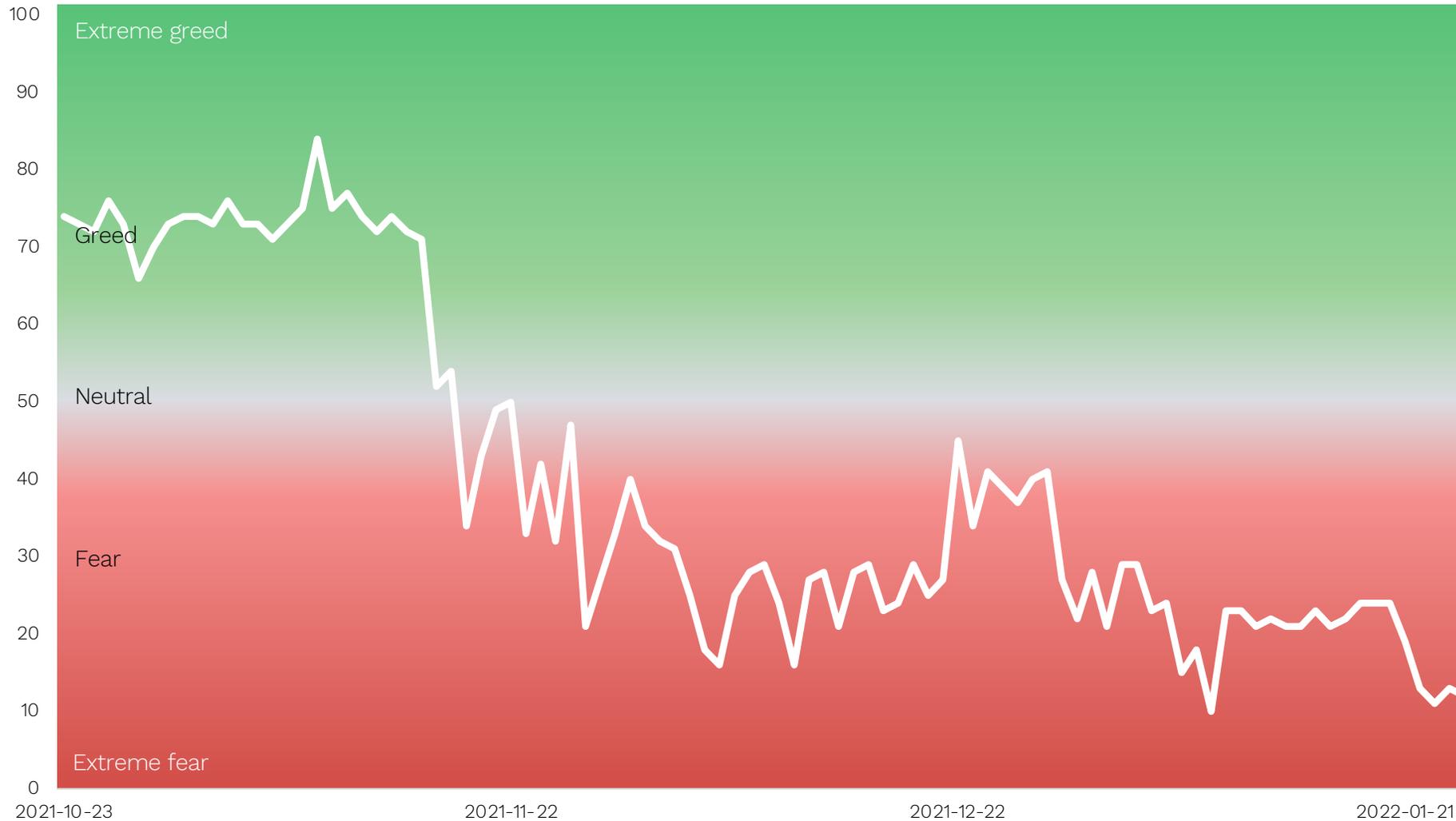


After a terrible week with double digit drops, the crypto market is on the relief, but fear persists

Crypto Fear and Greed Index: Oct. 23 - Jan. 25, 2022



Glimpse of hope

This week, Bitcoin's correlation with the Nasdaq 100 has reached an all-time high. S&P500 and tech stocks' declines brought about a similar plunge in the crypto market ([more on this in slide 5](#)).

The crypto Fear&Greed index fell below 15 points for the second time in just this month. Crypto-assets did find some respite when stocks traded higher intraday on Jan. 24.

