

Newsletter INSEAD Alumni Crypto club 2022

This newsletter aims at giving main business informations on crypto world. You are receiving it since you expressed an interest for these topics. If you want to cease receiving it, or if you want to mention a mistake or react, or if you have been transferred this newsletter, and want to receive it (for free) directly, please write to olivier.lebel@insead.edu .

Further down, a short lexicon, a (small) academia, some useful readings and permanent links, as well as all 2022 past weeks. 2021 issues are available in a separate file.

From September 26th to October 2nd

Summary (links are an extract of links below)

A busy week from a crypto news point of view.

Many big names have announced or confirmed their interest in crypto, such as [Warner Music Group](#), [Christie's](#), [Walmart](#), or [SWIFT](#). On the other hand, [Meta](#) has announced a freeze in hiring, and Wells Fargo has rated [Coinbase](#) as 'underweight'.

What is striking is a convergence (coincidence?) of legal actions in the US against various players, on illegal fundraising ([Arbitrade](#) and [Cryptobontix](#) or [Hydrogen](#)) or commercialisation([Digitex](#)), or worse, for possible insolvency or illegal commercialisation in the case of the [Nexo](#), a lending platform with 5 millions users (it's web site claims 'The world' leading and most trusted lending institution in the digital finance industry'...)

Big manoeuvres are also taking place in the field of stablecoins (just a reminder: total stablecoins market cap is around \$150b): two weeks ago Binance announced its decision to [unlist Circle's USDC](#) (second with \$47b market cap), and convert users' holdings into Binance's BUSD (third with \$21b), keeping Theter's USDT (first with \$68b) as reference. Circle is now on fire, [Robinhood](#) announcing to prefer USDC, and [Coinbase](#) offering Maker DAO's DAI (fourth stablecoin with \$7b market cap) a 1.5% p.a. yield if they deposit \$1.6b in USDC. By the way, [Gemini](#) is also trying to attract DAI's treasury to its small stablecoin (GUSD, \$300m market cap, 11th rank) by offering the same yield for a \$100m deposit.

Fundraising is very active, with 17 closing deals announced this week. As an example, I picked the \$14m fundraising from [Re](#), for being in the too rare

insurance field, aiming at becoming a 'decentralised Lloyds of London'.

*Finally, if you are willing to understand games economy, it's worth reading the deep and excellent analysis 'Insights on Token design', explaining the **reason of the fall of Axie Infinity** after its incredible ascend, from a tokenomics point of view.*

Much, much more below, on CBDC, NFTs, Metaverse, business news, M&A, and more.

Markets

- Sep.26:
 - **Bitcoin pushes higher** as traditional markets decline
 - **Grayscale Bitcoin Trust** discount to all-time low (-35.26% under NAV)
- Sep.27: BTC down **under \$20k**.
- Sep.28: **Bitcoin reverses course again**
- Sep.29:
 - Bitcoin showing early **signs of an uptrend**
 - **Surging BTC/GBP**: speculation or hedge?
 - The **correlation** trends between crypto markets and both the US dollar and the Nasdaq has weakened this week
- Sep.30:
 - **Bitcoin above \$20k** after 6% rally gains
 - **Mainstream media sentiment shifts in favor of Bitcoin** amid fiat currency woes
 - **XRP and MKR** surged in 24 hours (Resp. 11% and 7%)
 - **Bitcoin bullish seasonality** (Bitcoin has put in a positive performance in October in 8 out of the past 12 years) muddled by continued slide in 'USD liquidity index'
- Oct.1: **BTC and ETH are flat for the week**, while other top coins suffered bigger losses and the crypto market fell back below \$1 trillion.

Crisis (post-crisis?)

- **FTX acquired Voyager Digital's assets for \$1.4b**, after a bidding competition with Binance.
- **Celsius CEO resigns** as company struggles to pay back creditors. Celsius token, **CEL**, **dropped 8%** after the announcement, and 25% since last week.
- The US DOJ is trying to **block Celsius withdrawal** motion
- Celsius Mining, the bankrupted mining branch of Celsius, has filed a motion to enforce the automatic stay against **Core Scientific**, which provides hosting services for the bitcoin mining arm of the bankrupt lending firm. Celsius Mining owes \$5.4m to Core Scientific.

- Nexo is under regulatory pressure in eight US states. Kentucky accuses **Nexo of being insolvent**. NEXO, the token, is in risk of losing 50% of its value.

Bitcoin

Lightning Labs announced the initial code for its new Taro protocol, which will allow users to issue and transfer assets on the bitcoin blockchain and Lightning.

Ethereum

Stanford proposal for **reversible Ethereum transactions** divides crypto community.

Altcoins, token and blockchain

- Cosmos proposes and upgrade to **make ATOM the reserve currency** of the Cosmos ecosystem.
- Chainlink to reduce costs ahead of staking its token **LINK**
- **Solana** suffers another major outage on Friday. SOL is down 5%
- Having lost 99% from its peak, **Olympus** (OHM) cuts its yield from 266% P.a. to 7% (who said 'Ponzi'?).
- California will allow vital records, such as birth and **marriage certificates to be issued on blockchain**

Stablecoin

- The dollar can be **a protocol for the future of money**. A vision developed by Circle (USDC).
- Stablecoin markets shift as Binance begins **USDC conversions**
- **Maker DAO's DAI** is at the center of big interests. **Coinbase** and **Gemini** have offered an annual yield of 1.5%p.a. if Maker deposits \$1.6b in USDC (for Coinbase) or \$100m in GUSD (Gemini's stablecoin) (currently Maker's TVL is around \$8b). This goes through a DAO's members vote, and Rune Christensen, Maker's founder, opposed to the centralised stablecoins, may be overwhelmed.
- **Robinhood** lists USDC as first stablecoin on trading platform
- Circle to **expand USDC to five new chains** (Arbitrum One, NEAR, Optimism and Polkadot, and later Cosmos)

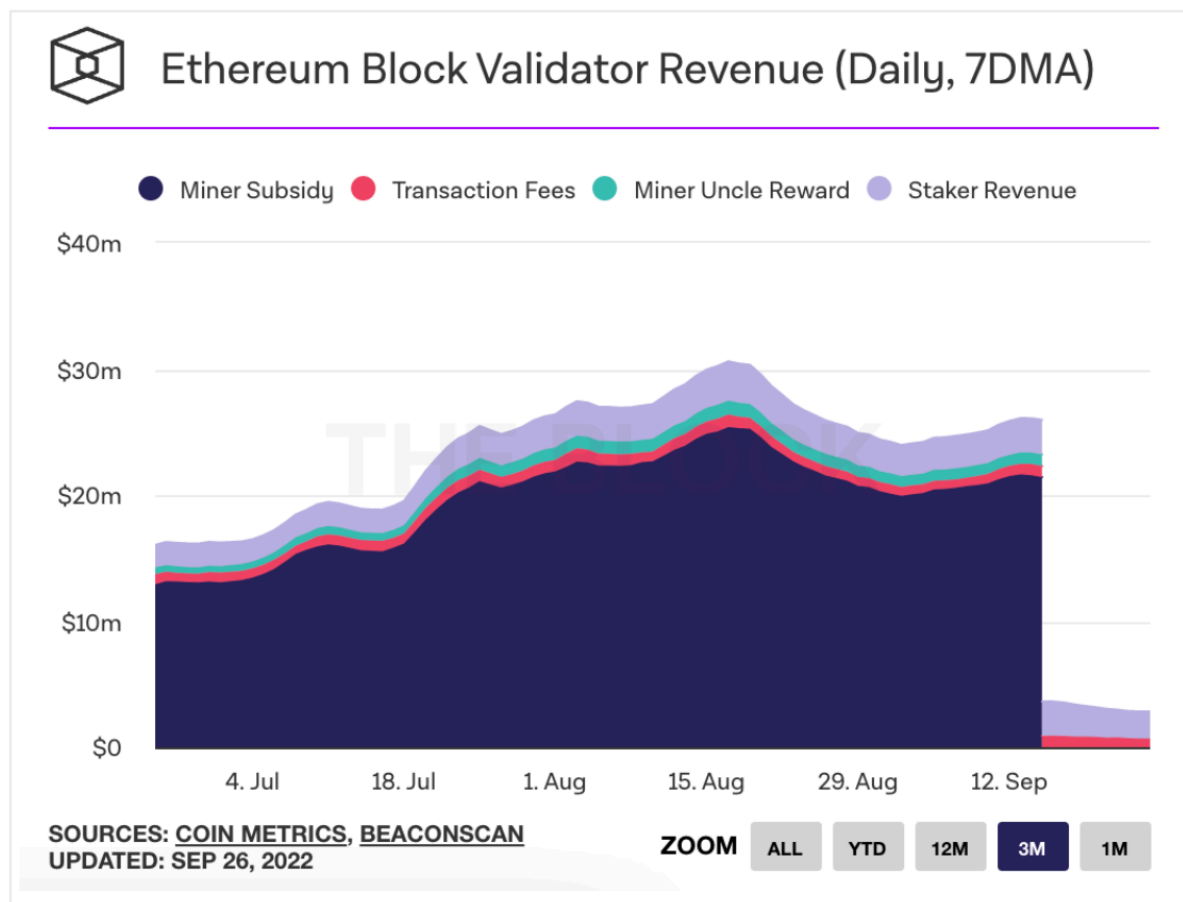
CBDC

- Central banks of **Israel, Norway and Sweden** team up to explore retail CBDC
- **Australia's** central bank said in a white paper that the country's CBDC pilot should be completed by mid-2023.
- The **European Central Bank** is gauging whether a digital currency has a part to play in improving its interbank transaction activities
- The decision of **ECB to bring Amazon on** to help design the digital euro

payment prototype ([see past weeks](#)) has been criticised by European Parliamentarians.

Mining

- Cambridge University's Centre for Alternative Finance suggests the [mix of sustainable electricity used for crypto mining is in decline](#). Research claims a share of 37.6% from sustainable sources, while the Bitcoin Mining Council claims 59%. It also publishes an interesting [Mining Map](#)
- After the Merge, Ethereum block maker revenue flips from miner subsidy to stake revenue, as shown in the graph below



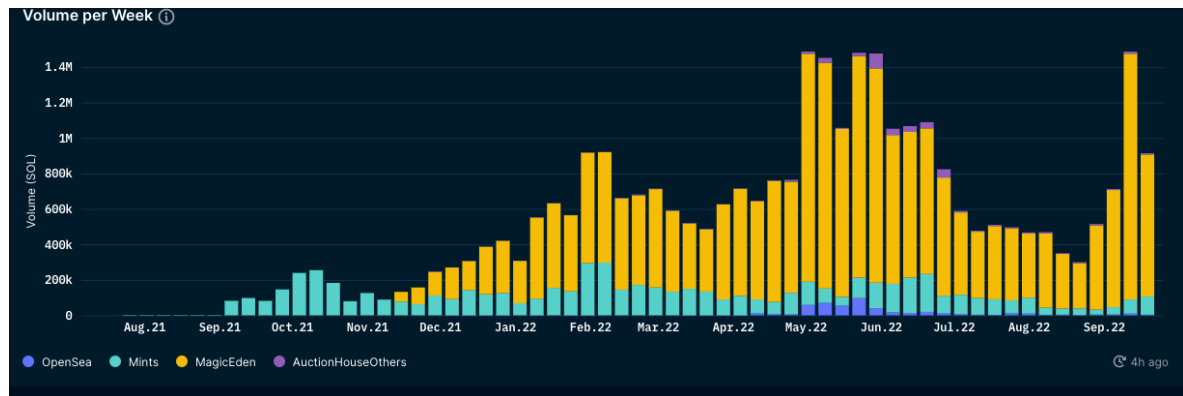
DeFi

Maple Finance is a platform allowing companies, currently crypto miners for \$300m, to [borrow money from lending pools](#), headed by a delegate, in this case Icebreaker Finance. Rates are extremely high though (20% p.a. in this case).

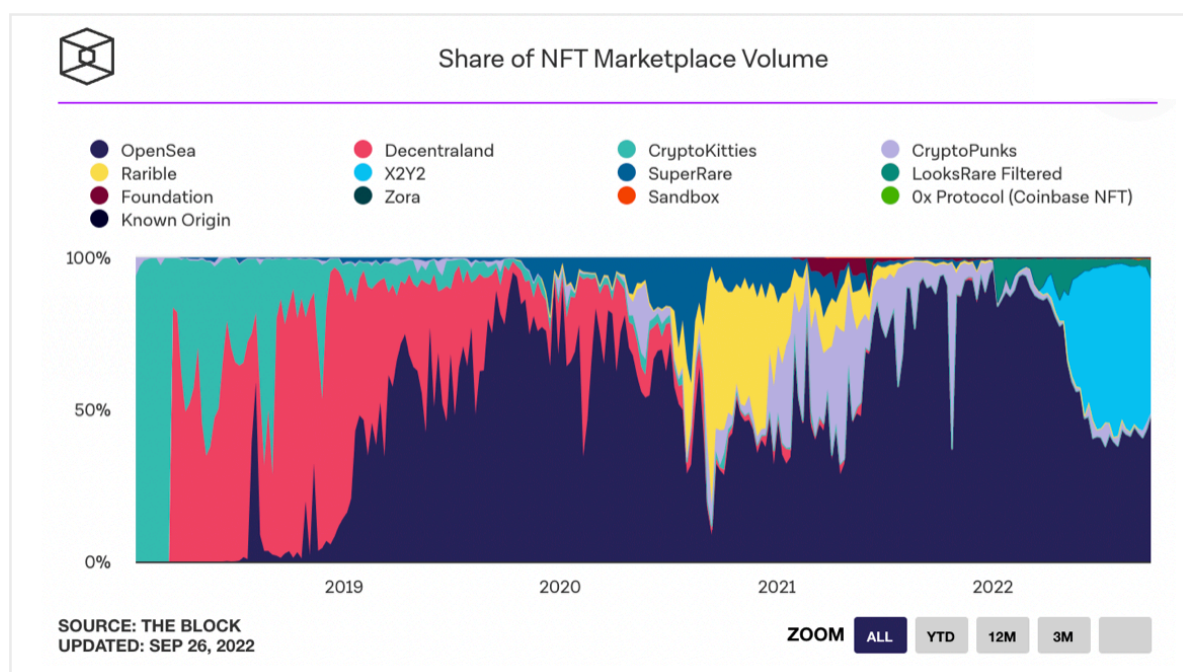
NFTs

- Meta opens [NFT sharing on Instagram](#) and Facebook for US users.
- NFT lender BendDAO proposes the creation of an [ApeCoin staking platform](#), via it yield aggregator BendEarn.
- OpenSea adds support for [Optimism](#).

- Someone **borrowed \$1.3m** (1000 ETH) using Mutant Ape NFTs as collateral.
- Mutant Ape Yacht Club and Crypto Punks registered **record sales this week** (\$1.3m for MAYC and \$4.45m for CryptoPunk)
- **NFT volumes high on Solana.**



- Having launched a vampire attack on OpenSea in February, **x2y2 now claims over 50% NFT market share**



Gaming

- Jarvis Labs team issued a tool to design tokens, especially effective on designing gaming tokens. In the paper '**Insights on Token design**' they apply the tool to the case of Axie Infinity, explaining the reason for its fall after incredible ascend, and how they could have better designed it. Although long, the paper is excellent (as most of Jarvis Labs' papers) and extremely relevant for anyone willing to understand games economy.
- Solana NFT game **Star Atlas** launches playable demo on Epic Games store. Star Atlas just rolled out its first playable demo, plus its developer released tools to help other studios bring games to Solana.

- Axie Infinity launches a **\$2m grant fund to support esports events**

Metaverse

- Dubai wants to **replace GDP with GMP** ('Gross Metaverse Product'), and to show how a government can leverage the potential of the metaverse
- A short forecast on the **future of Metaverse economy** (in French: *remember INSEAD alumni, at school, we were supposed to speak French...*)

Sponsoring

Caiz, a software development company, focusing on blockchain-based solutions, will provide €1m over five years to save the iconic « **Euro-Skulptur** » that stands in front of the BCE. 110 banks had been solicited for support and declined. It's finally a crypto startup that saves the fiat symbol...

Business news

- **Meta** freezes hiring and starts restructuring plan
- Digital assets-focused exchange and carbon credit liquidity provider **1GCX and T3 Trading**, a proprietary trading firm that invests in the space, have struck a deal, raising \$2 billion (!) and setting up a \$100 million liquidity pool to ease carbon credit transactions.
- **Crypto.com** secures regulatory approval in France
- **Binance** expands its operations to New Zealand following a successful registration with the country's business ministry earlier this month.
- **Binance** to return to Japan, after focus years of absence.
- **Robinhood** web3 wallet goes live on Polygon, in a beta version accessible to 10'000 users. The wallet allows gases swaps, and connects to Polygon-based web3 dApps and crypto rewards.
- **Metamask** launches beta portfolio Dapp for an improved web3 experience. It aggregates users' assets across multiple accounts and networks, giving them a portfolio view.
- **Ribbon** to launch a new exchange, Aevo, initially for ETH options.
- Wells Fargo rates **Coinbase** as 'underweight' with a profit warning. Coinbase share fell 9.3%.

Business news: M&A

- **Circle acquires Elements**, a payment services firm.
- Web3 VC **LiquidX takes over Pixelmon**, and its NFT collection, hindered by rug-pull suspicion. The new owner appointed a new leadership team, aiming at setting back the game project on track.

Business news: companies fundraising

Closed deals:

- \$80m for **Strike**, bitcoin payment firm. The Series B funding round was

led by Ten31, with participation from Washington University in St. Louis and the University of Wyoming.

