

ALT 5 – DIGITAL ASSETS MORNING CALL

Major crypto assets consolidate amid broader equity market decline

NEW YORK, NEW YORK, US, May 19, 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.

- US equities fall sharply as corporate profits and margins are squeezed by inflation

- Bitcoin and ether soften but hold up better than Nasdaq

- Moves by crypto platform and private bank show convergence of digital and traditional finance

Risk assets fell sharply Wednesday and are still under some pressure today after consumer giant Target not only missed its earnings target but just as importantly noted that higher costs were reducing its profit margins. That news not only generated steep losses in Target's stock, but in US and global equities more broadly.

Macro matters

The Target earnings report demonstrates the drag that higher inflation is imposing on consumer spending as well as on corporate profits, as some retailers are finding it more difficult to pass along higher costs to customers. And it is just the latest example of the importance of the overall macro backdrop and outlook to financial markets broadly, including crypto assets.

Major crypto assets weather risk asset decline reasonably well thus far

The logo features the text "ALT5" in a large, bold, sans-serif font. The "ALT" is in black, and the "5" is in a bright blue color. Below this, the words "DIGITAL ASSETS" and "MORNING CALL" are stacked in a smaller, bold, black, sans-serif font.

Major crypto assets have weakened somewhat alongside the decline in equities. However, the pullback in bitcoin and ether have thus far been less severe, which is interesting given the much higher level of volatility in these crypto tokens relative to that in the Nasdaq Composite Index or the S&P 500 would typically suggest larger losses in bitcoin and ether.

Of course that also needs to be viewed in the context of the more sizeable declines in bitcoin and ether over the past two weeks (roughly 25% and 35% respectively) versus the 12% pullback in the Nasdaq over that same period.

In the near-term the relative resilience of bitcoin and ether versus other risk assets is noteworthy. But we remain cautious about the near-term outlook generally given the broader hit to sentiment stemming from the events (Terra/LUNA collapse) and price declines of the past few weeks.

Industry news:

Crypto platform FTX said it will allow “select US customers” to begin trading in stocks and ETFs beginning today, according to an article in the Financial Times. FTX will also allow payments in stablecoins (as well as US dollars) for the trading service.

The move represents a noteworthy crossover from crypto into traditional finance from one of the larger crypto trading platforms. Also important is that it attempts to address the growing demand from investors for a wider range of investments on a single trading platform.

Wealth management firm expands to crypto offerings

In the same vein, Swiss private banking firm Julius Baer has started offering advice, trading and investing in crypto assets to its wealth management clients, according to a Bloomberg News article. To be sure, demand among high net worth investors to allocate to digital assets is only increasing. Julius Baer’s move is representative of the broader efforts among the wealth management industry to meet client demand for crypto investment.

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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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