

Ahead of the curve

Market Update

Bitcoin jumps to \$46,000 following wild CME opening

After three weeks of ranging, BTC pushed to new highs of \$46,000 as the highly anticipated ETF verdict continues to motivate buyers to build exposure. Bitcoin's surge coincided with the yearly open on CME and was accompanied by CME's annualized futures premiums pushing to intraday highs above 50%.

ETF week is here

The start of January is finally here, after the second half of 2023's price action has largely been about expectations of what's to happen over the next week or so. We still expect the official decision on the spot BTC ETFs to come between January 8 and 10, but the market-moving news might break earlier.

The market is geared to the upside in anticipation of ETFs

CME's front-month BTC premiums surged on yesterday's CME open as excitement built ahead of the final ETF verdict. CME's front-month BTC premium has averaged 42% since the yearly open, a new all-time high – telling of the massive long bias presently in the market.

Signs of retail froth

Offshore funding rates also surged in the past week, reaching an annualized high of 72% amidst the Monday evening rally in BTC. Shorts are reluctant to enter the market with the ETF verdict one week away, increasing perp premiums to the spot market and making longs expensive to maintain. Aggressive leverage from longs may set up the market for long squeezes following the ETF verdict.

Day to day movements will be impossible to predict

We are expecting loads of price fluctuations in the coming weeks, but the short-term direction is hard to predict. The market will likely be jumpy on ETF news until they are approved, and once approved, it will be highly interesting to follow the market. The spot ETFs have certainly been front-run, but whether it has been too much will depend on the flows after approval. We will definitely see flows from inferior products to the spot ETFs, but the critical factor is the net inflow of new money.

A possibility of down before up again

We do not expect mega immediate inflows to the ETFs; hence, it might become categorized as a 'sell the news' event. But we do believe the longer-term structural shift, both in terms of more money flowing into BTC through spot ETFs and the halving, will compound throughout the year, creating a favorable drift as 2024 progresses.

Digital Assets

Signals from the market

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By the numbers

BTCUSD \$45,371 **ETHUSD** \$2,388
7d: **4%** 7d: **5%**
30d: **17%** 30d: **14%**

Open Interest (BTC futures and perps)
\$18.5bn
403,000 BTC (**1.3%** last fourteen days)

Average daily BTC spot volume
\$2.3bn (**3%** last seven days)

BTC 90-d correlations (weekly change included)

ETH	Gold	S&P 500	DXY
0.82 (-0.03)	0.00 (-0.03)	0.12(-0.06)	0.00 (-0.01)

Percentage of Total Market Capitalization

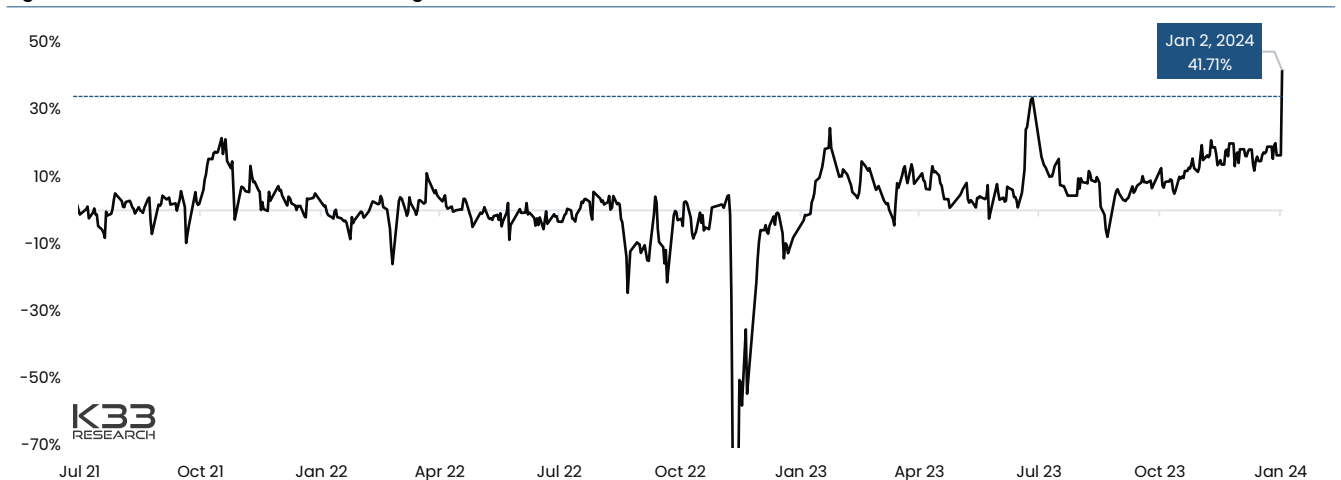
Weekly change in percentage points

BTC	ETH	Stablecoins	Rest
51.0% (-1.3%)	16.5% (-0.2%)	6.9% (-0.4%)	25.6% (1.9%)

Last week of top 50 by market cap

	Ticker	7d	YTD
Gainners			
1	BSV	97%	3%
2	ICP	45%	2%
3	FIL	37%	12%
Losers			
1	NEAR	-10%	12%
2	AVAX	-9%	9%
3	ATOM	-7%	7%

Figure 1: CME BTC Futures Annualized Rolling 1mth Basis



Source: Tradingview

Going to be a big month

January Outlook

Digital Assets

January Outlook

After seven long months of BTC buoyancy, the date is finally here – the ETF verdict is coming! Is it priced in? Will the ETFs be approved? Will the launch be a sell-the-news event, or will inflows propel BTC higher?

Questions are plentiful but impossible to answer in advance. Instead, I will briefly establish the current state of the market before assessing three scenarios. I will assign probabilities to each scenario and elaborate on my base case for the huge month to come in January.

A crowded long

There are definite signs of froth in the market. Futures premiums have surged to annualized levels of 50% on CME, with perps and offshore futures also seeing similar signs of exuberance. The extreme yields stem from strong expectations of the ETF verdict, with market participants crowding in to build long exposure at eye-blistering premiums ahead of the decision. I expect this fuming enthusiasm to last until Gary G and his crew deliver the verdict.

