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The EQ/IQ Crypto Newsletter

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Top Stories

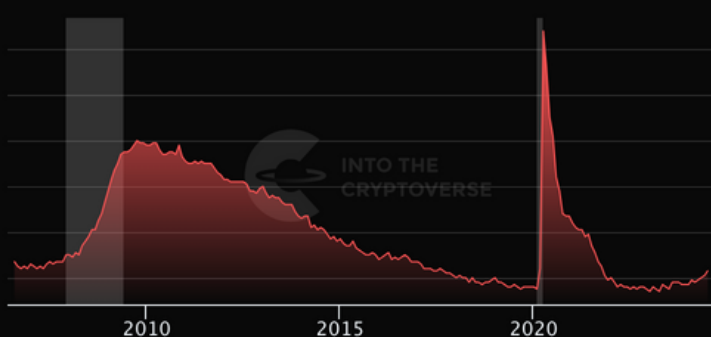
Volumes Strong, Interest Rate Cuts Incoming

August 2024 has seen muted activity in crypto markets following a significant deleveraging event, yet trading volumes for Bitcoin (BTC) and Ethereum (ETH) on global centralized exchanges have remained notably high. Bitcoin's adjusted daily spot volumes have averaged \$10.0 billion, double the average of the past five years, though this figure could rise to \$13.5 billion when accounting for early-month liquidations. Surprisingly, despite robust trading volumes, US spot Bitcoin ETFs have experienced net outflows of \$132 million. Similarly, Ethereum's daily trading volumes have more than doubled compared to historical August averages, supported by \$25 million in net inflows into US spot ETH ETFs.

The long-anticipated Fed rate cuts are finally on the horizon, set to occur in September, 14 months after the last rate hike. This marks the second-longest period without a rate cut since the 1970s, surpassed only by the 15-month gap between June 2006 and September 2007. To put this in perspective, the average time between the final hike and the first cut is typically 8 months. The recent labor market cooling, underscored by a significant downward revision in employment figures, adds further "cover" for the Fed to cut rates. The most recent inflation numbers beat expectations (to the downside) and remain below 3%. The crypto markets responded favorably to the Fed's dovish Jackson Hole speech, with majors like BTC and ETH jumping ~5%+ in price.

Unemployment Rate Inflation RGDP Fed Funds Rate

Latest Value: 4.3% (6/30/2024)



Headlines

- July CPI inflation rate falls to 2.9%, below expectations of 3.0%.
- Jerome Powell indicated the Federal Reserve will soon cut interest rates, potentially benefiting crypto markets.
- Eight military officers in Taiwan were sentenced for accepting cryptocurrency bribes from China to build a spy network.
- Former President Donald Trump shared a post about "The DeFiAnt Ones," a crypto project led by his sons.
- Telegram Founder, Pavel Durov, Detained by French Security Services at Paris Le Bourget Airport
- Morgan Stanley discloses \$187M BTC ETF holdings
- Franklin Templeton files for Crypto Index ETF
- NEAR introduces "Nightshade 2.0" with stateless validation to improve scalability and usability.
- Harris and Trump return to 50-50 standoff on Polymarket.
- Stablecoin market cap hits new ATH amid 11 months of growth.
- The highly anticipated Bitcoin staking platform, Babylon, is set to launch its mainnet this week. The project has secured over \$70 million in funding, with notable investors including Paradigm.
- CBOE removes their 19B-4 filings, putting SOL ETF at risk of going live
- Polygon announces MATIC to POL token migration to happen on September 4
- The Democratic Party's official platform doesn't mention Bitcoin, crypto, or blockchain
- Nearly half of all corporate political contributions this election cycle have come from crypto companies, totaling \$119 million out of \$248 million.

W/W Price Change Across Major Tokens

