

Insights From the Bitvo Trading Desk

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Crypto markets continued to add to its month-long bull run as US\$18B was added to total cryptocurrency market cap causing it to finish the week up 5.1% at US\$365B. The recent run has been fueled by a combination of Bitcoin's performance along with the DeFi frenzy. Bitcoin gained for the fourth consecutive week and finished up 2% to US\$11,914. Bitcoin saw some volatility early last week before quickly recovering and testing the US\$12,000 mark a couple of times. The top ranked (in terms of market cap) cryptocurrency was better bid today as it broke through the US\$12,000 level convincingly this morning and is settling in around the US\$12,400 area.

A couple of different narratives appear to be playing out with Bitcoin. First, Bitcoin can be viewed as a risk-on asset that tend to perform well in thriving markets. This is currently happening as the digital asset is outperforming nearly every other asset class YTD despite equity markets and gold reaching all-time highs. Second, Bitcoin is seen by some as a hedge against global uncertainty and inflation. The inflation hedge narrative has been gaining traction in recent months as the U.S. government is expected to borrow nearly US\$5 trillion this year. Additionally, it appears that traditional financial market traders and businesses are increasingly interested in Bitcoin following the announcement this week by MicroStrategy to purchase US\$250M into the digital asset as an inflation hedge. Overall, the bullish narratives for Bitcoin seem to be getting louder in the crazy year that is 2020.

Bitvo Market Recap

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Bitcoin(BTC)

CURRENT PRICE 24 HOUR CHANGE
16,311.6145 +637.228
(+5.3712%)

Open: 15,674.3865
Close: 16,311.6145
High: 16,487.0302
Low: 15,557.0243
Volume: 1,012,938,485

- ATR
- EMA
- ROC
- SMA
- Zig Zag
- Ichimoku Kinko Hyo
- Pivot Points
- Price Envelopes
- Stochastic
- CCI
- MACD
- RSI
- WMA
- Bollinger bands



Ether continued its torrid ascent and closed the week up another 11% at US\$433. This was the fourth straight week of gains for Ether where it has seen its price rise by 81% during this period. The positive price action by Ether has been bullish for the crypto market as Ether has led the way in the current bull run. Price has more than tripled YTD with Ether trading at two-year highs driven largely by the growing interest in DeFi and stablecoins. Over the past couple of months, DeFi applications have attracted significant interest largely due to yield farming where projects offer the platform's native governance token in exchange for users staking their assets on the platform. The financial protocols in DeFi continue to innovate at a rapid clip and we have seen capital flow into the space at a similar pace. Total value locked in DeFi platforms surpassed US\$6B this week, up from US\$681M at the start of the year.

Altcoin Headlines

- Chainlink's (LINK) parabolic run up in price showed no signs of slowing down this past week as its token climbed another 36% to finish at US\$18.81. The oracle network provider has made it a habit of

announcing new partnerships and has spawned a cult-like following known as the LINK Marines. LINK has been the best performer out of the top ten digital assets ranked by market cap and is up over 960% YTD. This week it surpassed Bitcoin Cash as the fifth largest digital asset with a market cap of over US\$7.2B.

- Perhaps the most anticipated yet strangest token to launch this week was CRV (Curve). Curve is an automated market maker that is utilized for trading between assets that are relatively price stable with one another. On Thursday, an anonymous developer deployed the platform's smart contracts without apparent knowledge of the Curve team, which allowed users to start staking asset to earn CRV tokens. Over US\$500M of assets poured onto the platform in the first 24 hours as users raced to capture the latest yield farming opportunity. Total value locked on Curve recently surpassed US\$1B, making it just the third DeFi platform to achieve this milestone.
- Litecoin put in a solid week as price finished 12% higher at US\$63.93 thanks in part to an anticipated network upgrade that will integrate Mimblewimble, a privacy protocol that will help shield the identities of senders and recipients of Litecoin. A testnet of Mimblewimble is targeted for the end of September.
- The best performing initial exchange offering (IEO) of the week goes to Serum (SRM). Serum is a non-custodial decentralized exchange built on the high speed and interoperable Solana blockchain. In a throwback to the ICO craze of 2017/2018, SRM rocketed over 1,300% within hours of launch as the project capitalized on the growing interest in DeFi tokens.
- **Interested in trading altcoins not offered on Bitvo? Fund your Bitvo account, purchase BTC or ETH and then transfer it to a platform offering the desired token.**

Newsworthy Bits

- As traditional financial and corporate interest in Bitcoin seems to gain traction, MicroStrategy – a US\$1.2B Nasdaq listed software company – announced it would be diversifying a large portion of its treasury into digital assets with a purchase of US\$250M worth of Bitcoin. CEO Michael Saylor stated that “MicroStrategy observed distinctive properties of Bitcoin that led it to believe investing in the cryptocurrency would provide not only a reasonable hedge against inflation, but also the prospect of earning a higher return than other investments.”
- The U.S. Federal Reserve is actively investigating distributed ledger technologies to study what a digital currency might be able to contribute to the existing payments ecosystem, monetary policy, financial stability and the banking sector.

Bitvo Market Recap

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Crypto Technical Analysis Score

Crypto Market	Overall Technical Score	Short Term (0-5 days)	Medium Term (5-20 days)	Long Term (>20 days)
 Bitcoin	45.99 Neutral	38.38 Weak	40.62 Neutral	59.12 Good
 Ether	45.56 Neutral	35.32 Weak	42.54 Neutral	59.12 Good
 XRP	45.04 Neutral	33.85 Poor	42.54 Neutral	59.12 Good
 Bitcoin Cash	41.01 Weak	37.24 Weak	37.31 Weak	48.69 Neutral
 Litecoin	39.83 Weak	33.85 Poor	37.31 Weak	48.69 Neutral
 Dash	46.02 Neutral	39.64 Weak	42.54 Neutral	56.01 Neutral
 Ethereum Classic	34.58 Poor	33.28 Poor	34.77 Poor	35.73 Weak

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