

Weekly Thoughts

Bitcoin now holds a +3% since yearly open, as Q1 draws to a close this week. The wide range-bound consolidation and current explosive push above the multi-week range has been very similar to Q1 2019, which led to a continuous bullish rally throughout Q2 2019. A seemingly important catalyst for the breakout has been large BTC purchases associated with the Terra blockchain and UST algorithmic stablecoin. The project's founder, Do Kwon, recently discussed the new Bitcoin-linked tokenomics as a reserve asset to defend the UST \$1 peg. The proposal and execution has been spearheaded by the Luna Foundation Guard and Jump Trading. Kwon has also unveiled plans to increase the reserve to \$3 billion, by selling additional UST for Tether or USDC. The UST reserve wallet currently holds nearly 28,000 BTC valued at \$1.32 billion.

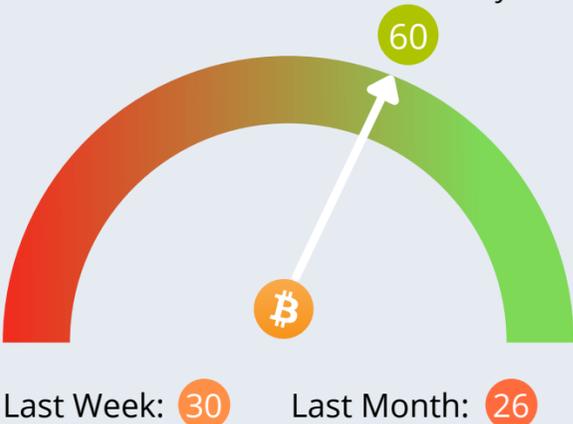
Technical analysis for Bitcoin has now confirmed a bullish breakout above horizontal resistance at \$45,000. The ascending triangle chart pattern consolidation yields a potential target range of \$50,000 to \$55,000 based on the 1.618 fibonacci extension and measured move of the pattern. Price has also breached above the 200-day exponential moving average (EMA) for the first time since late last year, signifying a possible bullish trend reversal. An upcoming 50-day EMA and 200-day EMA bullish cross will likely occur in the beginning of Q2. Near-term overhead resistance now stands between \$47,600 and \$48,700 based on a yearly price pivot and the 2021 volume range profile.

Crypto	Ticker	Price (\$)	Returns (%)					M Cap (bn)	Consensus	Annualized			
			1 week	1 month	3 month	YTD	1 year			Issuance (%)	Stake Yield (%)	Volatility	Sharpe
Bitcoin	BTC	47342.75	1.53	10.18	0.10	2.98	-17.40	904.00	PoW	1.77	N/A	0.74	0.06
Ethereum	ETH	3347.57	2.36	15.50	-11.01	-8.15	85.94	405.62	PoW	4.19*	N/A*	0.98	1.06
Binance Coin	BNB	436.23	1.95	11.02	-17.76	-14.06	59.76	72.55	PoS	0.00	7.80	1.07	0.99
Solana	SOL	109.47	3.84	11.46	-37.29	-34.59	487.01	36.14	PoS	4.85	5.81	1.41	2.08
Terra	LUNA	94.79	0.71	3.88	11.31	10.98	403.36	33.76	PoS	2.30	6.41	1.70	1.80
Avalanche	AVAX	91.24	2.56	9.04	-13.84	-15.63	212.61	24.65	PoS	5.06	9.13	1.48	1.55
Polkadot	DOT	22.88	2.69	21.70	-17.09	-13.34	-32.84	22.79	PoS	8.28	13.93	1.30	0.33
Polygon	MATIC	1.71	1.77	6.61	-30.78	-31.63	348.24	13.28	PoS	4.78	11.93	1.74	1.71
Cosmos	ATOM	30.66	2.99	-1.56	16.09	-4.65	52.36	8.84	PoS	9.82	14.12	1.50	1.05
Tron	TRX	0.07	2.22	14.66	-8.57	-5.86	8.89	7.21	PoS	1.90	6.17	1.16	0.63
Algorand	ALGO	0.96	1.29	10.70	-34.45	-42.06	-31.44	6.37	PoS	2.24	0.63	1.32	0.59
Fantom	FTM	1.46	2.63	-17.58	-33.94	-34.57	240.75	3.75	PoS	7.15	5.12	1.81	1.55
Dash	DASH	134.31	1.47	34.34	0.21	0.99	-37.11	1.44	PoW/PoS	2.83	5.88	1.25	0.30
Zilliqa	ZIL	0.11	0.64	145.35	42.47	43.07	-39.66	1.35	Other	11.26	13.87	1.67	0.51

