

# The **Crypto-Currency** Market Analysis Report



[www.Binvest.ir](http://www.Binvest.ir)  
December 2022

**Binvest**

# Contents:

1. Introduction .....	3
2. Macroeconomics .....	4
3. On-chain Metrics .....	6
4. Market Technical Analysis .....	10
5. Overview and Conclusion .....	11
6. About Binvest .....	12

# Introduction

In the last month, Bitcoin has not shown any significant dynamic, mostly ranging between 16K and 18K levels. 2022 has been one of the most chaotic, volatile, and financially brutal years, not only for the digital asset industry, but also for wider financial markets. With central bank monetary policy performing a 180 degree U-turn, and following decades of extremely loose and easy credit conditions, tightening conditions have caused severe and rapid drawdowns across most asset classes. After what has been a truly chaotic year, the Bitcoin market has turned very quiet coming into December.

In this report, we analyze the market from three different aspects and draw our conclusion at the end:

In this report, we analyze the market from three different aspects and draw our conclusion at the end:

- **Macroeconomics**
- **On-Chain Metrics**
- **Market Technical**

# Macroeconomics

## The most important Hints of the United States GDP in Q3

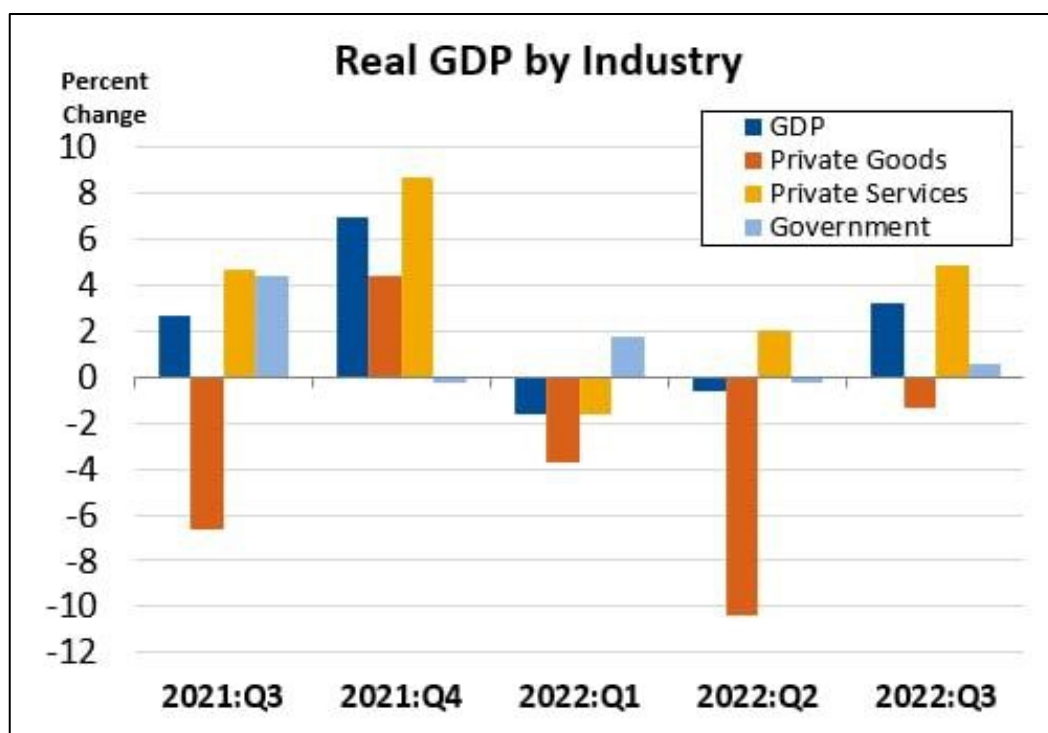


Figure 1: US GDP rates in the last five quarters.

The increase in real GDP for the third quarter reflected increases in exports, consumer spending, nonresidential fixed investment, state and local government spending and federal government spending which partially offset by declines in residential fixed investment and investment in private storage. Also, the amount of imports has decreased in this review.

