

ALT 5 – DIGITAL ASSETS MORNING CALL

*Ether outperforms early in the week;
investment news in digital asset space is
positive*

NEW YORK, NEW YORK, US, July 25,
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 consolidates while ether
remains well bid, pushing ETH/BTC
higher

- More detail on Tesla's bitcoin sale
and the market's muted reaction

- Investment in digital asset space continues, highlighting positive long-term trends

On the charts:

Bitcoin is down roughly 3% on the session and trading on either side of \$22,000, losing ground after peaking above \$24,000 last week. We remain constructive on bitcoin's near-term prospects and see the price action as consolidative within the broader range being established following the cycle low (\$17,567) reached in June.

By contrast, ether has held onto the bulk of its latest gains, trading near and above \$1,500, up from \$1,000 just two weeks ago. We continue see scope to test \$1,700, representing the top of the mid-June "gap" lower.

Renewed gains in ETH/BTC



The continued outperformance of ether has seen the ether/bitcoin cross (ETH/BTC) push higher. Over the weekend it briefly rose above the downtrend extending from the December high and which currently comes in at 0.0712. A close above that trendline would add to current bullish momentum, keeping in mind that the cross has already made a sustained break back above its 200-day moving average, currently at 0.06740 (all price data and chart points derived from TradingView.com).

More detail on Tesla's bitcoin sale...

Further to last week's news that Tesla sold 75% of its bitcoin holdings during Q2, the company said in a filing today that it recorded a \$170 mln impairment charge on its bitcoin holdings during the first six months of the year. The impairment reflects mark-to-market changes on its holdings, and the company stated that it may not make upward revisions for increases in the market price of bitcoin until a sale of the assets. If so, that would negate bitcoin's volatility on the balance sheet barring another material leg lower in the bitcoin price.

...which the market has absorbed pretty well

Thinking back to the sentiment—and price—boost to bitcoin from Tesla's disclosure that it bought large amounts of the token back in 2021, it is notable that the latest news of its divestiture did not put a bigger dent in sentiment. Part of that can be put down to valuation; bitcoin has fallen sharply since late last year, accounting for some good amount of negative "shocks" the market has seen in recent months. We continue to highlight that condition as a constructive development for bitcoin. And the ability to absorb this latest bout of negative news with little obvious damage to the price concurs with that assessment.

Notable investments in the crypto space

There have been several noteworthy investments in the crypto space. Asset manager Schroders has purchased a minority stake in Forteus, a digital asset-focused asset manager based in Switzerland, according to Finbold.com. In addition, UK bank Barclays reportedly will invest "a few million" dollars in Copper Technologies, a Swiss firm that provides custody, prime brokerage and settlement to institutional investors in crypto currencies, according to a report on beingcrypto.com.

Separately, investment bank Moelis & Company has started a group to focus on venture deals in the digital asset space, according to a report on Bloomberg. Company founder Ken Moelis has been involved in the crypto space for some time, having invested in Paxos in 2020 and more recently advising Voyager in its bankruptcy proceedings. The latter could have something to do with a story in today's Financial Times that Voyager rejected the FTX "low ball" bid.

Lower valuations are attracting investment

The investments and continued movement into the digital asset space by traditional finance companies are noteworthy on several fronts. They demonstrate that the contraction in token prices and the crypto industry broadly this year has not halted investment but instead has brought lower valuations in a manner that has, in some cases, made those investments more attractive.

Second, it highlights the continued push of traditional finance into the digital asset space, a trend that continues to broaden and, over time, is likely to bring greater institutional and individual participation in a manner that should be bullish for crypto assets over the medium and longer term.

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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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