As the shares staged a rebound, the broader crypto market posted gains that partially erased the losses from earlier this week.

Losers of the week: Jan. 19-25, 2022



No pain, no gain?

The total crypto market cap is down 25% from last week's levels and about 50% down from the numbers seen two months ago.

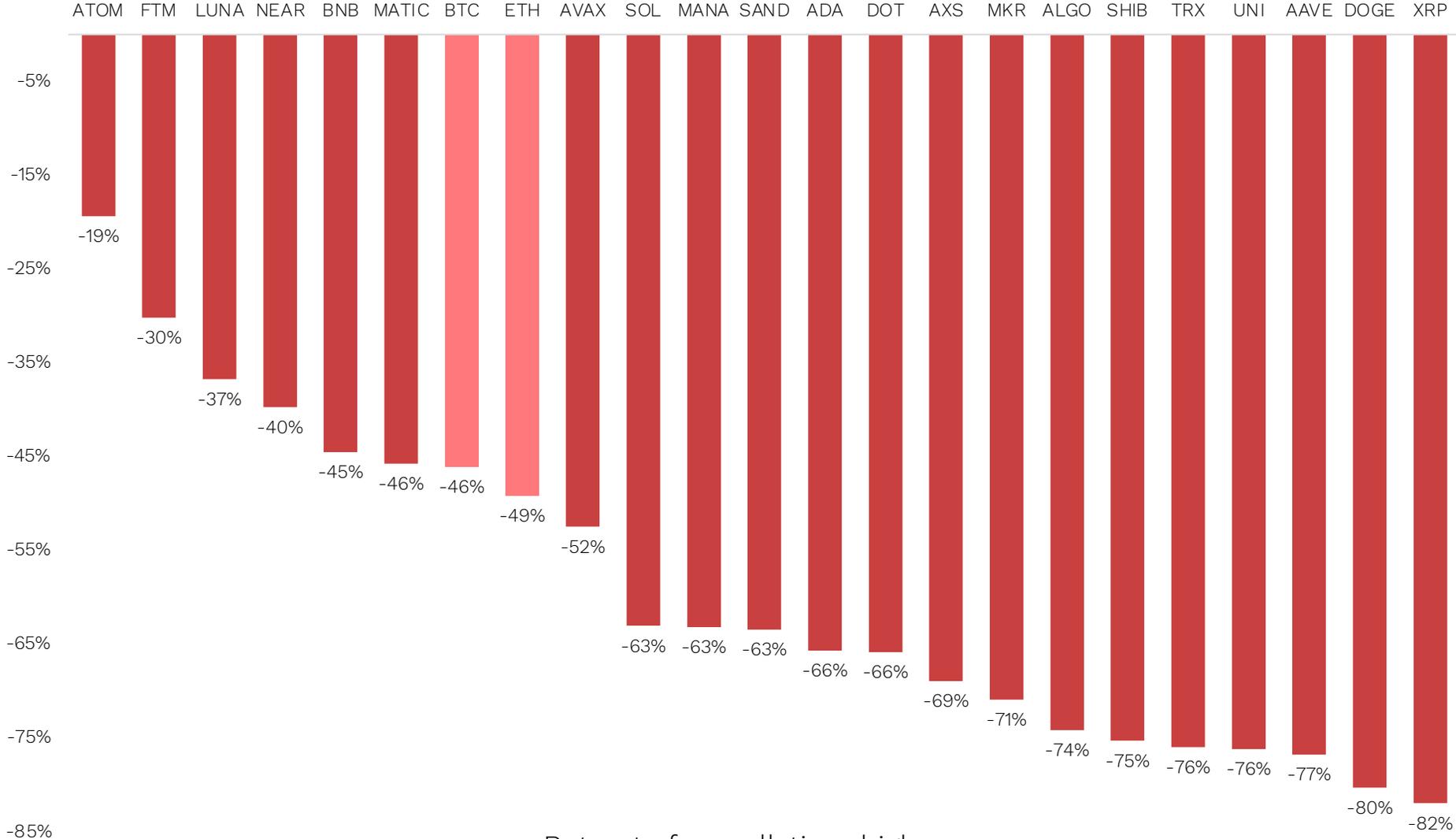
Bitcoin and Ether are not among the 200 worst performing assets this week, as these two major coins were able to bounce back and ride the wave of 'buy the dip' investor sentiment.

Although the losses in the broader crypto market were just too far-reaching, some coins were able to find support during the turmoil. ATOM only lost 7.3% in a week. Fantom, which has flipped BSC by TVL, is another one with only a 17% loss.

