

## Key Takeaways

- Fed's Powell will need to be ready with a carefully worded message on Wed
- Banking issues globally have started to emerge in a hunt for liquidity
- Bitcoin continues to persist, unabated, with a rally decoupled from tradfi

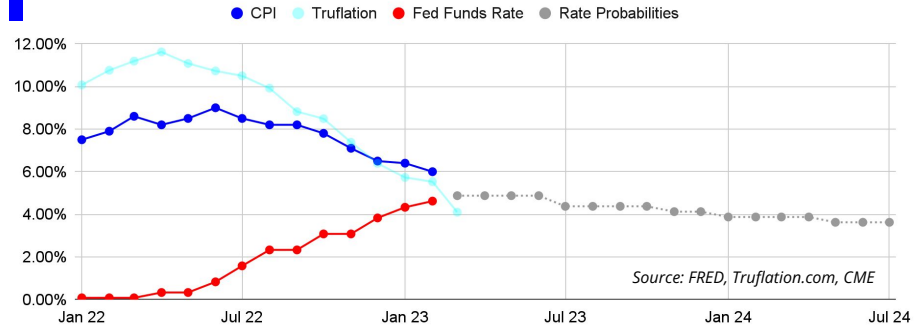
## On-Chain Commentary

On Wednesday, the FOMC is set to potentially hike another 25bp after a tumultuous past few weeks that have led to a US regional banking crisis. Long duration hold-to-maturity losses, which were largely hiding and not hedged, have spooked many investors and depositors away from smaller community banks and into the top 5 banking behemoths. Over the weekend, there were rumors of a potential Buffett investment into regional banks to bolster confidence but that has either not yet come to fruition or fallen through entirely. First Republic Bank appears to have continued failing investor confidence today, even after \$30B in deposits from 11 banks last week. On the other side of the world, UBS is attempting to acquire Credit Suisse via a government-brokered weekend scramble. The deal may hit a snag as it would hit shareholders with significant losses as well as run into issues with AT1 bonds, or contingent convertibles, which may be zeroed out entirely.

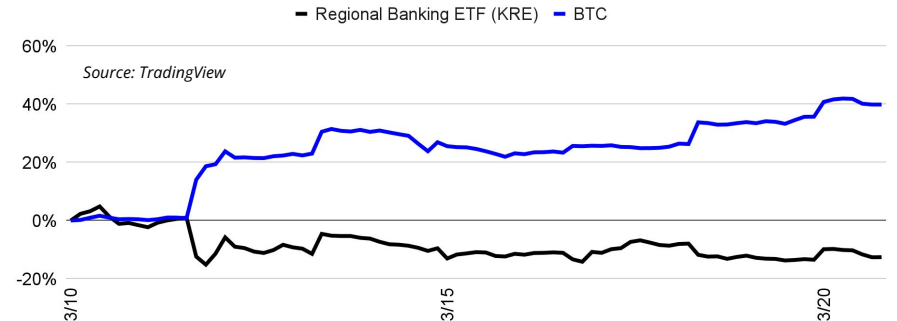
On the digital side, outside of the banking ecosystem, things have never looked better. On-chain activity for Bitcoin and Ethereum continue to rise as the technological revolution and renewed purpose for an alternative ecosystem is understood in the US. Ethereum's Shanghai protocol upgrade, which enables staking withdrawals, is due to be implemented on April 12th.

Although the recent sale and acquisition of Signature bank excludes the digital Signet arm, there are other on ramps and providers willing to work in the digital asset business. The Bitcoin price, specifically, has acted as an inverse vote of confidence for recent global central bank activity. A \$300 billion liquidity injection (not a bailout or QE) by the Fed has directly correlated with the Bitcoin rally over the past week.

**Chart 1: Rates Have Taken a Sharp About Face Following the Collapse of SVB**  
Real-time inflation projections are now below the current Fed funds rate