- \$40m for **MPCH Labs**, a tech venture studio developing Multi-part computation, for crypto and others. The Series A round is led by Liberty City Ventures and includes other backers including trading firms QCP Capital and LedgerPrime, as well as VC players such as Animoca, Human Capital and Oak HC FT.
- \$40m for **Deribit**, leading platform for crypto options (with more than **90% MS**). The raise, solely from existing investors, occurred at a valuation of \$400m, a fifth of the 2021 valuation (when they raised \$100m at a valuation of \$2.1b). Existing shareholders include QCP Capital, Akuna Capital and Dan Tapiero's 10T Holdings. The purpose of the raise is to restore Deribit's reserves to where they were before the 3AV incident.
- \$20m for **Coral**, crypto infrastructure company, known for creating Solana developer framework Anchor. The round, which closed in May, but released this week, was co-led by FTX Ventures and Jump Crypto. Other participating investors include Multicoins Capital, Anagram and K5 Global. The funds will primarily be used to to dive into the consumer crypto wallet space with a new product. Named Backpack, Coral envisions that its wallet will allow users to access all of their assets and decentralized apps in one place through the uptake of its "xNFT" developer framework.
- \$20m for **OneKey**, crypto hardware wallet. The Series A round was led by Dragonfly and Ribbit Capital. Other investors in the round included Coinbase Ventures, Framework Ventures, Sky9 Capital, Folius Ventures and Ethereum Ventures. Angel investors, including Santiago Santos and Feng Liu, also backed the round. One Key claims to be the number one hardware wallet in the Eastern Hemisphere.
- \$20m for **Space and Time**, a web3 data warehousing platform, aiming to bring SQL to web3. Microsoft's M12 lead the Series A round. Other backers in the round include Framework Ventures, Polygon, Coin DCX and Hash Capital. The previous \$10m seed round had been closed in **July** this year.
- \$18m for **Juno**, Singapore-based crypto checking account provider for US residents. ParaFi Capital led the Series A round, with Hashed, Jump Crypto, Uncorrelated Fund, Greycroft, 6th Man Ventures and others participating.
- \$14m for **Re**, a DeFi reinsurance protocol. It aims to give investors exposure to insurance premiums. The seed funding round featured participation from crypto investment fund Morgan Creek Digital, global insurer and reinsurer SiriusPoint and holding company Exor, as well as Tribe Capital and Framework Ventures. Re has been created by **Karn Saroya**, founder of Cover, an insurtech platform that experienced troubles in June this year.

- \$11.8m for **Blowfish**, web3 firewall provider. The round was led by Paradigm, with other investors including Dragonfly Capital, Uniswap Lab Ventures, Hypersphere and 0xLabs. Phantom, a wallet provider on Solana, has already teamed up with Blowfish.
- \$10m for **Aikon**, multi-chain onboarding platform. The Series A round was led by Morgan Creek Digital. Other investors in the round include Avalanche ecosystem fund Blizzard, Up2 Opportunity Fund and Yugen Partners. Follow-on investments were made by Mighty Capital, Alpha Edison and Think+ Ventures.
- \$8m for **Aspen Creek**, bitcoin miner. The series A round was led by Galaxy Digital and Polychain Capital. Despite the bear market, Aspen Creek Digital Corp (ACDC 😊), which was founded in January this year, was able to secure the funding by using the “power first” approach, in which the company secured power and infrastructure first for its mining operations before looking to raise money. ACDC’s use of renewable energy and ability to sell excess power back to the grid particularly attracted Polychain Capital.
- \$8m for **Vulcan Forged**, a New York-based provider of a blockchain game studio and decentralized application (“dApp”). The series A round was led by Anthony Scaramucci’s SkyBridge Capital, with an option to invest an additional \$33m. This funding aims to further accelerate the growth of Vulcan Forged’s patented metaverse-as-a-service engine, MetaScapes.
- \$7.5m for **Nibiru**, a new crypto derivatives protocol attempting to build the first mainstream decentralized multichain solution. Tribe Capital, Republic Capital and Kraken invested in the seed round, together with nearly two dozen contributors from firms including Meta, Reddit, JP Morgan and Yahoo.
- \$7m for **Krypton**, a decentralised exchange, in a seed round led by Framework Ventures. Other investors include Samsung Next, GSR and Foresight Ventures
- \$6m for **Smart Token Labs**, for its TokenScript project, an open source middleware that can connect Web2 and Web3. The raise was made via a SAFT, valuating the project at \$200m. The round was led by Liang Xinjun (Fosun International co-founder), and involved investors such as HashGlobal, Bodl and Fenbushi Capital. In July last year, the company raised an initial \$6 million, at a valuation of \$50m, from investors such as Mark Cuban, Crypto.com, Framework Ventures and Mechanism Capital.
- \$4.5m for **Harpie**, an on-chain firewall provider. Leading the round is Dragonfly Capital, joined by Coinbase Ventures and OpenSea.
- \$4m for **ChainML**, a company developing decentralized machine learning and related complex data-driven computation in Web3. The funding round was led by IOSG Ventures with participation from HashKey, SNZ, Silicon Valley executives and angel investors.

Announced deals:

- **Uniswap Labs** to raise between \$100m and \$200m, at a \$1b valuation. A Singapore-based sovereign investment and Polychain are tied to the deal.

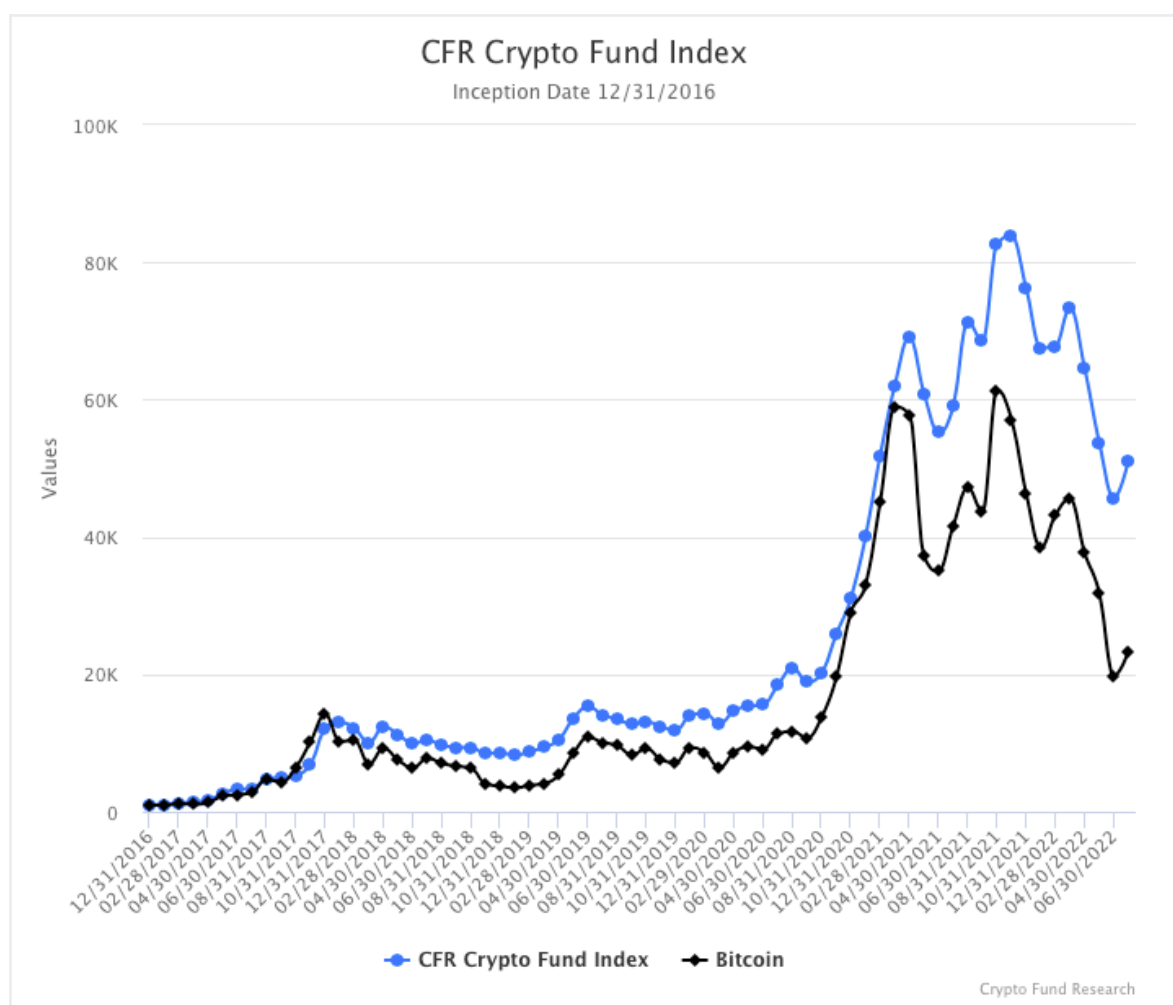
Amazing (but not specifically crypto): **Unicorn creation rate** progresses faster in Europe than in the US (but the US are still creating more than Europe).

Business news: funds

- Emurgo to invest over **\$200m to boost Cardano's ecosystem**. Despite **Vasil upgrade**, this might be too late.
- Pantera Capital to raise **\$1.25b for its second blockchain fund**, investing in equity and tokens.
- Defiance is raising **\$100m for a new fund to invest in liquid crypto investments**. Previous Defiance funds have been hardly hit by 3AC bankrupt
- **WisdomTree** to tokenise its WisdomTree's Short Term Treasury Digital Fund (tracking 1-3 year Treasury Bond index), allowing investors to make an approved transaction on their own and hold the record of the share in a supported blockchain wallet.

Business news: investment tools

- **BlackRock** launches ETF in Europe with blockchain and crypto exposure. The iShares Blockchain Technology UCITS ETF is designed to track the New York Stock Exchange FactSet Global Blockchain Technologies capped index.
- **Q2 2022 crypto fund report** shows total AUM fell to \$57b (this mixes VC and hedge funds). Performance is still exceeding currencies.



Business news: people

- Brett Harrison, head of **FTX US** resigns, and is replaced by Zach Dexter. The move is linked to the transfer of FTX US to the crypto friendly city of Miami.

Crypto adoption: companies

- **Warner Music Group** partners with OpenSea to expand web3 opportunities for artists.
- **Christie's** is going on-chain with a new NFT marketplace.
- **Walmart** is launching two virtual experiences within Roblox.
- **SWIFT** partners with Chainlink on cross-chain protocol. The protocol will enable SWIFT messages to instruct on-chain token transfers, helping the interbank network to be able to communicate across all blockchain environments.
- Fintech savings and spending app **Eco** plans to convert user account balances from U.S. dollars into USDC that will then be held at Zero Hash, a digital settlement service. The company does not communicate on figures. It raised \$24m in May 2021; at that time it was still on beta, and claimed 170'000 users on waiting list.
- **Napster** hires the former head of music at gaming platform Roblox as

CEO, accompanying Napster's rebirth as web3 company

Regulation

- In a forum on the tokenisation of finance, [Jerome Powell](#) presented a nuanced stance on DeFi, while Christine Lagarde called for stricter regulation.
- [Estonia](#) issues first license to crypto service provider under new regulation
- [EU](#) set to ban Russian crypto payments

Sanctions and trials

- US SEC turns the screws again with crypto market manipulation targeting [Hydrogen](#), a minuscule player for not having registered its token and manipulating market.
- US CFTC accuses [Digitex](#) of shopping 'illegal' crypto derivatives
- A Tornado Cash developer has been arrested in the Netherlands, over [allegations of facilitating money laundering](#)
- US and Ontario SEC filed fraud charges against [Arbitrade and Cryptobontix](#) for allegedly fraudulent statements to investors and misappropriating investor funds in a so called «'pump-and-dump' scheme.

Scam and scam fighting

- Not sure MEV is a scam, but it very much looks like. Basically, MEV bots take advantage of orders discrepancies to act as intermediary and pocket the difference. So, when a [MEV bot loses \\$1.4m](#) in a transaction, it's worth mentioning it.
- Hacker steals [\\$950,000 from crypto vanity address](#) as exploits continue. • The latest hack comes after Wintermute lost \$160 million as a result of this issue.
- NFT marketplace OpenSea pays [\\$200,000 bounty](#) to two ethical hackers.
- Aurora, Ethereum scaling and bridge solution pays [\\$2m bounties](#) to two hackers
- Hacker returns [70% of \\$21 million](#) taken from Transit Swap DEX.

Permanent links

Information sites (every site has its own newsletter)

[Coindesk](#)

The largest one. Many interesting newsletter (I recommend Money Reimagined, or Crypto Long and short). Note that, due to major site update, all links in the present document previous to July 2021 lead to error 404

Cointelegraph

British information platform. Maybe targeting a large audience. Efficient and short newsletter

The Block

Information platform (mostly on subscription), with an efficient newsletter, including most of fundraisings informations.

Hackernoon

Information platform on technical topics (not only crypto)

The Defiant

Very much focused on DeFi, sometimes technical, sometimes provocative.

Bitcoin magazine

Simple information platform, including tutorials

CryptoVantage

Rater commercial information platform. Includes tutorials and comparison of tools (sponsored?)

Bankless

Ethereum, Bitcoin, crypto, open finance, DeFi—a bankless revolution. Includes **Metaversal**, a metaverse and NFT oriented newsletter (very well documented)

Cryptoast

En français (le seul?). Bien fait avec des tutoriels et des informations.

Platforms with newsletters

Messari

A chart and information platform, with rather sharp and well chosen papers, although often sponsored

Coinmarketcap

The best platform on coins and tokens

Chainanalysis

On (expensive) subscription only deep information platform. With an interesting free newsletter

Newsletters

Espresso Daily, on market status (seems to be inactive since mid-October)

myFT

The Financial Times delivers focused newsletter, but papers are available on subscription only

Lexicon

(To be extended) * are cryptocurrencies

ATH: All Time High

BTC: Bitcoin*

CBDC: Central Bank Digital Currency

DAO: Decentralised Autonomous Organisations

DDEX: Digital Exchange

DeFi: Decentralised Finance

DEX: Decentralised Exchange

DLT: Distributed Ledger Technology

E-CNY*: electronic Chinese Yuan

ETH: Ethereum*

EVM: Ethereum Virtual Machine

Hodl: crypto slang for hold (thus, hodler)

ICO: Initial Coin Offering

IDO: Initial DEX Offering

IEO: Initial Exchange Offering

INSEAD: Unknown 😊, but best Business School in the world

ITO: Initial Token Offering

LTH: Long Term Holder (>155 days)

MRV: Measurement, Reporting and Verification (not crypto, but blockchain can help)

NFT: Non-Fungible Token

NUPL: Net Unrealised Profit/Loss (see **STH-NUPL** and **LTH-NUPL**)

Oracle: External source of information for a smart contract

SAFT: Simple agreement for future tokens

Slippage: difference between the expected price of a trade and its execution

STH: Short Term Holder (>155 days)

STO: Security Token Offering

Web 3.0: decentralised internet

Whales: xtra large holders (such as passing orders for more than \$500k)

XRP: Ripple*

Also check the **DeFi glossary** and more broadly **Investopedia**. For Crypto expressions or slang, check « *Fifty widely used slangs in the crypto & NFT space* »

References (academia)

(To be completed)

CBDC: Current status and futur of Central Bank Digital Currencies (dated

Dec.2021)

dApps: [What are dApps \(Decentralized Applications\) and why are they needed?](#)

DeFi: WSJ Video for rookies: How [DeFi hopes to disrupt traditional finance](#)

Forensics: not all blockchains are equal in transparency

Governance: [Governance and utility tokens](#)

[Hash-rate](#) is a measure of the computational power per second used when mining. [World hash rate](#) is determined from the number of blocks being mined and the current block difficulty

[Liquidity pools](#) (includes Lending pools, AMM Pools, options collateral pools)

Metaverse: On [Metaverse OS](#). The [Metaverse, simplified](#).

NFTs: All you want to know on NFTs: [The Big Picture on NFT, Beginners Guides, & FAQs](#)

NFTs: [The ABC of NFTs](#): nice basic papers

Liquid staking: a way to get extra utility from assets that are currently being staked

[Optimistic Rollups](#): layer 2 constructions that do not run on Ethereum's base layer but on top of it

[Private, public and consortium blockchains](#)

[Reflection mechanism](#): Built-in reward contract (deep but well written)

[Stablecoins](#): A deep review. Or, simpler, everything you need to know on stablecoins ([to start with](#)).

[Staking](#): staking is a way to put your crypto to work and earn rewards on it

Wallets: All you want to know on [wallets](#). The battle of [crypto wallets](#)

[What are the most challenging problems cryptocurrencies are facing](#) (by Vitalik Buterin, founder of Ethereum) (long and technical, on cryptography)

[Yield farming](#) (for beginners)

A16z's [crypto canon](#) (readings and resources)

Lightspeed venture [Web3 Ecosystem guide](#) (why, how, and many useful references)

[Les cryptos monnaies pour les nuls](#) (un article de base pour ceux qui veulent comprendre les bases) (en Français)

Useful readings

[Welcome to the non-fungible, memeified, cryptodenominated, degenerate future of finance](#) (nice article on money meaning, although somewhat provocative)

In the same vein, on DOGE: [Dogecoin and the New Meaning of Money](#)

Seven main takeaways on crypto markets: [What I've Learned in the Past Five Years](#)

An introduction to digital assets world: [Why digital assets will transform our societies?](#) (Summary of BlockchainPartner by KPMG report, in French)

Bitcoin+Ether, an Investor's perspective, Coindesk Report (download link)
How Businesses Can Reap The Benefits of Cryptocurrency

On CBDCs current state (as of December 2021)

On DeFi (rather extensive, while somewhat skeptical) [#DeFi - All of The Problems, Some of The Solutions](#)

On NFTs (video, in French)

On DAO's governance: [DAOs Prepare for the Next Crypto Winter With Treasury Diversification](#)

[What is staking](#) (rather technical)

On CBDC stakes (a wide geopolitical view): ['They Starve': The Ugly Side of the US' KYC-AML Obsession](#)

On e-yuan local and geopolitical consequences: Carnegie Endowment for Peace [report on the impact of China's state-sponsored digital currency](#)

[5 Best DeFi Trading Platforms Compared](#)

A collection of papers on Altcoins (or blockchains)

[Shiba](#) (DOGE killer), [BTT](#) (BitTorrent coin), [Dent](#) (Digital network operator), [IOST](#) (Fast blockchain network), [XVG](#) (decentralised payment network), [DOCK](#) (Decentralised LinkedIn), [WINK](#) (formerly TRONbet), [SIA](#) (Decentralised storage), [Holo](#) (network for hosting DApps)

[Memes Mean Money](#) (memes are coins or stocks raising through social networks influences)

For the fun and the culture: [Crypto Anthropology](#)

Des lectures utiles

Sur le [sens de l'argent](#) (un bel article, qui part de la provocation pour nous ramener à l'essentiel?)