Three scenarios for January

- 1) ETF filings are denied (5%)
- 2) ETF filings are approved but become a sell-the-news event (75%)
- 3) ETF filings are approved, and inflows propel prices higher (20%)

1. The SEC denies the ETF filings (5%)

A reasonable but strong consensus has formed in the market that the SEC will approve the ETF filings. After losing in court against Grayscale and frequent meetings with ETF sponsors leading the S-1 prospectus' to be updated from in-kind creations to cash-creation, everything points towards approvals ahead. If the SEC pulls a shocker, the strong consensus is due to crush markets and represent a scenario where BTC is destined to plunge. This is a tail-risk for January but highly unlikely.

2. ETFs are approved – but become a sell-the-news event (75%)

Everything points towards traders being considerably exposed ahead of the verdict, with derivatives pushing massive premiums following BTC's last three months of continuous upside momentum. A sell-the-news event could become a self-fulfilling prophecy as a non-significant share of short-term market participants has eyeballed the event as an area for profit taking.

3. ETFs are approved inflows that propel prices higher (20%)

For prices to propel higher, ETF inflows would have to offset selling pressure from short-term event traders. Open interest on CME has grown by 50,000 BTC over the past three months, likely motivated by front-running the ETF approval. At current premiums, maintaining CME exposure involves a 1-2% rolling cost each and every month – an acceptable cost of carry over a medium-term horizon ahead of a pivotal event but unsustainable in the long term, particularly as cheaper exposure alternatives arise.

Euro/Canadian BTC ETFs have also increased their BTC exposure by 30,000 BTC over the past three months, while it's also fair to assume that a portion of spot buying pressure over the past month stems from traders aiming to front-run the ETFs. Whether the strategy is purely focused on accumulating ahead of the verdict or also involves distribution post-verdict is unclear.

Nonetheless, based on the above figures, it's fair to assume that the U.S. ETFs should, at least, attract fresh inflows of at least 50,000 BTC (\$2.3bn) in January to offset sell-side pressure. Fresh inflows do not include flows from futures-based ETFs to spot ETFs, as this represents a net zero change in exposure.

BITO alone, with all intricate futures-related inefficiencies, attracted \$1.5bn worth of inflows in its first month – still, \$2.3bn remains a tough ask. BITO launched at the final stages of the ZIRP era, a period where retail and professionals alike had an unprecedented appetite for investing in crypto.

Peaking at launch

I expect the current rally to peak at the verdict date due to sizeable profit-taking from short-term traders and will exit my BTC long held from September to early January. If futures premiums continue to climb higher, I will consider flipping my long to temporary hedge by shorting far-dated BTC expiry futures, as the current premiums reek of unsustainable exuberance.



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Spot Market

ETF momentum pushing market higher

After three weeks of ranging, BTC pushed to new highs of \$46,000 as the highly anticipated ETF verdict continues to motivate buyers to build exposure. The ETF verdict is expected to occur early next week, as January 8 to January 10 represent a window for the SEC to respond to all current ETF filers.

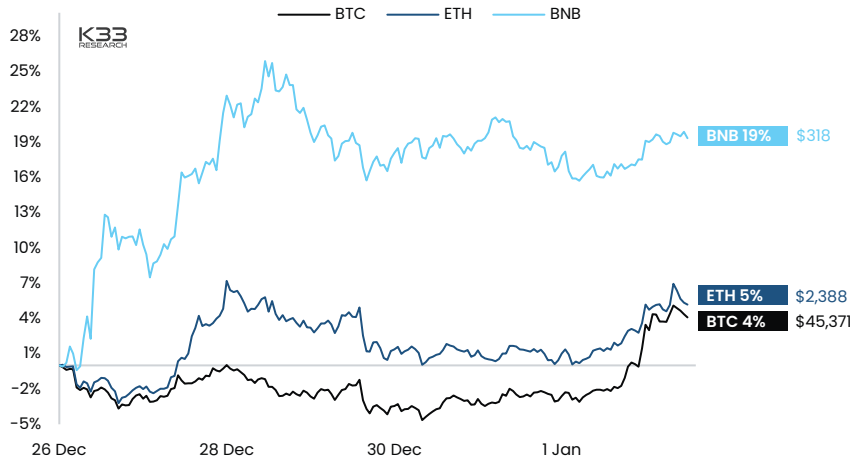
Bitcoin's surge coincided with the yearly open on CME and was accompanied by CME's annualized futures premiums pushing to intraday highs above 50%, illustrative of the extremely bullish market sentiment ahead of the nearing ETF verdicts. CME's exuberance is mirrored offshore, as traders are willing to accept huge costs of carry to position for a bullish outcome next week.

Amidst the Holiday season, ETH gained momentum versus BTC, as the upcoming Dencun upgrade has attracted traders towards ETH and Layer-2s as ARB and OP see 32% gains and 16% 7-day returns, respectively.

Headlines last week

- [Vitalik Buterin shares updated 2024 roadmap for Ethereum](#)
- [Binance's CZ Denied Permission to Travel by U.S. Judge for the Second Time](#)
- [Privacy Tokens DASH, ZCH, XMR Take Hit as OKX Says It Will Suspend Trading](#)
- [FTX bankruptcy could go on for years, legal expert says](#)
- [Chai payments app, used to promote Terra ecosystem, didn't use crypto: SEC whistleblower](#)