TradFi	Ticker	Price (\$)	1 week	1 month	3 month	YTD	1 year	M Cap (bn)	Stablecoins			DeFi APYs (%)	
									Supply (bn)	Lend	Borrow		
S&P 500	SPX	4543	1.79	3.67	-3.87	-4.68	14.30		Tether	USDT	81.34	2.90	4.04
Nasdaq 100	NDX	14754	2.32	3.98	-9.53	-9.59	13.68		USD Coin	USDC	51.98	1.84	3.19
Russell 2000	RUT	2077	-0.39	1.82	-7.30	-7.45	-6.46		Binance USD	BUSD	17.57	4.12	5.85
Dow Jones Ind.	DJI	34861	0.31	2.36	-3.03	-4.06	-5.41		MakerDAO	DAI	9.67	2.15	3.63
Gold	GC00	1934	-0.07	1.24	6.70	5.67	13.11		Gemini Dollar	GUSD	0.21	1.25	2.60

Bitcoin Fear and Greed Index

Multifactorial Market Sentiment Analysis

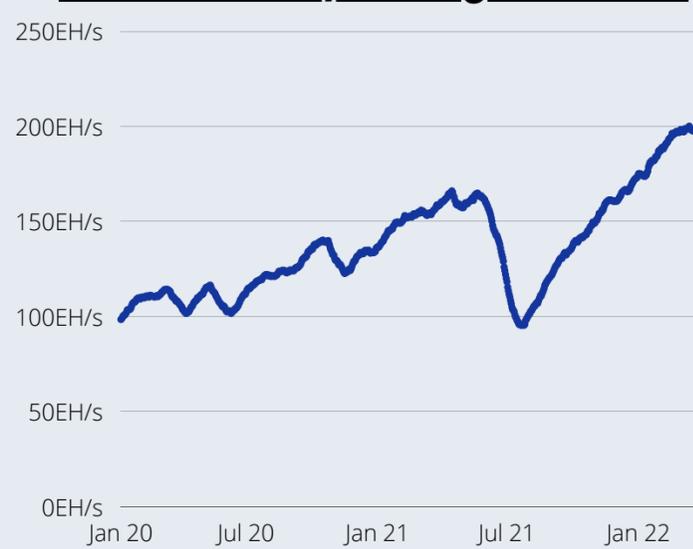


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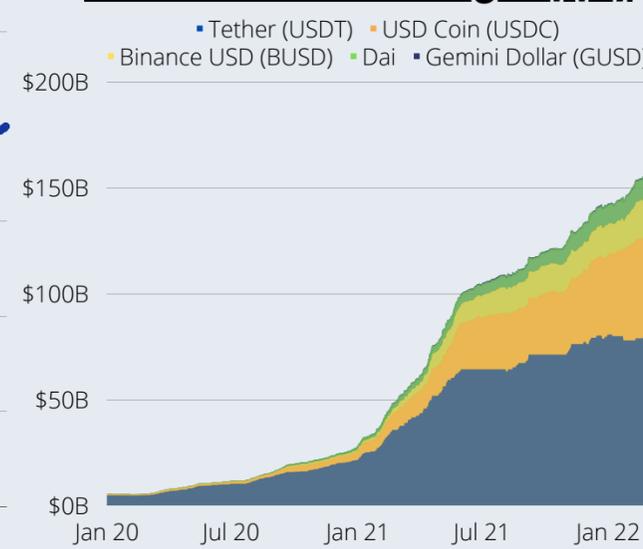
Bitcoin Ascending Triangle



