

Key Takeaways

- Signs of economic slowing emerge despite strong holiday sales and travel
- No sign of dovish reversals in Fed rhetoric based on recent comments
- Zero COVID policies in China could lead to supply chain disruptions

Traditional Market Commentary

US economic data, including initial jobless claims and freight shipping costs, has continued to reveal signs of generalized post-pandemic slowing. Inverted yield spreads also continue to grow, with the 2/10 spread reaching -0.80% last week, heightening the inevitability of recessionary conditions for 2023. However, despite the current inflation conditions, Black Friday and Cyber Monday sales still reached \$9 billion, per Adobe Analytics. Additionally, Sunday the 27th was the busiest post-pandemic travel day on record, according to TSA data.

Current economic conditions are leaving many investors optimistic and wondering if and when the Fed will slow the current hawkish stance. Based on recent comments from several Fed Governor's, the hawkish rhetoric and tone is likely here to stay well into 2023. Although a 50bp hike is currently being priced in for the December 13th FOMC meeting, the rates journey is less important than the Fed fund's rate final destination. The Fed continues to espouse that tighter monetary policy has only begun to cool demand and return economic conditions to pre-pandemic normalcy. Unemployment also remains near historic levels, giving the Fed more room for continued hikes. An upcoming CPI print, also on December 13th, may bring continued investor optimism as the Fed shrugs off the decline, until the job is done.

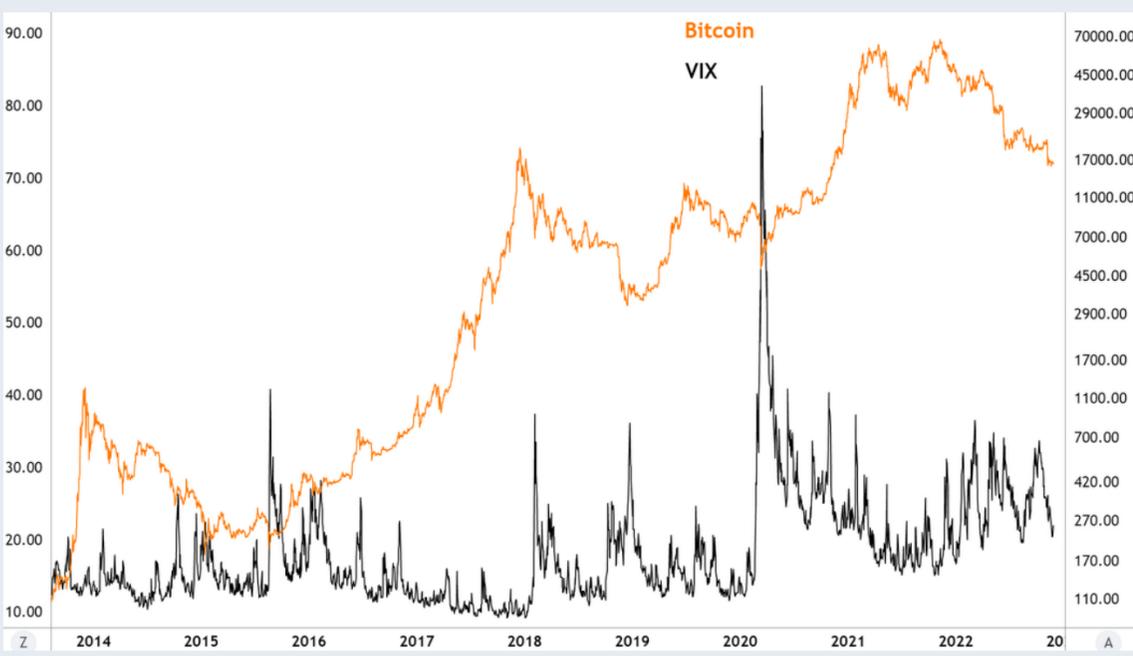
To muddy the waters further, reports in China of protests against zero COVID policies have sparked renewed concerns for supply chain disruption. Although difficult to truly gauge the scale and severity of the protest from a Western vantage point, China appears to have eased lockdowns in some areas, including the Foxconn campus in Zhengzhou.

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Indices	Ticker	Price (\$)	Returns (%)				
			1 week	1 month	3 month	YTD	1 year
S&P 500	SPX	4005	1.31	3.35	-0.72	-16.04	-14.04
Nasdaq 100	NDX	11722	1.27	2.58	-6.28	-28.31	-28.65
Russell 2000	RUT	1869	1.63	1.21	-0.73	-16.75	-16.63
Dow Jones Ind.	DJI	34270	1.63	4.63	6.70	-5.75	-2.52
Commodities							
Crude Oil	CL1	74.83	-6.14	-13.19	-22.80	-0.82	6.81
Brent Crude	BRN00	82.08	-6.52	-11.61	-20.28	5.30	12.03
Natural Gas	NG00	7.17	0.18	9.44	-22.50	100.00	47.06
Unleaded Gas	RB00	2.25	-7.71	-10.17	-16.92	1.81	11.54
Gold	GCO0	1747.40	0.17	6.76	-0.13	-4.57	-2.02
Silver	SI00	21.00	-0.52	9.69	13.24	-10.13	-8.18
Copper	HG00	3.59	0.50	6.50	-0.10	-19.30	-17.36
Corn	CO0	666.25	0.45	-3.27	-2.38	12.52	14.32
Wheat	W00	775.00	-5.20	-11.70	-7.93	0.68	-5.69
Bloomberg Commodity Index	BCOM	113.74	-1.38	0.34	-9.44	14.70	15.23
Bitcoin	BTC	16101.63	-1.94	-21.42	-20.63	-65.16	-70.60