Figure 2: Performance Top 3 Market Cap, Last Week

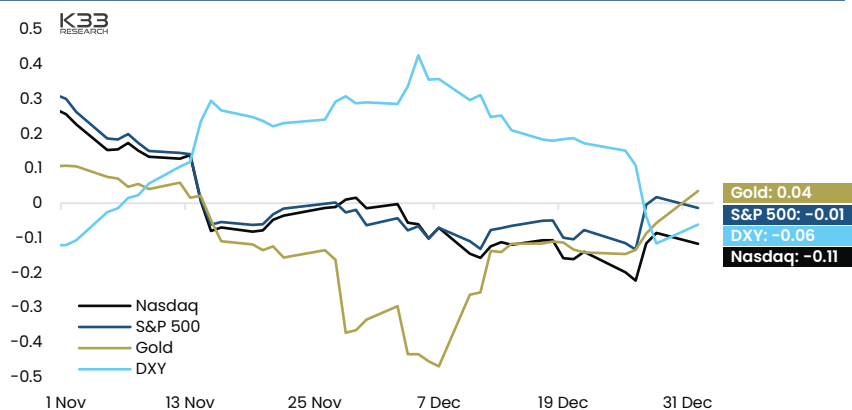


Source: Tradingview, (Coinbase, Binance)

Bitcoin moved by idiosyncratic price drivers

30-day correlations between BTC and other asset classes currently sit at 0, continuing the trend noted throughout December. The price action in BTC is currently heavily driven by ETF expectations. We'll pay close attention to BTC's 30-day correlation to equities in the week following the ETF verdict, as the period will see less obvious unique price drivers in BTC.

Figure 3: BTC 30-d correlations*



Source: Tradingview *Pearson

Calendar

- Wednesday, January 3
 - FOMC Minutes
- Friday, January 5
 - U.S. Nonfarm Payrolls (Est 163k)
- Monday-Wednesday, Jan 8-10
 - Most likely ETF verdict window
- Wednesday, January 10
 - SEC's final deadline to respond to ARK 21Shares ETF filing

Spot Market

Shallower volumes during Christmas

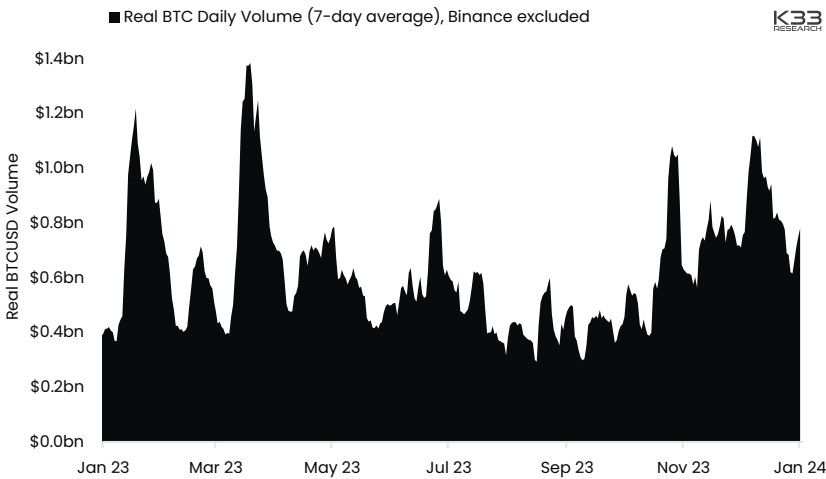
Trading volumes over the last 7 days were 25% lower compared to the rest of December. The shallower volumes likely had more to do with a narrowing trading range than the Christmas holidays.

Still, volumes remain significantly higher than during the summer and fall of 2023. Also, the last 24 hours' price action has increased volumes and will likely keep them elevated over the next week as volatility rises again.

Fear and Greed

Now: 71 (Greed)
Last week: 71 (Greed)
Last month: 74 (Greed)

Figure 4: Real BTCUSD Daily Volume* (7-day average)

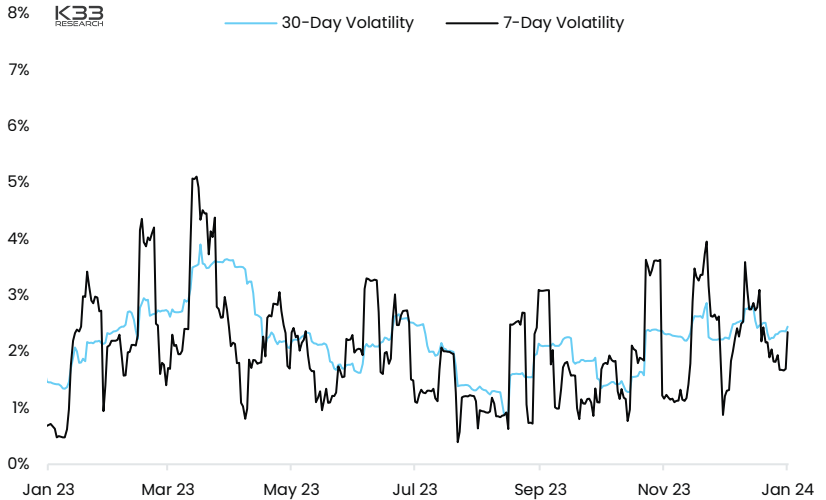


Source: Tradingview, Bitcoinity *Includes Bitwise 10 exchanges

Volatility to increase going forward

Volatility shrunk throughout Christmas as Bitcoin's trading range narrowed. However, with the breakout from \$42k to \$45k in the last 24 hours and upcoming vital ETF dates, volatility is set to increase over the coming period.

Figure 5: BTC-USD Volatility



Source: Tradingview (Coinbase)

Derivatives

CME, Futures and ETFs

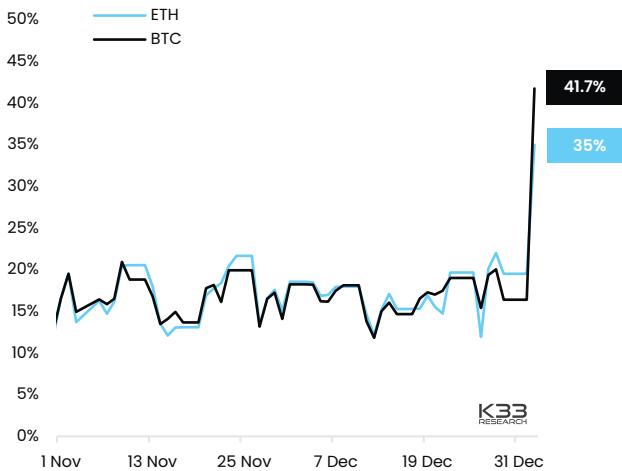
After a quiet holiday season, CME activity exploded following the yearly open, as massive long demand has pushed intraday front-month basis to annualized highs above 50%.