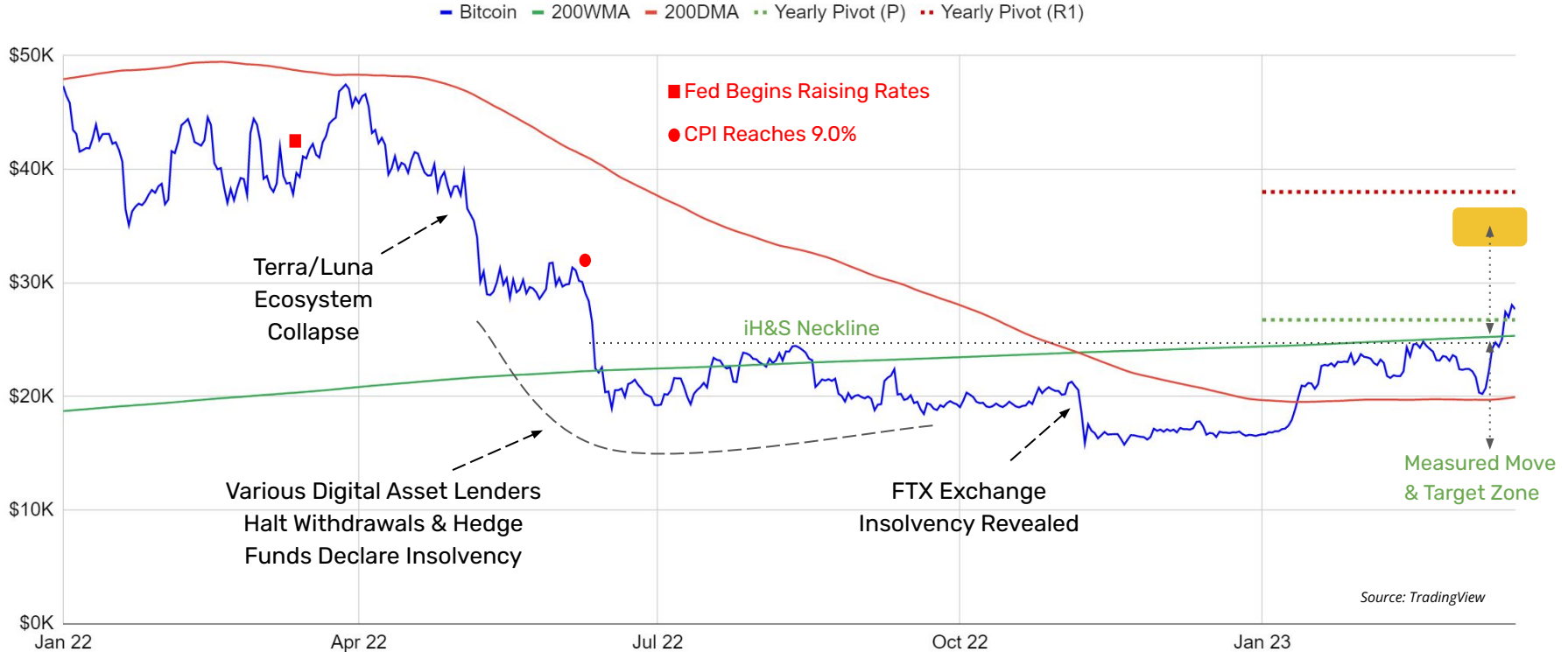


**Chart 2: Bitcoin Has Strongly Diverged From Regional Bank Performance Recently**  
After the SVB collapse, BTC has inversely correlated with KRE, a regional banking ETF



### Chart 3: After a Challenging Environment in 2022, Bitcoin Has Gained Macro & Technical Tailwinds

Bitcoin price has now firmly crossed above the 200 weekly moving average (WMA) and 200 daily moving average (DMA). Yearly pivots also suggest key levels at \$26.7k and \$38.0k. Additionally, a multi-month reversal chart pattern, known as an inverted head and shoulders (iH&S) has completed and suggests a target price zone of \$30.0k to \$34.k.



<b>Digital Assets</b>	<b>Ticker</b>	<b>Price (\$)</b>	<b>Returns (%)</b>					<b>M Cap (B)</b>
			<b>1 week</b>	<b>1 month</b>	<b>3 month</b>	<b>YTD</b>	<b>1 year</b>	
Bitcoin	BTC	28057.82	0.04	21.22	70.67	69.72	-33.56	542.15
Ethereum	ETH	1770.14	-0.87	10.26	51.61	48.10	-40.04	216.62
Polygon	MATIC	1.15	-1.54	-3.85	48.77	51.72	-24.84	10.04
Solana	SOL	23.51	7.25	7.55	97.07	135.81	-74.55	9.02
Polkadot	DOT	6.43	-0.46	1.33	43.56	49.33	-66.82	7.51
Tron	TRX	0.07	-0.20	-4.13	23.99	21.88	6.72	6.04
Avalanche	AVAX	17.38	-0.96	1.71	52.55	59.54	-80.60	5.66
Zilliqa	ZIL	0.03	-1.76	-6.66	65.87	82.25	-34.8	0.46
Valkyrie L1 Index		38.26	7.73	-13.28	82.85	54.73	-63.97	

<b>TradFi Indices</b>							
S&P 500	SPX	3886.00	-4.02	-6.09	-2.63	1.20	-6.89
Nasdaq 100	NDX	12018.00	-2.32	-3.89	2.65	9.84	-7.90
Russell 2000	RUT	1764.00	-7.13	-9.11	-2.99	0.17	-9.14
Dow Jones Ind.	DJI	32089.00	-4.04	-6.32	-5.66	-3.22	-2.62

## News Review

[Coinbase Explores Overseas Venue as US Ramps Up Crypto Scrutiny](#)

[Bitcoin Jumps After U.S. Moves to Stem Fallout From Bank Failures](#)

[New York Community Bank Will Acquire Signature — But Not Crypto Holdings](#)

[Crypto Wallet Prototype Discovered Inside Microsoft Edge Browser](#)

[RedeemGBTC.com To Host Shareholders Meetup At Miami Bitcoin Conference](#)

## Valkyrie Alternative Layer 1 Index





# Weekly Market Review – March 20th, 2023

On-Chain Commentary: Source: Valkyrie Investments, Inc.

Chart 1: Rates Have Taken a Sharp About Face Following the Collapse of SVB : Source: Valkyrie Investments, Inc., FRED, Trufflation.com, CME

Chart 2: Chart 2: Bitcoin Has Strongly Diverged From Regional Bank Performance Recently: Source: Valkyrie Investments, Inc., TradingView

Chart 3: After a Challenging Environment in 2022, Bitcoin Has Gained Macro & Technical Tailwinds: Source: Valkyrie Investments, Inc., TradingView

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

"Indicies" 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.

Valkyrie's Alternative Layer 1 Index: Source: Valkyrie Investments, Inc., CoinGecko. Includes Layer 1 protocols traded on at least 2 of the following 4 U.S. exchanges: Coinbase, Gemini, Kraken, or Binance US. Excludes BTC, ETH, stablecoins, and exchange tokens. Weightings using year 2050 MCAP (FDV), value struck at 8PM EST daily, rebalanced quarterly.

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