Worst performing, market cap > \$500 million

	Price	Last week	Last month
\$THETA (Theta)	\$2.57	-39.1%	-49.2%
\$WAVES (Waves)	\$8.30	-39.0%	-48.6%
\$IOTX (IoTeX)	\$0.07	-38.8%	-48.3%

No gainers of the week among the top coins and tokens; all the major assets are far from their ATHs



Retreats from all-time highs

The smallest loss is a win

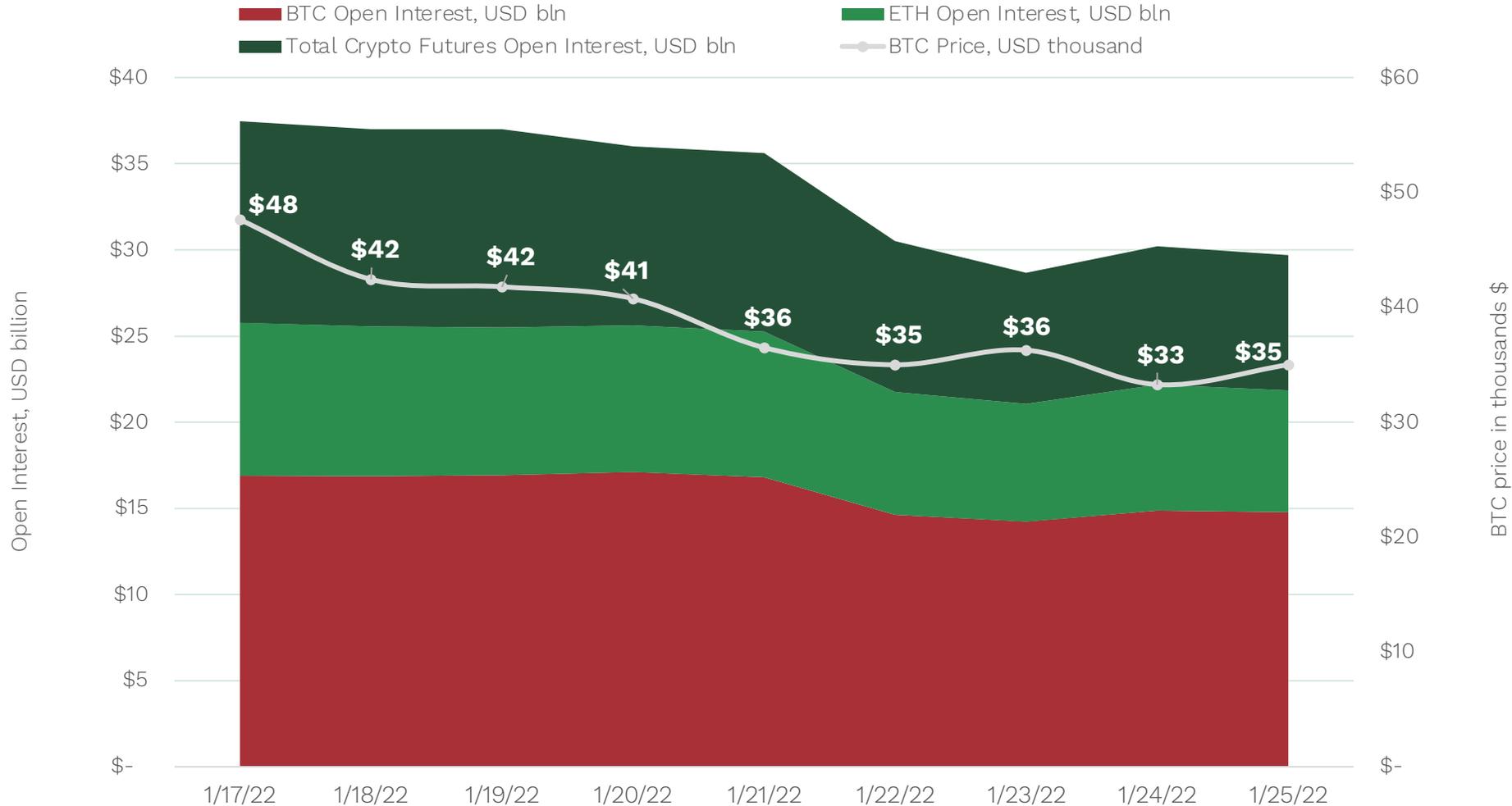
The total crypto market cap is down 25% from last week's levels and about 50% down from the numbers seen two months ago.

