Presto Research

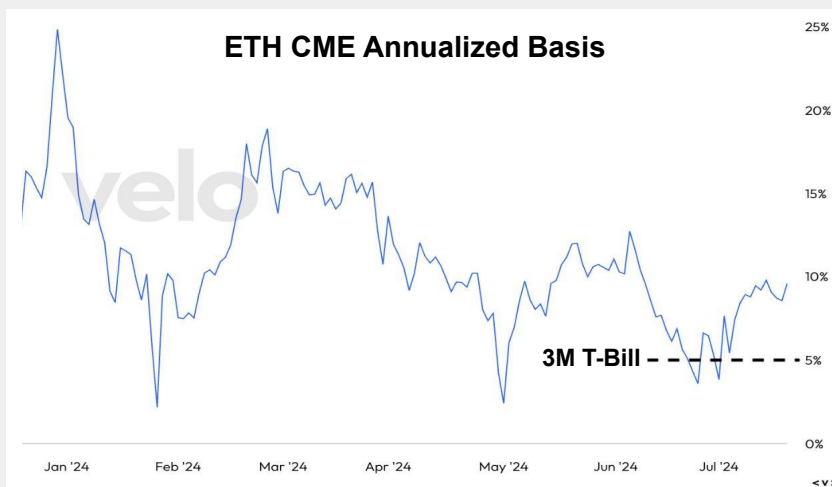Peter Chung I Head of Research
Min Jung I Research Analyst

Daily Market Brief

Jul 23, 2024 (UTC -02:00)

Basis Trade To Drive Early Inflows Into Spot ETH ETFs?

BTC	$67,553.56 -0.9%	**S&P500**	5,564.41 +1.1%	**US 10Y**	4.2525% +0.0350PPT	**WTI**	$78.25 -1.0%
ETH	$3,440.01 -2.7%	**Nasdaq**	18,004.62 +1.6%	**DXY**	104.31 +0.1%	**Gold**	$2,396.60 -0.7%

- The market remains rangebound with $BTC trading at $67,553 and $ETH trading at $3,440. On the ETF front, since July 5th, there have been positive daily inflows, including more than two days with 400M+ inflows last week.
- The SEC has approved spot Ethereum ETF trading starting tonight. News report that the U.S. Securities and Exchange Commission has allowed registration forms from BlackRock, Fidelity, 21Shares, Bitwise Franklin Templeton, VanEck, and Invesco Galaxy to go effective as of Monday.
- A few headlines include KelpDAO's official website being hacked, crypto influencer Irene Zhao launching a memecoin with Jupiter, and Superstate introducing the Superstate Crypto Carry Fund.
- During the last 24 hours, the top three gainers were $AIOZ, $AEVO, and $HNT, while the top three losers were $POPCAT, $MOG, and $AERO.
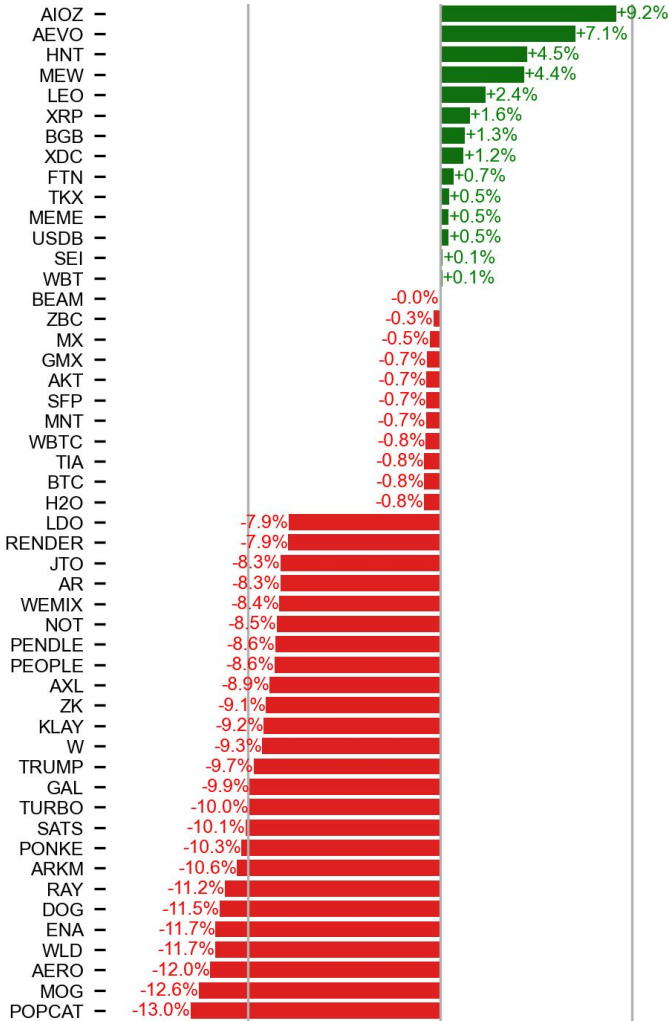
Basis Trade To Drive Early Inflows Into Spot ETH ETFs?

