069 (1.40%)

All metrics as of 2024-09-26 15:10:52
All Funding rates are in bps

Crypto Prices

Symbol	Market Cap	Last Price	Daily Change	Year to Date	Relative to BTC YTD
BTC	\$1.29T	\$65,144	2.55%	54.24%	
ETH	\$319B	\$2,647	1.70%	16.32%	-24.59%
SOL	\$74B	\$157	4.33%	54.43%	0.12%



HNT	\$1.2B	\$7.33	-4.00%	-80.58%	-87.41%
DOGE	\$263,183	\$0.0003	-5.02%	-99.70%	-99.81%

All prices as of 2024-09-26 12:05:30

Exchange Traded Products (ETPs)

Symbol	Prem. to Nav	Last Price	Daily Change	Year to Date	Relative to BTC YTD
BITW	-36.56%	\$30	2.55%	27.64%	-17.25%
ETHE	-0.39%	\$22	3.38%	15.64%	-25.03%

News

Quick Bits

The Block

PayPal to allow US business accounts to buy and transfer crypto

The digital payments firm said it will enable U.S. merchants to buy, sell and hold supported cryptocurrency.

CoinDesk

Wall Street Titan Guggenheim Tokenizes \$20M of Commercial Paper on Ethereum

Guggenheim Treasury Services, a subsidiary of financial services giant Guggenheim Partners, has issued \$20 million of tokenized commercial paper on the Ethereum blockchain, its partner, blockchain platform Zeconomy, announced Thursday.

CoinDesk

Avalanche Unveils \$40M Grant Program Ahead of 'Avalanche9000' Upgrade

The program, called Retro9000, is supposed to encourage developers to build on Avalanche ahead of a much-anticipated upgrade known as Avalanche9000.

The Block

Hamster Kombat token goes live for trading with airdrop to 131 million user accounts

HMSTR token goes live for trading on several exchanges including Binance, OKX and Bitfinex as 60 billion tokens are distributed.

Dose of DeFi

The Block

Ethena plans to launch new stablecoin backed by BlackRock's tokenized BUIDL fund

Ethena's existing decentralized synthetic dollar, USDe, is now the fifth-largest stablecoin, with a \$2.6 billion circulating supply.

Web 3.0

Coin Telegraph

Web3 music streaming brings direct stablecoin payouts to musicians

Web3 is reshaping the music industry as platforms like Audius enable direct stablecoin payouts, offering artists more control over pricing and fan engagement. Few industries have been as proactive as the music industry in exploring and adopting emerging technologies at the intersection of Web3 and culture. From streaming and distribution to fan engagement and exclusive communities, the use cases for Web3 in music are plenty and only becoming more so. One of the early pioneers at this intersection, Audius, a decentralized, community-owned, and artist-controlled music-sharing and streaming service, just announced that artists can now be directly paid for their content via stablecoin. Read more

Investment Products

BTC Manager

Leverage Shares debuts 3x leveraged MicroStrategy ETPs in Europe

Leverage Shares has launched the first leveraged and inverse exchange-traded product tied to the performance of MicroStrategy stock. These new investment products, now available on the London Stock Exchange, include the 3x Long MicroStrategy exchange-traded product (ticker symbol '\$MST3') and...

Hacks, Exploits, and Scams

The Block

WazirX granted four-month moratorium to restructure its liabilities after \$230 million hack

Meanwhile, the hacker continues to launder the stolen funds in batches of 5,000 ether (\$13 million) via crypto mixer Tornado Cash.

The Block

Crypto losses due to hacks and scams fall to \$413 million in Q3: Immunefi

The losses were dominated by hacks on crypto exchanges WazirX and BingX, which were exploited for \$235 million and \$52 million, respectively.

Disclosures

This research is for the clients of FS Insight only. FSI Subscription entitles the subscriber to 1 user, research cannot be shared or redistributed. For additional information, please contact your sales representative or FS Insight at fsinsight.com.