Source: TradingView

News Review

['Shrimp' and 'Crab' Bitcoin Balances Hit Record Highs Amid FTX Collapse](#)



[Fidelity Begins Opening Retail Bitcoin Trading Accounts](#)

[El Salvador Takes First Step To Issue Bitcoin Volcano Bonds](#)

[NY Gov Signs Novel Law That Limits Cryptomining, for Now](#)

[Ethereum Software Firm ConsenSys Reveals It Collects User Data](#)

[MakerDAO Community Rejects CoinShares Proposal to Invest Up to \\$500M in Bonds](#)

[Crypto Lender Genesis Is Subject of Probe by Regulators](#)

[Silbert's DCG Says It Has Borrowed Money From Genesis](#)

[Founder of EOS Developer Block.One Buys 9.3% of Crypto Bank Silvergate](#)

[Wrapped Bitcoin DAO Removes FTX, Nine Others in Move to New Multisig](#)

Key Takeaways

- Crypto lender BlockFi has filed for Chapter 11 bankruptcy, citing FTX exposure
- More FTX contagion may contribute to Genesis Global Capital's woes
- Many users continue to hold digital assets and move coins off of exchanges

On-Chain Commentary

What ended as a relatively quiet holiday week has started with a bang as crypto lender BlockFi files for Chapter 11 bankruptcy protection. Based on the first day declaration, BlockFi's bankruptcy was made worse thanks to significant exposure to the now defunct FTX exchange. Additionally, BlockFi appears to have recently liquidated \$265 million in digital assets on hand to cash, and reports liabilities of \$1-10 billion.

Spreading FTX contagion has many asking when the next shoe will drop, suspecting Genesis Global Capital is not far behind BlockFi. The Genesis lending desk halted withdrawals on November 16th, leaving the Gemini Earn program out to dry for an alleged \$700 million. Over the past week, Genesis has been on a mad dash to raise capital, with seemingly little luck. Time is running out on keeping the creditors at bay, leading to a likely announcement for a plan going forward from Genesis over the next few weeks.

Retail and institutional investors have continued to react to the spreading contagion by removing assets from centralized exchanges and moving to self-custody. According to Glassnode, this period of exchange outflows has been the most dramatic on record, with nearly 200,000 BTC leaving exchanges since November 11th. In contrast, the Bitcoin price drop in late 2018 saw a nearly equal amount of Bitcoin being deposited to exchanges. Broadly speaking, this dichotomy suggests that holders are not so much concerned with price as they are for the potential of insolvent exchanges. The faith in the Bitcoin protocol itself, and the underlying cryptography securing the network, remains as strong as ever.