With the spot ETH ETFs set to start trading tonight, the media is busy speculating on the likely ETF inflows. Estimates from the street range from $1.5 billion to $25 billion in the first 12 months, while Presto's base-case scenario is at $3.6 billion (see Modeling Spot ETH ETF Inflows for more). Putting aside the question of ETH's viability as a legitimate institutional asset, one near-term driver for the inflow will be the demand from arb traders looking to capture the basis trade opportunity (i.e., Long spot ETF, Short CME futures). Experience with the spot BTC ETFs has shown that as much as 1/3 of the ETF inflows may be attributed to basis trade on any given day. The trade is profitable as long as the annualized basis on CME futures stays meaningfully above the risk-free rate. This is indeed the case currently with CME ETH futures, trading at 9.6% versus the 5.2% 3-month T-bill rate.
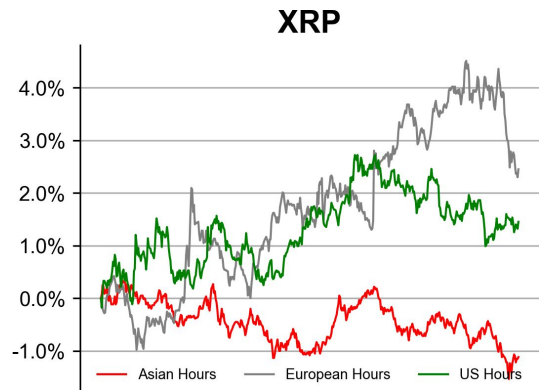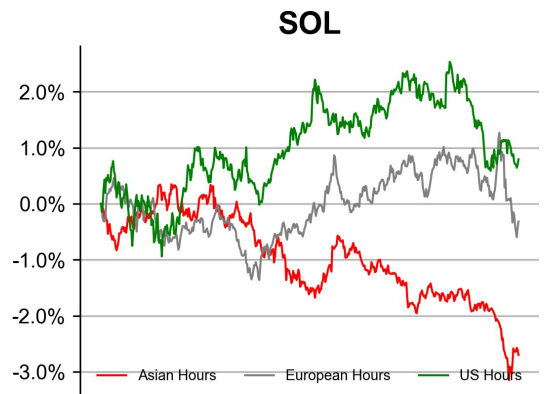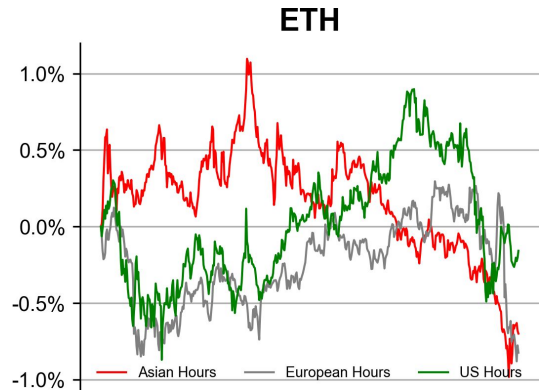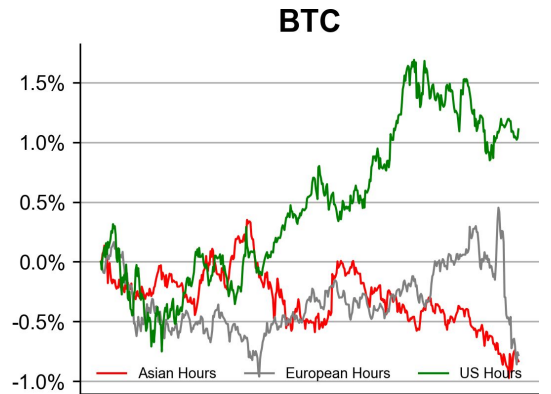

ETH CME Annualized Basis

Source: Velo

24H Price Change (Top/Bottom 25 from Top 200)

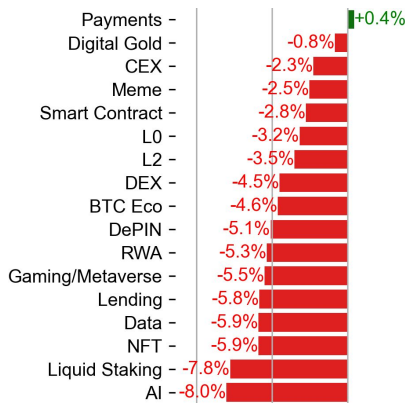| Token	Change
AIOZ	+9.2%
AEVO	+7.1%
HNT	+4.5%
MEW	+4.4%
LEO	+2.4%
XRP	+1.6%
BGB	+1.3%
XDC	+1.2%
FTN	+0.7%
TKX	+0.5%
MEME	+0.5%
USDB	+0.5%
SEI	+0.1%
WBT	+0.1%
BEAM	-0.0%
ZBC	-0.3%
MX	-0.5%
GMX	-0.7%
AKT	-0.7%
SFP	-0.7%
MNT	-0.7%
WBTC	-0.8%
TIA	-0.8%
BTC	-0.8%
H2O	-0.8%
LDO	-7.9%
RENDER	-7.9%
JTO	-8.3%
AR	-8.3%
WEMIX	-8.4%
NOT	-8.5%
PENDLE	-8.6%
PEOPLE	-8.6%
AXL	-8.9%
ZK	-9.1%
KLAY	-9.2%
W	-9.3%
TRUMP	-9.7%
GAL	-9.9%
TURBO	-10.0%
SATS	-10.1%
PONKE	-10.3%
ARKM	-10.6%
RAY	-11.2%
DOG	-11.5%
ENA	-11.7%
WLD	-11.7%
AERO	-12.0%
MOG	-12.6%
POPCAT	-13.0%