Et inspiré du précédent, en l'extrapolant à la [performance du DOGE](#)

Sept choses à retenir sur les marchés de crypto: [Cinq ans d'analyse des marchés crypto](#)

Une bonne intro au monde des cryptos: [Pourquoi les crypto-actifs vont-ils révolutionner nos sociétés?](#) Une lecture du rapport de Blockchain Partner by KPMG

Pour comprendre le [point de vue des investisseurs sur le Bitcoin et l'Ether](#), ce qui les lie et les différencie (rapport Coindesk à télécharger)

Pour découvrir les principes de base des crypto-monnaies, et [ce qu'elles peuvent apporter au monde du business](#)

Pour [comprendre ce qu'est la DeFi](#) (Decentralised Finance), mais avec une vision plutôt négative

Pour [comprendre les dApps](#) (Decentralised Applications)

Pour [découvrir les NFT](#) (vidéo)

[Tout ce que vous voulez savoir sur les NFT](#)

Pour comprendre [la nouvelle gouvernance des DAOs](#), et ce qu'elle peut offrir

Pour comprendre le [staking](#) (Un peu technique)

Sur quelques [plateformes de trading DeFi](#) (à ne pas confondre avec les exchanges, centralisées)

Sur certains enjeux des monnaies numériques de banques centrales (en anglais CBDC), et notamment [l'enjeu politique autour de la suprématie dollar](#) (un panorama géopolitique assez complet)

Une série d'articles très bien faits sur plusieurs Altcoins (ou blockchains) [Shiba](#) (DOGE killer), [BTT](#) (BitTorrent coin), [Dent](#) (Digital network operator), [IOST](#) (Fast blockchain network), [XVG](#) (decentralised payment network), [DOCK](#) (Decentralised LinkedIn), [WINK](#) (formerly TRONbet), [SIA](#) (Decentralised storage), [Holo](#) (network for hosting DApps)

Sur les « [meme-stocks](#) » (des coins ou des stocks qui montent par l'influence des réseaux sociaux)

Pour se divertir, et peut-être [devenir Holonaute](#)

(Past weeks)

From September 19th to September 25th

Summary (links are an extract of links below)

A very dense week in terms of news, and consequently a rather long newsletter. Surprisingly (is it the end of summer?), many interesting, but dense, reports were announced this week:

- Messari's [State of Ethereum Q3 2022](#) and [State of Bitcoin Q3 2022](#) gives a fair idea of the activities of the network or the currency, showing a sustained activity on the Ethereum network, but with a huge drop in prices, and consequently of revenues.
- To get an insight on what is going on in DeFi, the Block's report on [Institutional DeFi landscape](#) is dense, but worth giving an eye.
- To have an insight in the strategy of one of the most powerful bank,

read « What **JP Morgan** is doing in blockchain and crypto »

- Finally, to have a view on the future of Insurance, CB Insights report « How blockchain is **disrupting insurance** » is worth giving an eye (you might have to register - free - in CB Insights).

Besides these reports, companies fundraising has been high, with more than ten deals announced this week (see below).

And two US legal trial may have big consequences if government's point of view is confirmed':

- Balina's trial targets a crypto influencer for his involvement in an unregistered ICO, pitched as « no code » development platform, having failed to disclose his compensation. What is interesting (« frightening »?) is that SEC claims that at the time that U.S.-based investors participated in Balina's investing pool, the Ethereum contributions were validated by a network of nodes on the Ethereum blockchain, "which are clustered more densely in the United States than in any other country." The SEC argued that as a result, "those **transactions took place in the United States.**"
- US CFTC's complaint against Ooki DAO, alleging that it has been illegally running a futures exchange. Crypto lawyers and commentators weigh in on **what this means for the industry and the future of DAOs** (DAO: Decentralized Autonomous Organisation). Basically, the CFTC breaks down the DAO to its « members » (participating or even voting persons), and targets US residents.

Finally, on DAO's governance, you might remember the « M&A » between FEI and RARI (more like a marriage indeed). Due to lack of common objectives, it ends up with a **divorce**. It's useful to learn from the failures.

Much, much more below, on CBDC (Central Bank Digital Currencies), regulation, NFTs, or business news...

Opinion

- **Is Powell 2022's Paul Volcker?** The answer matters to bitcoin
- Why crypto businesses need **AML regulations** ? (from the WEF)

Markets

- Sep.19:
 - During the week-end, BTC slid under \$19k, as traders prepare for this week's Fed meeting, with « **real yield** » **bullish views** from Goldman Sachs (BTC moving the opposite).
 - On Monday, BTC fluctuated with a strong volume, while ETH ended its slide with a small increase in price.
- Sep.20:

- **ETH to \$1'350**, a 16% drop since Merge (1.6% drop this Tuesday). ETH ex-miners seem to add selling pressure to the worries about higher Fed rate hikes.
- **XRP** (Ripple) rose 8% in the past 24 hours
- **Microstrategy** bought additional 301 BTC at an average price of \$19'851. It now holds 130'000 bitcoins.
- Sep.21: **BTC price holds \$19k** ahead of Fed decision. Directly after the announcement of the 75bps rates increase, **prices shortly plummeted**, to recoup most of the slide shortly after.
- Sep.22
 - BTC rose 4.5% and ETH 6.9%, but BTC technical indicators are bearish
 - **XRP rallies 25%**, in the hope of a positive court ruling. Traders buy **year end bullish calls**.
- Sep.23
 - BTC fell 4% and ETH 3%. **Is the bottom in?**
 - **XRP surges 35%** in a day, 66% in a week.

Crypto Compare's **August 2022 Exchange review** shows spot trading volumes increase by 36.8% in August to \$1.91t, and derivative market share 9.59% decline (although derivative volumes were up 1.91% to \$3.16t), with an even stronger decline of futures contracts on the CME to \$28.9b (a 20.7% MoM decrease).

How **crypto sectors** are trading through the dollar strength 'tsunami'?

Crisis (post-crisis?)

- South Korea asks **Interpol to issue Red Notice** for Terra Co-founder Do Kwon
- Possible takeover of **Voyager Digital's** assets by Binance might be submitted to US government approval. While Binance has for long claimed it had no headquarters, it is now claiming to be Canadian.
- **CoinFlex** creditors overwhelmingly back restructuring plan in early voting

Bitcoin

The interesting Messari's report on **State of Bitcoin Q3 2022** points out challenges the currency is facing.

Ethereum

Deep and thorough Messari's report on **State of Ethereum Q3 2022**, shows deep plunge in network's revenue, with stable activity, meaning plunge in prices.

Post Merge

- Hopes for a post-Merge **revival in the NFT** market haven't yet been realised
- The Merge doesn't solve Ethereum's '**Atomic Composability**', which is threaten by layer 2 set up.

- Evaluating Ethereum, **one week after the Merge**.

Alt-coins, tokens and blockchain

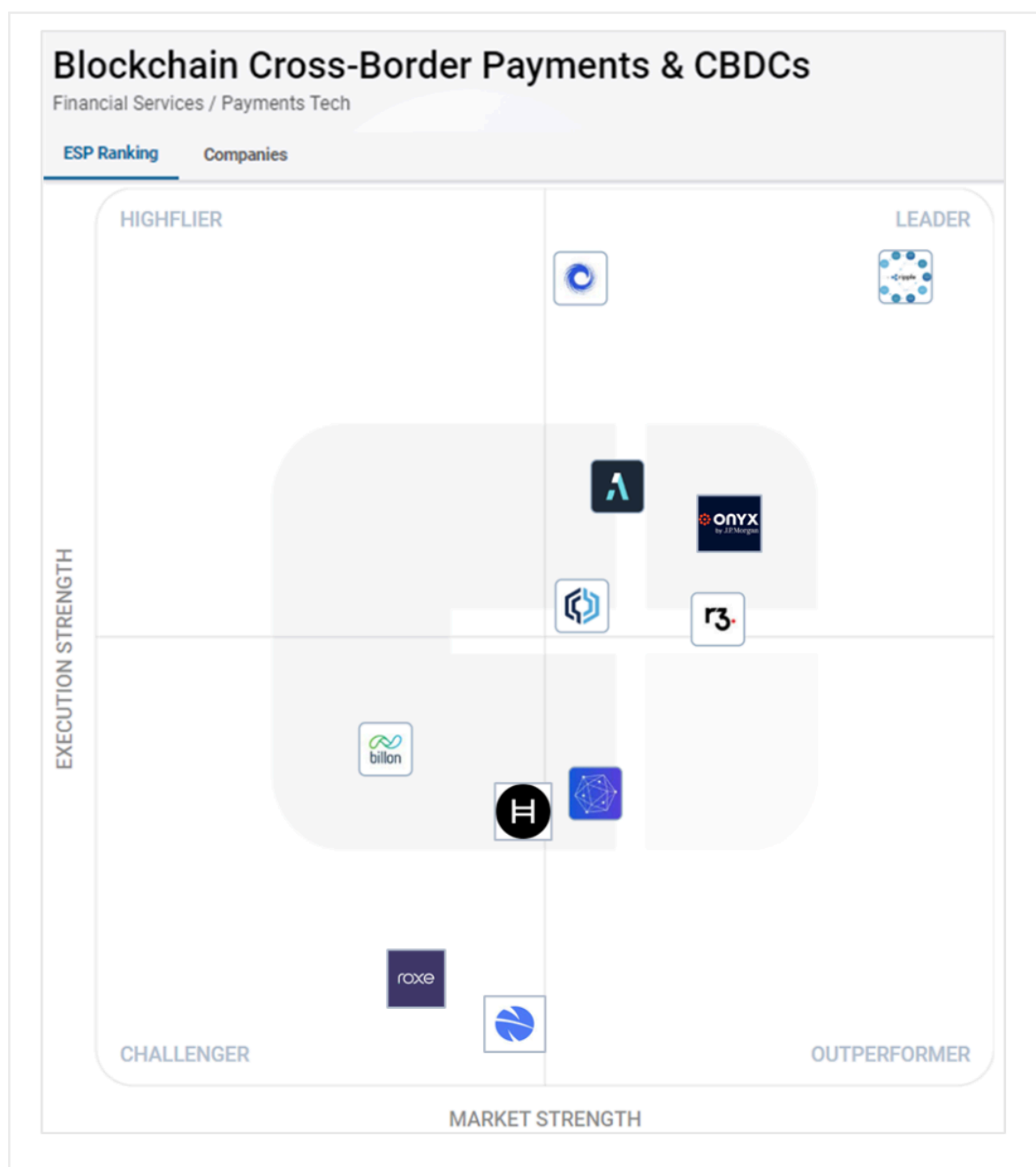
- **Helium** community votes in favour of moving native's network to Solana. Helium is a decentralised Wi-Fi network, issuing tokens to reward nodes.
- Vitalik Buterin expects **Zcash and Dogecoin** to migrate to proof-of-stake model
- **China** accounts for 84% of all blockchain patent applications

Stablecoins

- US legislation could **ban algorithmic stablecoins** for two years
- **Theter** USDT goes live on Polkadot. Besides Polkadot, the stablecoin is supported on other networks, including Ethereum, Solana, Algorand, EOS, Liquid Network, Omni, Tron, and Bitcoin Cash's Standard Ledger Protocol.

CBDC

- **Iran** to start a digital Rial this week. **Why is Iran turning to digital rial?** (From Al Jazeera)
- **China** to extend CBD trial to four provinces, including Guandong
- **Hong Kong** monetary authority to begin CBDC trials in Q4 2022
- CB Insights report on **Blockchain Cross-Border Payments and CBDCs ESP** (on subscription) covers 11 players in this growing field.

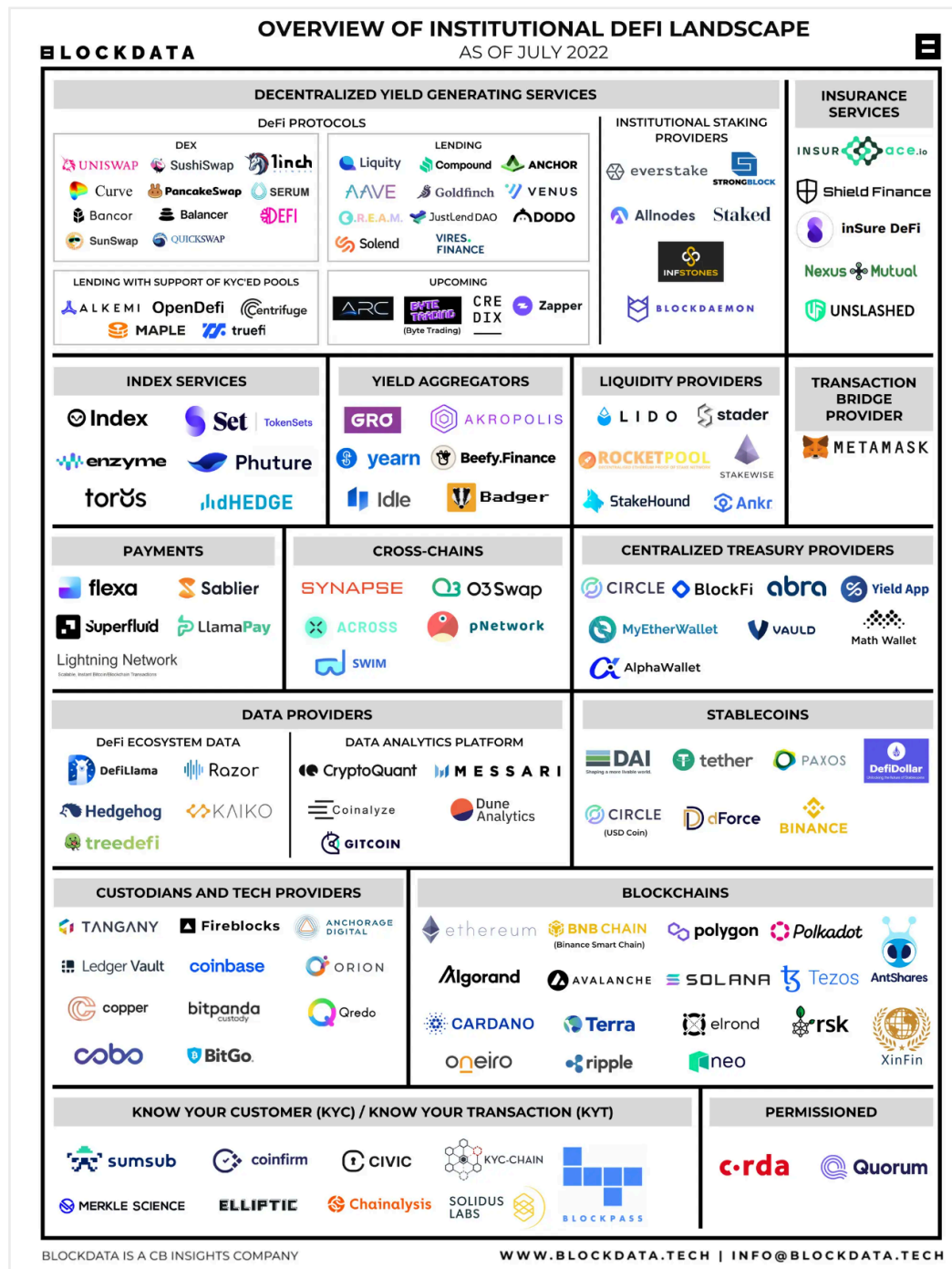


Mining

- **Compute North** files for bankruptcy. Compute North offers large scale crypto mining services and hosting facilities, hardware and BTC mining pool. Two months before declaring bankruptcy, it faced a breach of contract suit that included failing to return an almost \$1.4 million deposit.
- Big bank CEOs **don't plan to finance crypto mining**
- Despite a souring market that has some monies struggling to survive, crypto miners are still **developing innovative data centers**.
- **Iris Energy** signs up to \$100m equity deal with investment bank B.Riley. The deal is a selling option on IREN shares.

DeFi

- A trader nets over \$500k, using DEX GMX to **manipulate Avalanche token**.
- Deep and thorough review of **institutional DeFi landscape**, challenges and trends



Gaming

THNDR Games, bitcoin gaming company, released a **P2E solitaire game**, allowing players to earn bitcoins.

NFTs

- **OpenSea to support Arbitrum NFTs**
- In Austria and the Netherlands, **post offices adopting NFTs** leads to a philately renaissance

- Italian soccer club **AC Milan** is diving deeper into crypto with a new collection of NFTs from Solana-based esports franchise MonkeyLeague. The new non-fungible token (NFT) partnership will let fans mint Rossoneri-branded wearables and give them access to game tournaments, such as football players playtesting the game.
- NFTs for **luxury spirits**

DAOs

- US CFTC has filed a complaint against Ooki DAO, alleging that it has been illegally running a futures exchange. Crypto lawyers and commentators weigh in on **what this means for the industry and the future of DAOs**. Basically, the CFTC breaks down the DAO to its « members » (participating or even voting persons), and targets US residents.
- DeFi **DAO divorce**. The marriage between the FEI and RARI token communities was an early experiment in sharing economic incentives. Now TribeDAO is splitting up, after a bitter period of governance disputes. An interesting, although not surprising, lesson.

Sponsoring

Chain, a crypto ledgers and cloud infrastructure firm, will be the **New England Patriots'** new « official blockchain and web3 sponsor »

Business news

- **Kraken** joins consortium to build enterprise-grade liquid staking protocol
- Github has reversed a ban on **Tornado Cash**'s open source code, with a 'read-only' mode.
- **Coinbase** successfully registers with the Dutch Central Bank.
- **Huobi** enables cryptocurrencies purchases with fiat in Latin America
- British regulator lists **FTX** as 'unauthorised' firm
- **Stakefish** cuts workforce by more than 25%
- Crypto trading firm **Alameda Research** is launching a permissioned borrower pool on Clearpool. Investment management firm Apollo Capital and DeFi trading platform Compound Capital will be the first lenders to contribute to the Alameda pool.

Business news: companies fundraising

While private token sales were all the rage during the crypto bull market of 2021, a growing number of crypto startups are now offering both **equity and tokens deals** to potential backers. This might be easily justified by the depressed token markets, but also by the menace of a possible requalification of token as securities.

Closed deals:

- \$51.5m for **Sardine**, a fraud detection platform. Sardine wants to

remove burden for fintechs by handling compliance and fraud flows. The Series B round was led by a16z. Other investors include ING Ventures, ConsenSys, Cross River Digital Ventures, Visa, Eric Schmidt and Google Ventures. This new raise comes only seven months after a \$19.5 million Series A round, also led by a16z. Since founding, the startup has secured over 135 customers, according to Sardine's CEO, Soups Ranjan. This includes big-name players in the crypto ecosystem such as FTX, Blockchain.com and Brave.