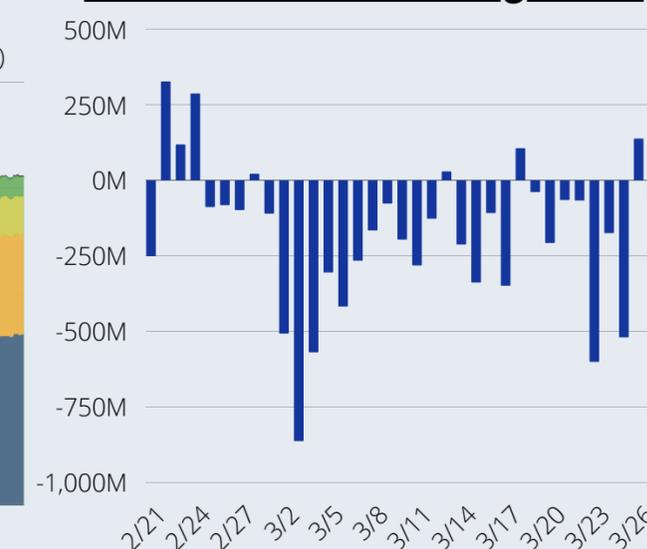
Bitcoin Monthly Average Hashrate



Stablecoin Circulating Supply



Stablecoin Net Exchange Flow



Macro Commentary

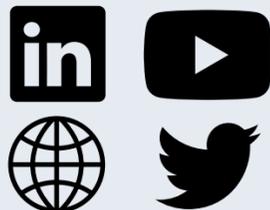
We are entering the stage of the market cycle where everyone is at the party and we all know the punchbowl is about to be taken away. Everyone's jumping in line to drink the punch before the party ends. The S&P and Nasdaq continued to trade inverse to commodities last week as the VIX also continues to fall. Bond indices year-to-date continue to have the worst performance on record with a flattening and potential inversion of the yield curve hinting at ominous recession fears. Despite an increasingly hawkish Fed, we expect asset prices to climb into the next few Fed rate hikes before reality sets in. The next Fed meeting in May will likely see a 50 basis point hike, followed by additional the potential for 50 basis point hikes at each Fed meeting until the end of the year. A possible further increase in CPI, released on April 12th, will only hasten the Fed's resolve and mandate to attempt inflation control via aggressive rate hikes. The U.S. currently has the highest inflation in all of the developed world at 7.9%, which suggests the Fed's pandemic response was also greater than any other country in the developed world.

The Russian-Ukraine war has now entered the 5th week, appearing to be no closer to immediate ceasefire negotiations than previous weeks. Some reports have also shown Russian military presentations entering a second phase of the war. However, negotiators are said to have entered talks in Istanbul, Turkey on Monday. Commodities markets continue to show signs of strain with Putin instructing the Russian government, central bank, and Gazprom to implement gas payments from 'unfriendly countries' in rubles by March 31st. Ammonia and fertilizer, of which Russia is a leading exporter, have show a significant rise in prices over the past week, well-beyond 2008 all-time highs. President Biden's visit to the Polish-Ukrainian border last week further bolstered the seriousness of U.S. commitments to NATO, while avoiding direct Russian-related conflicts in Ukraine.

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Commodity	Ticker	Price (\$)	Returns (%)				
			1 week	1 month	3 month	YTD	1 year
Crude Oil	CL1	106.88	-5.08	11.54	40.74	47.66	73.56
Brent Crude	BRN00	110.74	-4.86	12.86	40.85	42.08	69.87
Natural Gas	NG00	5.47	9.86	23.67	35.06	52.49	107.23
Unleaded Gas	RB00	3.26	-3.56	10.75	45.79	46.99	62.17
Gold	GC00	1934.00	-0.07	1.24	6.70	5.67	13.11
Silver	SI00	25.18	-0.89	2.80	9.02	7.86	1.94
Copper	HG00	4.69	-0.15	4.22	5.14	5.26	16.29
Corn	C00	743.25	-1.78	7.60	20.95	25.44	36.19
Wheat	W00	1062.00	-4.90	13.61	31.84	37.88	72.26
Bloomberg Commodity Index	BCOM	126.32	2.40	12.40	27.74	27.39	50.16
Bitcoin	BTC	47342.75	1.53	10.18	0.10	2.98	-17.40