Time Zone Analysis

BTC

Asian Hours — European Hours — US Hours

ETH

Asian Hours — European Hours — US Hours

SOL

Asian Hours — European Hours — US Hours

XRP

Asian Hours — European Hours — US Hours

Dominance Ratio

	1Y	6M	LAST
stablecoin / others (top)	25.6%	27.8%	26.1%
	9.3%	7.9%	6.2%
	18.2%	16.9%	16.0%
BTC	46.9%	47.4%	51.7%

Legend: BTC, ETH, stablecoin, others

Sector Performance

Sector	Change
Payments	+0.4%
Digital Gold	-0.8%
CEX	-2.3%
Meme	-2.5%
Smart Contract	-2.8%
L0	-3.2%
L2	-3.5%
DEX	-4.5%
BTC Eco	-4.6%
DePIN	-5.1%
RWA	-5.3%
Gaming/Metaverse	-5.5%
Lending	-5.8%
Data	-5.9%
NFT	-5.9%
Liquid Staking	-7.8%
AI	-8.0%

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TRADING VOLUME

24H Vol % Chg*

- AIOZ/USDT: +194.2%
- KLAY/USDT: +175.7%
- EGLD/USDT: +133.6%
- SFP/USDT: +110.5%
- TRX/USDT: +99.4%

* 5 largest 24H vol. change from the universe of top 50 assets by market cap

Spot Volume

Legend: Total Volume (L) — red; Total Market Cap (R) — green

Spot Volume Leaders (% chg vs ave)*

BTC
- HTX: +34.7%
- Coinbase: +17.1%
- Bybit: +15.7%
- Kucoin: +1.9%
- Kraken: -1.8%
- Upbit: -2.2%
- OKX: -15.1%
- Binance: -17.0%
- Gateio: -32.0%

ETH
- Kucoin: +49.5%
- Upbit: +21.2%
- Kraken: +8.2%
- Bybit: +7.8%
- Gateio: -2.1%
- OKX: -9.2%
- Binance: -17.8%
- Coinbase: -21.2%
- HTX: -45.6%

SOL
- Bybit: +27.1%
- Upbit: +24.9%
- Binance: +24.5%
- Kraken: +13.7%
- OKX: +12.4%
- Kucoin: +2.5%
- HTX: -1.6%
- Gateio: -6.2%
- Coinbase: -7.1%

XRP
- Upbit: +77.3%
- Kucoin: +63.0%
- Kraken: +52.5%
- Gateio: +48.2%
- OKX: +41.6%
- Coinbase: +38.3%
- Binance: +35.1%
- Bybit: +16.8%
- HTX: +1.3%

ORDER BOOK DEPTH (within 1% best bid/ask)

