

AMBERDATA DIGITAL ASSET SNAPSHOT

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In this edition of the Amberdata Digital Asset Snapshot, Bitcoin's historic break above \$100K highlights growing market momentum, fueled by institutional adoption and rising volatility. Sky's \$756M USDC custodial controversy raises questions about DeFi security, while Donald Trump's appointment of David Sacks as "AI and Crypto Czar" signals a push for regulatory clarity. MicroStrategy's \$17B in Bitcoin profits and GRVT's CeDeFi licensing milestone showcase the increasing integration of traditional and decentralized finance. Stablecoins continue to anchor liquidity, while metrics like MVRV and Pi Cycle point to sustained bullish sentiment tempered by elevated risks.

News

Sky Faces Scrutiny Over Potential \$756M Exploit Flaw

Sky, formerly MakerDAO, has come under fire for using externally owned accounts (EOAs) to manage \$756 million in USDC reserves within its Lite Peg Stability Module (PSM). Critics argue that this custodianship model introduces security risks, including the potential for private key compromise or malicious actions. These concerns were raised by an X user and detailed in discussions on Sky's forum, emphasizing the risks posed by EOAs compared to more secure alternatives like smart contracts. The controversy is compounded by Sky's rebranding efforts and ongoing migration of funds from its older PSM to the Lite PSM.

Rune Christensen, Sky's co-founder, clarified that the private keys for reconstituting the multiparty computation (MPC) account have been destroyed, mitigating certain risks. However, critics remain skeptical about the governance and transparency of EOA-based fund management. The situation highlights broader concerns about DeFi protocols balancing innovation with robust security practices. Read more on the story in Sky's forum discussion and the original [X user's thread](#).

Donald Trump Names David Sacks as "AI and Crypto Czar"

Donald Trump announced that David Sacks, former PayPal COO and venture capitalist, will serve as the United States' first "AI and Crypto Czar." In a post on Truth Social, Trump stated that Sacks will spearhead efforts to create a legal framework for crypto and AI industries, delivering the regulatory clarity the crypto sector has long demanded. This move aligns with Trump's campaign promise to establish the U.S. as the "world capital of crypto," which helped him secure significant financial backing from crypto executives.

Sacks' appointment reflects a strategic effort to bridge Silicon Valley innovation with federal policy. Known for his success with PayPal and Yammer, and now as an investor at Craft Ventures, Sacks brings a wealth of experience. His role will also extend to chairing the Presidential Council of Advisors for Science and Technology. For the full announcement, see [Trump's Truth Social post](#). Learn more about David Sacks and his background on the [All In Podcast](#).

MicroStrategy's Bitcoin Treasury Surpasses \$17B in Unrealized Profits

MicroStrategy's aggressive Bitcoin accumulation strategy has paid off, with the company now holding over \$40.8 billion worth of BTC after the cryptocurrency broke the \$100,000 barrier. With approximately 402,000 BTC on its balance sheet, the firm's unrealized profit stands at \$17 billion. MicroStrategy continues its buying spree, acquiring 15,400 BTC for \$1.5 billion just last week and \$5.4 billion worth the week prior.

This milestone reflects not only Bitcoin's rising value but also the growing influence of MicroStrategy as a market mover. The firm has funded its purchases through equity sales and innovative convertible bond offerings, which benefit from high implied volatility. CEO Michael Saylor's unwavering commitment to Bitcoin as a treasury asset has propelled the company's stock (MSTR) to outperform Bitcoin itself, gaining over 511% year-to-date. For details, visit the [MSTR Tracker](#) and [Yahoo Finance](#).

