

Orange Man, Orange Coin

Uncovering trends through data analysis

Introduction



The crypto market has just experienced one of its most anticipated catalysts of 2024 - Trump's election victory has created a shift in the markets, sending BTC to new all time highs and ignited a rally across most coins.

BTC is on the verge of trading at a 100k, a price projection that speculators have been setting targets on since 2021!

This report looks at key metrics and trends across BTC's price, DeFi activity, stablecoin market capitalization and altcoin performance.

These metrics can be used as 'clues' or guidance as we head into a new cycle.

BTC Trend Analysis



Month	EMA 13	EMA 25	EMA 50	EMA 100
March	52,400	49,800	46,600	42,300
April	64,900	62,300	47,800	43,900
May	67,400	54,800	50,200	45,600
June	59,800	57,200	52,600	47,400
July	61,900	59,600	55,100	49,800
August	63,800	61,900	57,800	52,400
September	65,400	63,200	59,400	54,900
October	66,800	64,600	61,200	56,800
November	92,209	87,340	80,429	76,716

Ever since the introduction of the ETFs, BTC has carried its strong upward momentum. Exponential Moving Average (EMA) values across the board have been in an upward trend.

Short term momentum (EMA 13 and 25) gave a consistent positive spread from August to November leading up to the elections. Mid-term trend (EMA 50) also acted as support during pullbacks and price was able to maintain above the EMA 50 since September.

As for longer term trend moving averages, the increased spread between on the 100 EMA indicates clear bullish alignment since July.

The trend is your friend; BTC's price action indicates a we are in an environment that has a high probability of continuation with the short-term, medium-term and long-term trend stacked bullishly, paired together with a healthy market structure.

As we maintain our bullish outlook, it is prudent to be aware of changes in market dynamics. For example, cautionary tells using simple trend indicators such as EMAs can be:

1. Price trading below shorter-term / medium-term trend
2. Longer-term EMAs crossing shorter term EMAs to the downside
3. EMA compression after a uptrend

BTC's Binance vs. Coinbase Spot Basis



Month	Average Basis	Dominant Premium
March	-0.0916%	Coinbase
April	-0.0393%	Coinbase
May	0.0267%	Binance
June	0.0436%	Binance
July	0.0124%	Binance
August	-0.0187%	Coinbase
September	-0.0089%	Coinbase
October	0.0455%	Binance
November	-0.08420%	Coinbase

Note: Positive values indicate a Binance premium, negative values indicate a Coinbase premium)

The recent rally occurred in conjunction with the return a Coinbase premium. A Coinbase premium represents that BTC's spot price on Coinbase is higher than Binance's spot price)

This acts as an indication of a renewed interest and flow from institutions. The absence of a Coinbase premium had also led to retracements. Thus, it's prudent to continue using this as a key metric moving forward. A sustained Coinbase premiums often precede trend driven moves whilst Binance premiums typically indicated broader market participation.

The table below offers participants some inference of how changes in basis between Binance and Coinbase can affect price action and lead to changes in market regimes.

Quarterly Basis	Average Basis	Dominant Trend	Landscape
Q1 (Mar)	-0.0916%	Strong Coinbase Premium	Period of ETF introduction and insitutional positioning
Q2 (Apr-Jun)	0.0103%	Mixed/Slight Binance Premium	First retracement and period of lower volatility
Q3 (Jul-Sep)	-0.0051%	Neutral/Mixed	Range-bound environment
Q4 (Oct-Nov)	-0.0286%	Slight Coinbase Premium	Donald Trump's win and new ATH period

Stablecoin, DeFi & Sectorial trend



Metric	March (in US\$)	November (in US\$)	% Change
Total Value Locked	62.3B	89.7B	44%
Daily Active Users	420k	658k	63%
Daily Transaction Volume	4.2B	7.8B	86%