- \$40m for **Yellow Card**, Pan-African crypto exchange. The company hit 1 million users earlier this year. Polychain Capital led the fundraising round, with participants including Valar Ventures, Third Prime Ventures and Sozo Ventures, among others.
- \$37m for **3Commas**, automated crypto trading startup. The round was led by Alameda Research, Jump Capital, Target Global and Dmitry Tokarev, CEO and founder of the institutional-focused crypto firm Copper.
- \$30m for **Hadean**, metaverse infrastructure developer. Hadean will build the infrastructure to help give metaverse capabilities to Epic's Unreal Engine, undergirding the hit game Fortnite. Molten Ventures led the round, with 2050 Capital, Alumni Ventures, Aster Capital, Entrepreneur First and InQTel also providing support.
- \$24m for **Immunefi**, a platform that helps web3 projects launch bug bounty programs and whitehat hackers earn money. Framework Ventures led the round. Other investors include Electric Capital, Polygon Ventures, Samsung Next, North Island Ventures, Third Prime Ventures and Lattice Capital.
- \$18.5m for **Hyperlane**, a startup that helps developers connect applications across different blockchains. Web3 fund Variant led the round, with participation of Galaxy Digital, CoinFund, Circle, Figment, Blockdaemon, Kraken Ventures and NFX.
- \$13m for **Lit Protocol**, an open source utility, with the goal of building a decentralised network for access control and composability. It also launches a cloud wallet app platform. Funding includes OpenSea Ventures, A Capital and others.
- \$7.6m for **Tres**, a web3 accounting software. The round was led by Boldstart Ventures with participation of F2, Alchemy, New Form, Kenetic Capital, Blockdaemon Ventures, and Mantis.
- \$5.2m for **Nilos**, a startup gaming to build a unified business platform for managing both crypto and fiat treasuries. The platform will track income, money flows, payments, and allow crypto to fiat currency payouts, as well as monitoring suspicious sources of funds in line with anti-money laundering requirements. The round was co-led by Fabric Ventures and Vilola Ventures. The deal, which closed in April, also involved investors such as Mensch Capital Partners, and angels backers including The Sandbox co-founder Sebastien Borget and the

former deputy CEO of Société Générale.

- \$5m for **Headquarters**, a web3 back-office platform. The pre-seed round was co-led by **Crypto.com** Capital, Forge Ventures and MassMutual Ventures. The raise also includes backing from Saison Capital, 500 Startups and Longhash Ventures as well as prominent angel investors such as Nansen CEO Alex Svanevik, Race Capital's Chris McCann and Etherscan founder Matthew Tan. Headquarters aims to help web3 firms better manage their financial operations and working capital across custodial and non-custodial wallets.
- \$4m for **Binocs**, a tax reporting app for crypto investors. The seed round was co-led by Beenext and Arkam. Other investors include Accel, Saison Capital and Better Capital.

Future deals:

- **Cipher Mining** seeks to raise up to \$250 million in stock market offering. Broker H.C. Wainwright & Co. will work with Cipher to sell shares of its common stock through an "at the market" agreement.
- **Fnality International**, the London-based blockchain payments firm backed by a bevy of big banks, is pitching investors for a Series B fundraise. The company is looking for £50 million; Broadhaven Capital Partners, the investment bank, is assisting with the raise.
- **Chiru Labs**, LA-based creator of the Azuki NFT collection is raising \$30m in a series A round, valuing the company between \$300m and \$400m.

Business news: funds

Digital Transformation Capital Partners raised **\$300m fund to invest in tech-focused industries including cybersecurity, artificial intelligence, fintech and Web3**. The fund will write checks of \$20 million to \$25 million for about 25 equity investments in early to growth-stage companies in Europe, Israel and the U.S. The first investment from the fund was \$15 million for conversational AI startup Cognigy.ai. DTCP was initially the venture capital arm of Deutsche Telekom. Investors in the Growth Equity III Fund included Deutsche Telekom and Japanese conglomerate SoftBank along with institutional investors such as pension funds and family offices. SoftBank, which has about \$419 billion in assets under management, has become a noted investor in crypto companies. Recent investments have included the **\$66 million round** for Web3 infrastructure startup InfStones in June and a **\$75 million commitment** to crypto exchange Bullish the following month.

Business news: people

- **Animoca Brands** hires Gemini finance head as CFO
- **Kraken's** CEO Jesse Powell is stepping down. He will continue to serve as chairman of the board. HE co-founded Kraken in 2011. Kraken saw \$160b in trading volume in S1 2021.
- **Disney** hiring transaction lawyer for 'aggressive' NFT and DeFi plans

Crypto adoption: companies

- **Nasdaq** prepares to offer digital asset custody services to institutional clients
- **FV Bank** integrates USDC stablecoin for direct deposits
- What **JP Morgan** is doing in blockchain and crypto, a report on the bank's activities in crypto
- How blockchain is **disrupting insurance**. Insurance giants and startups alike are using blockchain technology to prevent insurance fraud, track medical records, file claims, and more.

Crypto adoption: countries

Colorado now accepts crypto payments for state taxes

Regulation

- **IMF** calls for a 'Global regulatory framework'
- **Indonesia** wants citizens to steer local crypto exchanges
- Last week, the White House published **six reports and a framework on crypto**, as results from Biden's executive order on crypto, signed in March. Although reports mostly do not show concrete actions, they indicate that (slow) progress are on their way, with a special emphasis on CBDC. However, it's worth putting things into perspective.
- **US SEC** eyes Ethereum and Proof-of-stake tokens as possible securities. If ether were designated a security, it would effectively reverse unofficial guidance towards the token that the SEC gave four years ago. And it would come with a whole host of reporting requirements for transactions that could throw the cryptocurrency into chaos, as well as broader digital asset markets.
- The US **SEC charged a crypto influencer** for his involvement in an unregistered ICO, pitched as « no code » development platform, having failed to disclose his compensation. What is interesting (« frightening »?) is that SEC claims that at the time that U.S.-based investors participated in Balina's investing pool, the Ethereum contributions were validated by a network of nodes on the Ethereum blockchain, "which are clustered more densely in the United States than in any other country." The SEC argued that as a result, "those **transactions took place in the United States.**"
- **Russian** officials approve use of crypto for cross-border payments

Scam and scam fighting

- **Wintermute hacked for \$160m**, relating to its DeFi operation. Lending and OTC services have not been affected.
- A white hat found a **huge vulnerability in the Ethereum-Arbitrum bridge**. A bug could have led to a steal of hundreds of millions of dollars.

From September 12th to September 18th

Summary (links are an extract of links below)

It was MERGE week! The Merge is the most important positive event in the crypto world for this year. It might look like a technical thing, Ethereum going from PoW to PoS (see last week summary for a brief explanation), but it has major consequences on the environment, reducing energy consumption by 99% (!), and reducing so called « gas fees » (transaction costs). And [The Merge went well!](#) Much more on that below.

This also helped market volumes (although prices have been affected by the global macroeconomic environment), showing a [50% surge in ten days](#).

Beside that, business is recovering from spring crisis, although is too early to claim end of crypto winter. NFTs (such as in the [New York Fashion Week](#)) and Metaverse are leading the way; if you are skeptic on the future of metaverse, you should give an eye to McKinsey's report on « [Value creation in the metaverse](#) ».

NFT's and gaming indeed are [leading investments](#) since months, as shown in the graph below. And it's interesting that [Y Combinator](#) is investing heavily on crypto founders. More on company fund-raising below.

In case you still had some doubts, consider all the big names in traditional finance that are currently investing in activities in crypto : [Schwab](#), [Citadel Securities](#) and [Fidelity](#) joining efforts to launch a new crypto exchange, [Fidelity](#), [KKR](#), or [Broadridge](#) each having its own strategy, each creating something in crypto.

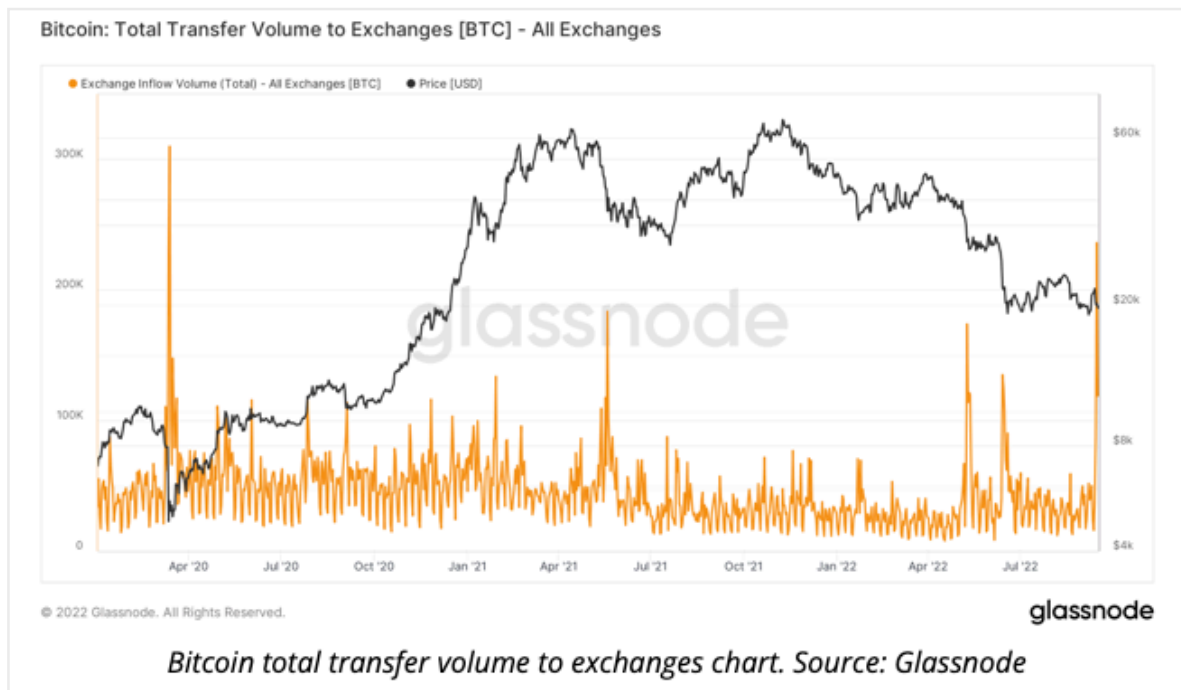
Opinion

Brett Winton, chief futurist of ARK Invest (Cathie Wood's fund) is extremely [positive on the future of crypto](#). It's worth reading how he sees Bitcoin as a future money, while Ethereum acts on the finance side. Is it worth [spending marketing money in a bear market?](#)

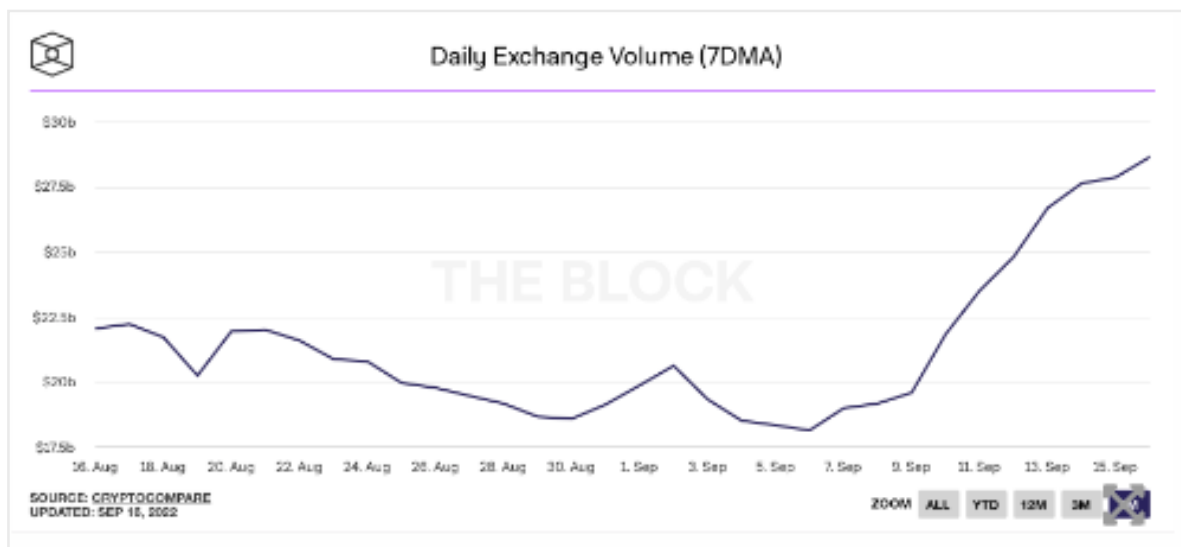
Markets

- Sep.12:
 - [BTC soared more than 11% past week](#)
 - [BTC rose 3% on Monday](#), on expectation of lowering inflation, while [ETH fell 4%](#), ahead of The Merge, expected on Thursday around 3 UTC.
- Sep.13: [BTC under \\$21k](#) (nearly 9% drop), following hot US inflation. Traders send 84k Bitcoins to exchanges. Volatility caused more than [\\$110m in liquidations in a one-hour period](#).

- Sep.14:
 - **\$17.6k BTC** June's bottom might not be the floor.
 - **ETH is trading relatively neutral**, ahead of The Merge, to occur late in the evening (US Time)
- Sep.15: **MERGE DAY**
 - After The Merge, which went smooth, **ETH volatility slides**, and **futures market discount evaporates**; then **ETH lost 8%** to \$1470, while BTC stuck around \$20K
- Sep.16:
 - BTC **exchange inflows « unusually » high** (236k BTC)(inflows to exchanges from wallets is a sign that owners are intending to sell). This is the largest single-day spike since the chaos that surrounded Bitcoin's dip to \$3.6k in March 2020.
 - ApeCoin's **APE slid** early Friday ahead of a massive token unlock over the weekend



- Crypto exchange **volumes have surged 50%** in the last ten days. This might be linked to The Merge.



Crisis (post-crisis?)

- Bankrupt lender **Holdnaut** may be forced to sell assets before The Merge. According to an interim judicial manager's statement to creditors « The Merge may lead the oracles to "give out erroneous prices during the transition," leading smart contracts to automatically liquidate the company's assets. »
- Terra's founder Do Kwon under Korean **arrest warrant**
- FTX in the lead to buy **Voyager Digital's** assets, after an auction sale, which left Wave Financial and FTX in the final, with FTX's bid higher.
- **Celsius** files for permission to sell its stablecoin holdings.

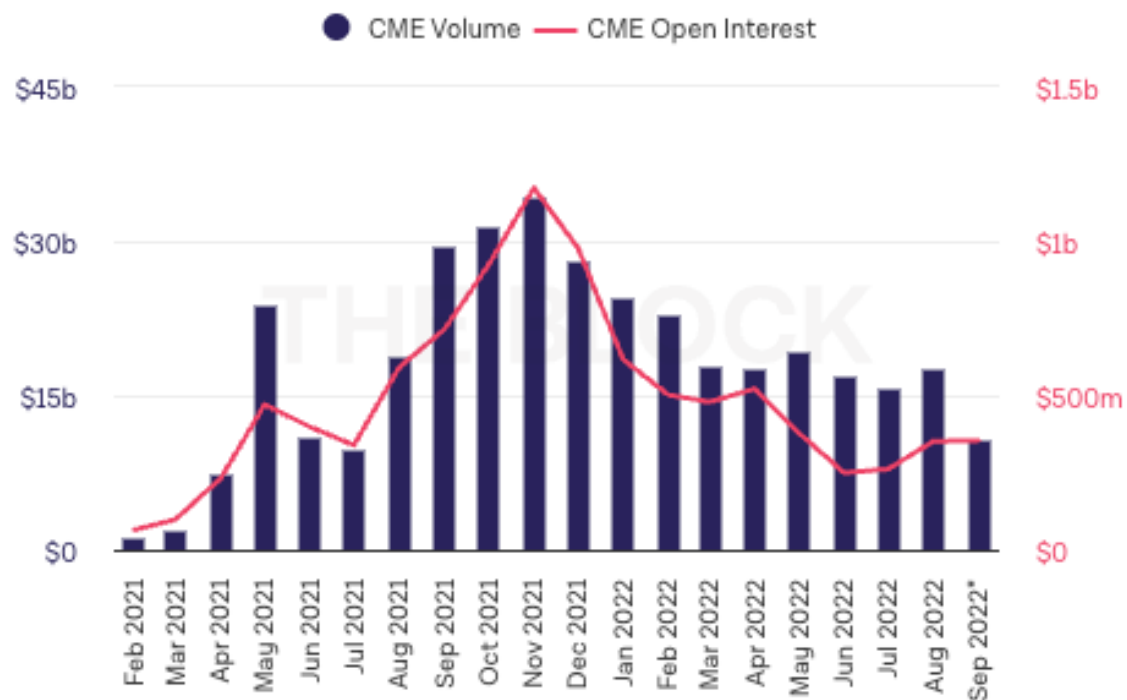
Ethereum: The Merge

This Thursday (in Europe), September 15th, at 6:43 UTC, **The Merge was activated**. And it has been a **success**. It shall cut energy usage by 99.98%, one of **biggest decarbonisation events** ever.

- **The Merge matters** for everyone in crypto, not just the Ethereum crowd.
- On eve of The Merge, skeptics and supporters gird for **raft of changes**. Shift to PoS will reduce ETH issuance and impact staking yields.
- An NFT collector spent 30 ETH (\$50k) to **immortalise Ethereum's last PoW block**. The last block of its kind, number 15537393 has been minted as NFT.
- 40% Ethereum **PoS nodes may be over centralised**, placing the network under threat. Analysis from Santiment **indicates** that 46.15% of Ethereum's PoS nodes are controlled by only two addresses, belonging to Lido and Coinbase.
- Until Shanghai fork (mid-2023), staked Ether are locked. Consequently, **Ethereum futures activity is tied to staking yields**.
- **Institutions** are still 'wait-and see' with Ethereum
- Chicago Mercantile Exchange (CME) plans to launch **new ether options**, as daily volumes rose 43% year-on-year.



Volume and OI of CME Ethereum futures



SOURCE: COINGLASS
UPDATED: SEP 18, 2022

ZOOM

ALL

YTD

12M

Chart embedded from [The Block Crypto Data](#).