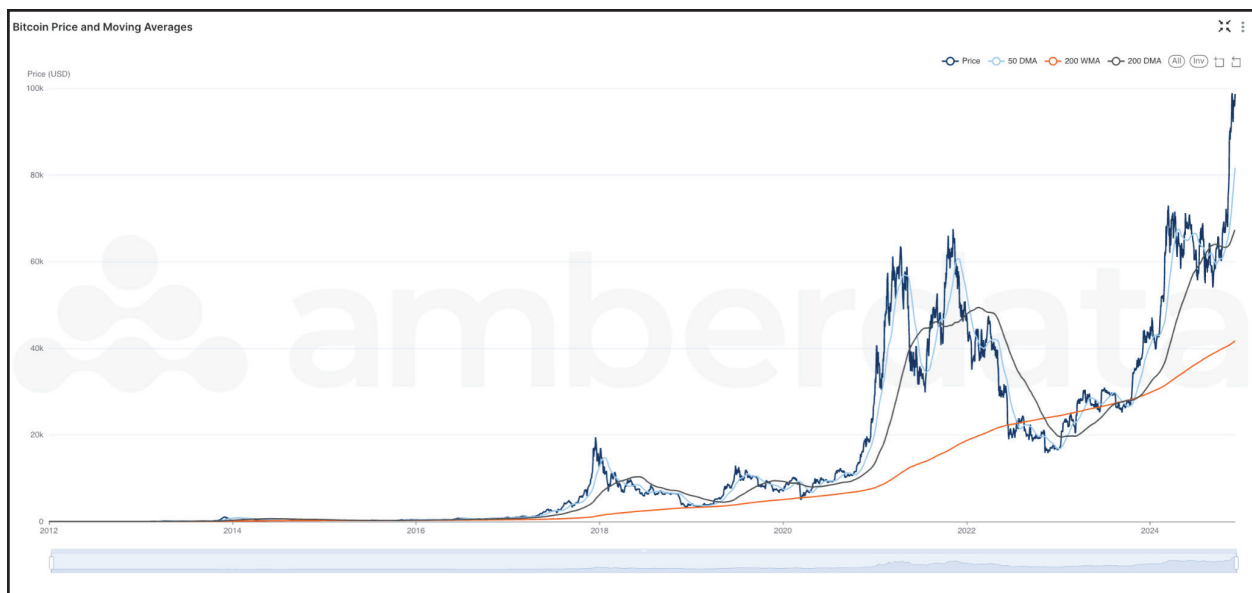
Hybrid Crypto Exchange GRVT Secures Bermuda License

GRVT, a hybrid cryptocurrency exchange merging centralized and decentralized finance (CeDeFi), has obtained a Class M Digital Asset Business License from the Bermuda Monetary Authority (BMA). This license positions GRVT as one of the first regulated decentralized exchanges (DEXs), enabling it to bridge the gap between DeFi's transparency and CeFi's regulatory safeguards. With a full license expected by 2025, GRVT aims to revolutionize how assets flow between institutions and retail users in a unified ecosystem.

The platform has already onboarded 55 institutional clients and 20,000 retail users, with a committed monthly trading volume of \$4.2 billion. CEO Hong Yea emphasized that GRVT's model demonstrates that decentralization and regulation can coexist to promote transparency, security, and fairness. This milestone highlights the growing momentum of CeDeFi as a viable path forward for the crypto industry. Learn more from [GRVT's announcement](#) and Cointelegraph's coverage of the [Bermuda license](#).