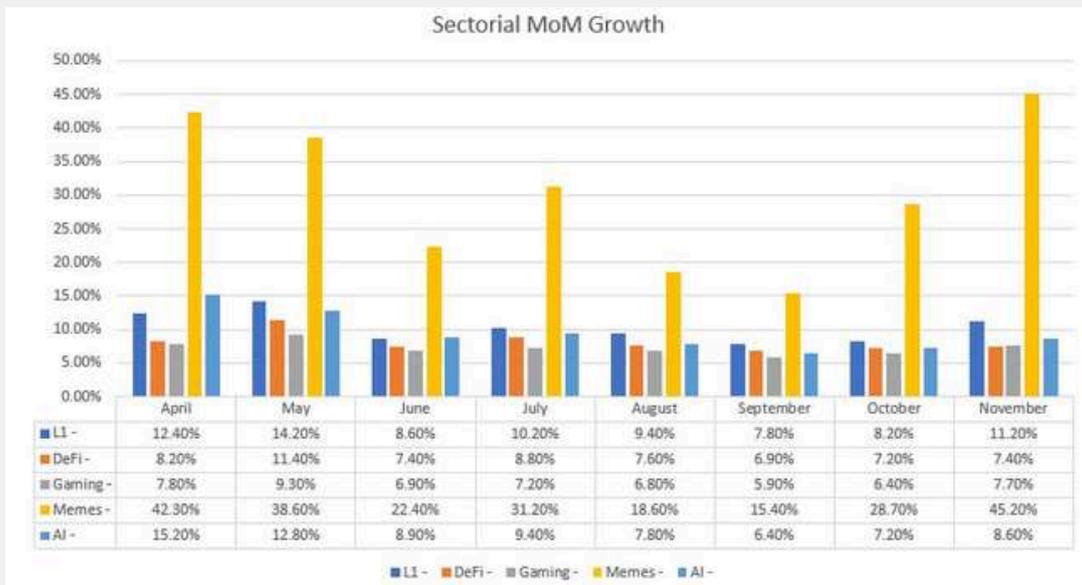
Trump’s win has sparked a possibility of “de-regulation” concerning crypto related activities. The sectorial outperformance of DeFi (post election) may be in anticipation of broader regulatory acceptance, boosted by the fact that Trump himself has ventured into his own stablecoin; World Liberty Finance.

Growth patterns in both Stablecoins and DeFi shows adoption levels picking up. Adding this to a forward-looking analysis - a continued growth in USDT and USDC adoption, which results in an increase in overall liquidity in crypto will solidify the thesis that regulatory pressure on Crypto participation shifts to looser policies following Trump’s win.



Note: Data sourced from Coingecko and DefiLlama

Stablecoin, DeFi & Sectorial trend



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Interestingly enough, despite strong sector-specific performances across the board, Meme tokens are leading in returns. This is likely due to retail preference for attention based assets. On the other hand, reduced volatility in other sectors might point to sector maturation.

Investment themes and trend changes are cyclical in nature. Perhaps, keeping an eye on sectors such as DeFi and Layer 1s can be used to identify institutional adoption as an emerging narrative. Integrations with RWA and infrastructure based projects/applications could work as an indication too.

The fractionalisation of themes and narratives across crypto reinforces the importance of keeping track of such shifts in a data driven manner.

Footnote: Sectorial MoM growth is market-capitalization weighted

Conclusion



The 2024 crypto market demonstrated significant maturation with distinct sector performance patterns and clearer institutional versus retail behaviour. Bitcoin's strong performance was accompanied by robust growth across multiple sectors, with meme tokens showing particular strength.

The market structure suggests continued institutionalisation while maintaining significant retail participation opportunities. Here at DWF, we continue to look at fundamental metrics for adoption growth such as TVL (Total Value Locked) across DeFi and stablecoin growth. These helps us paint a picture of the development of our industry and what's to come in the near future.

Paying attention to the flows in the majors as a gauge of market momentum are also important for the investor. Such metrics can assist in risk management and risk deployment.

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