CME's front-month BTC premiums surged on yesterday's CME open as excitement built ahead of the final ETF verdict, expected between January 8 and January 10. CME's front-month BTC premium has averaged 42% since the yearly open, a new all-time high – telling of the massive long bias presently in the market.

Open interest reigned high on CME throughout Christmas, with exposure being rolled over to the January and March expiries. Futures-based ETFs saw strong inflows last week, leading CME's non-ETF-related OI to decline from 58% to 53%.

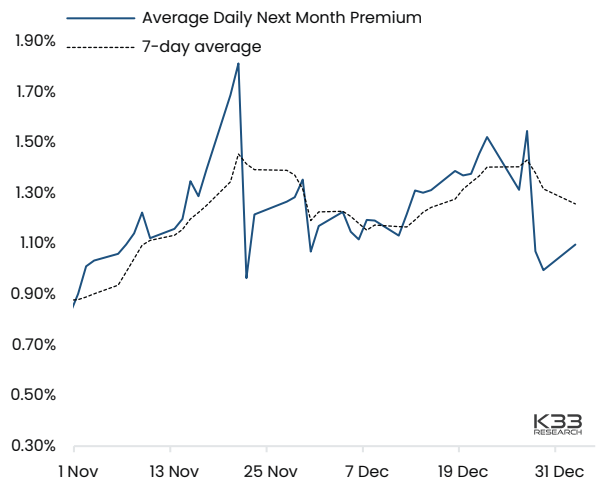
CME's OI is published on a daily granularity, offering limited visibility to the exposure amidst today's price action. Nevertheless, the significant surge in premiums and elevated volumes indicate increased long exposure on CME.

Figure 6: CME premiums reaches all-time highs
CME BTC and ETH Futures Annualized Rolling 1mth Basis



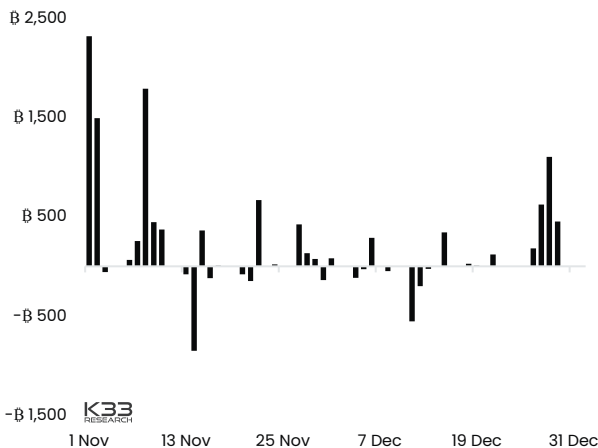
Source: Tradingview

Figure 7: Contango still above 1%
CME BTC Futures: Average Daily Next Month Premium



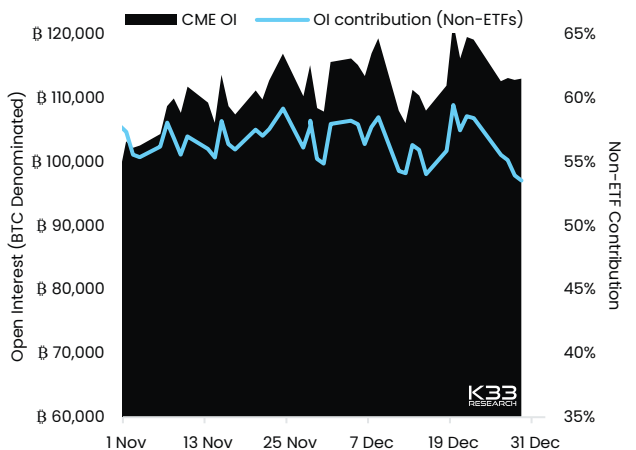
Source: Tradingview

Figure 8: BITO exposure at 6mth high
ProShares: Net Flow – BTC Equivalent



Source: ProShares

Figure 9: ETF dominance increasing
CME BTC Futures: Open Interest



Source: CME, ProShares, Valkyrie, VanEck, Bitwise, CSOP, Samsung, VolatilityShares

Derivatives

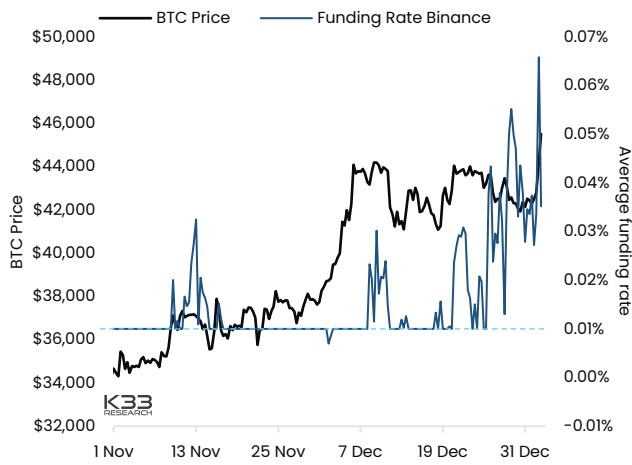
Perpetual Swaps and Options

Perpetual swaps

Funding rates have surged in the past week, reaching an annualized high of 72% amidst the Monday evening rally in BTC. Bitcoin's push towards \$45,000 was accompanied by a short squeeze, leading perps to trade at vast premiums to spot as shorts became forced buyers. As we elaborate on page 7, longs later entered, leading funding rates to stay high.