Post-merge Mining

- What's left for Ethereum GPU miner after The Merge? Minutes after Merge, miners pile into Ethereum classic. Hashrate spikes 71%
- ETHW, Ethereum Proof of Work fork, will be listed on FTX and Bybit. The fork has not yet occurred (at the time of writing). However, ETHW shall not be considered as ETH competitor
- 19 mining pools, including F2Pool and Poolin, start Ethereum PoW mining. However, shortly after, they experienced difficulties, which cause ETHPoW to lose 75% of its value.
- Goodbye miners, hello stakes. What's next?

Alt-coins, tokens and blockchain

- Huobi to delist Monero and other privacy coins
- Near moves ahead with phase one of sharing upgrade

Stablecoins

- Anchorage Digital offers Japanese Yen stablecoin
- Alexander Lebedev plans a Ruble stablecoin
- JPMorgan: Binance's USDC move could increase importance of Tether in crypto trading. While USDC (Circle) benefits from Terra's crash in terms of market share, USDT (Tether) came back, and strongly

dominates crypto trading.

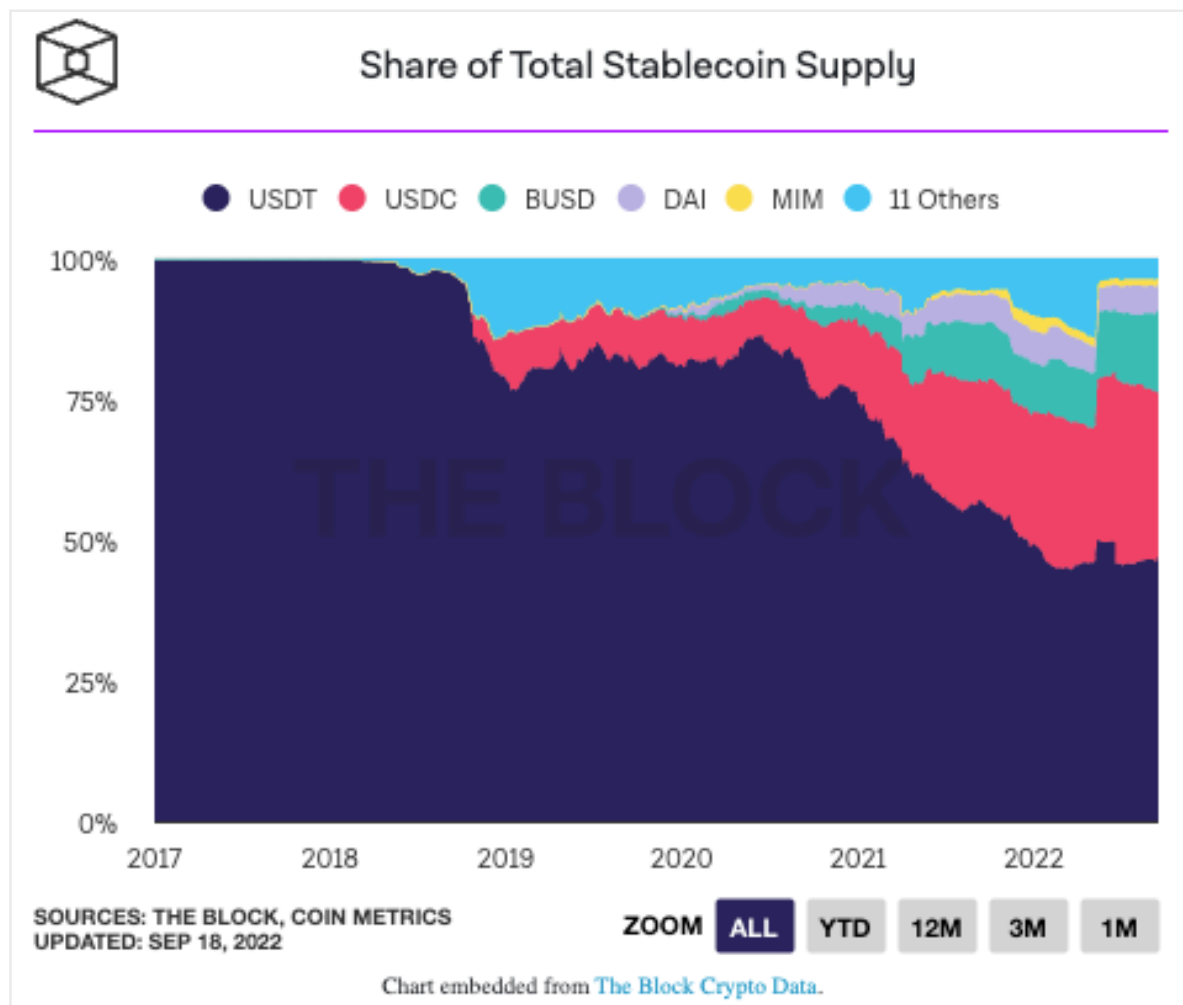
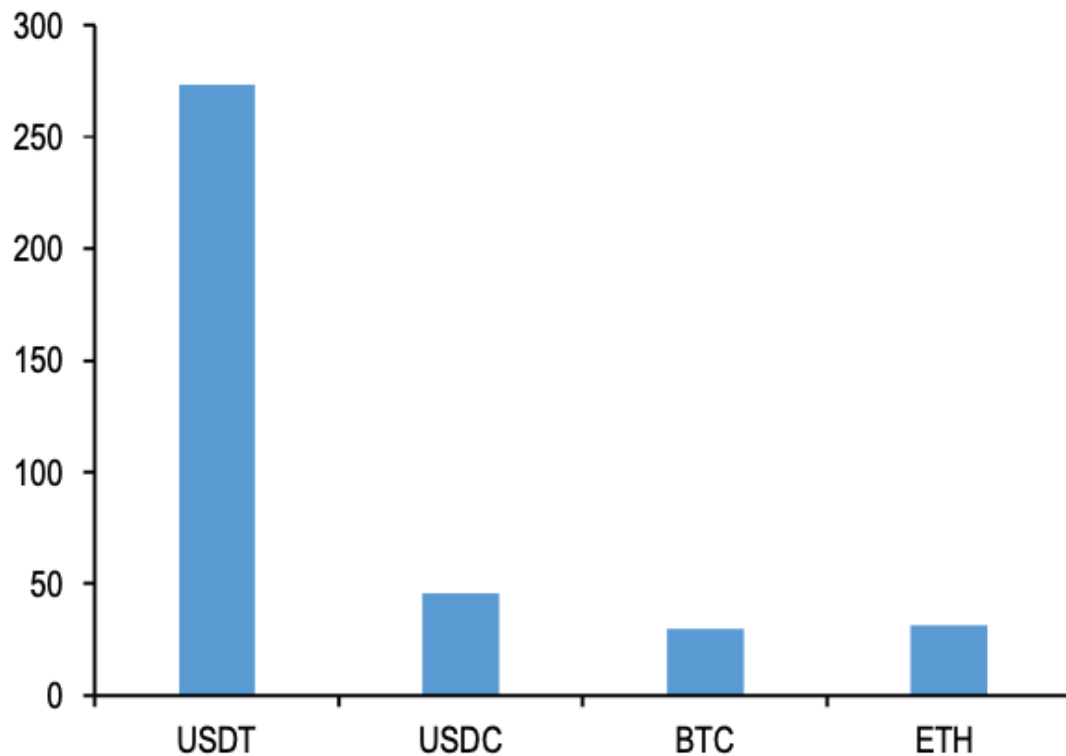


Figure 18: Ratio of annualized average daily trading volume over market cap



Source: Coinmarketcap. J.P. Morgan

CBDC

- European Central Bank has chosen **five companies to develop digital euro prototype**:
 - Amazon will do the e-commerce payments part
 - CaixaBank will develop online peer-to-peer payments for mobile applications
 - Wordline, French payment service, is responsible for the offline version of peer-to-peer payments
 - Nexi, Italian pay tech company, got the payee side for the Point of sale payments,
 - European Payment Initiative, ECB backed, got the payer side of the PoS payments.

The prototyping is set to begin this month, and finish at the end of December. The investigation phase spans over two years.

- **Biden administration** takes a step closer towards a digital dollar

Mining

- White House **crypto mining report** calls on standard to limit the industry's environmental footprint.
- Filecoin miner **RRMine** Global leaves China for Singapore.

DeFi

Understanding a crypto lending platform: Aave.

NFTs

- NFTs were a common thread throughout [New York Fashion Week 2022](#)
- What if you try to [apply current laws to NFTs](#)? A nice review of risks and possibilities. The truth is that there are so many diverse NFTs (from monkeys, to posts, to real estate...) that « NFT » is not a relevant legal category.
- When this newsletter will be published, it will be too late to claim your free « [Proof of Merge](#) » NFT. However, this is an interesting « live » NFT, changing overtime following external events.
- [Yuga Labs hopes to make \\$50m](#) with new Mechanics Apes collection

Gaming

- [Big Time](#) wants to be a « second-generation crypto game ». A game review.

Metaverse

- If you are skeptic on the future of metaverse, you should give an eye to McKinsey's report on « [Value creation in the metaverse](#) ».
- JPMorgan considers [China's metaverse-related economy](#) could reach \$4T. And metaverse could triple China's online-gaming to \$131b.

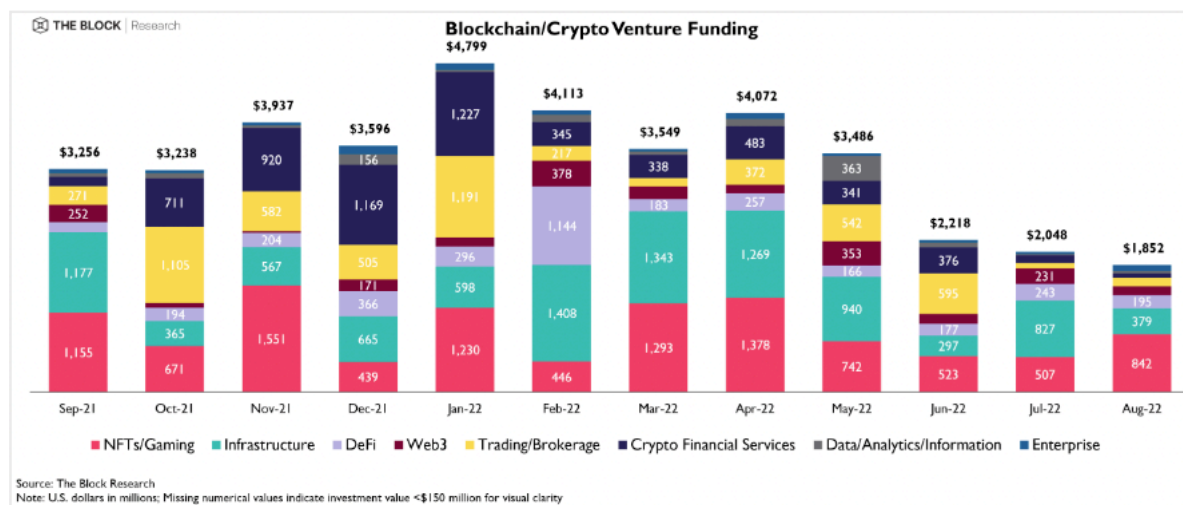
Business news

- Starbucks to offer NFT-based loyalty program using [Polygon's](#) blockchain technology.
- London-based payment platform, [Checkout.com](#) to lay off 5% of workforce.
- London-based fintech unicorn [TrueLayer](#) to cut headcount by 10%
- India 'unfreezes' bank account of [WazirX](#)
- [BNB Chain](#) to collab with Google Cloud to bolster web3, blockchain startups.
- [HashKey](#) Capital received a Hong Kong license to manage 100% crypto portfolios.
- [Binance](#) to issue 'soul bound' tokens to users who complete KYC checks
- DeFi lender [Compound](#) will take bitcoin as collateral against stablecoin loans made by institutions.
- [Coinbase](#) could earn \$1.2b in revenue next year from higher interest rates, JPMorgan says.
- [FTX](#) obtains European investment firm license, a MiFID II license, granted by Cyprus SEC.
- [BlackRock](#) to use Kraken's CF Benchmarks to power its bitcoin offering

- Cryptocurrency trading platform **Abra** announces it will establish a US-based state-chartered bank.
- **El Salvador**'s debt rating cut to CC by Fitch. The country may default on a January debt repayment.

Business news: investments

- **Y Combinator is doubling down on crypto founders** despite market volatility. Crypto and web3 stand out in the Summer 2022 batch.
- **NFT and gaming firms saw a 66% jump in venture funding** in August, while overall funding decreased. Seed and pre-series A for NFT and gaming also dominate vs other sectors.



Business news: companies fundraising

- \$150m for **Aptos**, ex-Meta employees firm, hoping to bring blockchain technology to « billions » of people. This is a pos raise top-up from Binance's VC arm, following the \$200m funding round in **June**. This values Aptos to \$4b.
- \$54m for **Doodles**, NFT profile-picture maker. The round, which values the company to \$704m, was led by 776 (Alexis Ohanian's VC firm), with participation from Acrew Capital, FTX Ventures and 10T Holdings.
- \$50m for **Portofino Technologies**, a high frequency crypto market maker company. Backers include Valar Ventures, Global Founders Capital and Coatue.
- \$20m for **Goldsky**, a data-infrastructure company for crypto startups. The seed round was led by Felicis and Dragonfly Capital. The round brings total funding to \$22 million, which includes capital from angel investors such as Elad Gil, Plaid founders Zach Perret and William Hockey, Zhuoxun Yin of Magic Eden and Uniswap Labs.
- \$15m for **Magna**, a platform to allow crypto companies to easily manage their token distribution. The seed round was led by Tiger Global and Tusk Venture Partners with participation from Circle Ventures, Galaxy Digital, Asymmetric, Alchemy Ventures, Solana

Ventures, Ava Labs, Polygon, Protocol Labs, Y Combinator Continuity, Blockchain Founders Fund, AV Blockchain Fund, Olive Tree Capital, ProtoFund, Plug and Play Ventures, Balaji Srinivasan, Ryan Selkis, and angels including senior executives from Anchorage, Fireblocks, TRM, Chainalysis, TokenSoft, Phantom, QuantStamp, and QuickNode, among other investors (what a long list...).

- \$5.2m for **Satschel**, Web3 compliance company. The seed round was led by Brand Foundry Ventures. Few days ago, Satschel has announced a partnership with Assure, a fintech company for SPVs.
- **FTX** is raising capital, in parallel with a potential acquisition. FTX is seeking the same \$32b valuation as for the previous raise.

Business news: investment funds

- Northzone raises **\$1b fund to invest in fintech**, including web3 investments.
- The Near foundation is introducing **a \$100m VC fund and lab to invest in creators, talents and franchise owners** for the next generation of platforms, in Web3, focusing on sport, music, film, fashion and art.
- Revolut founder Nik Storonsky is setting up his AI-powered VC firm Quantum Light Capital, in which he will invest **\$200m with a focus on the US**.

Regulation

- The **Tornado Cash storm**. What started with a will to fight terrorism, turns into a major US debate on government action means. It might even **help China** fuelling its AI motors.
- **White House** publishes 'first-ever' comprehensive framework for crypto. The fact sheet sums up the efforts of nine federal agencies' research over the past six months.
- US **SEC's crypto guidance** could drive U.S. banks further away from participating in digital-asset markets. The regulator suggests that customers' crypto assets should be treated as liabilities by lenders, which could be "prohibitively costly" for banks.
- The Conservative party of **Canada** elects pro-bitcoin leader Pierre Polievre as party head. The candidate stated he had plans « to make Canada the blockchain capital of the world ». The future federal election in 2025 will decide between the conservatives or the liberals, led by Prime Minister Justin Trudeau. The latter answered in a twitter post that « telling people they can pot out of inflation by investing in cryptocurrencies is **not responsible leadership** ».
- Speaking at Binance Blockchain Week Paris, Changping Zhao said **EU's MICA directive** is « a little bit strict » on stablecoins, although he finds the directive to be « fantastic », and to be copied as « the global standard ». He also said Paris is « probably the financial hub for crypto in Europe ».

Crypto adoption: companies

- **Schwab, Citadel Securities, and Fidelity** launch a crypto currency exchange, EDX Markets. Other high-profile EDX backers include trading firm Virtu Financial (VIRT) and venture-capital firms Sequoia Capital and Paradigm.
- **Fidelity** works toward a retail-focused crypto offering
- **KKR** puts part of its Health Care PE fund on Avalanche blockchain, hoping that a tokenised fund increase accessibility to individual investors. The tokenised feeder fund is provided by Securitize.
- **Broadridge** will provide Coinbase with its NYFIX order-routing network, to increase liquidity by sourcing it from multiple venues
- **Tommy Hilfiger, Gucci, Puma**, were among the many brands to use or announce NFTs during the New York Fashion Week 2022

Crypto adoption: countries


Chainalysis global **crypto adoption report** shows emerging markets lead in grassroots adoption, while US ranks in the fifth position, by far ahead of any other developed country.

2022 Global Crypto Adoption Index

Top 10 Countries



Read the full report at www.chainalysis.com

 Chainalysis

Scam and scam fighting

US Treasury sanctions Iranian military-linked [ransomware gang](#).

From September 5th to September 11th

Summary (links are an extract of links below)

This week and next week will be under the sign of the major coming event « The Merge ». This is the transition of Ethereum from a proof-of-work network (energy consuming: roughly, blocks are generated via solving maths) to a proof-of-stake network (where blocks are validated through a consensus between validators) (Ethereum holds a 90% market share in the smart-contracts layer 1 market, with around [\\$300m monthly revenues](#)). The shift means [up to 99% reduction in environmental impact](#), 90% decrease in costs, an increase in security, and even a [decrease in token inflation](#). Here are the main [Q&A](#). It started on Tuesday 6th, with Bellatrix, the last pre-PoS fork, and will end with so-called Paris, the Merge fork itself, which shall take place on

Sep.14 or 15. It is a major move, which may also **impact institutions**.
Beside this major change, the industry keeps on raising funds, although at a lower speed (see below for more details on Q2 activity).
And regulation rate keeps on, especially in the **US**. On the tax side, an interesting report from Coincub shows Belgium is the **most heavily crypto-taxed country** in the world, while Germany is the most crypto-friendly. Who said they are in the EU?
Much, much more below...

