

## ALT 5 – DIGITAL ASSETS MORNING CALL

*Crypto regulators take notice*

NEW YORK, NEW YORK, US, May 17, 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.

- Correction in major crypto assets continues
- A welcome report on the US economy
- Regulators take notice of last week's TerraUSD and LUNA collapse

The logo features the text "ALT 5" in a large, bold, sans-serif font. The "5" is a vibrant blue, while "ALT" is black. Below this, the words "DIGITAL ASSETS" and "MORNING CALL" are stacked in a smaller, bold, black, sans-serif font.

Major crypto assets are trading more constructively, stabilizing following last week's measurable declines and in line with the improvement in risk assets more broadly.

Bitcoin and ether continue to correct higher

Bitcoin is trading on either side of the \$30,000 threshold after nearly reaching \$25,000 in last week's selloff. Still, at current levels it is down some 35% from its late-March highs. Ether has also bounced from last week's \$1,700 low, a key support area, to recover above \$2,000. But for context, it is down over 40% from its early-April highs.

The scale of last week's declines open scope for further corrective gains in the very near-term, particularly if risk assets can also continue to trade better. However, the hangover from last week's selloff will not subside quickly, making larger, sustained gains more difficult.

A welcome reading from US economic data

On the macro front, US retail sales 0.9% m/m om April, near expected. Importantly, components in the data suggest a stronger start to consumption in Q2. Consumption represents about two-thirds of US GDP, so it is the primary contributor to overall US economic growth.

While the retail sales report is just one data point, it is a notably positive development in a macro outlook that has become increasingly concerned about slower growth and a recession down the road. To that end, the report may be a positive development for the investment climate broadly, including that for crypto assets.

### Regulatory scrutiny on the rise

In some of his first public comments since last week's undoing of the TerraUSD and LUNA tokens, SEC Chairman Gary Gensler said investors in crypto currencies need protections or they could lose trust in the markets.

There is no question that last week's events will only increase regulatory scrutiny space. As it stands, those developments have damaged the confidence of individual investors who are not only new to the space but also typically lack the experience of professional/institutional investors who have managed through large drawdowns on other markets in the past, and also have significantly more resources to dedicate to research and risk mitigation strategies.

### The SEC-CFTC turf battle

One prevailing narrative is that progress on regulation is being delayed by interagency disagreements between the SEC and the CFTC. History suggests that extreme events or crisis gets the regulatory ball rolling. It remains to be seen whether last week's events—a major disruption in the crypto space—will be sufficient motivation for regulators to move beyond the current turf battles and make progress towards more constructive regulation. But any official commentary around the TerraUSD de-peg and LUNA token collapse bears monitoring.

### The crypto industry is hiring talent with regulatory experience

Also on the regulatory front, the crypto industry continues to draw talent from government and legal ranks. Crypto analytics firm TRM Labs Inc. has hired Sunjit Ramen as general counsel. He is a former Justice Department prosecutor who helped produce the DOJ's cryptocurrency enforcement network in 2020, according to an article in the Wall Street Journal. The move comes as crypto firms continue to shape (via lobbying) and prepare for new industry regulations and comply with existing laws.

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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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