The increase in exports reflects the increase in sales in goods and services. In the export of goods, the main contribution to the increase was industrial resources and materials, export of "other" goods and non-automotive capital goods. In the export of services, there was an increase in commercial and travel services.

This could be as addresses as a good news for crypto ecosystem as it shows that the global economy could survive and a recession could be avoided.



## CZ addresses reasons behind Binance recent FUD



Figure 2: Binance owner and CEO, CZ.

The story of Binance started when the famous news agency Reuters claimed in an exclusive report that at least three United States judicial authorities have concluded that there is enough evidence to accuse Binance and its owner, CZ, of ignoring the sanctions of the United States of America and There is also widespread money laundering. CZ has spoken about the possible reasons for the attack on Binance a few days after the rumors surrounding this exchange subsided. In his opinion, we should look for the reasons about FUD outside of Binance. The first reason for CZ is the crypto community's opposition to centralism. He believes that despite the help of centralized exchanges to more acceptance of crypto, the activists of this market oppose it only because it is centralized.

The next reason, according to CZ, is the conspiracy of the exchange's competitors to hit it. He said that some competitors have tried to convince the activist's minds that the situation of Binance is dire by giving loans to small media.

According to him, the third reason is conservative politicians who are spreading false news about this area. And finally, he said that some people are attacking this exchange because of jealousy and racism. The recent FUD surrounding this exchange resulted in the withdrawal of over \$6 billion from this exchange.

# On-chain Metrics

The On-Chain data scan the behavior of the macro and micro investors and is utilized to trace the investors general sentiment, major transactions, wallets and exchange balance, miners' condition, etc. Money Flow Tracker, Whale Indicator and Cycle Detector are main subparts of the BINVEST Machine studying the On-Chain metrics to clear the investors behavior.

## 1. Money Flow Tracker:

Money flow tracker is a tracer which is part of the BINVEST MACHINE and developed by the BINVEST team. This program shows the condition of major and minor holders, calculated based on the realized cap, MVRV and bitcoin price parameters. The quantified output for this machine is calculated based on several complicated mathematical formulation. The obtained value varies in a range of 0 to 100 where 100 shows a situation when old and big holders are intensely buying more Bitcoins, and on the contrary, 0 shows they are strongly selling their Bitcoins.