Market Analysis

Bitcoin Breaks \$100K Intraday Amid High Volatility

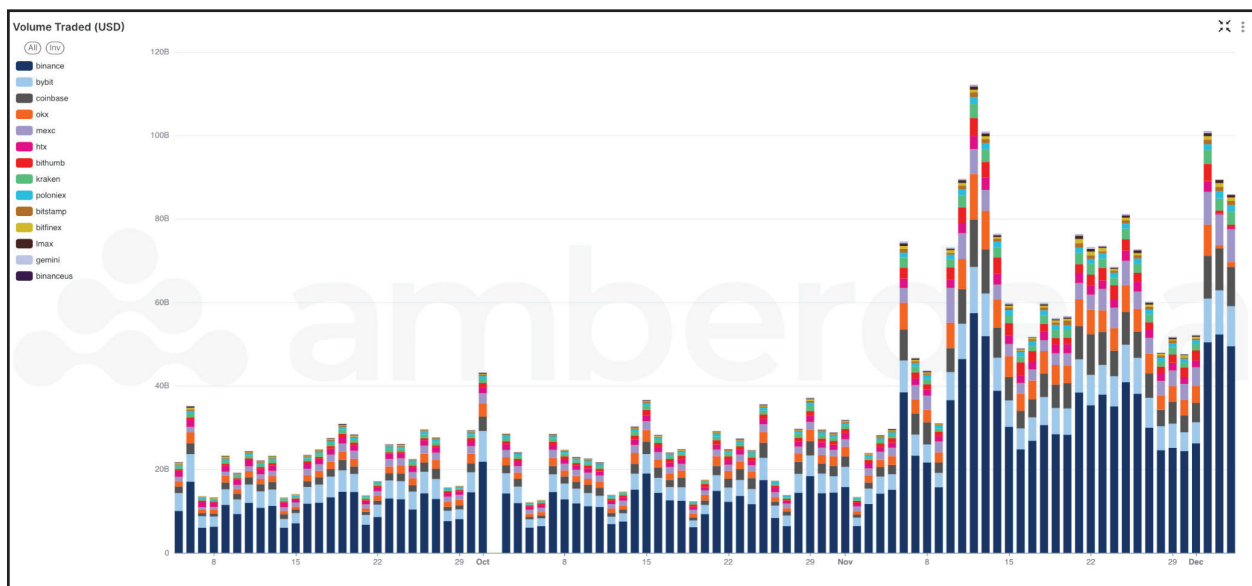


On **December 5th**, Bitcoin reached a historic milestone, breaking above **\$100,000 intraday** before closing at **\$98,700**. However, the day also saw a sharp pullback to **\$92,000**, reflecting heightened volatility as the market reacted to this critical psychological and technical level. Despite the fluctuations, Bitcoin's price remains well above its key moving averages, with the **50-day moving average (50 DMA) at \$81,700**, the **200-day moving average (200 DMA) at \$67,500**, and the **200-week moving average (200 WMA) at \$41,700**. The breach of \$100K demonstrates strong bullish momentum, while the intraday low highlights the risks of short-term profit-taking and speculative activity at such key levels.

The wide price range on December 5th underscores the increased volatility often seen around significant milestones like \$100K. Intraday moves above \$100K likely triggered stop orders and leveraged liquidations, amplifying price swings in both directions. Such volatility reflects the mix of euphoria among buyers and caution among traders seeking to lock in gains. The sharp intraday dip to \$92,000 suggests that some resistance exists as traders reassess whether the market can sustain levels above \$100K.

This volatility serves as a double-edged sword: it attracts speculative interest while reminding traders of the risks inherent in highly liquid markets. For investors, Bitcoin's ability to recover and close near \$98,700 despite the pullback demonstrates resilience, signaling the potential for another test of the \$100K level in the near term. Sustaining price levels above key moving averages and a decisive close above \$100K could solidify Bitcoin's bullish trajectory, while continued volatility might offer strategic opportunities for short-term traders.