Opinions

A currency crisis looms: we need a new model

Markets

- Sep.5th:
 - **BTC languishes below \$20k**
 - **Ether primed for pre-Merge rally** after wedge breakout
- Sep.6th:
 - **Bitcoin price bounce overdue**, as massive BTC long position appears
 - Bellatrix **euphoria short-lived** as markets slide
- Sep.7th:
 - **BTC dips below \$19k**, hitting lowest point in 2 months.
 - ETH and ADA lead **crypto slide** in the morning, and regain in the afternoon.
- Sep.8th:
 - **ETH/BTC to 9 month high** ahead of The Merge
 - Bitcoin analyst who called 2018 bottom warns 'bad winter' **may see \$10K BTC**
 - **Bitcoin futures** trading hits record level, in a bearish configuration
- Sep.9th: **BTC posts its biggest daily gain in six months**, surging past \$20k.

A strong dollar hardens bitcoin

The latest Kraken intelligence's report deals with **August 2022 on-chain data analysis**.

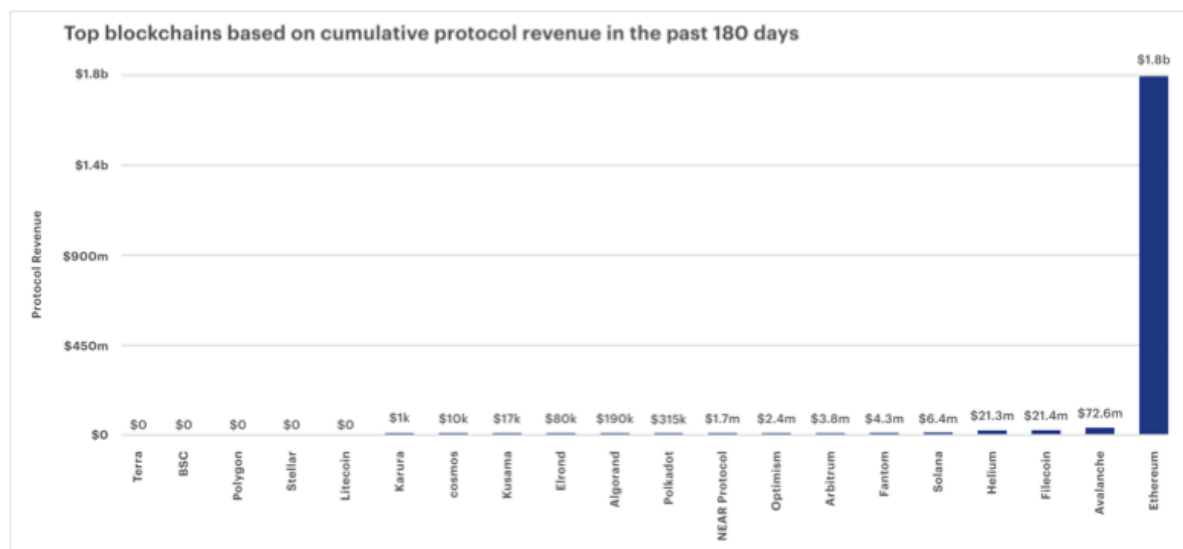
Crisis (post-crisis?)

- **Poolin**, one of the world's largest bitcoin mining pools, sought to assure users their funds are safe while acknowledging it is facing liquidity problems.
- **Revolut** is under pressure from UK regulators after an « unacceptably high » risk of « material misstatement » was highlighted in the auditing of its accounts.
- **3AC-labeled wallet** withdraws \$45 million from Curve and Convex.
- **Celsius** may have run a Ponzi-like scheme, Vermont and Texas regulators allege

- **Voyager Digital** to hold asset auction on September 13th
- **Algorand Foundation** has \$35 million exposure to troubled crypto lender Hodlnaut

Ethereum: The Merge

- The **Bellatrix** fork went live on Sept.6th, as planned. This was the last pre-PoS fork needed to go for The Merge.
- ETH Merge will **change the way enterprises view Ethereum** for business
- Ethereum still **dominates Layer 1 market with 90% MS** in revenue. Consensys provides a full report on « **The Impact of The Merge on Institutions** », showing monthly revenues for Ethereum to \$100m, and showing that Ethereum has processed more financial transactions than Visa!



- How the Merge **deeply affects Ethereum business model**, reducing its environmental impact by 99%, decreasing its costs by 90%, and increasing its security.
- How **Ethereum's monetary policy** will change after The Merge. Token issuance rate shall decrease from a current 4.5% to 0.5%. To this, we shall deduct token burning, which is expected to bring down net inflation to 0.1%.
- Crypto firms rush to offer Ethereum **staking ahead of The Merge**
- Some miners may try to fork the network to keep a Proof-of-Work ethereum. How to **take advantage of the possible PoW fork**? OpenSea and Chainlink already announced they will not support forked tokens. **Ethereum Classic** (ETC), issued from a 2016 fork, is also a possible candidate.
- **What next?** The Paris upgrade is expected between September 14 and September 15. Approximately thirteen minutes after it happens, the first block produced under the proof-of-stake mechanism will be completed. Once The Merge is finally complete, we could see the

Surge, Verge, Purge and Splurge.

- The Merge: **What you need to know**. A summary of main Q&A

Alt-coins, tokens and blockchain

- Arbitrum Nitro network upgrade has caused a strong decrease in costs, and consequently a strong increase in activity (+79% in five days). Despite this increase, gas consumption has been reduced by 48%.
- LG picks **Hedera** for TV NFTs
- **BNB Chain** announces zero-knowledge proof scaling technology
- **Aave** DAO votes to pay developers \$15m

Stablecoins

- **Thunder around DAI**, Maker DAO's stablecoin.
- Curve releases interface code for its new **crvUSD** stablecoin

CBDC

European Bank officials state **Digital Euro will focus on personal use**, not web3.

Mining

- How Ethereum **miners prepare for The Merge**. The example of Hive Blockchain (Canadian public company).
- **CleanSpark** to buy Mawson's Georgia mining facility, for \$42.5m. This will will CleanSpark's hash rate to 5.2 EH/s.
- **Argo Blockchain** mining margin narrows to 20% as natural gas prices soar

DeFi

- **DeFi vs CeFi lending**: before choosing, understand the challenges and risks. A basis paper on understanding pros and cons of each system.
- DeFi lending: **3 major risks to know** (Impermanent loss, Flash loan attacks, and rug pulls)

Gaming

- On July 20th, **Minecraft decided to ban NFTs** from the game. The decision was taken by Mojang, the owner of Minecraft, with the backing of its parent company, Microsoft. This created **many reactions**, and **ruined some players**, noticeably in the Philippines. **NFT Worlds**, an NFT implementation on Minecraft, stated they will develop their own game.

NFTs

- **August NFT data**: market is down, and gaming bots are there.
- New « **Royalty free** » **NFT platforms** are threatening artists revenues.
- NFT and metaverse **trademark applications for 2022** have already

eclipsed 2021's total

DAOs

- Will investment DAOs **decentralize venture capital**?
- Are DAOs the **business structures of the future** (a WEF paper from June 2022)

Business news

- **Google Cloud to validate transactions on Axie Infinity's** Ronin network. Google Cloud will be the 18th validator on Ronin.
- **Enthusiast Gaming partners with Coinbase** to build its web3 game offering.
- **Binance** stops supporting USDC (Circle), largest BUSD rival. It still supports USDT (Theter. Daniel Kuhn tries to analyse the **consequences** of this strategic move.
- **Binance** introduces Ether staking in US, at 6% p.a.
- **Bitpanda** adds commodities trading; users will be able to gain exposure to exchange-traded commodities (ETCs) via derivatives contracts.

Business news: M&A

- **FTX Ventures to take 30% stake in SkyBridge Capital.**
- **Bolt backs off Wyre deal.** What would have been the largest non SPAC crypto acquisition (\$1.5b) will not occur. This isn't the first major deal to go sideways in recent months. In August, Galaxy Digital's \$1.2 billion acquisition of digital asset platform Bitgo **fell through**.

Business news: investments

CB Insights Q2 2022 state of blockchain report gives interesting **infos on investment activity** (*access to the document may require free registration*):

- Blockchain funding in Q2 drop 29% QoQ to \$6.5b (and it hits its 15-month low in August, to \$1.8b). VC represent 28% of the total. Mega rounds (>\$100m) drop 54% to \$2.6b. Unicorn birth halved to 8 (vs 16 in Q1 2022).
- A funding shift went to Web3 startups (NFTs, gaming, DApp infrastructure), representing more than half of the investments. NFTs, gaming and metaverse still attracted 150 deals. Centralized exchanges and wallets are less funded.
- Europe was the only global region with growth in blockchain venture funding, at \$1.4b, tie with Asia, but behind US at 3.4b.
- M&A exits were 40+ for the fifth quarter in a row, while, not surprisingly, IPOs and SPACs slow down. Giant cryptos like Binance or FTX sought to acquire companies hurt by the crash, while trade companies such as Bolt, Robinhood and eBay were also active in crypto or NFT.

- #1 investor by company count was Animoca Brands, for the third quarter in a row, focused on NFTs, gaming and metaverse.
- So, finally, crypto winter may be a **good opportunity**?

Business news: companies fundraising

- \$300m for **Mysten Labs**, the developer of Sui Layer 1 blockchain. The Series B round values the company at \$2B, and was led by FTX Ventures, with participation from Binance Labs, Coinbase Ventures, a16z crypto, Jump Crypto, Circle Ventures, and other prominent VC heavyweights. Mysten Lab's main competitor are Aptos and Solana. Mysten Labs and Aptos have similar approaches and history.
- \$30m for **Community Labs**, a software development company and venture studio focused on data storage in the Arweave ecosystem. The investment round was led by Lightspeed Venture Partners. Among the other investors were Arweave, Bain Capital Crypto and Blockchain Capital.
- \$25.2m for **Revolving Games**, blockchain-based game development firm, in a \$12m pre-seed and \$13.2 seed rounds. Pantera Capital, Animoca Brands, Polygon, Dapper Labs and Dan Houser (Grand Theft Auto producer) participated in the seed funding round.
- \$25m for **21.co**, the parent firm of 21Shares, at a valuation of \$2b. 21 Shares offers 39 ETP on crypto, has \$650m in net assets, and is by now the largest Swiss unicorn 🇨🇭.
- \$5m for **Forward**, a DeFi platform developing a protocol for decentralized derivative trading that matches long and short positions. The round, led by Primestreet Capital, also featured participation from Ratanakorn Technology Group, GBV Capital and Varys Capital. This includes backing by the venture capital arms of some of Thailand's biggest banks — Kasikornbank and the Bank of Ayudhya.
- \$2.5m for **Rated Labs**, a Web3 infrastructure project.

Business news: investment funds

- Bloccelebrate is raising a **\$100m new fund, to invest in blockchain products** and services, in seed and Series A, as well as token investments.
- Cooper Turley, crypto influencer, creates a **\$10m fund to invest in artists** and startup founders bringing crypto and music together.

Business news: people

- **Pantera Capital's exodus** broader than previously reported
- Laura Mercurio, former BlackRock director, joins **Blockchain Australia** as CEO. Blockchain Australia is the nation's industry body advocating for appropriate regulation and policy.

Regulation

- **Belgium has the highest tax level for crypto**; Iceland, Israel, the Philippines and Japan are also in the top 5, according to a Coincub report. Crypto-tax friendly countries include Italy, Switzerland, Singapore and Slovenia. The most friendly of all is Germany 🇩🇪. Who said EU 🤔?
- US FED leader pushes Congress for **legislation on stablecoins**
- White House report proposes **possible restrictions on proof-of-work crypto mining**
- **U.S. doubles down on crypto regulations**, as industry pushes back, including a **Coinbase** funded lawsuit seeking to overturn Tornado Cash sanctions
- **Thai SEC** files police complaint against crypto exchange Zipmex, for default sharing of transactional info.
- New **French** bill could give authorities powers to seize crypto assets. The country joins the U.K; in seeking to ensure authorities can get their hands on crypto linked to criminal activities.
- **Bank of Russia** agrees to legalize crypto for cross-border payments
- **Liz Truss** in favour of cryptocurrencies
- **Nigeria** plans to create a free zone with Binance

Scam and scam fighting

- Attacker scoops \$370,000 profit in \$51 million **flash loan arbitrage on Avalanche**
- Chainalysis and US law enforcement **recover \$30 million** from North Korea-linked Ronin exploit

From July 11th to September 4th (condensed)

I interrupted the weekly newsletter this summer, for various reasons. I now try to summarise main events. Consequently, the format will be somewhat different. Hope to restart weekly newsletter next week.

After a long (vacation) summer, let's take a look at main events.

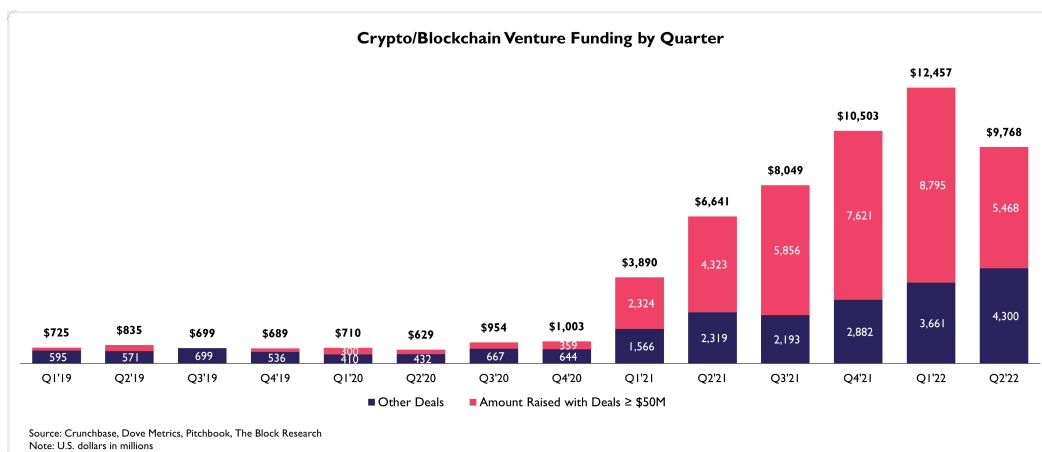
You remember, we left crypto rather in a turmoil, with at least three major players filed for bankruptcy. **Three Arrows Capital** (3AC), an investment fund, with around \$3.5b in debt; **Voyager Digital**, centralised exchange and lending platform; and **Celsius**, lending platform, with a balance sheet hole above \$1b. Various bailout proposals have been made during the summer, but the situation is still unchanged. There are other cases, but these are the mains.

It seems that the sector is now in a « post-crisis » situation. Having **rebound in July**, up to a total market cap near \$1.5b, crypto markets have more or less followed equities after Powell declaration on August 26th, **down under \$1b**. **Lessons from previous bubbles** might be applied and some **survivors might well become leaders**. It is also time for new positive forecast, such as **BTC at \$120k**

in 2023, of GameFi (P2E) industry to \$2.8b in six years or NFT market to \$231b in 2030.

A special situation needs to be mentioned. This is the Ethereum case. Ethereum will finally make its transition from Proof-of-Work (PoW) (energy consuming process) to Proof-of-Stake (PoS) probably on September 14th or 15th. The event is called « The Merge » and creates a great interest around the currency. Ethereum futures have even surpassed Bitcoin's.

On the investment side, S1 2022 has seen more investments than in whole 2021, although Q2 has shown a decrease (probably some delay in investment cycles). What is more interesting is that there has been no decrease for « small » projects (under \$50m), as shown in the graph below. It is also interesting to note that, while centralised finance has taken the largest part of the investment, and DeFi has strongly decreased, probably a sign of mistrust, gaming and NFTs have still taken a good share of the investments (although it is worth mentioning Minecraft's NFT ban).

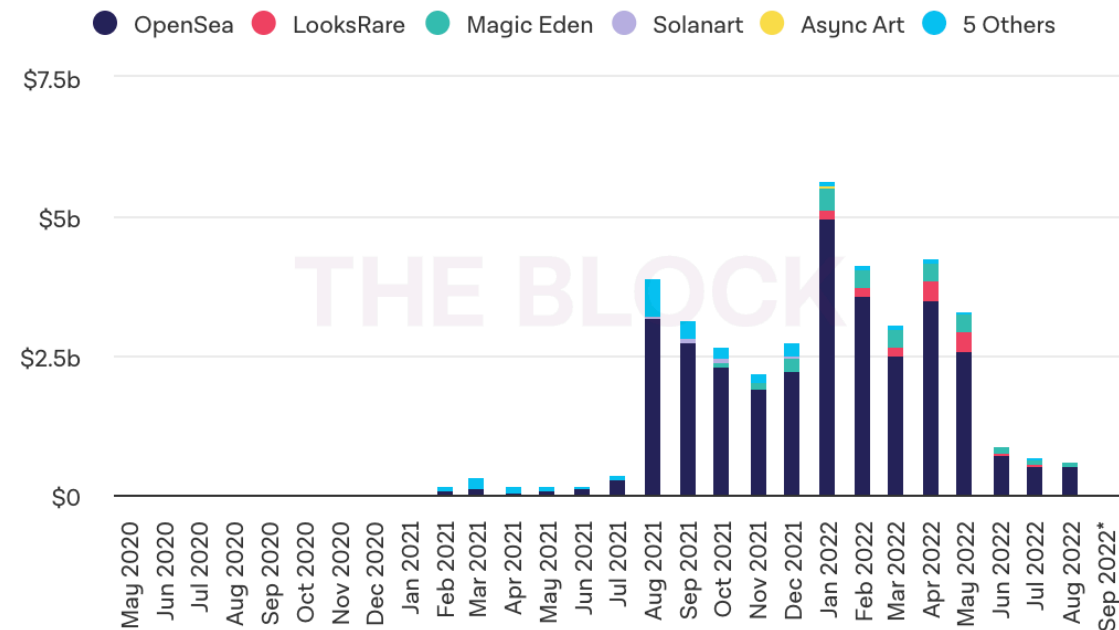


I have left aside the long list of fundraising projects, but it will come back next week.

NFT market has been strongly hit, probably due to high overvaluation in the beginning of the year, but investors still believe there are opportunities in this field.



NFT Marketplace Monthly Volume



SOURCES: CRYPTOART, CRYPTOSLAM, THE BLOCK
UPDATED: SEP 5, 2022

ZOOM

ALL

YTD

12M

Chart embedded from [The Block Crypto Data](#).

