



Hi there, your weekly market recap for this week:

We've launched USDT on Bitpanda Pro 💰💰💰 You can now trade USDC & USDT!

Visit [Bitpanda Pro by clicking here.](#)

Too busy to read? We also have a podcast version of our Weekly Commentary. You can access this by clicking on the Spotify icon at the end of this report.

All data as of Thursday January 26th

BTC Price: \$22,900	Open Interest: \$9.45bn, 411k BTC (-6%)
7d return: 10%	
30d return: 37%	
ETH Price: \$1,600	Average Daily BTC spot volume: \$11.8bn (8%)
7d return: 5%	
30d return: 32%	30-day correlation, NDQ: 0.39 (0.09)

Seven day performance
Top 50 by Market Capitalization

Top 3		Worst 3	
1	APT (145%)	1	Aave (4%)
2	AXS (50%)	2	SHIB (4%)
3	FTM (46%)	3	LEO (4%)

Sources: Coinbase, Coinglass, Bitwise 10, Tradingview, Coingecko

Headlines

- [Bankrupt Genesis Owes Its Top 50 Creditors \\$3.4 Billion](#) Bloomberg
- [EU lawmakers to vote on tighter crypto, ESG rules for banks](#) Reuters
- [Gemini lays off 10% of staff amid troubles at Genesis](#) The Block
- [Digital Currency Group's Luno cuts 35% of staff](#) The Block

The overall crypto market has maintained its momentum. BTC rose 10% in the past 7-days, while Ethereum is lagging behind BTC slightly. The ETHBTC pair currently trades below 0.07, at its lowest level since November 2022.

A rising tide lifts all boats, as all top 50 coins by market cap saw positive returns in the past week. The strongest performer in the past week is the alternative layer 1-coin Aptos, seeing a 145% gain and a 30-day gain of 413%. An ongoing short squeeze has primarily fueled Aptos'

impressive run. At current prices, Aptos' fully diluted valuation of \$18.5bn sits higher than that of Solana and Avalanche despite its nascent on-chain ecosystem with few users and comparatively low economic activity.

Shorts keep getting wiped out in BTC as well. Open interest in perps is down a further 9.5% from 314,000 BTC to 284,000 BTC, as leverage conditions offshore are gradually reversing towards the 2020-2021 range. However, the regulated side of the futures market on CME has seen growing open interest accompanied by growing yields, suggesting that institutional flows have contributed to the recent market strength. We highlight the interesting CME developments later in this report.

The Genesis saga saw further developments in the last week as Genesis filed for Chapter 11 bankruptcy, owing creditors \$3.4bn. Details related to a 30.9m GBTC sale from Gemini in November shed light on the widening discounts by the end of 2022 and the ongoing feud between Gemini and Genesis. DCG subsidiary Grayscale published its reply brief in the ongoing ETF lawsuit versus SEC, and the oral hearing is now scheduled for March 7.

The current strength in BTC could be motivated by macro factors. Throughout 2022, correlations to U.S. equities were the key force leading markets to stall. However, crypto experienced idiosyncratic chaotic collapses leading to two distinct plunges in June and November. The two black swan events of Terra and FTX collapsing caused most of the underperformance of BTC versus equities in 2022.

The term structure of CME's BTC futures is in a steep contango, as institutional investors are willing to pay a premium for long BTC positions. The next-month contract (February) is trading at a 1% premium to the front-month contract (January), the highest premium seen since November 2021. While a slight premium is typical near the front-month expiry, the current one is substantially higher than normal.

CME, BTC Futures: Next contract premium



Source: Tradingview

The steepening contango is backed up by lively activity on CME in BTC open interest. Compared to offshore derivatives, CME experienced sharp growth in its open interest in January, currently sitting at 89,000 BTC. This has caused CME's market share to grow to 22%, near previous all-time highs. It's uncommon to see regulated derivatives flows deviating from offshore derivatives in periods of strength.

CME: Open Interest

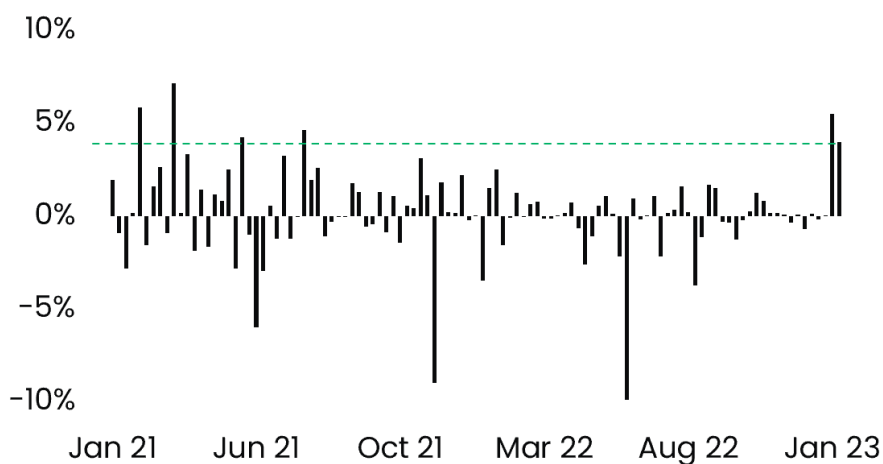


Source: Skew, CME Group

Apart from strong CME flows, BTC has seen two unusually strong U.S. after-hour performances the past two Fridays. Throughout 2022, BTC typically flatlined after the Friday closing bell. These moves are exaggerated by reduced liquidity during weekends, exposing highly levered shorts. The strong after-hour performance has contributed to softening correlations. This regime could change in the next week as the macro calendar is filled with market-moving events.

The focus is especially on the upcoming FOMC meeting, where consensus is aligned on a 25bps hike. However, opinions vary regarding the Fed's stance in the future as deflationary data starts to pick up. Some expect a more dovish stance due to recessionary fears, while others expect the steadfast inflation focus to persist.

BTC's 24-hour returns post U.S. market Friday close



Source: Tradingview

Week ahead

Date	Event
Tue, Jan 31	German CPI
Wed, Feb 1	FOMC Press Conference (Est: 25bps) EU CPI (Est: 9.7%)
Thu, Feb 2	BoE Interest Rate Decision (Est: 50bps) ECB Interest rate decision (Est: 50bps) MicroStrategy Q4 Earnings
Fri, Feb 3	U.S. Non-Farm Payrolls



Disclaimer: This content is produced by Arcane Research. This content is for informational purposes only and is not to be taken as financial advice. We highly recommend taking the time to do the necessary research before making any investment. Be aware that past performance is no indication of future results.

Bitpanda Pro Europe S.r.l., LEXIA Avvocati, Via dell' Annunciata, 23/4, Milan, Lombardy 20121, Italy

[Manage preferences](#)