Coinbase

BTC/USD

ETH/USD

Legend: +/-25bp, +/-50bp, +/-75bp, +/-100bp

Binance

BTC/USDT

ETH/USDT

Legend: +/-25bp, +/-50bp, +/-75bp, +/-100bp
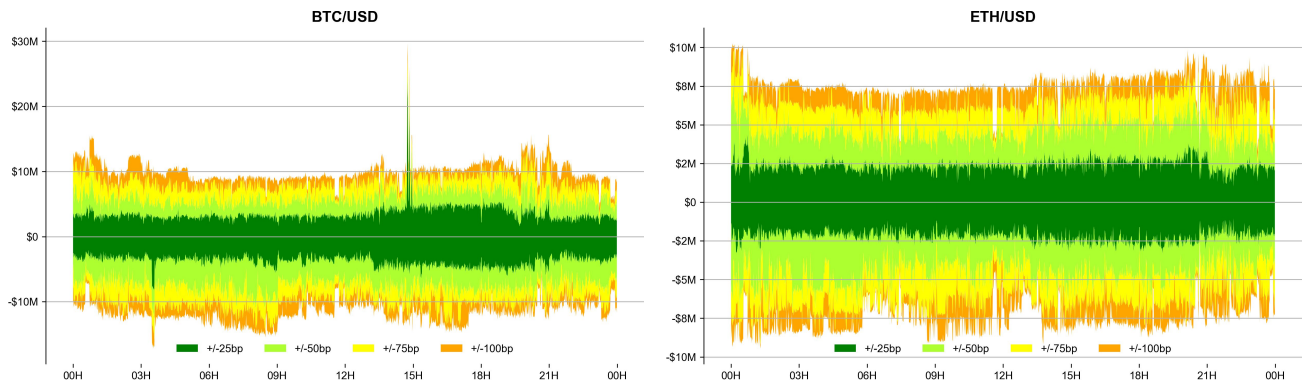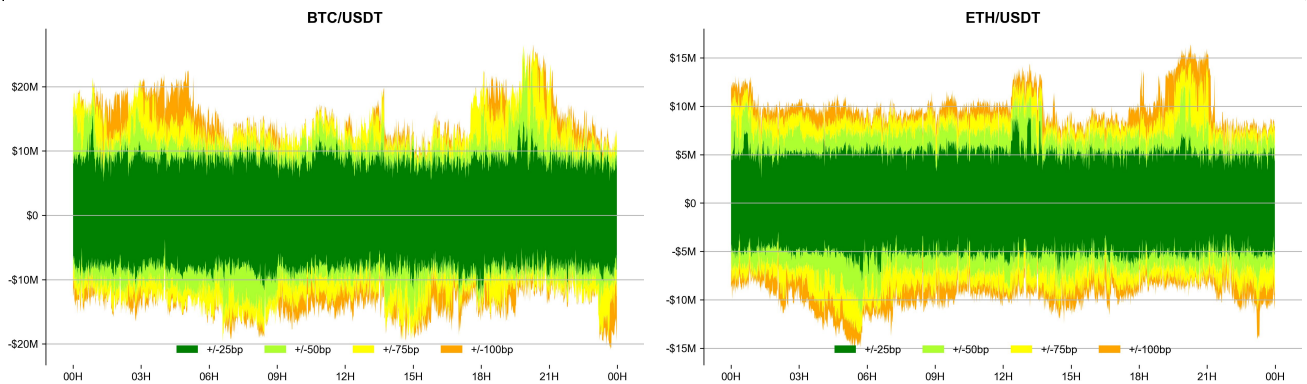
DERIVATIVES

OI/ MC & Leverage Ratios
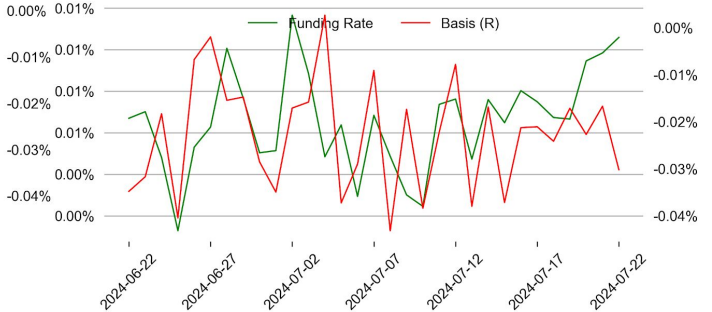
BTC

ETH
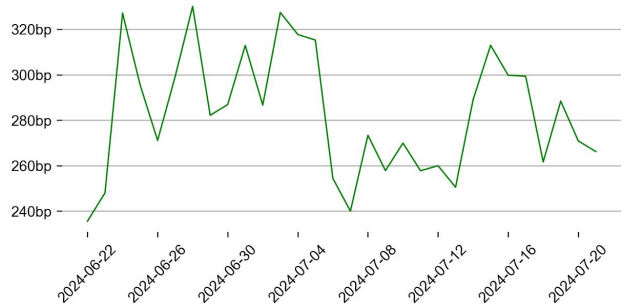
Futures O.I. & Liquidations

BTC
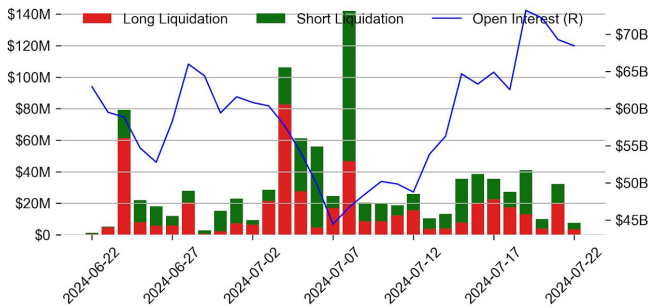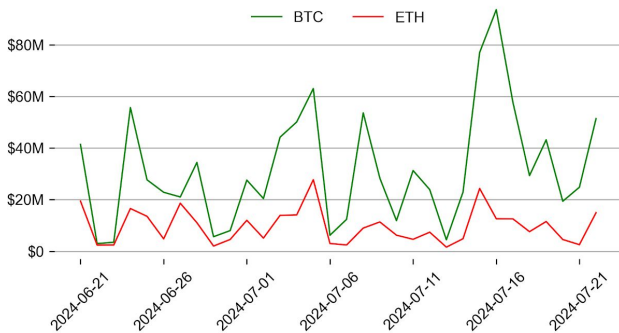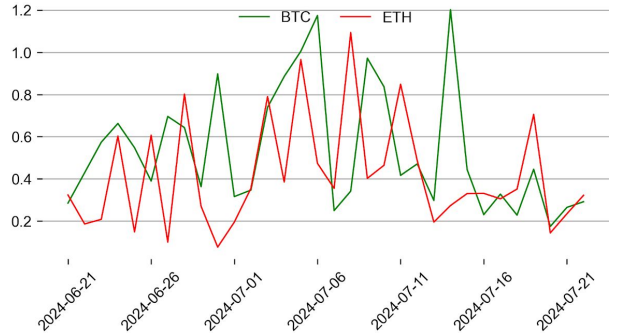