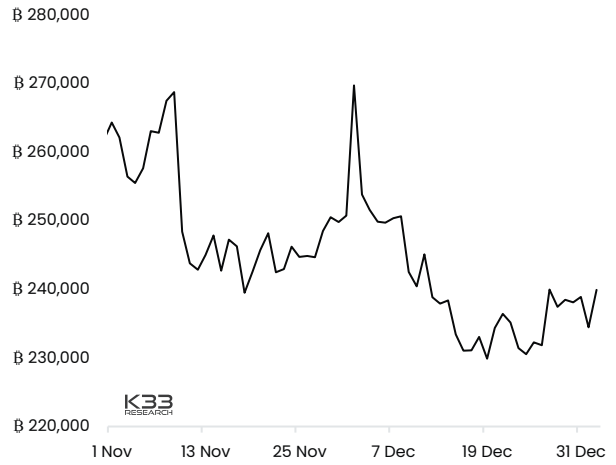
Open interest has stayed stable between 230,000 and 240,000 BTC throughout the past two weeks. Shorts are reluctant to enter the market with the ETF verdict one week away, increasing perp premiums to the spot market and making longs expensive to maintain. Aggressive leverage from longs may set up the market for long squeezes following the ETF verdict.

Figure 10: Funding rates running wild
Bitcoin Perpetuals: Funding Rates vs BTC Price



Source: Bybit, Binance, Tradingview (Coinbase)

Figure 11: Perp OI stable
Bitcoin Perpetuals: Open Interest



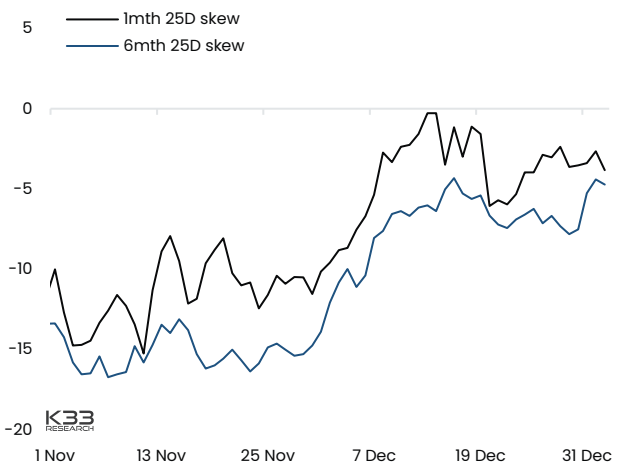
Source: Laevidas

Options

Options traders are pricing in heightened near-term volatility, as the 1-month IV surpassed the 3-month IV in the past week, a very natural development as the entire crypto market braces for the nearing ETF verdict.

Calls continue to trade at a slight premium to puts, both in the near and medium term. Nonetheless, 6-month skews have climbed over the past few weeks, indicative of a growing put demand as derivatives are heating up.

Figure 12: 6mth skew climbing higher
BTC Options - 25D Skew (1mth + 6mth)



Source: Laevidas

Figure 13: Traders bracing for ETF induced volatility
BTC Options - Implied Volatility



Source: Laevidas

A deeper dive

ETF week is here

The start of January is finally here, after the second half of 2023's price action has largely been about expectations of what's to happen over the next week or so. We still expect the official decision on the spot BTC ETFs to come between January 8 and 10, but the market-moving news might break earlier.

No unexpected news has come during Christmas, and the spot ETFs still look almost certain to be accepted. Last week, multiple filers updated their prospects, including naming authorized participants. Authorized participants are allowed to create and redeem ETFs and also act as underwriters for the ETFs. So far, JP Morgan, Jane Street, Cantor, and Virtu have been named as authorized participants in filing updates from Blackrock, Valkyrie, and Fidelity.

Upon acceptance, competition among the ETF providers will be fierce. Except for brand name, there are two main axes of competition: cost and AUM. Cost is obvious, while getting AUM quickly up is important as funds tend to flow into a few ETF winners instead of spreading evenly out. Fidelity has announced a fee of 0.39%, while Galaxy has decided to charge no fees for the first 6 months. Bitwise, on the other hand, is trying to boost AUM early, already announcing a \$200 million seed.

Figure 17: Authorized participants named for spot BTC ETFs so far



Source: @EricBalchunas and @Jseyff (Bloomberg)

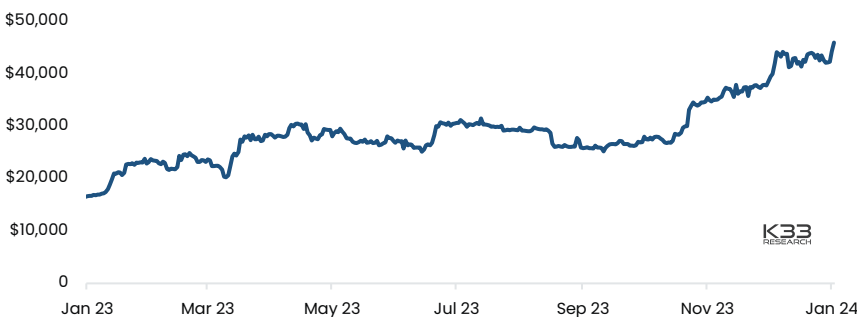
It's going to be volatile

We are expecting loads of price fluctuations in the coming weeks, but the short-term direction is hard to predict. On the off-chance that the ETFs are rejected, the outcome is obvious: prices will fall. In the likely case of approval, the price movements are harder to predict.

The spot ETFs have certainly been front-run, but whether it has been too much will depend on the flows after approval. We will definitely see flows from inferior products to the spot ETFs, but the critical factor is the net inflow of new money.

In our yearly predictions, we foresee that prices will fall in the first half of 2024 before rebounding to new all-time highs over the second half of the year. Within that prediction also lies our prediction for the early impact of the spot ETFs. We do not expect mega immediate inflows to the ETFs; hence, it might be categorized as a 'sell the news' event. But we do believe the longer-term structural shift, both in terms of more money flowing into BTC through spot ETFs and the halving, will compound throughout the year, creating a favorable drift as 2024 progresses.