Finally, we can mention the **Tornado Cash** case. Tornado is a « crypto mixer », allowing users to hide the funds originating address. On August 8th, under suspicion of terrorist usage, US Treasury issued a usage ban for all US citizens, **raising protests** on the sake of anonymity and freedom.

From July 4th to July 10th

Summary (*links are an extract of links below*)

Liquidity and insolvency crisis, next steps

- Celsius
 - **Tether** says it liquidated Celsius loan without incurring any loss
 - **Celsius moved 25'000 wBTC** (\$529m) to FTX (on Friday), and withdrew **6'083 wBTC from Aave** on Monday 11th . It also paid off its remaining \$41.2m of debt to **Maker protocol** (from an initial \$120m debt), and \$78m to Aave. At this time, it still owes \$72m to Aave and \$50m to Compound.
- 3AC
 - On July 5th, **Voyager Digital filed for bankruptcy**. Voyager's Chapter 11 bankruptcy filing **indicated** that it is on the hook for

anywhere from \$1 billion to \$10 billion in assets to more than 100,000 creditors. **Customers are offered a combination** of crypto, proceeds for the 3AC recovery, common shares and Voyager tokens.

- On July 12th, bankruptcy court judge gives green light to serve **subpoenas to 3AC founders** for discovery
- Other
 - On July 4th, **Vauld**, Singapore-based crypto lender, has suspended withdrawals.
 - On July 5th, term sheet with Nexo
 - On July 11th, Vauld issued a letter to its creditors and disclosed an overall **shortfall of around \$70m** (assets worth \$330m and liabilities to \$400m). The firm said the main contributing factors for the shortfall are mark-to-market losses on bitcoin (BTC), ether (ETH) and Polygon (MATIC) trades as well as exposure to the collapsed algorithmic stablecoin terraUSD (UST)
 - On July 6th, the Spanish crypto exchange **2gether suddenly shut down**, affecting about 100'000 users. This seems to be definitive, but it is not yet clear whether users will be able to recoup their funds, partially or totally.
 - **CoinFLEX** plans to raise capital from new investors, to cover a \$84m losses from clients default.
 - **BlockFi carefully considers GBTC** (Grayscale Bitcoin Investment Trust) as collateral, and has unwound its positions. GBTC discount to NAV recently dropped to -34%.

Innovation

Polygon announces web3 phone project

Markets

- July 8th: Celsius **moved 25'000 wBTC to FTX**; this triggered some concern of possible dump
- July 12th: Bitcoin price **bottoms indicator is flashing**

Glassnode considers that Bitcoin 'tourists' have been purged, and **only hodlers remain**.

Bloomberg analyst tips **bullish BTC recovery in the next six months**.

Ethereum

Vitalik Buterin responds to PoS critics amid upcoming Merge

Mining

- Sam Bankman-Fried considers **miner acquisitions**.
- **Compass Mining** cuts staff by 15%, reduces salaries for senior employees.

DeFi

Although all others have seen a strong decline in revenues in June, Uniswap has seen an increase in revenue in June. Its market share among DEX has increased to 57%, and its TVL is now close to the largest, Curve, at around \$5b. Curve has seen a dramatic drop in TVL in May, while Uniswap's has maintained

Business news

Business news: M&A

- **Coinshares acquires French Napoleon Asset Management.** It previously acquired Napoleon SAS in October 2021 for €13.9m. The acquisition has been authorised by French AMF, and allows Coinshares to offer AIFM-compliant products and services across the European Union, in addition to being a major issuer of crypto exchange-traded products in Europe.
- Justin Sun, the creator of the Tron blockchain ecosystem, said he's ready to join FTX's Sam Bankman-Fried and Binance's Changpeng Zhao in offering support to ailing crypto firms — and could **spend up to \$5 billion on acquisitions.**

Business news: companies fundraising

- **\$50m for Hidden Road**, which offers prime brokerage, clearing and financing services for both traditional and digital assets. Castle Island Ventures led the round which includes Citadel Securities, FTX Ventures, Uncorrelated Ventures, Greycroft, XBTO Humla Ventures, Wintermute, SLN Capital, Profluent Trading, Coinbase Ventures among others. Hidden Road hopes to solve "many of today's problems in credit intermediation and prime brokerage caused by legacy technology, archaic workflows and conflicts of interest." The firm's platform is "quantitatively-driven" and provides real-time risk management and "seamless credit across, products and asset classes."
- **€7.5m for Thalex**, crypto options and futures exchange. Among the participants were Bitfinex, Bitstamp, Flow Traders, IMC, QCP and Wintermute.
- **\$4m for DeepNFTValue**, a startup providing value estimates for NFTs, using machine-learning techniques, based on attributions and transaction history. It currently applies to CryptoPunks, and expect to extend to Bored Apes, CloneX, Azuki, and ArtBlocks. The seed funding round was led by Rockaway Blockchain Fund, with 1Confirmation and Cygni Capital participating, among other unidentified investors.
- **\$3m for Tenderize**, DeFi staking derivatives protocol. Led by blockchain VC firm Eden Block, the round includes blockchain

infrastructure firm Figment, web3 angel collective Daedalus and digital asset investment firm TRGC.

- **\$2m for Pennyworks**, a DeFi-based platform that claims to tame the turbulence of investing with a safe and stable experience. The round was led by Hi2 Global, with participation of business angels.

Business news: investment funds

Venture capital firm Lightspeed announced today that it had secured over **\$7 billion in capital to be invested across four new funds aimed at "early-stage entrepreneurs across the globe"**

Multicoon Capital raised a **\$430m fund to invest in startups** (early and later stages) that would increase web3's adoption. The fund closed in January 2022 and was raised in Q4 2021.

Business news: People

Despite crypto ban, **China's tech talent** rides the global web3 wave

Regulation

CFTC charges South African pool operator Mirror Trading with \$1.7 Billion fraud involving Bitcoin

The **FSB** will submit a report to the G20 Finance ministers in October, calling for new global rules for cryptocurrencies.

Reuters said **Binance continued Iranian operations** despite US ban after 2018. Binance claims to be « fully compliant with all international financial sanctions ».

Scam and scam fighting

- PennyWise, **a new malware**, spreads through YouTube, via an invitation to download free software. It then steals data from crypto wallets, browser crypto-extensions...
- How a **fake job offer** took down the world's most popular crypto game. Hackers managed to infiltrate Ronin's system via a spyware downloaded in a PDF file.

From June 27th to July 3d

Summary (*links are an extract of links below*)

Deeper and deeper in the crisis.

*This week, **3AC filed for bankruptcy**. In the past, 3AC has had up to \$10b AUM,. This is the result of over-leveraging in a bear market, a process that some called **Ponzi scheme** (« 3AC founders were "using borrowed funds to repay interest on loans issued by lenders, while 'cooking their books' to show massive returns on capital". »). Still, JPMorgan thinks the **de-leveraging cycle won't be***

long, because well capitalised big names, such as FTX and Binance stepped in. And this causes M&A moves, such as FTX deal with BlockFi (BlockFi, which raised last year at a valuation of \$3b, may be acquired by FTX for \$240m, and a credit line of \$400m).

Celsius, the lending platform is also in troubles; its lawyers are pushing for bankruptcy, while the management is still searching for a solution. For some observers, this is the result of opaque platforms and intertwined protocols. Having studied a possible takeover, FTX went away. It is said that Celsius balance sheet hole is \$2b.

On a completely different topic, Decentralised Autonomous Organisations (DAOs) are still searching the right governance. Theoretically governed by their members, a report from Chainalysis shows that many big DAOs are in the hands of less than 1% of their holders. Maybe the biggest one, MakerDAO, is in search for an effective governance.

And, despite the depressed ambiance, companies are successfully raising funds. A good example is the \$53m fundraising of Kaiko, French blockchain analytics, in a Series B led by Eight Roads. The firm offers institutions such as Deutsche Borse data from exchanges. Valuation has not been disclosed, but it triples from previous \$24m Series A in June 2021. Created in 2014 by Pascal Gauthier, and bought by Ambre Soubiran in 2017, it then raised \$1.5m and had a \$5m seed round in 2019.

Much, much more below...

Liquidity and insolvency crisis, next steps

- Celsius
 - Celsius seeks show of client support as lawyers push for Chapter 11 bankruptcy
 - FTX walked away from a deal with Celsius after seeing state of its finances. Celsius has a \$2b hole in its balance sheet.
 - A shareholder of Celsius, owning 5%, calls for a shareholder meeting with three restructuring proposals.
- 3AC
 - On June 27Th, Voyager Digital issues default notice to 3AC
 - On June 29th, BVI court ordered liquidation of 3AC.
 - On July 1st 3AC filed for bankruptcy in a New York court
 - Genesis faces potential nine figures losses due to its exposure in 3AC and Babel Finance. Genesis originated over \$44b in loans in Q1 2022. Genesis is owned by DCG, which is likely to help its subsidiary.
 - Morgan Creek Digital is trying to raise \$250m from investors to

purchase a majority stake in BlockFi, currently supported by a \$250m credit line from FTX, which may include an option to nearly wipe out existing BlockFi investors (BlockFi claimed this is speculative assumption). Still FTX tries to buy a stake in BlockFi, and has concluded an option to buy BlockFi at a price of \$240m, with a credit line now to \$400m.

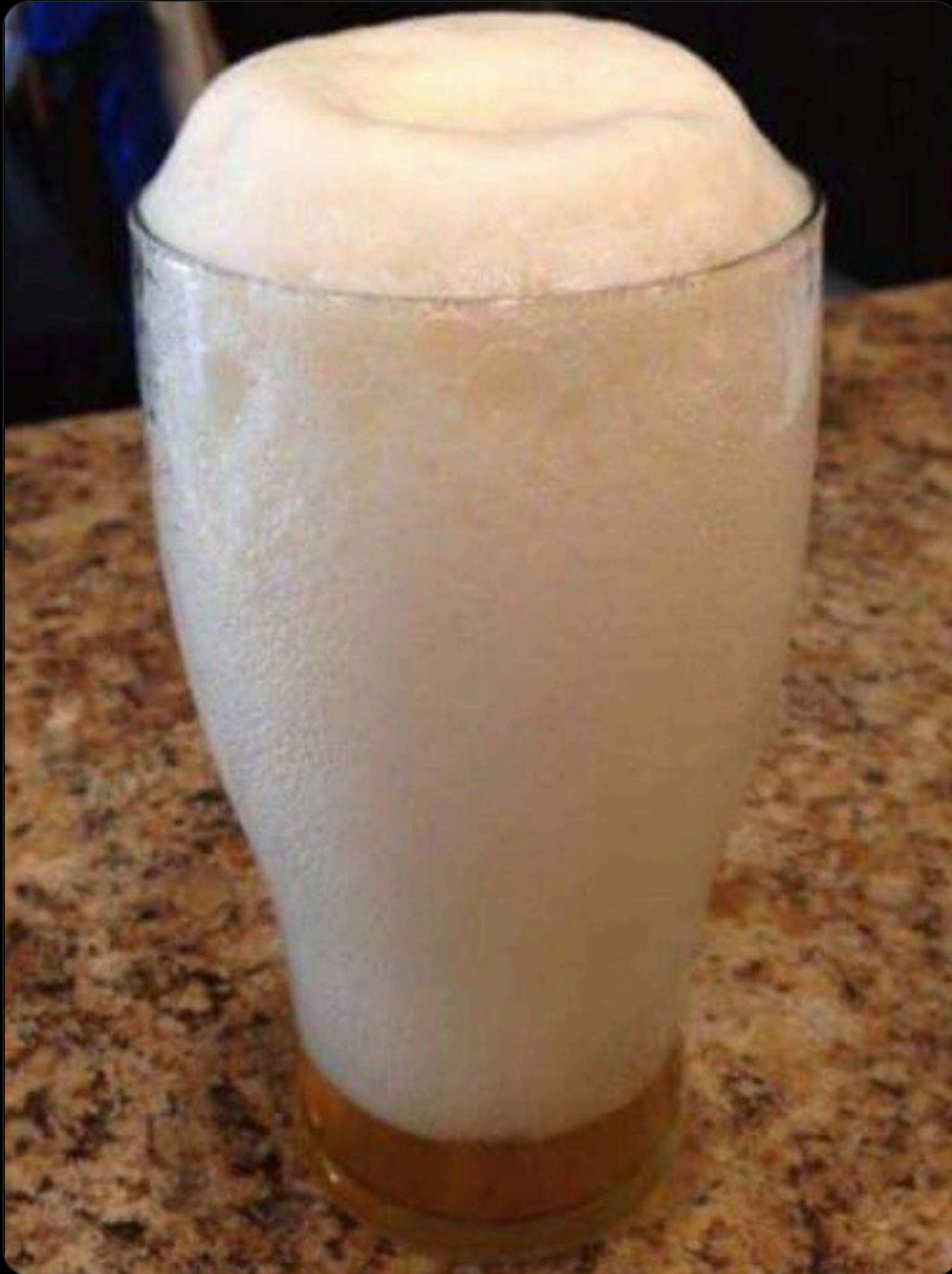
- A research firm, FSInsight accuses 3AC of running a 'Madoff-style Ponzi scheme'. They say that 3AC founders were "using borrowed funds to repay interest on loans issued by lenders, while 'cooking their books' to show massive returns on capital".
- Singapore central bank censures 3AC for alleged misleading and false disclosures
- On Friday, Voyager Digital has halted trading and withdrawals.



theweeknd.eth
@LilMoonLambo

...

If 3AC was a beer



- Solend
 - **Binance** was the one who woke up the sleeping whale that did not respond to Solend calls to contain margin call on \$107m loan.
- Other
 - **CoinFLEX** sets \$47m token sale to save itself from sinking whale
 - **BabelFinance** looking to hire restructuring specialist Houlihan Lokey
- Reactions
 - **Opaque platforms and intertwined protocols**
 - JPMorgan says the **deleveraging cycle won't be long**, because big

and well capitalized firms are stepping in and because of the healthy pace of VC funding.

- Citigroup flags **crypto-backed real estate mortgages**

Markets

- June 27th:
 - **Bitcoin under \$21k**; exchanges see record outflow trend
 - **DOGE could rally 20%** in July, following a bump-and-run-reversal
- June 28th: Speculation fuels **SHIB and DOGE to biggest 7-day gains**
- June 30th:
 - **BTC under \$20k**; Bitcoin worst monthly losses since 2011, with **37.3% losses**
 - **ETH \$1k** price support in danger
- July 1st:
 - LEO (Unus Sed Leo) is **up 52% YTD**, with a market cap above \$5b (15th from all tokens)
 - Deutsche Bank analysts see **BTC at \$28k** by December 2022, in correlation with equity markets.

Why **self-custody is key** during bear crisis.

Why a **Bitcoin allocation makes sense** even in a bear market

Ethereum

- **Axie Infinity** reopens Ronin Ethereum bridge.
- Ethereum finishes Gray Glacier hard fork to **push the 'difficulty bomb' to September**. This is a mechanism to disincentive miners from forking the chain into remaining in Proof-of-Work after its move to Proof-of-stake
- **Lido voters reject limiting growth** aiming to secure Ethereum. Lido nodes may possibly coordinate an attack on Ethereum, especially if they get to own more than half of Staked Ether. They currently hold a third.

Altcoins, token, protocols and blockchain

- **Arbitrum** pauses Odyssey as gas prices spike
- **Polkadot** to move from a centralised governance to decentralisation
- **Optimism's** TVL doubles as trading activity surges on Layer 2s
- After nearly 8 years of XRP dumping, former Ripple co-founder Jed McCaleb has nearly finished selling his initial **9 billions of XRP**.

Stablecoins

- Hedge funds are **shorting Tether** (USDT) for hundreds of millions.
- **Theter is cutting its commercial paper holdings**. From \$20b in May to \$8.5b beginning of July, it aims at \$3.5b at the end of the month.
- Circle (USDC) has announced New York Community Bank will served as secondary custodian for a share of its reserves (the primary being

BNY Mellon). The partnership is part of **Circle's push** to include underrepresented financial institutions in the digital asset market and allocate a share of its reserves in minority-owned depository institutions.

- Maker DAO may allocate **\$500m of DAI treasury funds to US Treasury bills**

Mining

- **Compass Mining** CEO and CFO have resigned. Compass Mining is a services provider that operates bitcoin mines around the world and sells hashrate to retail customers on its website.
- At the same time, **Luxor**, bitcoin mining software and service provider, launches hosting marketplace for bitcoin miners
- **Miners owe up to \$4b in debt**, backed by mining computers. Facing decreasing revenues and margin calls, they first sell their bitcoin holdings, and may have to sell their machines.
- DA Davidson thinks it's the **right time to buy mining stocks**
- Ethereum **mining revenues are down 45%** in June to \$508m. Bitcoin miners made 1.26 more than their colleagues, reversing a trend from April 2021 (in May the amounts were equivalent for both tokens).

DeFi

- **THORWallet**, a self-managed wallet, started permitting customers to make \$100,000 worth of annual transfers without further KYC
- **Hxro** is testing derivatives trading platform on Solana

NFTs

- Meta is testing **NFTs integration in Facebook**. NFTs could be used for profile images.
- Trading volume on non-fungible token (NFT) marketplaces have fallen from \$16.6 billion in January to over \$1 billion in June of this year, a **94% decrease in monthly trading volume**, showing the impact of the bear market on NFTs. Floor prices for the prominent projects as BAYC have fallen 30%, less than the crypto currencies market though.

DAOs

- MakerDAO, fully decentralised since June 2021, is searching a way to enable fast growth, through **three bold governance proposals**. Although the three have been rejected by members, it showed great community involvement.
- Chainalysis analysed ten major DAOs governance. Conclusions are surprising. In ten DAOs, less than **1% of all holders have 90% of voting power**. The very interesting study gives useful infos on DAOs governance, sectors, treasury, or contributors. It also gives two examples.

- After being fired from Wonderland as treasurer by a vote in January, Michael Patron, alias Sifu, returned in Wonderland in June, and convinced the DAO to invest \$25m in its own Sifu's vision, which has been decided through a vote.