ETH
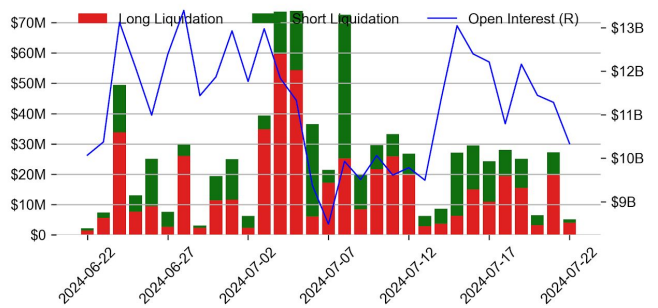
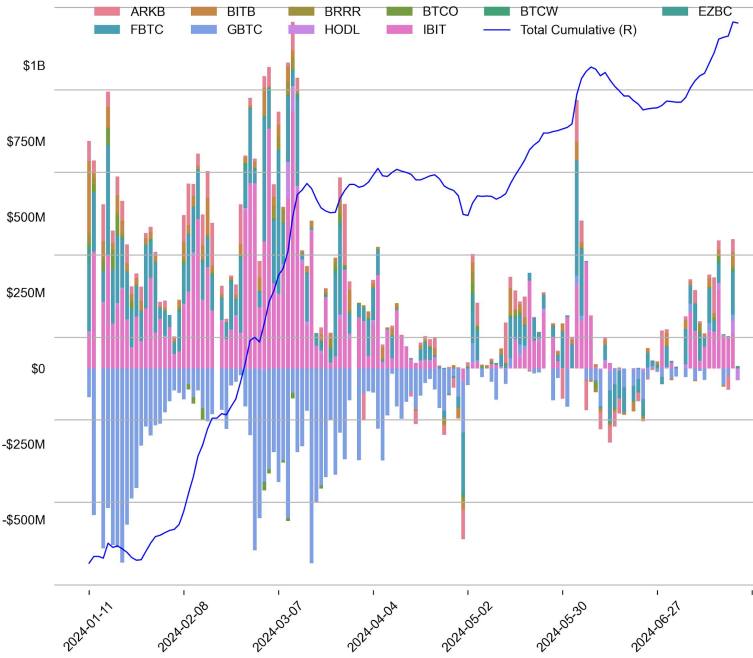## Perps Funding Rate & Rolling Basis

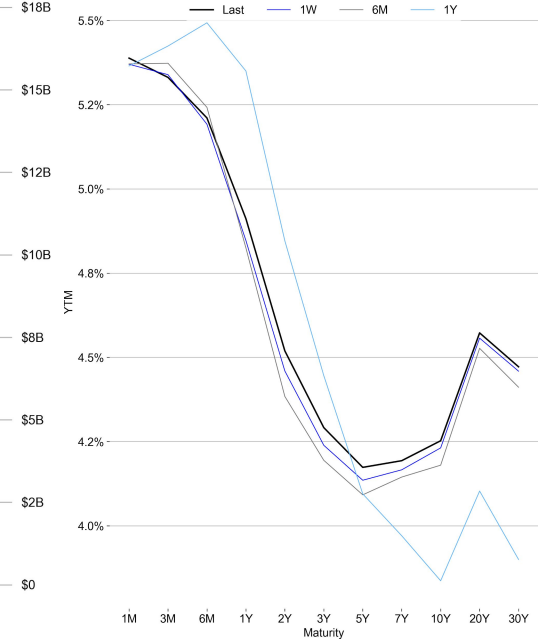### BTC
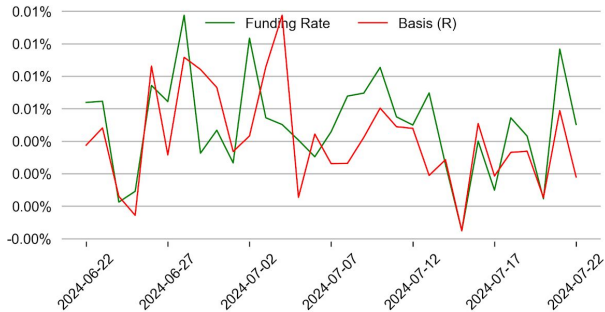
ETH