Figure 18: BTC price since start of 2023



Source: TradingView

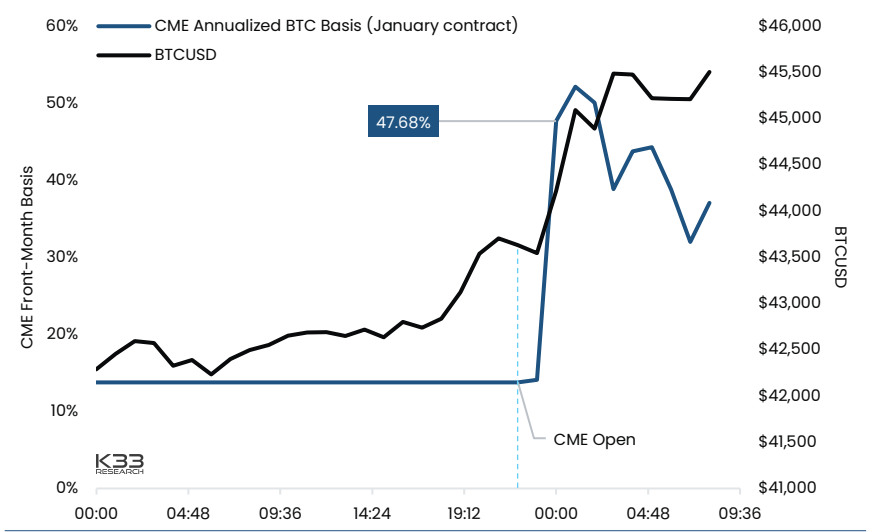
A deeper dive

Derivatives running wild

Derivatives traders are fuming with excitement as the final ETF verdict approaches, evident by yields running wild. Front-month futures premiums have reached annualized premiums above 50% on CME and offshore, whereas funding rates have pushed to annualized rates of 70% on Binance.

The Monday evening BTC rally coincided with the CME open, as soaring long demand on CME caused annualized premiums to reach an extreme 47.7% in the first leg of Bitcoin's push towards \$45k, indicative of CME traders contributing to initiating the rally. Premiums remain wide, with CME's January contract currently trading at a 37% premium to the spot.

Figure 17: CME BTC January Basis vs BTCUSD, Jan 1-Jan 2



Source: Tradingview

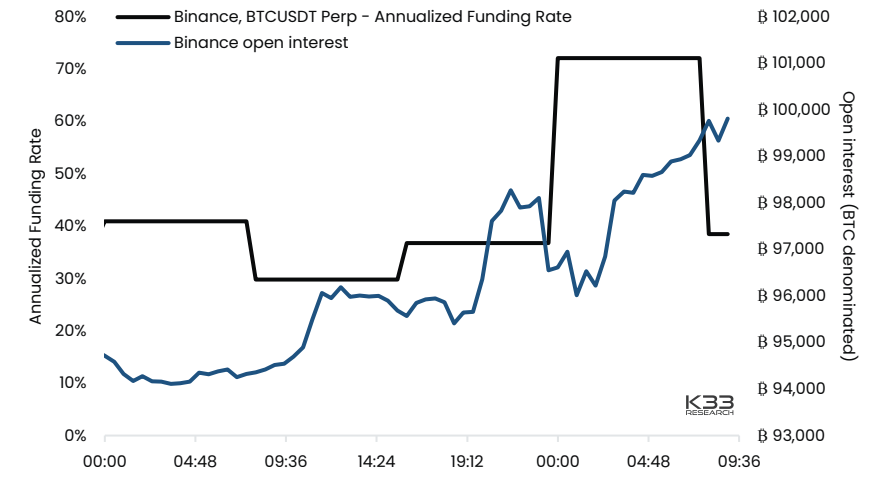
Offshore premiums are also running wild

Premiums are also surging offshore. Annualized funding rates on Binance pushed to 72% amidst the Monday rally. On Binance, a short squeeze lifted funding rates, evident by an initial decline in OI. Later, longs piled on as BTC reached \$45,000, with open interest climbing while funding rates remained high at annualized rates of 39%.

Offshore expiry futures trade at similarly high premiums. Deribit's inverse December contract currently trades at \$52,000, a \$6,500 premium, to current spot prices of \$45,500, enabling traders to lock in a dollar arbitrage of 11.4%.

We expect premiums to stay extreme ahead and the market to remain strong until the ETF verdict next week. Nonetheless, these premiums are becoming attractive for delta-neutral hedges through inverse futures, a tactical opportunity worth considering amidst next week's highly anticipated verdict.