Spot Trading: Surging Volumes Signal Renewed Market Momentum

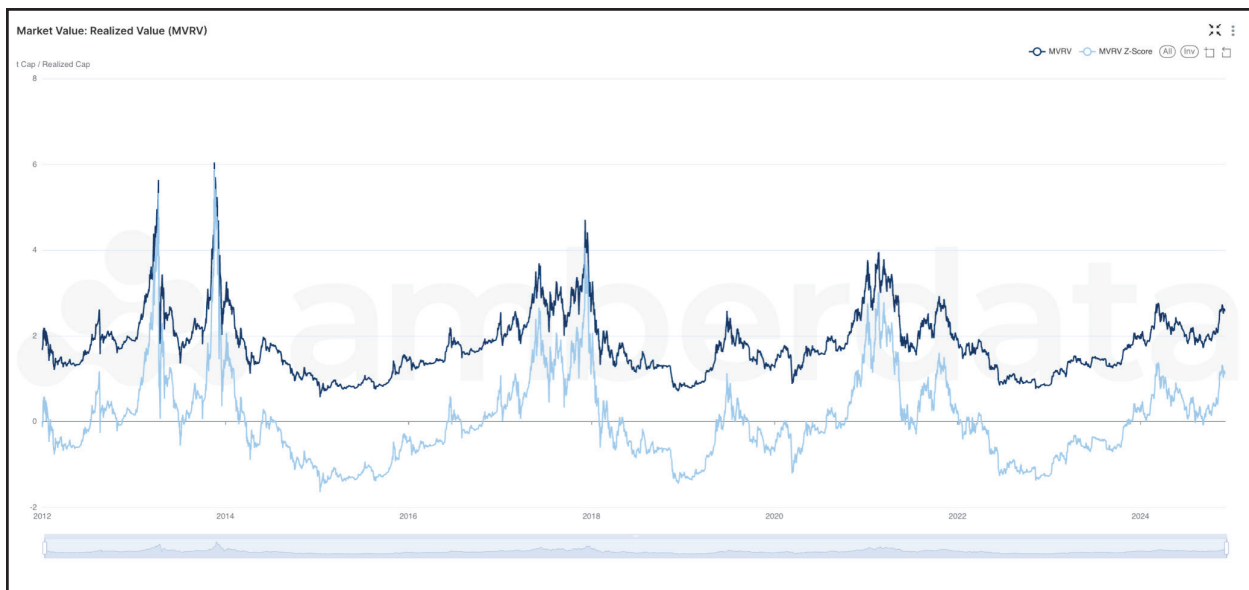


The data highlights a sharp increase in trading volumes across cryptocurrency exchanges, with total market activity surging from **\$28.26 billion on November 20** to **\$59.77 billion on December 5**. This significant growth indicates heightened engagement, likely fueled by increased market volatility or renewed investor interest. Leading exchanges like Binance and Bybit drove much of this activity, with Binance's volumes rising from **\$11.54 billion to \$13.78 billion**, and Bybit's more than doubling from **\$6.32 billion to \$13.79 billion** in the same period. Coinbase also showed strong momentum, with trading volumes jumping from **\$6.08 billion to \$12.83 billion**, suggesting active participation from both retail and institutional traders.

Other exchanges demonstrated similarly notable growth. Bitfinex's trading volume nearly tripled, from **\$422 million on November 20** to **\$1.36 billion on December 5**, highlighting its re-emergence in the market. HTX (formerly Huobi) saw steady increases, rising from **\$2.18 billion to \$3.58 billion**, while MEXC experienced a sharp climb from **\$2.88 billion to \$9.03 billion**, indicating growing interest in decentralized platforms. Institutional-focused exchanges like LMAX also saw meaningful increases, with volumes growing 177% from **\$0.35 billion to \$0.98 billion**, reflecting growing demand from professional traders.

These trends suggest that the cryptocurrency market is experiencing a period of heightened activity, driven by a mix of institutional and retail participants. The consistent growth across centralized and decentralized exchanges underscores a broader market rally, potentially linked to macroeconomic developments, such as regulatory clarity or speculative positioning around Bitcoin ETFs. Traders and analysts can gather that liquidity is expanding, offering new opportunities but also signaling potential shifts in market dynamics as participants reposition themselves ahead of year-end.