Analyst Certification (Reg AC)

Tom Couture, the research analyst denoted by an "AC" on the cover of this report, hereby certifies that all of the views expressed in this report accurately reflect his personal views, which have not been influenced by considerations of the firm's business or client relationships. Neither I, nor a member of my household is an officer, director, or advisory board member of the issuer(s) or has another significant affiliation with the issuer(s) that is/are the subject of this research report. There is a possibility that we will from time to time have long or short positions in, and buy or sell, the securities or derivatives, if any, referred to in this research.

Conflicts of Interest

This research contains the views, opinions and recommendations of FS Insight. At the time of publication of this report, FS Insight does not know of, or have reason to know of any material conflicts of interest.

General Disclosures

FS Insight is an independent research company and is not a registered investment advisor and is not acting as a broker dealer under any federal or state securities laws.

FS Insight is a member of IRC Securities' Research Prime Services Platform. IRC Securities is a FINRA registered broker-dealer that is focused on supporting the independent research industry. Certain personnel of FS Insight (i.e. Research Analysts) are registered representatives of IRC Securities, a FINRA member firm registered as a broker-dealer with the Securities and Exchange Commission and certain state securities regulators. As registered representatives and independent contractors of IRC Securities, such personnel may receive commissions paid to or shared with IRC Securities for transactions placed by FS Insight clients directly with IRC Securities or with securities firms that may share commissions with IRC Securities in accordance with applicable SEC and FINRA requirements. IRC Securities does not distribute the research of FS Insight, which is available to select institutional clients that have engaged FS Insight.

As registered representatives of IRC Securities our analysts must follow IRC Securities' Written Supervisory Procedures. Notable compliance policies include (1) prohibition of insider trading or the facilitation thereof, (2) maintaining client confidentiality, (3) archival of electronic communications, and (4) appropriate use of electronic communications, amongst other compliance related policies.

FS Insight does not have the same conflicts that traditional sell-side research organizations have because FS Insight (1) does not conduct any investment banking activities, and (2) does not manage any



investment funds.

This communication is issued by FS Insight and/or affiliates of FS Insight. This is not a personal recommendation, nor an offer to buy or sell nor a solicitation to buy or sell any securities, investment products or other financial instruments or services. This material is distributed for general informational and educational purposes only and is not intended to constitute legal, tax, accounting or investment advice. The statements in this document shall not be considered as an objective or independent explanation of the matters. Please note that this document (a) has not been prepared in accordance with legal requirements designed to promote the independence of investment research, and (b) is not subject to any prohibition on dealing ahead of the dissemination or publication of investment research. Intended for recipient only and not for further distribution without the consent of FS Insight.

This research is for the clients of FS Insight only. Additional information is available upon request. Information has been obtained from sources believed to be reliable, but FS Insight does not warrant its completeness or accuracy except with respect to any disclosures relative to FS Insight and the analyst's involvement (if any) with any of the subject companies of the research. All pricing is as of the market close for the securities discussed, unless otherwise stated. Opinions and estimates constitute our judgment as of the date of this material and are subject to change without notice. Past performance is not indicative of future results. This material is not intended as an offer or solicitation for the purchase or sale of any financial instrument. The opinions and recommendations herein do not take into account individual client circumstances, risk tolerance, objectives, or needs and are not intended as recommendations of particular securities, financial instruments or strategies. The recipient of this report must make its own independent decision regarding any securities or financial instruments mentioned herein. Except in circumstances where FS Insight expressly agrees otherwise in writing, FS Insight is not acting as a municipal advisor and the opinions or views contained herein are not intended to be, and do not constitute, advice, including within the meaning of Section 15B of the Securities Exchange Act of 1934. All research reports are disseminated and available to all clients simultaneously through electronic publication to our internal client website, fsinsight.com. Not all research content is redistributed to our clients or made available to third-party aggregators or the media. Please contact your sales representative if you would like to receive any of our research publications.

Copyright © 2024 FS Insight LLC. All rights reserved. No part of this material may be reprinted, sold or redistributed without the prior written consent of FS Insight LLC.