Figure 18: Binance BTCUSDT Perpetual: Funding rates and open interest, Jan 1-2

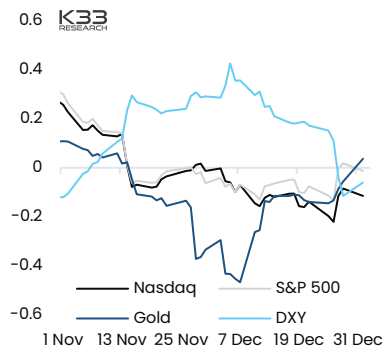


Source: Laevidas

Market Related Charts

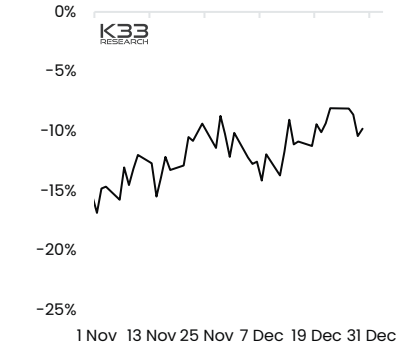
Data updated Tuesday, January 2, 2024

Figure 20: BTC 30-d correlations*



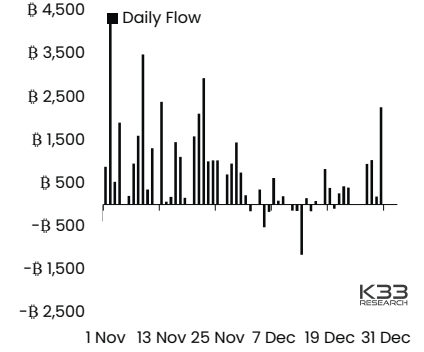
Source: Tradingview *Pearson

Figure 21: Grayscale Premium/Discount



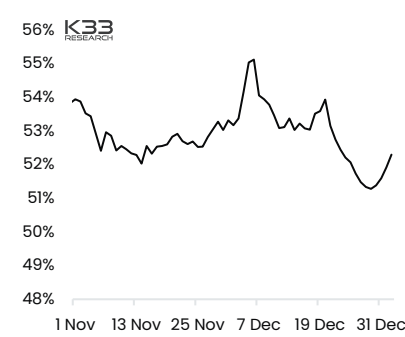
Source: Ycharts

Figure 22: Daily Flows (BTC ETFs)



Source: Bytetrete

Figure 23: BTC Dominance



Source: Tradingview

Figure 24: BTC + Stables Dominance

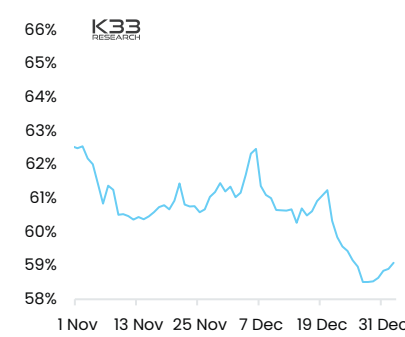
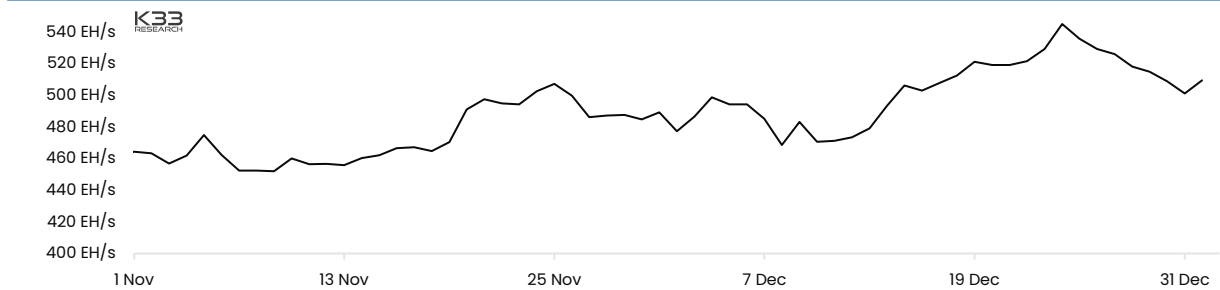


Figure 25: BTC + Stables + ETH Dominance

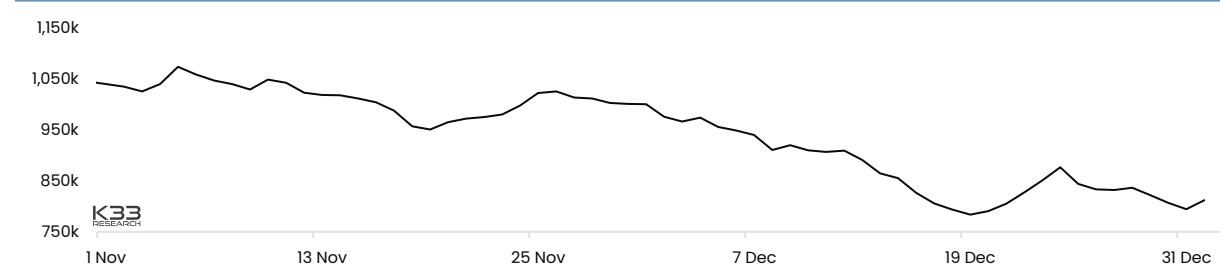


Figure 26: Bitcoin Hashrate (7-day average)



Source: Coinmetrics

Figure 27: Active Addresses (7-day average)



Source: Coinmetrics

Why we choose the charts we do

Heavy Bitcoin focus

The crypto market is heavily correlated. Movements in BTC tend to be reflected by sharper moves in altcoins. In many ways, BTC is the lower beta exposure alternative to crypto and the definite market leader. However, don't worry – whenever we find a topic, a coin, or some tendencies worth drilling deeper into – we will. This report will get you the most important information from the crypto market.

Market by the numbers

We highlight the most critical market data by numbers in this table. A glance at these data should be sufficient to assess the state of the market superficially.

Open interest is an essential underlying market driver. Crypto tends to be very volatile, and leverage exacerbates volatility. We have had frequent massive liquidation cascades throughout the last years, mostly towards the downside, but we've periodically seen short squeezes emerge. During the March 12th collapse in 2020, cascading liquidations were the root cause of the absolute carnage in the market. You should always pay close attention to open interest if you aim to be an active participant in the market. Our derivatives pages will contribute to delivering you a directional assessment of the data.

The spot volume is an efficient way to gain an overview of the general activity in the market.

Correlations have been growingly important in the last year due to the complicated macro picture post-COVID. It's important to be aware of BTC's, for now, close relationship with U.S. equities and its inverse relationship with the dollar strength index (DXY). However, the current correlation regime is unlikely to be as strong as today forever. Through awareness of correlation trends, you may be able to execute trading strategies before the market catches up to correlations breaking.

The simplified market cap distribution box allows you to assess the general risk sentiment in the market quickly. In general, the "Rest" category may be used as a proxy for risk aversion in the market. Currently, BTC, ETH, and stablecoins represent nearly 75% of the crypto market, which is telling for a risk-averse crypto market.

The two charts on the first page illustrate the two most interesting topics covered in our market analysis. A more thorough examination of these charts is found in the last section of the report, where we dive deeper into two topics that currently seem to drive the market.

