

## Top Stories

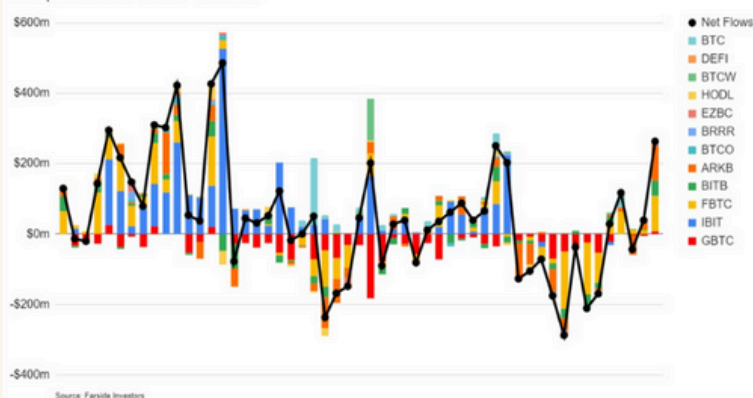
### Mid-Cycle Lull or Something More Serious?

September typically brings a bearish tone to markets, influenced by the fiscal year-end for many mutual funds, which often prompts risk reduction for tax-loss harvesting purposes. This year, however, the weak performance in both traditional and crypto markets seems to be further exacerbated by broader economic uncertainties. In particular, the potential impact of U.S. election results is keeping many investors on the sidelines, especially in an already unclear macroeconomic environment.

The upcoming Federal Reserve meeting on September 17-18 is less likely to drive a clear market direction but is seen as a hurdle preventing more significant capital deployment. Fed Governor Christopher Waller suggested that a 25 basis point rate cut in September is the most probable outcome, with further easing possible in the future. As of Friday, futures markets now anticipate an equal likelihood of either one or two rate cuts. This change is likely driven by the August Consumer Price Index report, which showed inflation easing to 2.5% year-over-year, slightly below the expected 2.6%.

Crypto markets have not benefited from recent dollar weakness, likely due to specific concerns like bitcoin supply overhangs and fears of economic slowdown. As a result, crypto continues to trade in a largely technically driven environment, where supply and demand factors outweigh fundamental analysis. Additionally, the recent unwinding of the U.S. 2-year/10-year yield curve inversion, a potential recession signal, adds to the prevailing cautious sentiment in both traditional and digital asset markets.

US Spot BTC ETF Flows - Q3 2024



## Headlines

- EigenLayer introduces the EigenLayer Security Model.
- Chainalysis Report Unveils Fastest-Growing Crypto Adopters: India, Nigeria, and Indonesia as the top growers of crypto adoption.
- ZKsync activates its decentralized governance system.
- Donald Trump announces launch date of World Liberty Financial.
- eToro US to Cease Nearly all Crypto Trading Following SEC Settlement
- Ethereum Name Service Integrated with PayPal, Venmo for Crypto Transfers
- Bitcoin Mining Difficulty Hits Record With Pressure Mounting on Profit Margins
- Sonic (formerly Fantom) has launched the Sonic chain testnet. The network achieved a record transaction finality of 720ms
- Osmosis introduced Polaris, a single interface for trading all tokens across all chains
- Injective introduced the first tokenized index for BlackRock's BUIDL Fund
- Rabby Wallet launched Gas Accounts - allowing users to pay their transaction fees using stablecoins
- Synthetix has introduced the SNAXchain, the Synthetix app chain on Optimism's Superchain infrastructure
- GMX has launched the GMX Liquidity Vault (GLV) - an automated vault that generates fees from leverage trading & swaps
- Kamino announced Kamino Lend V2, which will enable permissionless market creation Euler Labs released Euler v2, a new iteration of its lending platform

Ethereum: US Spot ETF Net Flows [ETH] (7D-MA)