Apart from stablecoins, there were no gainers among the top 100 cryptocurrencies or cryptos with a market cap bigger than \$500 million during this market crash.

This fact speaks volumes about how broad this market crash was, shaking every sector of the market. From layer-ones to meme coins and DeFi to gaming tokens, none of the assets were spared from the fall, and are now all trading with whopping discounts to the all-time highs.

\$10,000+ weekly drop in BTC price triggered massive decline in futures open interest

Total Crypto Futures Open Interest: Jan. 9-Jan.17, 2021



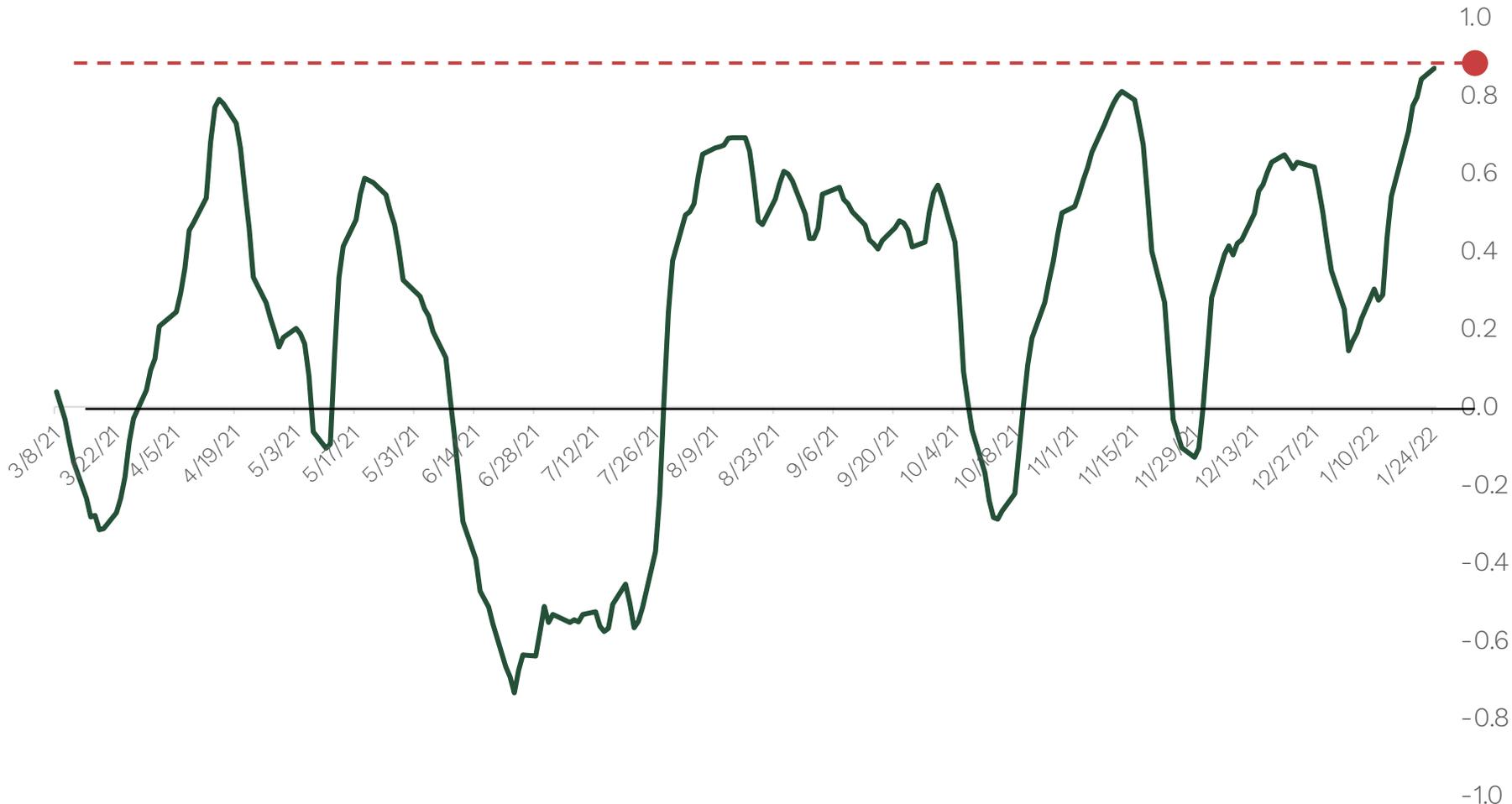
Target is south

The crypto futures market lost more than \$15 billion in open interest last week, while the price of BTC is down 23% from Jan. 18. This might indicate that traders who initially expected a bounce between \$42,000 and \$43,000 closed their leveraged longs or liquidated when the price tanked.