Option Volume

Put Call Ratio

TRADFI

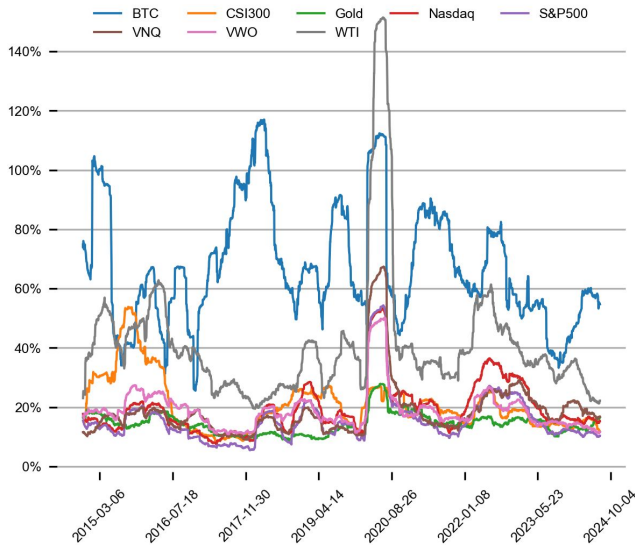|	Stocks					FX				Commodity		Crypto Equity			
	S&P500	Nasdaq	EuroStoxx50	HSI	CSI300	USD/EUR	USD/JPY	USD/CNY	DXY	WTI	Gold	COIN	MSTR	MARA	RIOT
Last	5564.41	18004.62	4896.65	17635.88	3514.92	0.9183	156.91	7.2737	104.31	78.25	2396.60	265.15	1800.09	23.95	12.24
1D	1.1%	1.6%	1.4%	1.3%	-0.7%	0.1%	-0.3%	0.1%	0.1%	-1.0%	-0.7%	2.9%	1.2%	-3.2%	1.7%
1M	1.8%	1.8%	-0.2%	-2.2%	0.6%	-1.8%	-1.8%	0.2%	-1.4%	-3.1%	2.8%	17.4%	21.3%	24.7%	28.2%
1Y	22.7%	28.3%	11.5%	-7.5%	-8.0%	2.2%	10.7%	1.2%	3.2%	1.5%	21.9%	163.0%	312.3%	41.9%	-33.4%

BTC Spot ETF Flow
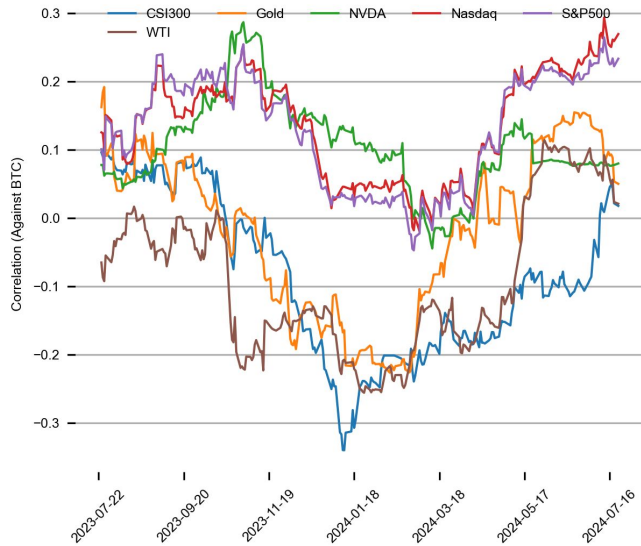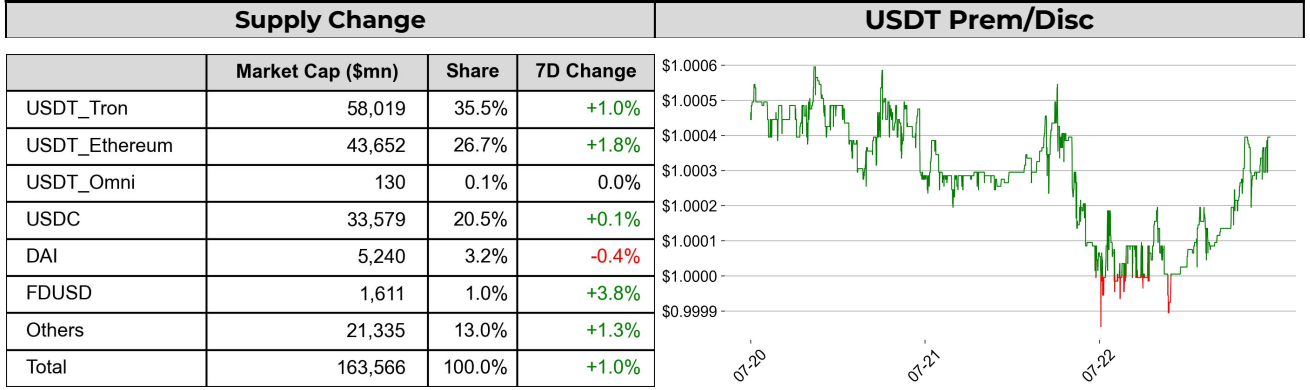

