

## ALT 5 – DIGITAL ASSETS MORNING CALL

*A strong start to the week for bitcoin and ether*

NEW YORK, NEW YORK, US, August 8, 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.

- Bitcoin and ether enjoy bullish start to the week

- Better risk appetite and crypto-specific news aid the move

- Fed tightening and growth risks could eventually temper crypto token gains, but they remain in the background for now

On the charts:

Bitcoin kicked off the week with solid gains, pushing above \$24,000 and threatening its recent high (post the June selloff) of \$24,666 reached a week ago. The next potential target looks to be at \$25,650, defined by the 100-day moving average.

Ether has gained as well, making what looks to be a convincing break above the 100-day moving average over the weekend and hitting \$1,800 today, a marginal new high following the June selloff. We look to the psychological \$2,000 threshold as a potential next target (all price and chart data from TradingView.com).

Risk assets tick higher as growth concerns recede

The latest gains in crypto token prices are basically consistent with the modest improvement in



risk appetite, at least as is apparent in US stock index futures which are trading higher ahead of the cash market open.

The macro outlook was given a boost by Friday's robust US labor market data, which for now may also be contributing to increased risk appetite, supporting crypto prices. To be sure, the jobs data counters what had been a growing market narrative about downside risks to US economic growth and a possible recession. And that outcome has been well received by risk assets.

### More progress in institutional crypto adoption

In addition, late last week Blackrock announced that it will partner with Coinbase to allow its institutional clients to trade bitcoin through Coinbase's platform. Blackrock is the world's largest asset manager and Coinbase remains a leading trading platform in the crypto space. The move represents yet another step towards broadening the institutional adoption of crypto assets by institutional investors, a process that is justifiably viewed as positive for the digital asset space over the medium term, including providing support for crypto token prices.

### There are tempering factors to consider

That said, there are several reasons why the market's enthusiasm could be tempered. First, labor market data tends to be a lagging indicator of future economic growth. So while the labor market remains tight now, it is not necessarily a good indicator of how conditions in employment and the broader economy will develop in the coming months.

### Tight labor markets could be kind of a double-edged sword

Second, the current labor market tightness is translating into higher wages, with the July data showing hourly earnings rising 5.2% y/y. That is inflationary and argues for more Fed tightening. Indeed, two Fed officials over the weekend (Daly and Bowman) indicated that larger rate hikes should be considered going forward. That runs contrary to the dovish spin that Fed Chair Powell gave at his press conference following the July FOMC meeting.

A more aggressive Fed path—if that comes to pass—could create headwinds for crypto in several ways. First, higher policy rates increase the cost of funding that in a manner that tends to reduce the attractiveness of buying/holding risk assets. Second, it could also fuel (or revive) concerns that the Fed will raise rates so much that it will push the economy into a recession. This market narrative had been receiving less attention since the July FOMC meeting, but it could well be revived depending on upcoming Fed guidance as well as economic data.

### Positive sentiment rules for now

For now, it is apparent that those risk scenarios are just that, and the current positive sentiment is more dominant. That can continue to support the current bounce in token prices such as

bitcoin and ether in the near-term. Moreover, that sentiment is also apparent in the broader crypto token space as several of the larger alt coins including SOL, DOT and AVAX have posted even larger gains than BTC and ETH today.

Robert Lynch  
Head of Research and Strategy  
ALT 5 Sigma Inc.  
bob@alt5sigma.com  
alt5sigma.com

## 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.

## DISCLAIMER:

Digital Asset Morning Call is for informational purposes only and does not constitute, either explicitly or implicitly, any provision of services or products by ALT 5 Sigma ("ALT 5"). Investors should determine for themselves whether a particular service or product is suitable for their investment needs or should seek such professional advice for their particular situation. ALT 5 Sigma makes no representation or warranty to any investor regarding the legality of any investment, the income or tax consequences, or the suitability of an investment for such investor. ALT 5 Sigma does not solicit or provide any financial advice. This is at the sole discretion of the individual.

ALT 5 Sigma Inc.

ALT 5

+1 888-778-7091

[email us here](#)

Visit us on social media:

[Facebook](#)

[Twitter](#)

[LinkedIn](#)

---

This press release can be viewed online at: <https://www.einpresswire.com/article/585015268>

EIN Presswire's priority is source transparency. We do not allow opaque clients, and our editors try to be careful about weeding out false and misleading content. As a user, if you see something we have missed, please do bring it to our attention. Your help is welcome. EIN Presswire, Everyone's Internet News Presswire™, tries to define some of the boundaries that are reasonable in today's world. Please see our Editorial Guidelines for more information.

© 1995-2022 Newsmatics Inc. All Right Reserved.