

ALT 5 – DIGITAL ASSETS MORNING CALL

Continued gains in ether pull ETH/BTC cross sharply higher

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/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.

- Bitcoin and ether show resilience despite negative industry headlines
- ETH/BTC cross jumps over 30% in a week
- The rebound in the ETH/BTC cross concurs with improved sentiment in crypto token prices

Bitcoin holds and ether extends gains

Major crypto tokens continue to trade constructively, with bitcoin holding the bulk of its recent gains while ether has extended its rally to briefly push above \$1,600. The gains originate from the markedly lower levels reached in the April-June selloff, which admittedly left the tokens at much cheaper valuations.

That selloff also cleaned out some good portion of the selling/liquidation interest instigated by the collapse of the Terra ecosystem in May and the subsequent deleveraging among crypto lending platforms. The latter culminated in the bankruptcy of crypto lender Celsius and hedge fund Three Arrows Capital (3AC), with a host of news stories continuing to circulate around both of them this week.

Absorbing negative news



In fact, it is notable that bitcoin, ether and many alt coins have shown solid price resilience in the face of these mostly negative press reports on Celsius and 3AC, a dynamic that concurs with our view that the April-June selloff had priced in a lot of bad news from both crypto-specific developments as well as the more challenging macro backdrop.

ETH/BTC surges as market stresses recede

Also noteworthy is that the latest moves in bitcoin and ether have resulted in sharp gains in the ETH/BTC cross. It has jumped from 0.051 to 0.070 in less than a week, a gain of 35% (using TradingView.com data). As with all of the recent market moves, this needs to be considered in light of its previous sharp losses in the cross; it fell from roughly 0.076 to 0.048 from May to June, hitting its lowest levels in a year.

Ether underperformed during the worst of the May-June crypto selloff

The significant underperformance of ether relative to bitcoin in that month stems in part from the disruption to and contraction of various decentralized finance platforms during the period as most are built on Ethereum's smart contract platform. It may also be due to uncertainty and some delays in the timing of ether's move from proof-of-work to proof-of-stake, often referred to as the "merge." That now looks to be a Q3 event, though the timeline is not fixed.

ETH/BTC as a crypto market barometer

Movements in ETH/BTC are sometimes considered a barometer of the broader crypto space. During times of market stress, such as those experienced in the Spring, market participants may prefer the greater liquidity, market capitalization, history and lower volatility in bitcoin relative to ether. In normal or less stressful periods, the perception of ether's greater long-term potential for adoption and price appreciation has seen it outperform in recent years (due to the greater utility of its smart contract platform and its much larger integration into digital asset space broadly).

ETH/BTC chart points

In the near-term, the cross looks to have nearby resistance at 0.0715, defined by the downtrend drawn off the December 2021 high of 0.0886. A sustained break would open scope to the 0.075-0.076 area, the cluster of highs registered in the month prior to the May selloff. Despite its recent outsized gains, it may be that a return to the December highs would be challenging at present, barring an even more substantial and sustained improvement in the crypto investment climate.

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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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