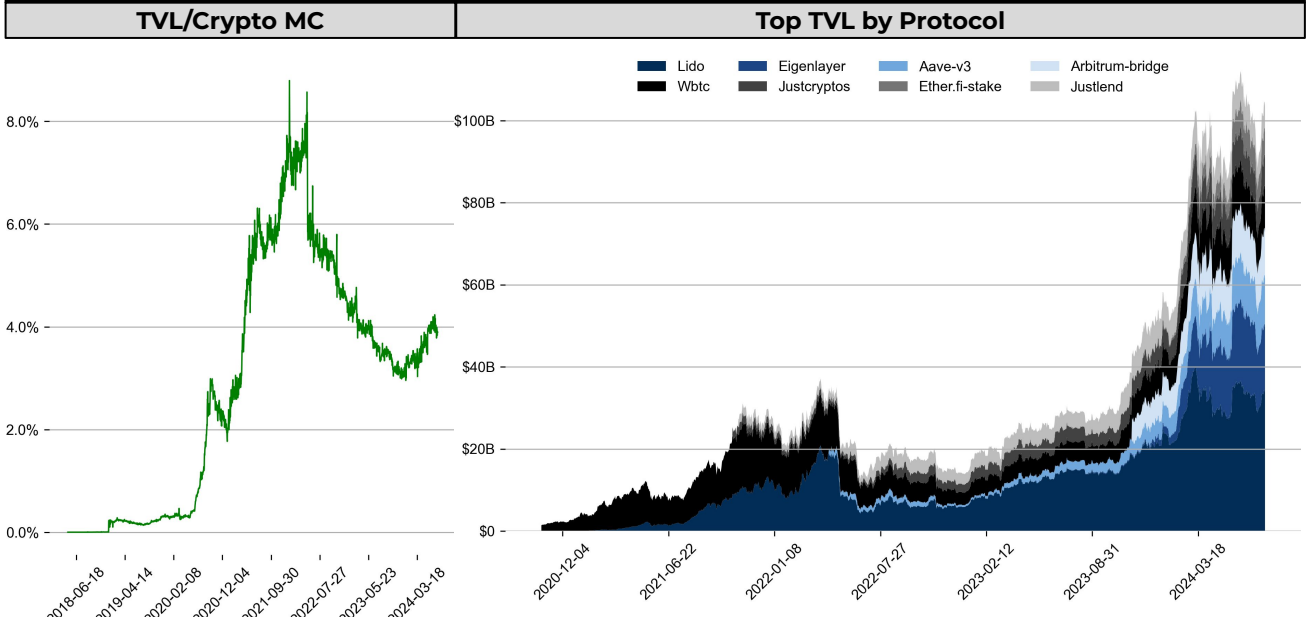## US Treasury Yield Curve

CROSS ASSET METRICS

Volatility

Correlation

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STABLECOIN

Supply Change

	Market Cap ($mn)	Share	7D Change
USDT_Tron	58,019	35.5%	+1.0%
USDT_Ethereum	43,652	26.7%	+1.8%
USDT_Omni	130	0.1%	0.0%
USDC	33,579	20.5%	+0.1%
DAI	5,240	3.2%	-0.4%
FDUSD	1,611	1.0%	+3.8%
Others	21,335	13.0%	+1.3%
Total	163,566	100.0%	+1.0%

USDT Prem/Disc

ONCHAIN MOVES

TVL/Crypto MC

Top TVL by Protocol

Lido, Eigenlayer, Aave-v3, Arbitrum-bridge, Wbtc, Justcryptos, Ether.fi-stake, Justlend

Top TVL Gainers*

#	Name	7D Change
1	Agni Finance	+102.4%
2	Axelar	+95.5%
3	Eigenpie	+84.4%
4	Pencils Protocol	+71.1%
5	Ring Few	+51.9%
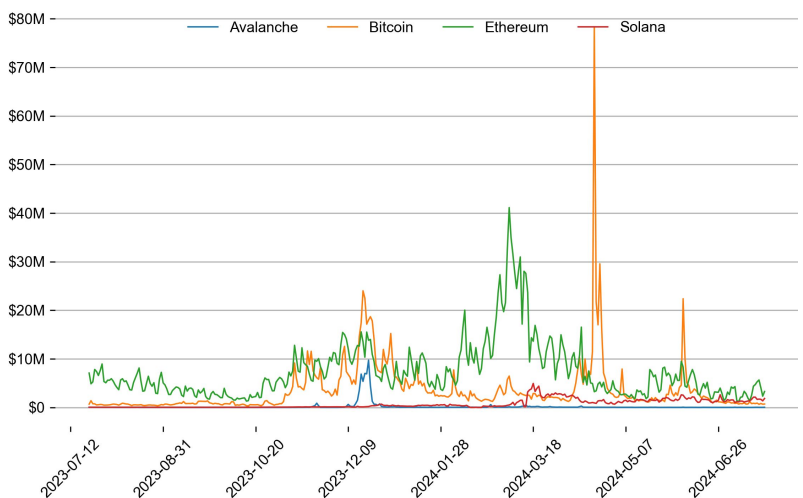
* 5 largest 7 day TVL change in % terms from the universe of minimum $100m TVL protocols, according to DefiLlama.