News Review

- [U.S. Secretary of the Treasury Janet Yellen, "Crypto has grown by leaps and bounds, and is now playing a significant role in the investment decisions of lots of Americans. We would like to ... create a regulatory environment in which healthy innovation can continue."](#)
- [Ukrainian Refugee Flees to Poland with \\$2,000 in Bitcoin on a USB Drive](#)
- [Bitcoin Miners Want to Recast Themselves as Eco-Friendly](#)
- [Exxon Considers Taking Gas to Bitcoin Mining Pilot to Four Countries](#)
- [Goldman Sachs, Galaxy Digital Announce Milestone Over-The-Counter Crypto Trade](#)
- [Ray Dalio's Bridgewater Investing in Crypto Fund](#)
- [Bitcoin Lightning Network Continues to Grow, Now Holds Over 3,400 BTC](#)
- [Figure Sets Out Plans to Launch Crypto-Backed Mortgages](#)
- [Japan's Coincheck Exchange to List on Nasdaq via Over \\$1 Billion SPAC Merger](#)
- [Bored Ape Yacht Club Creator Raises \\$450 Million to Build an NFT Metaverse](#)
- [Florida Governor Says the State Will Accept Bitcoin for Tax Payments](#)
- [Colorado accepts tax payments in crypto](#)



Weekly Crypto Market Review - March 28th, 2022

Weekly Thoughts: Source: Valkyrie Investments, Inc.,

Coin Prices, Market Capitalizations, and Returns: Source: Valkyrie Investments, Inc., TradingView, Messari. All returns represent total return for stated period.

Consensus: Source: Valkyrie Investments, Inc., Messari - Proof of Work (PoW), Proof of Stake (PoS), Other - indicating hybrid PoS or unique PoS consensus.

Annualized Issuance, Staking Yield, Volatility, and Sharpe Ratio: Source: Valkyrie Investments, Inc., Messari, StakingRewards.com. *ETH's EIP-1559 token burn and ETH-2 staking not included.

"TradFi" prices and returns: Source: Valkyrie Investments, Inc., MarketWatch. "S&P 500" provided by Standard & Poor's and is a stock market index tracking the performance of 500 large companies listed on stock exchanges in the United States, "Nasdaq 100" provided by NASDAQ OMX Group and includes 100 of the largest domestic and international non-financial companies listed on the Nasdaq Stock Market based on market capitalization. "Russell 2000" provided by FTSE Russell and is a small-cap stock market index that makes up the smallest 2,000 stocks in the Russell 3000 Index. "Dow Jones Ind." provided by S&P Dow Jones Indices and is a price-weighted measurement stock market index of 30 prominent companies listed on stock exchanges in the United States. "Gold" provided by NYMEX - CME Group and is a continuous futures product. All returns represent total return for stated period.

Stablecoin supply provided by CoinMetrics, DeFi APYs provided by DeFiRate.com and represent the 30-day average of rates offered on the Compound and AAVE platforms.

Bitcoin Fear and Greed Index Source: Valkyrie Investments, Inc., alternative.me and represents a multifactorial sentiment analysis index of volatility, market momentum and volume, social media, bitcoin market cap dominance, and Google trends

Bitcoin Ascending Triangle: Source: Valkyrie Investments, Inc., TradingView

Bitcoin Monthly Average Hashrate, Stablecoin Circulating Supply: Source: Valkyrie Investments, Inc., CoinMetrics

Stablecoin Net Exchange Flow: Source: Valkyrie Investments, Inc., Nansen and represent wallet inflows and outflows of Tether, USD Coin, Binance USD, PAX, and Huobi USD through crypto exchanges, including but not limited to; Binance, Curve.fi, AnySwap, Crypto.com, Uniswap, Hop Protocol, OKEx, Kucoin, dYdX, Coinbase, Kraken, Huobi, FTX, Gemini, FTX US, CoinList, SushiSwap, Gate.io, Balancer, BitMEX, Bitfinex, Bittrex, Binance US, Bitstamp, BlockFi, Paxos, Celsius, Alameda OTC, Poloniex, HitBTC, Bancor, Kyber, and ShibaSwap.

"Commodity" prices and returns: Source: Valkyrie Investments, Inc., Wall Street Journal. Bloomberg Commodity Index provided by Bloomberg and tracks prices of futures contracts on physical commodities on the commodity markets. All returns represent total return for stated period. Volatility Index (VIX) provided by Chicago Board Options Exchange's and measures expectations of volatility based on S&P 500 index options.

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