On-Chain Insights: MVRV Highlights Bitcoin's Valuation Shift Amid \$100K Break

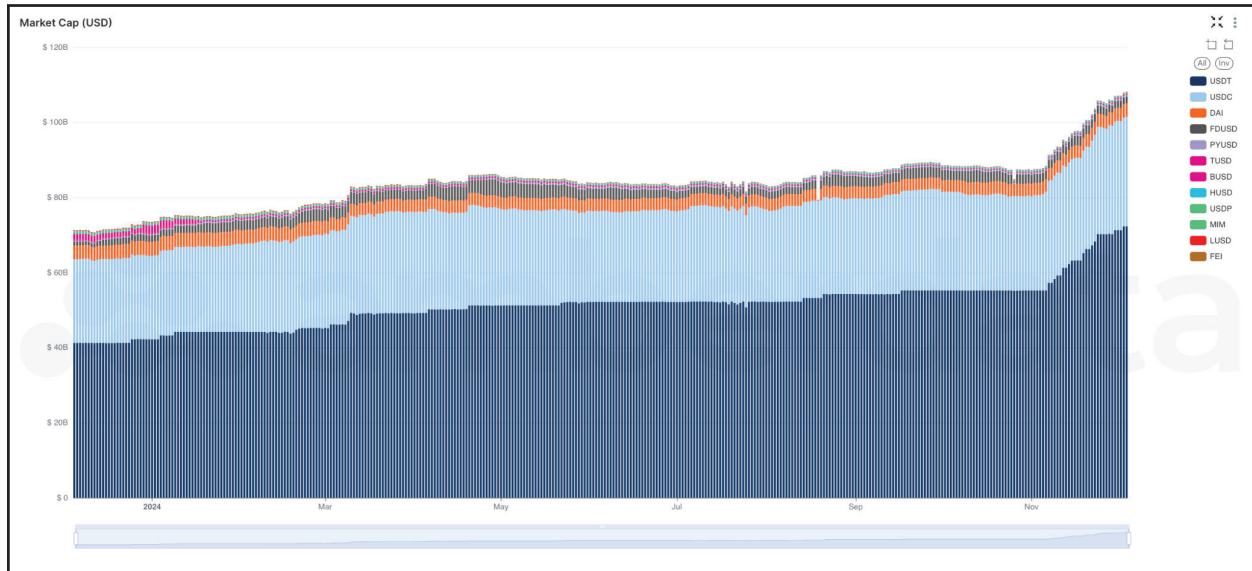


Bitcoin's **Market Value to Realized Value (MVRV)** ratio continues to highlight its growing bullish momentum, reaching **2.61 on December 5**, reflecting heightened market enthusiasm as Bitcoin broke the **\$100K milestone intraday**. The MVRV Z-Score—a metric that contextualizes valuation relative to historical trends—also climbed to **1.16**, marking an increase from **1.10 on December 4**. These rising metrics signal that Bitcoin is increasingly trading at a premium relative to its realized value, indicating stronger investor confidence and speculative activity driving prices higher. However, the sharp intraday pullback to **\$92,000** hints at potential caution, as the market balances exuberance with the risks of overvaluation.

The gradual rise in MVRV and its Z-Score over the past weeks illustrates how Bitcoin's valuation remains within an elevated but not extreme range. This reflects a strong, sustained uptrend without yet entering the overheated territory seen in prior bull market peaks, where Z-Scores typically exceed 3. The retracement in metrics like MVRV from **2.72 on November 23** to **2.61 on December 5** suggests some profit-taking has occurred, yet the current levels remain supportive of a long-term bullish outlook.

As Bitcoin trades near all-time highs, these on-chain indicators provide valuable insights into market health and sustainability. The steady increase in the Z-Score indicates growing speculative demand but not at levels signaling an imminent correction. Traders and investors should closely monitor MVRV trends as Bitcoin consolidates around \$100K. A sustained rise in these metrics could signal the continuation of the bull run, while a sharp divergence—such as a rapid Z-Score increase—may suggest overheating and a potential reversal.

Stablecoins: A Steady Anchor During Record BTC Volatility



Stablecoin activity remained a crucial component of the crypto market as Bitcoin broke the **\$100K intraday milestone** on **December 5th**, with total stablecoin balances reflecting continued market stability and liquidity support. The combined dominance of **USDT** and **USDC** is evident, with **USDT's balance rising to \$72.3 billion** and **USDC at \$29.4 billion**. These two giants accounted for the bulk of stablecoin supply, underscoring their roles as primary liquidity sources during this period of heightened volatility. Other significant players, like **DAI** and **FDUSD**, maintained steady supply levels at **\$3.56 billion** and **\$1.78 billion**, respectively.