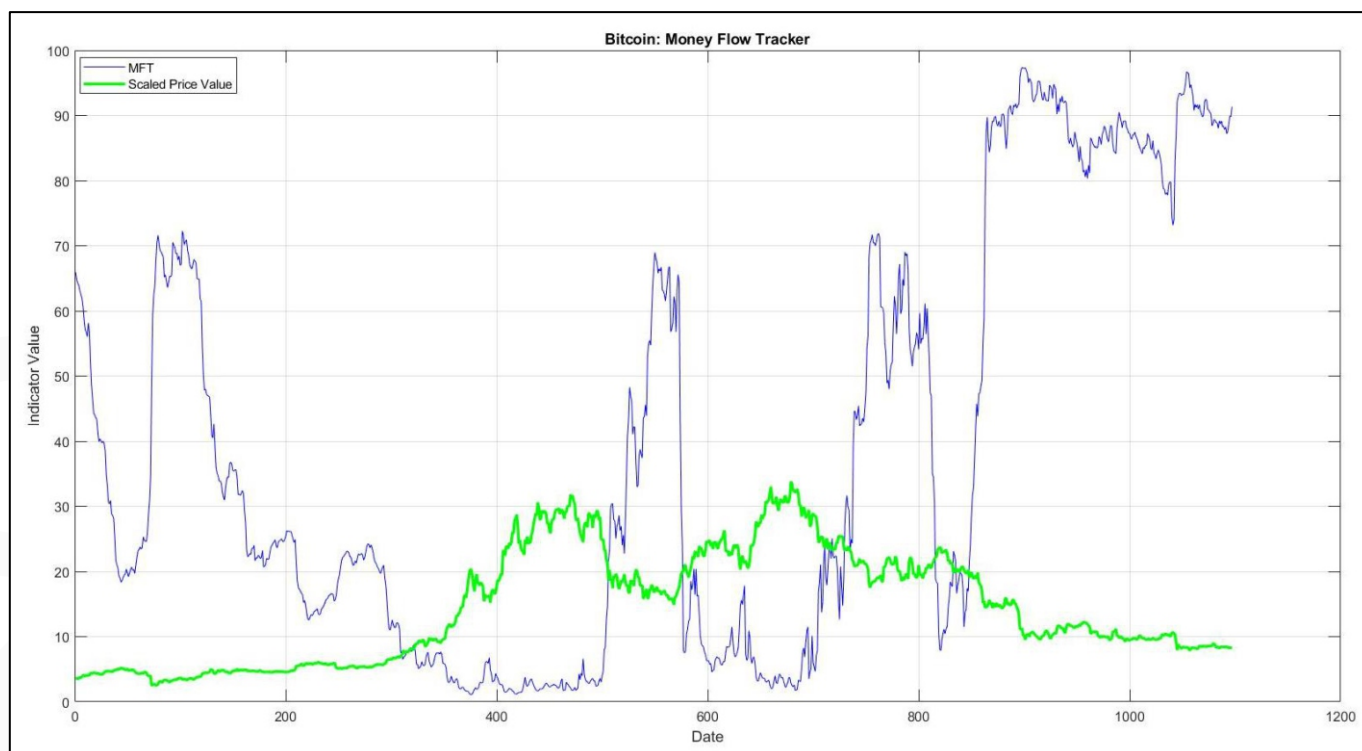


Figure 3: Money Flow Tracker output since 2020.

The indicator value is around 91.3, meaning old and big holders are intensely buying Bitcoin. According to the history of the Money Flow Tracker chart, the bear market of the cryptocurrency market is probably spending its last days and the new bull run could start soon.

## 2. Whale Indicator:

Whale indicator is another part of the BINVEST MACHINE observing the behaviors of bitcoin whales. This indicator works based on the big wallets balance, exchanges reserve, MVRV and bitcoin price. The whale indicator output is a number showing the condition of the market. In the newest update of this indicator, if the number is higher than 60 (Alpha = 0), it means that the big whales are selling their coins and if the number is lower than 30 (Alpha = 100), it means the market is in the accumulation phase and the whales are buying more Bitcoins.

