

ALT 5 - DIGITAL ASSETS MORNING CALL

*Ethereum breaches key resistance |
Survey shows number of crypto investors
doubled in 2021 | What to monitor
this week*

NEW YORK, NY, USA, April 4, 2022
/EINPresswire.com/ -- ALT 5 Sigma Inc.
a global fintech that provides next
generation blockchain powered
technologies for tokenization, trading,
clearing, settlement, payment, and
insured custodianship of digital
instruments releases its digital assets
morning call.

Ethereum breaches key resistance

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What to monitor this week

Major crypto assets start the week on reasonably firm footing, with bitcoin and Ethereum continuing to hold onto the bulk of their gains from mid-March. The start of a new calendar quarter can bring expectations of new investment allocations (which by definition are typically discovered after the fact) and that represents another reason to more closely monitor the price action in the coming weeks.

Chart points

Ethereum breached and is currently trading on either side of its 200-day moving average (\$3,489), a much-watched resistance point. A sustained move and close above it would add to the bullish bias. Next resistance is likely near \$3,584, the 50% retracement of the \$4,867-\$2,301 decline from November-January. Bitcoin upward momentum as slowed in the past week but trading has been more consolidative (sideways) rather than corrective (downward). It remains below potentially formidable resistance at \$48,298, defined by the 200-day moving average.



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Crypto adoption broadened in 2021

Reuters carries a report today that a survey conducted by Gemini showed that nearly half of the current crop of crypto asset owners globally made their first purchases in 2021. The survey is indicative of the accelerated pace of adoption in the crypto space. While that is not necessarily a shock for a brand new asset class, it underscores the potential for additional capital inflows going forward which, other things being equal, would be supportive for crypto asset prices.

The week ahead

There are limited scheduled events on the macro calendar this week, with the FOMC minutes due Wednesday as a likely standout. With last Friday's strong US labor market data adding to arguments for a faster pace of Fed tightening (many now expect 50 bp rate hikes at the next two FOMC meetings), the minutes may reveal more information on the planned timing and pace of Fed balance sheet reduction.

From our perspective, the bigger takeaway on this should be on how quickly the Fed reverses the extraordinary liquidity injections it made in the face of the covid pandemic. Risk assets—including crypto—benefitted from that added liquidity, and the reversal of Fed policy (and from other central banks) may create challenges to risk assets as it progresses.

Ukraine war

Beyond that, attention remains on the war in Ukraine, with cease fire talks slated to resume today. Note that European officials are calling for additional sanctions to be levied on Russia, a development that may impact market sentiment and capital flows with potential spillover effects on crypto.

US yield curve focus

Separately, the 2yr-10yr US yield curve inversion continues to draw attention, given the expectation that it forecasts a future recession. As discussed in Friday's update, there are other tenors of the yield curve which may have better predictive track records. But the overall signal of potentially slowing growth is clearly relevant to crypto assets and needs to be monitored.

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ABOUT ALT 5 Sigma

ALT 5 Sigma is a global fintech that provides next generation blockchain powered technologies for the trading, clearing, settlement, payment, and insured custodianship of digital instruments. ALT 5 was founded by financial industry specialists out of the necessity to provide the digital asset economy with security, accessibility, transparency, and compliance. ALT 5 provides its clients the ability to buy, sell and hold digital assets in a safe and secure environment deployed with the best practices of the financial industry. ALT 5 Sigma's products and services are available to Banks, Broker Dealers, Funds, Family Offices, Professional Traders, Retail Traders, Digital Asset Exchanges, Digital Asset Brokers, Blockchain Developers, and Financial Information Providers. ALT 5's digital asset custodian services are secured by Fireblocks.

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