The data indicates a stable yet slightly fluctuating supply across smaller stablecoins like **BUSD**, **TUSD**, and **MIM**, with balances staying relatively consistent over the week. Notably, **PYUSD**, PayPal's stablecoin, recorded an increase to **\$394 million**, suggesting growing adoption and its potential to challenge traditional players in this sector. Meanwhile, the overall stability in these balances highlights the critical role stablecoins play in providing a reliable medium of exchange and a safe haven during volatile price swings, such as Bitcoin's intraday dip to **\$92,000** before recovering to close near **\$98,700**.

The continued dominance of **USDT** and **USDC** points to the market's reliance on these assets for liquidity and trading pairs, especially during periods of extreme price movement. As Bitcoin approaches sustained levels near \$100K, stablecoins offer traders a critical tool for managing risk and maintaining market fluidity. Their stability amid the turbulence reaffirms their importance in both speculative trading and broader adoption as transactional currencies. Monitoring shifts in stablecoin balances can offer insights into capital flows and market sentiment in the coming weeks.

Market Sentiment: Yardstick Indicates Elevated Risk and Expensive Valuations Amid Bitcoin's Rally

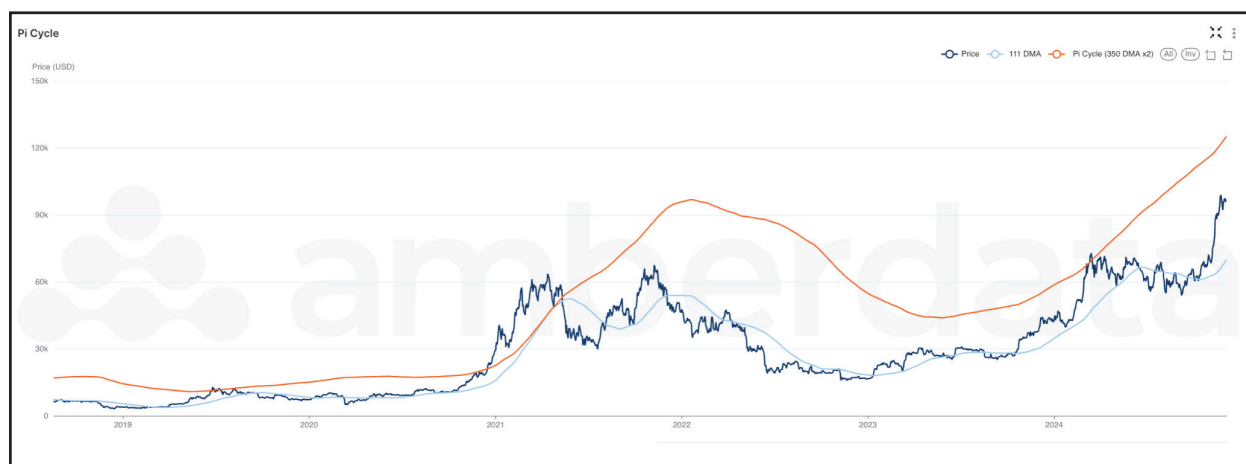


The **Yardstick measure**, which gauges market sentiment through factors like valuation and risk, highlights a notable shift as Bitcoin surged past the **\$100K mark intraday on December 5th**. The Yardstick value of **1.93 on December 5th** reflects an environment leaning toward **expensive and risky valuations**, as "Expensive" and "Risky" indicators at **3** and **2**, respectively, while "Cheap" is at **-1**. This trend has persisted over recent weeks, coinciding with Bitcoin's strong rally and increased volatility. The slight decline in the Yardstick from **2.10 on December 4th** to **1.93 on December 5th** suggests the market may be transitioning into a phase of cautious optimism, with some cooling off after recent highs.