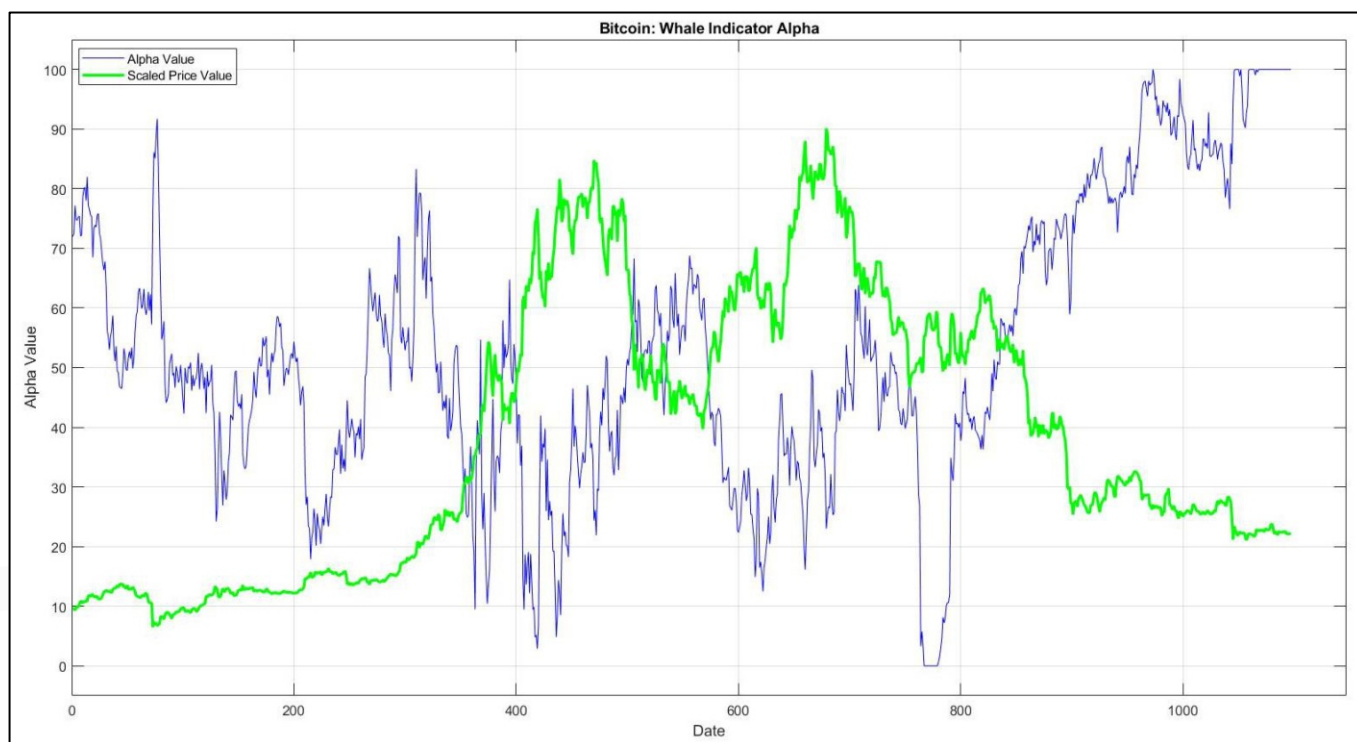


Figure 4: Whale indicator output since 2020.

As it has been shown in the above figure, the current value of the whale indicator alpha is 100. It means the big wallets are accumulating bitcoin and a high amount of bitcoin has been exited from the exchanges which is considered a bullish sign.

### 3. Cycle Detector:

The cycle detector is a machine simulating the start and end of any bull run cycle in the cryptocurrency market, according to the various prices of the bitcoin. This program specifically calculates the cycle start time and shows the position of the current price in a cycle period.

This algorithm tries to estimate the cycle start and the end time in the cryptocurrency market according to the various prices of the bitcoin (showed in the below figure). This program shows the position of the current price in a cycle.

Miners are replaced by validators – people who “stake” at least 32 ETH by sending them to an address on the Ethereum network where they cannot be bought or sold.

These staked ETH tokens act like lottery tickets: The more ETH a validator stakes, the more likely one of its tickets will be drawn, granting it the ability to write a “block” of transactions to Ethereum's digital ledger.

In proof-of-stake, the amount of ETH one stakes – not the amount of energy one expends – dictates control over the network. Proof-of-stake boosters say this makes attacks more expensive and self-defeating: attackers can have their staked ETH slashed, or reduced, as punishment for trying to harm the network.

"This is the first step in Ethereum's big journey towards being a very mature system, but there are still steps left to go," said Vitalik Buterin, Ethereum's co-creator, as he reflected on the Merge during Thursday's viewing party. He went on to mention Ethereum's relatively high fees and slow speeds, which were not addressed by the update, but remain as much a barrier to growing the network's user base as environmental concerns ever was.



