

## ALT 5 – DIGITAL ASSETS MORNING CALL

*Bitcoin and ether chart points; China focus; Fed official on stablecoins*

NEW YORK, NEW YORK, US, May 26, 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.

- Limited drivers put charts/technical in greater focus for major crypto tokens

- China officials acknowledge stresses imposed by covid-related lockdowns

- Fed Vice Chair steps up criticism of stablecoins after TerraUSD/LUNA collapse

Major crypto assets continue to consolidate as the sideways trading pattern has now extended to two full weeks. That has placed some greater emphasis on the chart/technical picture.

Bitcoin has breached support at \$28,500 established by the series of lows since May 14. A sustained break would open scope back towards the spike low of \$25,300 reached on May 12. The cluster of highs between \$30,700 and \$31,300 since May 14 to present look to be short-term resistance. Ether has also breached short-term support at \$1,900 today, putting it in closer proximity to its May 12 low of \$1,700.

With crypto-specific drivers in short-supply, we continue to look at the macro backdrop to anticipate potential catalysts for crypto prices.

China activity remains pressured by covid lockdowns

A graphic with the text "ALT 5 DIGITAL ASSETS MORNING CALL". "ALT 5" is in large, bold, black letters, with the "5" being a bright blue color. Below it, "DIGITAL ASSETS MORNING CALL" is written in smaller, bold, black letters.

China developments have been mixed, at best, as it continues to deal with the current wave of covid infections and the economic fallout stemming from widescale lockdowns. Officials have recently taken steps to lower interest rates and support prices/activity in the property sector. However, that will take time to work its way through the broader economy and further action—both monetary and fiscal—is still expected.

China officials suggest more will be done to support growth

Overnight, Premier Li (second in command to President Xi) said China is committed to striking a balance between supporting the economy and containing covid outbreaks, according to an article in today's Wall Street Journal. The article suggests some divergence between Li's more constructive attempts to revive growth, and President Xi's stricter guidelines around zero-covid enforcement.

In either case, developments in the world's second largest economy and a leading participant in the crypto and tech space remain important for crypto market participants to monitor. In that regard, next week's release of China's Purchasing Managers Indexes for May will be a useful indicator on the economy's performance and trajectory.

Fed's Brainard testifies on digital currencies

On the regulatory front, Federal Reserve Vice Chair Brainard is due to testify before a Congressional panel today. In the text of her opening statement (already posted on the Fed's website), she noted that stablecoins do not share the same protections as fiat money, adding that they can lose their "promised value" which could harm consumers or, "at large scale, creating broader financial stability risks."

The TerraUSD/LUNA collapse puts stablecoins in regulators crosshairs

To be sure, the recent collapse of TerraUSD/LUNA has put the issues of stable coins very much in the crosshairs of regulators and government officials. It would seem that the issue is not whether that event will spur new regulation and oversight in the space, but the form and speed with which that occurs. Note that there will be additional comments from both Brainard and Congressional members when the House Committee on Financial Services convenes its hearing later today.

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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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