Interestingly, the Yardstick's fluctuations, such as the spike to **3.70 on November 29th** and **3.36 on December 2nd**, signal periods of heightened speculation, where market exuberance may have peaked temporarily. The subsequent moderation back to **1.93** indicates that while risk and valuation concerns remain elevated, the market is potentially consolidating as it absorbs Bitcoin's move toward six-figure territory. This interplay between "Expensive" and "Risky" dynamics aligns with the volatility seen on December 5th, when Bitcoin dipped to **\$92,000 intraday** before closing at **\$98,700**.

The Yardstick provides a nuanced perspective on market conditions during this pivotal moment. While Bitcoin's rally underscores strong bullish sentiment, the consistently high "Expensive" and "Risky" indicators suggest traders should remain cautious. A sustained pullback in the Yardstick toward more neutral levels could signal healthier market conditions and reduced speculative risk. Conversely, a sharp rise could indicate potential overheating, warranting vigilance for possible corrections as Bitcoin approaches the critical \$100K level with sustained trading interest.

Pi Cycle: Bitcoin Approaches Key Signals Amid \$100K Milestone



Bitcoin's surge to **\$100,000 intraday on December 5th** has drawn attention to the **Pi Cycle indicator**, which tracks price relative to key moving averages for signals of market tops. The **350 DMA x2**, at approximately **\$125,500**, and the **111 DMA**, at **\$70,300**, provide a framework for evaluating Bitcoin's current position. Bitcoin's price of **\$98,700 on December 5th** places it between these two critical levels, indicating that while the rally is significant, it has not yet entered overextended territory historically associated with market tops.

The narrowing gap between the **111 DMA and Bitcoin's price**, which rose from **\$92,300 on November 20th** to **\$98,700 on December 5th**, reflects the momentum driving the current rally. The steady increase in the 111 DMA, climbing from **\$65,200 to \$70,300** over the same period, highlights strong short-term price acceleration. Meanwhile, the **350 DMA x2** remains well above Bitcoin's price, suggesting the market still has room to grow before reaching historically overheated levels. This positioning indicates a rally supported by solid momentum without yet triggering the cautionary signals associated with Pi Cycle peaks.

The Pi Cycle's current configuration provides insights into Bitcoin's trajectory as it approaches uncharted territory. While breaking \$100K intraday is a bullish milestone, the price's position relative to the Pi Cycle levels suggests the rally is still in an intermediate stage rather than the final euphoric phase. Traders and investors should watch for any rapid convergence of Bitcoin's price with the **\$125,500 level**, as this has historically preceded significant market corrections. For now, the indicator supports a cautiously optimistic outlook, with room for continued growth if current momentum persists.

LINKS

AmberLens: intelligence.amberdata.com

Recent from Amberdata

- [Amberdata: Amberdata Webinar - Leveraging Bitcoin & Ethereum Metrics to Develop Trading Signals](#)
- [Amberdata: Altcoin Volatility Surface Methodology](#)
- [Amberdata: Amberdata Secures SOC 2 Type II Certification for Unmatched Security and Compliance](#)
- [Amberdata: Amberdata Podcast Featuring Michael Kong, Founder & CEO of Sonic Labs](#)
- [Amberdata: AmberLens Product Update: USD & EUR Stablecoin Dashboard Enhancements](#)
- [Amberdata: AD Derivatives Newsletter: Navigating BTC Volatility Amid U.S. Elections](#)

Spot Market

Spot market charts were built using the following endpoints:

- <https://docs.amberdata.io/reference/market-metrics-exchanges-volumes-historical>
- <https://docs.amberdata.io/reference/market-metrics-exchanges-assets-volumes-historical>
- <https://docs.amberdata.io/reference/get-market-pairs>
- <https://docs.amberdata.io/reference/get-historical-ohlcv>

Futures

Futures / Swaps charts were built using the following endpoints:

- <https://docs.amberdata.io/reference/futures-exchanges-pairs>
- <https://docs.amberdata.io/reference/futures-ohlcv-historical>
- <https://docs.amberdata.io/reference/futures-funding-rates-historical>
- <https://docs.amberdata.io/reference/futures-long-short-ratio-historical>
- <https://docs.amberdata.io/reference/swaps-exchanges-reference>
- <https://docs.amberdata.io/reference/swaps-ohlcv-historical>
- <https://docs.amberdata.io/reference/swaps-funding-rates-historical>

DeFi DEXes

DEX charts were built using the following endpoints:

- <https://docs.amberdata.io/reference/defi-dex-liquidity>
- <https://docs.amberdata.io/reference/defi-dex-metrics>
- <https://docs.amberdata.io/reference/defi-impermanent-loss>

DeFi Borrow / Lend

DeFi lending charts were built using the following endpoints:

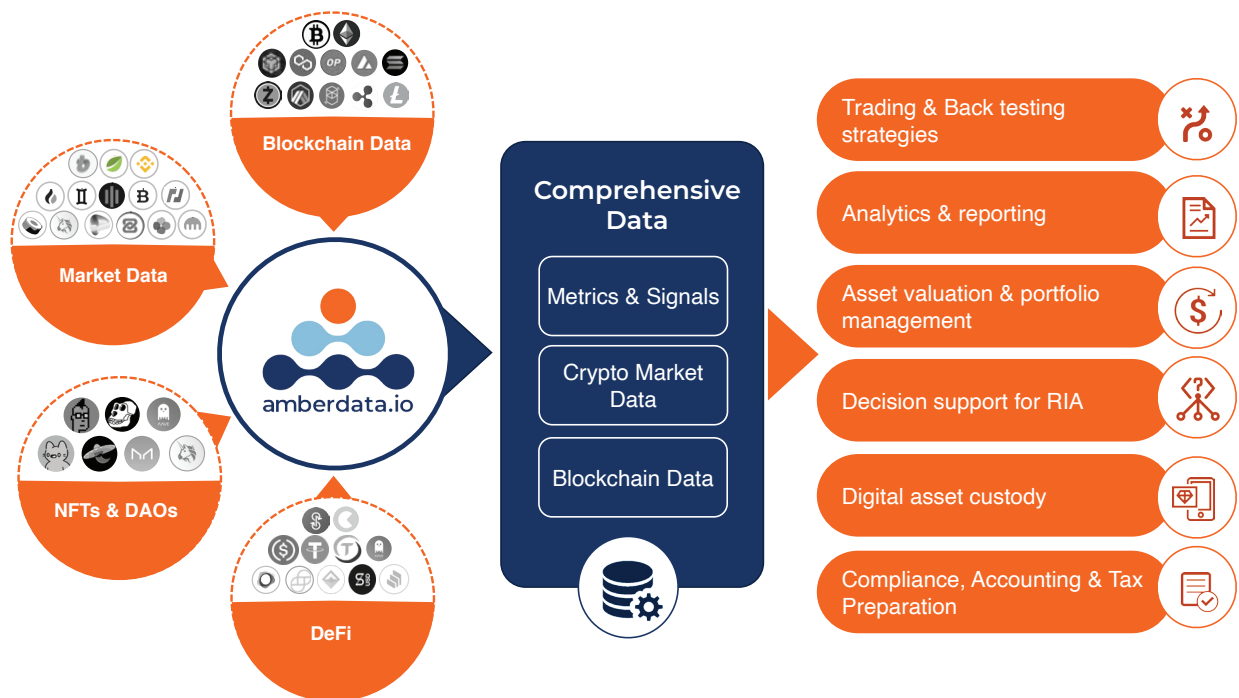
- <https://docs.amberdata.io/reference/defi-lending-protocol-lens>
- <https://docs.amberdata.io/reference/defi-lending-asset-lens>

Networks

Network charts were built using the following endpoints:

- <https://docs.amberdata.io/reference/blockchains-metrics-latest>
- <https://docs.amberdata.io/reference/transactions-metrics-historical>
- <https://docs.amberdata.io/reference/get-historical-transaction-volume>

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