Total liquidation of crypto futures during the past week exceeded \$2 billion. However, open interest is still not at all-time lows, suggesting that another cascade of liquidations will be needed until the market is deleveraged enough.

Bitcoin's price correlation with U.S. tech stocks reached all-time high, accelerating pressure on BTC amid the stock market turbulence

BTC-Nasdaq IDX 30—day moving average correlation: Mar.8, 2021 -Jan. 24, 2022



BTC is a risk-on asset now

Investors now consider Bitcoin a "risk-on" asset after its 30-day moving average correlation with the Nasdaq Composite Index reached its peak at 0.87.

Since October, BTC has been moving in tandem with tech stocks, making it more difficult to analyze its price action and predict future movements. Bitcoin also shows a similar dynamic as the S&P500 index, which shifts investor's perception of Bitcoin as digital gold.

Nasdaq's fall this week highlights the vulnerability of BTC to the risks of the macro environment.

Net unrealized profit/loss percentage moved into anxiety territory – still far from capitulation

Net unrealized profit/loss of BTC (NUPL): Jan. 1, 2012-Jan. 24, 2022



Have we reached the investable bottom?

According to major on-chain and off-chain metrics, BTC should have bottomed out weeks ago. Yet, it continues to sink to new lows.

After hitting \$32,900, another metric – Net Unrealized Profit/Loss ratio – went into anxiety territory, signaling a potential bottom. The same occurrence happened during September’s correction and May’s drop.

Nevertheless, this metric signals that BTC could go even lower as the capitulation phase is still very far away.

News that make waves: Jan. 19-25, 2022



Twitter Blue rolls out NFT profile pics for iOS

- Twitter announced that it would be rolling out iOS support for NFT avatars.
- Only paid subscribers of Twitter Blue using iOS can access the feature, but the NFT profile pic will be visible across all platforms.

YouTube CEO hints that NFTs could be added to the creator platform

- Susan Wojcicki stated YouTube's intent to "help creators capitalize on emerging technologies", including NFTs.

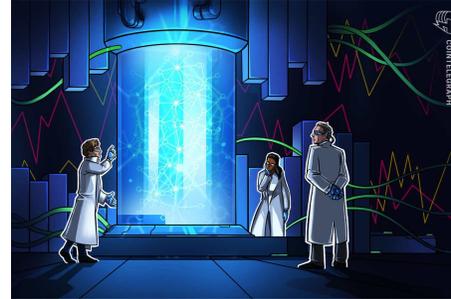


Andreessen Horowitz aims to raise \$4.5 billion to invest in crypto funds

- A16z, a VC company with investments in Protocol Labs, Polychain Capital and OpenSea among others, is planning to raise \$4.5 billion for its latest fund, which is focused solely on cryptocurrencies.

\$75M Blockchain Founders Fund II backs portfolio of P2E and Web3 projects

- Singapore-based Blockchain Founders Fund has launched a new \$75 million venture capital fund to support emerging projects in the cryptocurrency, metaverse and Web3 sectors.



Secret Network offers \$400M in funding

- Secret Network is offering offering a \$400 million in funding to grow ecosystem.
- The \$225 million ecosystem fund will be used to expand the project's application layer and network infrastructure, while the \$175 million accelerator pool will provide non-dilutive capital, grants and incentives via its native token SCRT to quickly expand user adoption.
- Secret Network is a decentralized ecosystem that enables secure computation over encrypted data.



Bank of Korea completes first phase of digital currency pilot

- The Bank of Korea has successfully completed the first phase of its CBDC mock testing.
- The second phase of the pilot would test real-world functionalities such as cross-border remittance, and more.