Spot Primer

Top 3 coins

We explore the last week's performance of the top 3 cryptocurrencies to assess deviations and opportunities within the safer bracket of digital assets. Currently, BTC, ETH, and BNB represent the three largest. Both ETH and BNB have a thriving DeFi user base and unique drivers of price and demand, which could generate temporary or long-term correlations within crypto to decline as trading opportunities arise or spread trade opportunities.

Indexes

We use the Bletchley Indexes to gauge and assess market activity across BTC and altcoins grouped by market cap size. Documentation for the index weights may be found at through [this link](#).

Volume

The BTC spot volume is an efficient way to communicate the general activity in the market. It may help you identify frantic market bottoms or peaks. Our volume data is based on Bitwise's 10. In 2019, Bitwise explored wash-trading and market manipulation in the spot market, leading to this index. In general, our volume assessment likely underestimates the volume to some degree, as legitimate volumes in other exchanges are excluded. However, the volume estimate is a good proxy for general activity in the market.

We differentiate Binance's volume from the remainder of the exchanges due to Binance's removal of trading fees this summer. We believe a substantial amount of the recent trading volume on Binance is related to "inorganic" trades, i.e., high-volume trading strategies that were not economically feasible prior to fees being removed. Of course, removing fees has likely also contributed to moving traders from alternative exchanges over to Binance.

Volatility

Volatility is a topic well worth paying attention to. In specific periods, such as the current – where BTC trails in a shallow volatility regime, new trading opportunities emerge related to options and straddles. This chart is handy to pay close attention to, as it may help you enhance your ability to act on opportunities in the market when activity is low and options are becoming cheap.

Derivatives primer

Why should you care about derivatives flows?

The crypto market is periodically extremely volatile, and activity in derivatives enhances the market reactions. Crypto derivatives are at the cutting edge of financial innovation, the offshore market is periodically wild, and animal spirits tend to take over. Derivatives more or less always carry a clue of overheating in the market or full-on depression. It's highly actionable and worthwhile understanding if you aim to be an active crypto market participant.

The market is also clearly divided. There are two branches worth monitoring – institutional and offshore. Both components periodically lead the market, and assessing sentiment and general risk aversion in these two provides you the tools to understand dangers or opportunities on the horizon.

CME – The importance of a cash-based futures market in BTC

Institutional traders strongly impact BTCs price discovery, as identified both by [Bitwise](#) and by [us](#). However, many institutional traders have limitations regarding access to crypto markets or even related to holding BTC. CME provides the most accessible, most efficient access to crypto markets for those traders. CME also has the added caveat of a familiar clearinghouse structure, leading to fewer barriers to entry for crypto exposure for institutional traders.

We assess institutional sentiment by monitoring the futures basis and contract spreads between the front month (upcoming expiry) and the near month (next expiry). In general, a positive and high futures basis on CME indicates a positive sentiment, whereas a negative basis indicates the opposite. We include Binance's basis to compare offshore and CME premiums to highlight different sentiments between institutional traders and retail. While Binance have institutional traders, they also enable easy access to derivatives for retail, which may provide useful information ahead of periods of distress.

We monitor aggregated ProShares flows, meaning inflows and outflows to both ProShares' long BTC ETF (BITO) and short BTC ETF (BITI) on the CME page. In the chart, inflows to BITI will be calculated as a negative flow impact, while inflows to BITO will be calculated as a positive flow impact. The opposite is true for outflows from the ETFs mentioned above. ProShares are by far the largest U.S. BTC ETF provider, holding a substantial amount of BTC contracts on CME. Retail and institutions have access to BITO and BITI. Periods of strong aggregated flows to BITO may substantially impact CME's basis. An interesting scenario that has yet to emerge would be one scenario with neutral flows but a rising CME basis. In this scenario, one can assume that certain institutional players actively add long BTC exposure.

We further monitor CME's open interest and the contribution of ETFs to the open interest to assess the degree of activity in CME futures.

Perpetual swaps

Perpetual swaps are the most frequently traded derivative in crypto markets. It's an everlasting futures-like instrument, utilizing funding rates to secure that perp prices align with spot markets. There are certain intricate nuances to funding rates, for instance, varying funding intervals and varying neutral funding rate thresholds. In normal conditions, Binance and Bybit's funding rate sits at 0.01% every eight hours – meaning longs pay shorts a fee. This structural element in crypto derivatives may lead to a natural structural contango. They may be utilized for cash and carry strategies (albeit in a non-arbitrage fashion, assuming that funding rates will average around neutral terrain).

During roaring markets, funding rates tend to be pushed towards extreme highs due to enormous demand to go long, leading perps to trade at a substantial premium over spot. By assessing funding rates, you may be able to act on market moves and liquidation cascades prior to a liquidation cascade. Similarly, funding rates may sit in extremely negative terrain during bear markets, foreshadowing potential short squeezes.

We monitor open interest in perps to better gauge the risks of soaring volatility and market instability. We monitor open interest in notional value, i.e., in BTC, to have a clear eye on the relative leverage in the market. Currently, the open interest sits at all-time highs in notional value. This is a dangerous trend, and we view it as likely that this will generate a dramatic reaction when BTC breaks out of its prolonged consolidation. Cascading liquidations may occur in both directions, so the open interest is best used as a proxy for how volatile a spike may be.

Options

We monitor two options charts. The 25–delta skew, which is a metric comparing the implied volatility of a 25–delta put option vs. a 25–delta call option, normalized by at the money implied volatility. Counter-intuitively, when the 25d skew is positive, traders are paying more for puts than calls and may be assessed as cautious/bearish behavior in the options market. The opposite is true when skews are negative. Skews trending in a certain direction may also elaborate on repositioning from options traders and is worth paying attention to. We show the 1-month skew for contracts expiring by the end of the month, and the 6-month skew, for contracts expiring half a year from now to assess differences in positioning across maturities.

The implied volatility illustrates options traders' forward-looking assessment of volatility – or the options pricing. Implied vols in BTC are rarely trailing below 60 for long, and this has previously been a good time to enter straddle strategies.

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