

BitvoTM



BITVO MARKET RECAP REPORT

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INSIGHTS FROM THE BITVO TRADING DESK

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WHAT HAPPENED IN CRYPTO LAST WEEK

It was a challenging week across financial markets last week with a particular focus on continued inflation fears and poor technology sector earnings releases. That said, from Wednesday onwards, cryptocurrency prices seem to have found some stability at lower levels. The price of Bitcoin seems to have stabilized around the US\$30,000 level while the price of Ether is holding around US\$2,000.

On the inflation-fighting front, Fed Chair Powell said he cannot guarantee a soft landing and went on to confirm expectations of 50bps in tightening at each of the next two meetings. While some point to Bitcoin as a financial asset that should perform well in an inflationary environment, as an alternative to the dollar, an overall risk-off trade seems to be prevailing at the moment.

Bitcoin(BTC)	
CURRENT PRICE	24 HOUR CHANGE
38,194.5066	-689.0929
	(-2.2826%)
Open:	38,883.5994
Close:	38,194.5066
High:	40,472.7596
Low:	37,711.4550
Volume:	1,537,869,210



ALTCOIN HEADLINES

Algorithmic Stablecoins

Apart from price volatility, last week's major headlines centered around stablecoins that were not acting so stable...

Unlike traditional stablecoins, which are tied to the value of government-backed currency, algorithmic stablecoins, like Terra and related cryptocurrency Luna, don't have collateral behind them. When Terra's price fluctuates, a financial algorithm kicks in to adjust Luna's price so that Terra is always equivalent to \$1 worth of Luna. That incentivizes Terra owners to trade back and forth between the two currencies to make a profit, an act known as arbitrage.

One Coin, Large Impact

Last week, arbitrage trades between Terra and Luna (with some news headlines blaming large, well established hedge funds), resulted in the coin trading at a discount to the prescribed \$1.

The crypto community losing faith in Terra's \$1 value then triggered what some have compared to a bank run. To keep the coin from crashing further, the organization behind Terra tapped into its stockpile of US\$3.5B worth of Bitcoin to lend to trading platforms.

Meanwhile, other stablecoins also began to trade a discount with some fearing what happened here could happen to others.

Mega Metaverse

In your metaverse roundup, Meta's Mark Zuckerberg said Instagram would begin testing NFTs as early as this week while the Vatican announced that it has plans for a metaverse presence.

Trade More Alts Today

Interested in trading more altcoins or NFTs? Fund your Bitvo account, purchase BTC, ETH or another cryptocurrency offered and then transfer it to a platform offering the desired token.



Perspective

In these markets, are you selling out, buying the dip or hodling strong across the financial assets that you own, whether that's stocks or cryptocurrencies?

We are seeing all sorts of different approaches as we look across the headlines and to what large, institutional traders are saying and doing.

MicroStrategy HODLs Strong

With the drop in crypto prices and Bitcoin specifically, some questioned whether MicroStrategy would receive a margin call from its lenders.

On Tuesday CEO Michael Saylor put fears to rest, reassuring that the company has a significant amount of room before it needs to worry. He said "MicroStrategy has a US\$205M term loan and needs to maintain US\$410M as collateral. \$MSTR has 115,109 BTC that it can pledge. If the price of BTC falls below \$3,562 the company could post some other collateral."

El Salvador Buys the Dip

On Monday of last week El Salvador topped up on its Bitcoin reserves with another large purchase. As the prices of cryptocurrencies started to crash, El Salvador bought an additional 500 BTC at an average price of US\$30,744.

With the total purchase price of US\$15.3M, the country has brought its total holdings up to 2,301 BTC valued at roughly US\$72M as of May 9th.

Fees Increase with Activity

According to a report by Glassnode, traders are sending large sums of Bitcoin to exchanges, making these available to de-risk portfolios as well as protect margin positions with more collateral. Based on the high amount of fees paid per transaction, Glassnode's chief analyst speculated these were likely urgent transactions.

With the volatility dropping Bitcoin prices to US\$30,000 the average price of fees rose to US\$2.72.

Mining Greenlight

Bitcoin mining in Norway received the go-ahead last week as a proposed ban was rejected in a vote by Norwegian parliament on Tuesday.

Norway now contributes almost 1% to the global Bitcoin hash rate and is majority mined using green, renewable energy. Norway's cold winters and near 24 hours of daylight in the summer contribute to favourable Bitcoin mining conditions.

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BITVO'S CRYPTO TECHNICAL ANALYSIS SCORE

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Crypto Market	Overall Technical Score	Short Term (0-5 days)	Medium Term (5-20 days)	Long Term (>20 days)
Bitcoin	40.64 Neutral	51.82 Neutral	36.61 Weak	33.96 Poor
Ether	38.56 Weak	48.1 Neutral	34.04 Poor	33.96 Poor
XRP	38.22 Weak	46.26 Neutral	34.77 Poor	33.96 Poor
Bitcoin Cash	41.62 Neutral	31.03 Poor	47.03 Neutral	47.4 Neutral
Litecoin	35.85 Poor	39.44 Weak	34.04 Poor	33.96 Poor
Dash	65.0617 Excellent	63.8387 Excellent	65.9574 Excellent	65.3766 Excellent

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