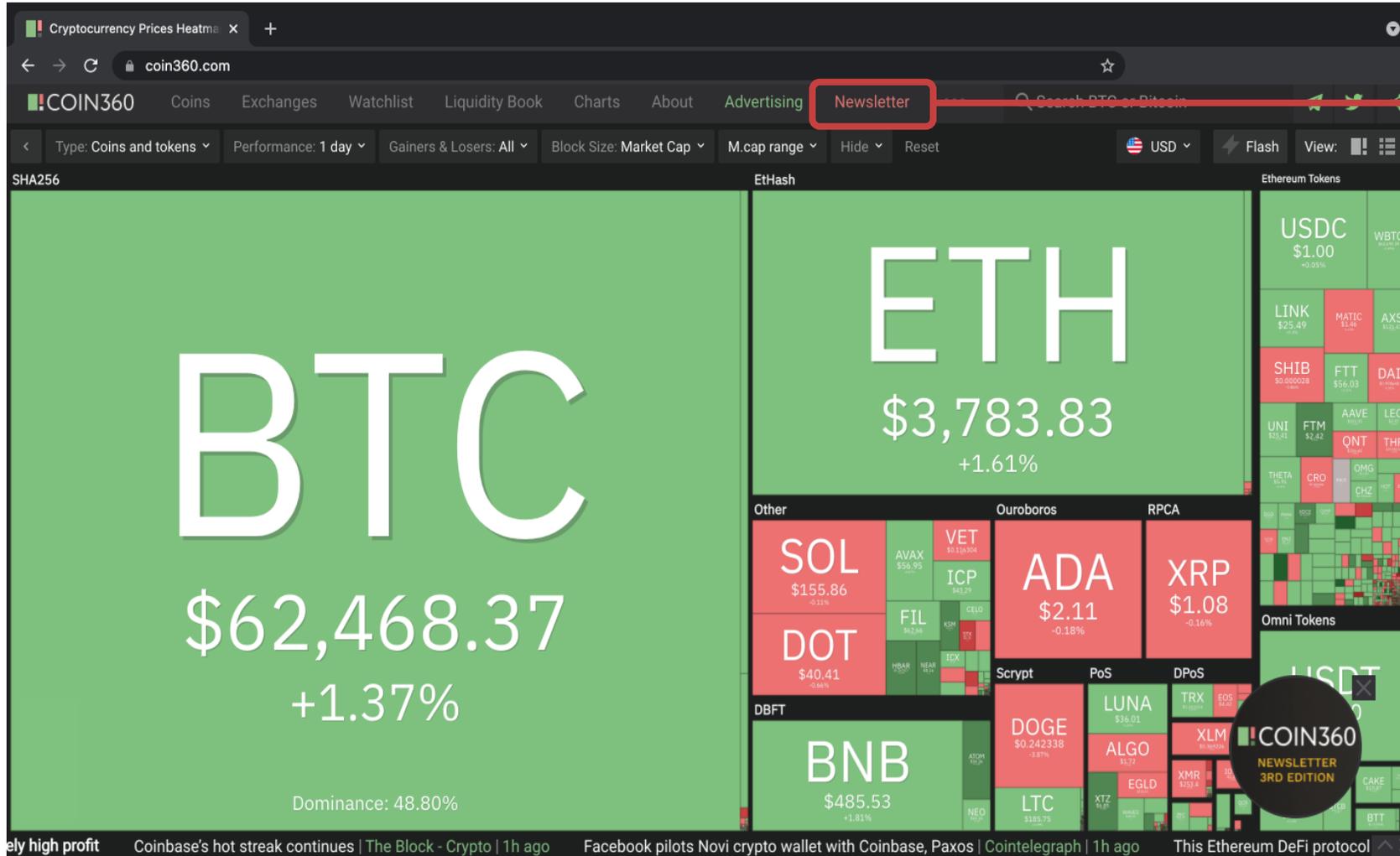
Bank of America says stablecoin adoption and CBDC is 'inevitable'

- It appears that the US will finally be moving forward to create its own CBDC, according to the Bank of America.



SEC rejects Skybridge's application for spot Bitcoin ETF

- The US SEC has officially disapproved the application for First Trust SkyBridge's spot Bitcoin ETF.
- The commission rejected a rule change allowing listing and trading shares of the ETF Trust, citing similar reasons for disapproving Bitcoin spot ETFs from VanEck in November and WisdomTree in December.
- To date, the SEC has not approved any ETF with direct exposure to crypto but has given the greenlight to offerings linked to BTC futures.



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Project	Logo	Date	Platform	Description
Hottest IDOs and ICOs of the week Nov. 15 – Nov. 22				

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Facebook's foray into metaverse caused a stir in the markets last week, but there is another myriad events out there in crypto industry.

Two price records by Ethereum and Polkadot, FATF urging to stricter crypto regulation, a new developer fund by Avalanche and several nine-digit fundraising events!

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