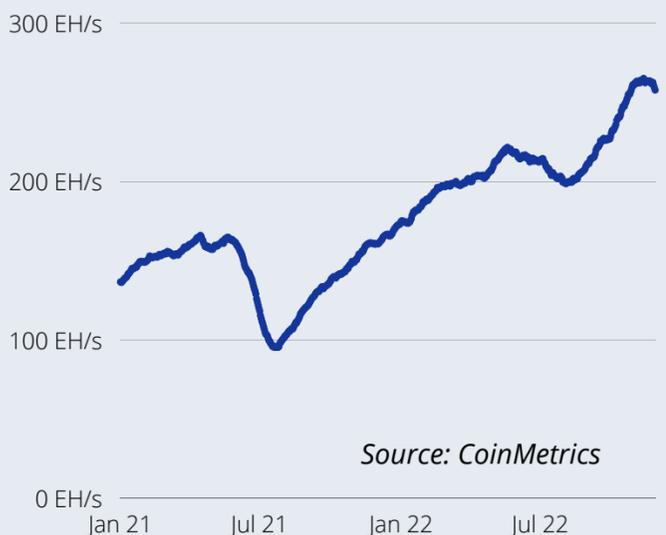
Bitcoin Fear and Greed Index

Multifactorial Market Sentiment Analysis



Source: Alternative.me

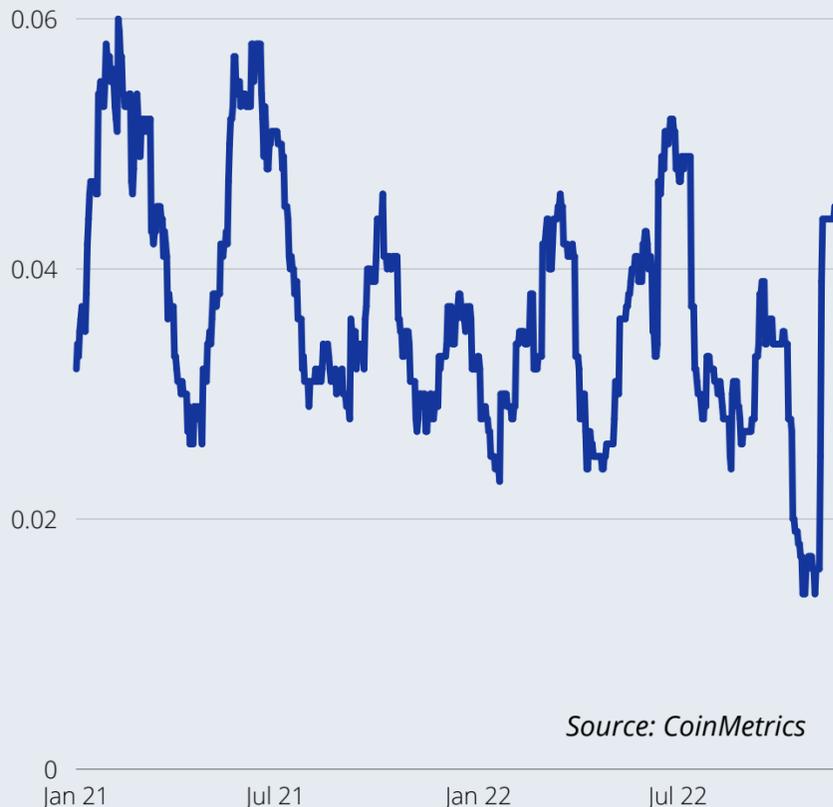
Bitcoin Monthly Average Hashrate



Source: CoinMetrics

Crypto	Ticker	Price (\$)	Returns (%)					M Cap (bn)	Annualized			
			1 week	1 month	3 month	YTD	1 year		Issuance (%)	Stake Yield (%)	Volatility	Sharpe
Bitcoin	BTC	16101.63	-1.94	-21.42	-20.63	-65.16	-70.60	309.46	1.75	N/A	0.66	-1.46
Ethereum	ETH	1160.93	-2.71	-26.18	-25.17	-68.42	-71.67	142.07	0.16	4.65	0.88	-0.91
Binance Coin	BNB	292.10	-5.04	-10.32	2.17	-42.94	-51.35	46.73	0.00	4.13	0.73	-0.54
Polygon	MATIC	0.81	-3.67	-9.97	-0.37	-67.83	-49.63	7.10	3.20	7.32	1.25	0.12
Polkadot	DOT	5.12	-3.34	-22.70	-29.53	-80.78	-85.41	5.84	8.06	14.01	0.97	-1.41
Tron	TRX	0.05	-0.39	-15.74	-16.21	-29.45	-42.86	4.90	0.85	3.15	0.70	-0.48
Solana	SOL	13.17	-6.66	-59.55	-59.38	-92.25	-93.17	4.78	4.53	5.80	1.17	-1.62
Avalanche	AVAX	12.25	-4.73	-36.49	-36.62	-88.82	-89.23	3.68	5.60	8.76	1.16	-1.17
Cosmos	ATOM	9.65	-2.68	-32.62	-15.62	-70.25	-63.92	2.76	13.28	20.54	1.22	-0.20
Algorand	ALGO	0.23	-2.98	-35.12	-21.90	-85.98	-86.13	1.66	4.05	6.72	1.01	-1.33
Near	NEAR	1.53	-4.86	-50.61	-61.95	-89.58	-80.72	1.28	6.33	10.74	1.33	-0.57
Fantom	FTM	0.20	6.68	-17.11	-29.73	-91.20	-90.49	0.50	2.96	6.69	1.34	-1.05
Zilliqa	ZIL	0.02	-4.13	-29.79	-41.15	-70.82	-73.90	0.30	4.79	11.72	1.69	-0.10

Bitcoin 30-Day Rolling Volatility



Source: CoinMetrics

Bitcoin Moving Averages



Source: TradingView

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Past performance is not indicative of future results. Investments may be speculative, illiquid and there is a risk of total loss. There is no guarantee that any specific outcome will be achieved.



Weekly Market Review - November 28th, 2022

"Indices" 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.

"Commodities" 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.

On-Chain Commentary, Decentralized Finance (DeFi) Commentary, Traditional Market Commentary: Source: Valkyrie Investments, Inc.

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

Annualized Issuance, Staking Yield, Volatility, and Sharpe Ratio: Source: Valkyrie Investments, Inc., Messari, StakingRewards.com. ETH staking rewards values are representative of the network post-Proof-of-Stake transition.

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 Monthly Average Hashrate, Bitcoin 30-Day Rolling Volatility: Source: Valkyrie Investments, Inc., CoinMetrics

Bitcoin Weekly Moving Averages: Source: Valkyrie Investments, Inc., TradingView - INDEX:BTCUSD

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