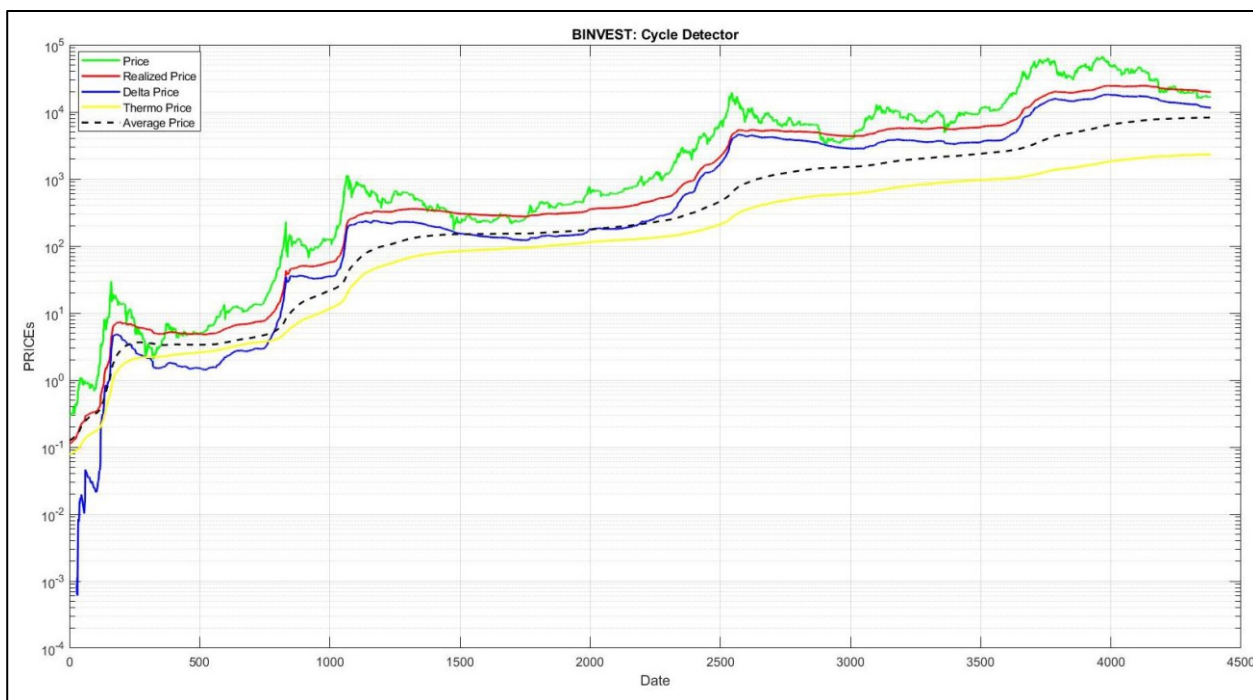


Figure 5: Cycle detector output since 2011.

As could be seen in fig.3, the price is trying to break the red line (Realized Price) upward. If the price breaks it upward and holds above it, it could be a strong sign for the new bull run. The quantified output for this part is 89.63 out of 100 which marks now as a valuable point in the crypto market.

# Technical Analysis

## BTCUSDT



Figure 6: The BTC price chart in the weekly timeframe.

Fig.6 shows the Bitcoin price chart in the weekly timeframe. Bitcoin is still on an important demand area and two scenarios can be considered. If the demand area couldn't hold the price, the price could drop further to \$12,000 level. Otherwise, Bitcoin could reach the \$24,000 level resistance after several sessions.

## DXY



Figure 7: DXY chart in the weekly timeframe.

The chart above is the DXY chart on the weekly timeframe. As you can see, DXY has shown a correction after hitting a supply area with a large slope and its first important demand area is around 103. Following a favorable macro-economic situation, further drop in DXY could be expected, which is good for crypto market

# Overview and Conclusion

This year has seen both BTC and ETH reach drawdowns exceed -75% off the all-time-high set in November 2021. Since May 2022, this has been punctuated by a wide-scale, and massive deleveraging event. This resulted in significant credit contraction, numerous bankruptcies, the unfortunate collapse of multi-billion dollar ponzi project (LUNA-UST), and sadly what appears to be fraud in the case of FTX.

2022 was a brutal year, and it has driven volatility and volumes to multi-year lows, as liquidity and speculative dries up. With speculators gone, Bitcoin Long-term Holder supply has pushed to yet another ATH, and investors appear to be stepping in with increasing coin volume on each price leg down. The Ethereum Merge was also executed successfully in September, and stablecoins continue to demonstrate a meaningful product market fit.

After all the challenges of 2022, the digital asset industry still stands, lessons are learned, and Bitcoin blocks keep being found.

Irrespective of what comes in 2023, we believe this industry will stand the test of time and will find its way forward during 2023 and further on.

## About

# Binvest

Every once in a while, a new technology comes along that changes everything. The internet defined the past few decades of innovation. We believe crypto will define the next few decades.

BINVEST was founded in 2019 and provides services for the blockchain hedge and venture funds. BINVEST has in-depth financial and crypto knowledge that enables the company to actively manage its crypto-funds 24/7. The discretionary investment strategy currently implemented at BINVEST has proven to be successful over the last years during different market crisis.