Daily Network Fees

Avalanche, Bitcoin, Ethereum, Solana

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EVENTS CALENDAR
Upcoming Token Unlocks (next 7 days)

Asset	Type	Entity	Unlock Date (UTC)	Unlock Units	Unlock Value	% of Avg Trading Vol	Supply Locked
GMT	Allocation	Team	7/24/24	17.4M	$2.7M	15.0%	57.2%
GMT	Investment	Private Sale	7/24/24	26.0M	$4.0M	22.4%	57.2%
ARB	Allocation	Offchain Labs Team	7/25/24	56.1M	$42.0M	19.3%	66.6%
RON	Allocation	Community	7/26/24	1.6M	$3.7M	28.5%	66.3%
PRIME	Allocation	Parallel Studios	7/26/24	204.4K	$1.7M	53.7%	67.8%
PRIME	Allocation	Team	7/26/24	669.5K	$5.7M	175.7%	67.8%
RON	Allocation	Sky Mavis	7/27/24	15.8M	$37.3M	285.4%	66.3%
RON	Allocation	Ecosystem Fund	7/27/24	5.4M	$12.8M	97.8%	66.3%
AXL	Investment	Seed Round	7/28/24	5.6M	$4.3M	18.0%	37.2%
AXL	Investment	Series A	7/28/24	5.3M	$4.0M	17.0%	37.2%

Other Events (next 7 days)

Date	Title	Coins / Hosts
Jul 24, 2024	6.62M/day Unlock	$WLD
Jul 24, 2024	Maple Universe Pioneer Test	$AVAX
Jul 24, 2024	FluxOS V5.14.0	$FLUX
Jul 25, 2024	Bitcoin 2024 Conference (Trump speech)	$TRUMP, $MAGA
Jul 25, 2024	Open beta Mainnet	$ILV
Jul 25, 2024	$115M Unlock	$ALT
Jul 29, 2024	Dash Evolution Mainnet Beta	$DASH

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DATA EXPLAINER

Headers	Source	Note
PRICE ACTIONS TRADING VOLUME ORDER BOOK DEPTH DERIVATIVES	Presto Labs	**Time Zone Analysis** separates out the asset's price action according to the business hours in Asia, Europe and US region. This is to identify which geography is responsible for price actions of the last 24hrs. The cut-offs are, - Asia: UTC 22:00 -1 to UTC 6:00 - Europe: UTC 6:00 to 14:00 - US: UTC 14:00 to 22:00 **Sector** constituents are, AI(FET, AGIX, OCEAN), BTC Eco(BCH, BSV, ICP, STX, ORDI), CEX(BNB, CRO, OKB, KCS, BGB), Data(LINK, GRT), DePIN(ICP, FIL, AR, HNT, SIA), DEX(UNI, INJ, RUNE, SNX, DYDX, OSMO, CRV, CAKE, GMX), Digital Gold(BTC), Gaming/Metaverse(IMX, BEAM, SAND, GALA, AXS, WEMIX, RON), L0(AVAX, DOT, TIA), L2(MATIC, OP, MNT, ARB, STRK), Lending(MKR, AAVE, COMP), Liquid Staking(LDO, RPL, JTO), Meme(DOGE, SHIB, FLOKI), NFT(APE, BLUR), Payments(XRP, LTC, XLM, XMR, ZEC), RWA(ONDO, CFG), Smart Contract(ETH, BNB, SOL, ADA, TRX, TON, APT, NEAR, HBAR, VET, ALGO, FTM, SUI, FLOW, MINA). The sector return is market-cap weighted average of the constituents' returns. **Exchanges:** 24H spot price & volume % changes and dominance ratios are from CoinGecko. Time Zone Analysis is based on data from Binance. Spot volume leaders are based on data from Binance Bybit, Coinbase, Kraken, OKX, KuCoin, HTX, Upbit, Gate.io. Futures data are from Binance OKX, Bybit, KuCoin. Options data are from Deribit.
TRADFI	Investing.com Farside Investors	**BTC Spot ETF Flows** are based on data shown on farside.co.uk at UTC 03:00. Due to varying data reporting schedules among ETF sponsors, the figures may not encompass data from all 10 ETFs.
STABLECOIN ONCHAIN MOVES	DefiLlama	**Stablecoin Supply** is a proxy for fiat on/off ramp from TradFi into crypto. **USDT Prem/Disc** reflects the USDT supply/demand imbalance, approximating the market's risk aversion towards USDT specifically, and/or the crypto market more broadly. The data is from Coinbase. **TVL/ Crypto MC Ratio** = Total Value Locked / Crypto Market Cap. The ratio neutralizes the TVL changes caused by asset price fluctuations.
EVENTS CALENDAR	The Tie LayerGG	**Token Unlocks** shows those whose unlock amount is greater than 6% of the average trading volume from the universe of top 200 crypto assets by market cap. **Other Events** show summary of other major events over the next 30 days.

* The Daily Market Brief is published every business day, following the Singapore calendar, excluding public holidays

About Presto

Presto is a Singapore-based algorithmic trading and financial services firm founded in 2014. Presto focuses on delivering exceptional value for clients through rigorous research-driven approach to investment and trade execution. With more than a 100 million trade executions in a day, Presto is a leading financial services firm in both digital assets and traditional finance markets.

Find out more at https://www.prestolabs.io.
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Required Disclosures

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