Business news

- **Coinbase** stock downgraded to 'sell' by Goldman Sachs.
- Australian exchange **Banxa** cuts 70 jobs, 30% of staff. Banxa is quoted on Toronto TSX, code BNXA; share price fall 60% YTD.
- **Huobi** may cut off 30% of workforce (around 300 people).
- **Bybit** to offer futures contracts settled in USDC.
- **Anchorage Digital**, crypto custody firm, to introduce Ether staking for institutions
- **Geometry** is a new research and investment firm with a focus on cryptography. Launched beginning 2022, with backing from billionaire Alan Howard, it has already led a \$4m investment in Ingonyama, a zero-knowledge semiconductor company based in Israel, and also led the \$2 million seed financing round of Soap Labs, a company bringing cross-venue liquidity to the non-fungible token (NFT) market. The firm has also participated in blockchain interoperability firm Socket, the seed round of Risc0, the general-purpose zkVM powered by STARKs, and formed a strategic arrangement with Matchbox DAO, a new Web3-native gaming incubator to use Geometry's cryptographic libraries.
- **Starkware** partners with Consensys to integrate ZK-rollups in Metamask and Infura. The first step will be experimental. StarkWare raised \$100 million at an \$8 billion valuation in May.
- **Nansen analytics** to track NFTs data on Solana

Business news: M&A

- **FTX is seeking a path to buy Robinhood.** The stock surged.

Business news: companies fundraising

- **\$200m for Unizen**, centralised-decentralised exchange, in a commitment form Global Emerging Markets (alternative investment group). The commitment is milestone-based and performance-related. Unizen develops a trade aggregation system between centralised and decentralised exchanges.
- **\$53m for Kaiko**, Paris-based blockchain analytics firm. The round was led by early Alibaba (BABA) backer Eight Roads. Investors include the growth equity investment fund Revaia, French venture capital (VC) firm Alven, Berlin-based VC Point9, fintech investment firm Anthemis and VC Underscore.
- **\$53m for Polysign**, fintech firm, with participation from Cowen Digital, Brevan Howard, GSR and others. PolySign provides institutional grade

infrastructure for investors through its subsidiary Standard Custody & Trust Company, as well as fund administration via MG Stover, a firm that PolySign **recently acquired**.

- **\$17m for Zigazoo**, a kid-safe social network, having recently launched an NFTs collection. The round was led by Liberty City Ventures. Among other participants in the funding for Miami-based Zigazoo included Causeway (company partners include the owners of the Boston Celtics and San Francisco 49ers), the National Basketball Association, Dapper Labs, OneFootball, Medici VC, Animoca Brands and Lightspeed Venture Partners.
- **\$7.5m for Dynamic**, web3 authentication startup. The round was led by a16z. Other investors in the round included Castle Island Ventures, Solana Ventures, Circle Ventures, Breyer Capital, Hypersphere and Chapter One.
- **\$6m for MoHash**, DeFi crypto lending protocol. The round was led by Sequoia Capital India and Quona Capital. Jump Crypto, Hashed Ventures, Coinbase Ventures, Ledger Prime and CoinSwitch also participated in the round.
- **\$4m for Azuro**, a DAO building a protocol for blockchain-based sports betting. Hypersphere, Gnosis, Merit Circle, Quiet Capital and Formless Capital were all participants in the round. The ultimate goal of the project is to replace traditional bookmakers like sportsbooks to disrupt the \$200 billion betting industry.

Business news: investment funds

Accelerate Financial launches **an NFTs fund**, with plans to own a mix of « blue chip » NFTs, including CryptoPunks and Bored Ape Yacht Club collections.

Business news: investments

How companies and institutions are **investing in crypto**

Charities

FTT DAO collected \$7m to fund community-led projects in DeFi and crypto education. FTT is the native token of FTX, Sam Bankman-Fried's exchange.

Crypto adoption: countries

Catalonia is building its own metaverse, hoping to make Barcelona a digital hub.

Regulation

- **MiCA EU crypto directive** adopted by the EU parliament commission, with a deal between parties. Major points include stablecoins regulation, customer protection, insider trading, and places crypto-asset service providers (CASPs) under the control of the European Securities and Markets Authority (ESMA). The project, although not published, is already **debated**.
- The SEC rejected Grayscale's application for transforming the Bitcoin

Trust into a spot ETF. [Grayscale sued the SEC](#).

- The [Basel committee](#) proposes to cap bank's digital asset holding to 1%.
- [MEV](#) in the cursor of BIS.

Scam and scam fighting

- [The Lazarus group](#), North Korean hacking syndicate has been identified as the primary suspect in the \$100m steal from Harmony.
- [Ankr gateway suffered DNS attack](#). Gateways attacked were for Polygon and Fantom.
- [OpenSea](#) suffered a data breach including email addresses, increasing the risk for phishing attempts.
- Data shows [TradFi](#) remains the channel of choice for dirty money
- The DOJ released charges for four cases in which investors had been misled, including possible [prison sentences of 40 years or more](#).

From June 20th to June 26th

Summary (links are an extract of links below)

This week is following the previous one, in a still bear market, showing liquidity risks with leveraged positions. However, the leverage is now more intricated between actors, with possible chain reaction.

This is clear in the number of firms either mentioning difficulties or restraining conditions. Last week difficulties stem from [Celsius](#) and [3AC](#), causing [Finblox](#) and [Babel Finance](#) to restrain withdrawals (see last week). This week, we shall add [Voyager Digital](#), [Kyber Network](#), [BlockFi](#), [Coinflex](#), [Maple Finance](#), [Bancor](#) and [Solend](#) to the now long and impressive list, some being related to Celsius or 3AC, some having their own problems. Some have already reacted, as seen with teaming up of Solend with [Mango Markets](#). Some have already received bailouts. And major actors such as Binance or FTX or Sam Bankman-Fried related organisations, have already step up to save some of the organisations, either through [bailouts](#) (SBF owned Alameda Research has helped Voyager), or by [take over](#) (FTX has helped BlockFi, impacted by 3AC, and may [take a stake in it](#)). [Goldman Sachs](#) itself might be interested by Celsius assets.

Still, while the number of fundraisings seems decreasing, number of M&A seems increasing (see below), either with long planned move, such as [FTX taking over the equity clearing firm Embed](#), or possibly more opportunistic, and maybe more significant by the names than by the amount, such as the take over of the small NFT platform KnownOrigin by [eBay](#), or the take of stake in SuperRare DAO by [Gucci](#). A special mention to the acquisition of the NFT marketplace aggregator [Genie by Uniswap](#), the leading decentralised exchange platform (with a marketshare near 50%). The move is interesting, in that it

reveals the will of Uniswap to extend its activity to NFTs, in a strategic move that proves its maturity.

Many informations on NFTs as well (as shown above or in the NFT section, but also in the fund-raising with a new unicorn with Magic Eden: launched 9 months ago, having raised a Series A in March, it now raised a \$130m Series B at a valuation of \$1.6b. The market isn't dead). See also the nice story of the Bored Ape, creating a \$4b business in 18 months.

Finally, PWC crypto hedge fund report 2022 shows that the market is more and more sophisticated, regulated, and still long-term confident.

Liquidity and insolvency crisis, next steps

- Celsius
 - Celsius was the first organisation to halt withdrawals under liquidity problems last week-end. Read an analysis on [how Celsius overheated](#), and how the crisis exposes [problems of liquidity in bear markets](#).
 - During the crisis, Celsius holders organise themselves to [catch short sellers](#)
 - [Goldman Sachs](#) is reportedly seeking to raise \$2b from investors to potentially buy Celsius' assets.
- 3AC
 - Crypto broker [Voyager received a \\$500m bailout](#) package from Alameda Research, after revealing its exposure to 3AC (around \$650m), causing a 60% share price decline. It also lowers daily withdrawal limits from \$25k to \$20k. Alameda Research is a quantitative trading firm owned by Sam Bankman Fried, FTX founder. Voyager gave [3AC until June 27 to cough up \\$658m](#), or being pushed into default.
 - [Kyber Network](#), a decentralised liquidity aggregator, reveals 3AC was managing a 'small' portion of its treasury. This is estimated to \$7.9m.
- Other
 - [BlockFi is struggling to survive](#). After trying to raise cash at a lowered valuation (at \$1b instead of last raise at \$5b valuation), it has now secured a \$250m bailout from FTX in line of credit. According to some observers, this development could help usher in new standards for transparency. Further information shows that [FTX prepares to take a stake in BlockFi](#).
 - [Babel Finance](#), having halted client withdrawals last week, announces it has reached « preliminary agreements » with major counterparts « on the repayment period of some debts ». It raised \$80m not later than last month, at a \$2b valuation.

- The crypto exchange **CoinFlex** halts withdrawals amid 'extreme market conditions'
- **Maple Finance** warns lenders about insufficient cash in pools. The company reports around \$1b in loans. It also reveals it provided \$10m in loans to Babel Finance.
- **Bancor** temporarily halted its 'impermanent loss' insurance feature, claiming an « ongoing » attack. This creates fear on solvability, and caused withdrawals.
- **Solend**, a decentralised protocol for lending and borrowing on Solana, considered that having 95% of its SOL deposits in the main pool in the hands of one single borrower may put the protocol at risk if SOL were to drop to \$22.3, causing a liquidation of at least 20% of the position. It initially tried to pass a resolution allowing it to take over the position, a proposal largely **criticised** and dropped. It finally was able to convince the 'whale' to move part of its debt (\$25m) to another lender, **Mango Markets**, in a move from Mango to save Solend.
- A interesting note on **bailouts and crypto leverage** on Binance blog

Innovation

Solana Labs is developing a **web3 mobile phone**, based on Android. Named 'Saga', it is expected early 2023 and shall include a web3 dapp, Solana Pay, a mobile wallet adapter and a seed vault to store private keys.

Opinion

- **Can you sue Celsius or Terra?**
- How financial advisors should **think about the crypto crash**

Markets

- Jun.20th:
 - **BTC recovers to 3-day highs**
 - ETH might have entered **bottoming out phase**
 - **Stablecoins market cap share to an ATH**, indicating oversold conditions and a possible rebound, according JPMorgan
- Jun.21st: **BTC taps 5-day highs**, lowering correlation with stocks; Shiba Inu leads altcoins gains
- Jun.22d: **Is \$17,600 really BTC price bottom?** \$2.25b options expiry by 24th.
- Jun.23d:
 - Altcoins outperformed BTC for a second day, with **Polygon's MATIC gaining 19%**, on introduction of improved privacy for DAOs
 - 'Foolish to deny **BTC can go under \$10k**
- Jun.24th:
 - **Bitcoin gives 'encouraging signs'**; ETH at \$1,200, SOL and XRP weekly returns near 30%

- Ripple (XRP) price rally near key level that last time triggers a 65% crash

TVL in DeFi doesn't follow ETH rebound, maybe sign of lack of trust.

Investors redeemed \$5.8m from short bitcoin funds last week 'suggesting negative sentiment is close to its peak'.

Purpose Bitcoin ETF lost half of its assets last Friday (June 17th), possibly contributing to BTC crash to \$17,600 on Saturday. The fund saw an outflow of 24,510 bitcoins on Friday, forcing it to sell about \$500m in BTC at Friday's price.

Bitcoin

Uganda's gold discovery: can it really help bitcoin?

Ethereum

Fearing Ethereum Proof-of-stake governance captation, Lido, the leading protocol, proposes amendments.

Altcoins, token and protocols

- Avalanche introduces Bitcoin bridge as part of its browser-based web3 wallet called Core.
- Hedera is a layer 1 protocol, with a unique Proof-of-Stake algorithm.
- THORChain went live on seven networks, after four years of development. It allows users to trade bitcoin for any other supported asset without the use of bridges or wrapped assets. The protocol currently supports swaps between seven major ecosystems: bitcoin, ether (ETH), binance coins (BNB), dogecoin (DOGE), litecoin (LTC), bitcoin cash (BCH) and rune (RUNE). Support for cosmos (ATOM) and avalanche (AVAX) is expected shortly

Blockchain

Indian banks are developing a PoC to tackle loan fraud using blockchain. It aims at preventing tampering with documents like letters of credit, by issuing digital versions of them. IBM, Corda Technologies and SettleMint are providing technological support for the project.

CBDC

- 90% of central banks are investigating the feasibility of CBDCs: BIS annual report.
- Jerome Powell says Fed plans recommendation to Congress on CBDC

Stablecoins

Theter is launching a British pound-pegged stablecoin.

Mining

- Miners have started to dump their bitcoin holdings
- Almost \$4b in miner loans coming under stress, Bloomberg says

- Bitcoin **mining difficulty falls by 2.35%**. Hash rate decreased by 2.6%
- Terra Pool, a **renewable energy Bitcoin mining pool** partnership between DMG and Argo Blockchain is open to the general public, under clean energy requirements. The pool claims a hash rate of 673.89 pH/s.
- Electricity consumption from mining has **decreased by up to 50%** from its high of 11 June.
- **Bitfarms** sold 3'000 BTC to pay down part of a \$200 million loan to Galaxy Digital
- Aspen Creek Digital Corp., a new miner, has started an **on-site solar powered mining farm** in Colorado. A second one will be operational this summer in Texas.

Centralised Exchanges

Binance.US launches **zero-fee bitcoin trading**

DeFi

- **Convex liquidity at risk** when 27% of Total locked tokens will unlock on June 30th.
- Shall DeFi set **limits to borrowing** capacity, to prevent major withdrawals?
- **Uniswap tops Ethereum** on daily revenues
- Under concerns with stETH, Maker DAO wants to add **rETH as possible collateral for DAI**
- **Beefy Finance**: multi chain yield optimiser
- How to build a **100x crypto business** in DeFi

NFTs

- How to create **a \$4b business in less than 18 months**. The Bored Ape saga and unique community.
- NFT-loving rap legends **Snoop Dogg and Eminem** have today released a music video featuring animated versions of their Bored Ape Yacht Club (BAYC) avatars
- The **National Hockey League** signed a partnership agreement with the NFT platform Sweet to start a digital collectible marketplace.
- Deviant Art, the leading art platform is launching a protocol to **fight NFT piracy**.
- A savage **journey into NFT land**: an odyssey through NFT.NYC.

Metaverse

- The newly created **Metaverse Standards Forum**, between 170 organisations, wants to accelerate the adoption of blanket rules for the online space. Its founding members include Meta, Microsoft, Sony, Alibaba, Huawei, Epic Games and many other (including Ikea), but does not include Decentraland and Sandbox.

- **Time Magazine partners with The Sandbox** to rebuild NYC in Metaverse.

Business news

- Moody's **downgrades Coinbase's debt** from Ba2 to Ba3.
- **Binance**, has announced the launch of Binance Institutional, a new suite of trading services aimed at institutions, crypto platforms, family offices, high-net worth individuals, crypto miners, asset managers and hedge funds.
- **Coinbase Derivatives Exchange** (FairX) will launch its first listed crypto derivatives product (Nano Bitcoin futures) on June 27. Initially, BIT futures will be available for trading via several leading broker intermediaries, including retail brokers EdgeClear, Ironbeam, NinjaTrader, Optimus Futures, Stage 5 and Tradovate, and clearing firms ABN AMRO, ADMIS, Advantage Futures, ED&F Man, Ironbeam and Wedbush.
- Singapore-based crypto exchange **Bitget** plans to double workforce (from 450 currently to 1'000 at the end of 2022), at a time where Coinbase and Gemini decrease staff. It said its derivative volume grew tenfold in the last 12 months. It ranks n°7 in Coingecko's list of derivatives exchanges, with daily traded volume around \$5b (without obvious growth on Coingecko's stats, contrary to company claims).
- **KPMG** is stepping into the metaverse by opening a collaboration hub between its US and Canadian units.
- Blockchain payments firm **Roxe** will list on Nasdaq through a combination with SPAC Goldenstone Acquisition.
- Citibank chooses Swiss firm **Metaco** for digital asset custody.
- **Deloitte and NYDIG** formed a strategic alliance to help businesses incorporate digital assets into their operations.
- **Kaiko** to provide Deutsche Börse with crypto market data.
- **Bitpanda** expands into Spain. The Austria-based exchange is already registered in France, Italy and Sweden.

Business news: M&A

- **eBay acquires KnownOrigin**, an NFT marketplace. Last month, eBay released its debut collection of NFTs. KnownOrigin was founded in 2018, and raised \$4.3m in February 2022.
- **FTX US acquires Embed Financial**, equities clearing startup. FTX was already using Embed Financial to offer stocks to its customers. Valuation and size have not been disclosed. Last Embed fund-raising valuation was \$120m. In January, FTX raised \$400m. Embed is the third acquisition of FTX US, after LedgerX (crypto exchange) in August 2021, and Good Luck Games in March this year.
- **FTX is considering taking a stake in BlockFi**, the crypto lender struggling to survive (see above) as reported by WSJ.

- **Uniswap acquires Genie**, NFT marketplace aggregator. Uniswap is the leading decentralised exchange, with a market share near 50%. The move is interesting, in that it reveals the will of Uniswap to extend its activity to NFTs, in a strategic move that proves its maturity.
- **Gucci enters SuperRare DAO governance** acquiring 150'000 \$RARE tokens, worth \$31k. The buy-in was part of the brand's larger vision for its "Vault Art Space."
- Amid market downturns, **Binance** receives numerous deal proposals, and is 'actively looking for ways to help struggling crypto companies, either through loans, minority investments or majority acquisitions'.

Business news: companies fundraising

- **\$150m for FalconX**, digital asset prime brokerage firm, at a valuation of \$8b. GIC and B Capital led the round. Additional investors included Thoma Bravo, Wellington Management, Adams Street Partners and Tiger Global Management.
- **\$130m for Magic Eden**, an NFT marketplace, at a \$1.6b valuation. Electric Capital and Greenock Partners co-led the round, with participants including Lightspeed Venture Partners, Paradigm and Sequoia Capital. Magic Eden has been launched 9 months ago, and closed its \$27m Series A in March.
- **\$107m for Prime Trust**, crypto infrastructure company, offering products to retirement investors and more, and eyeing tokenised assets.
- **\$23m for Cryptoys**, digital toy platform, from a16z, Dapper Labs and Mattel.

Business news: investment tools

- **PWC crypto hedge fund report 2022** highlights market growth, as well as growing sophistication and regulation
- Proshares announces a new **ETF to short the Bitcoin**. It had been the first to issue on the US market an ETF long on Bitcoin in October 2021, which scored \$1b in its first day of trading.

Business news : people

- Noah Davis moves **from Christie's to Yuga Labs**, in a move aiming at reviving Crypto Punks brand.
- Star music producer Pharell Williams joins the NFT project **Doodles as Chief Brand Officer**
- **Cristiano Ronaldo** has signed a multi-year partnership with Binance to launch a series of NFT collections

Crypto adoption: companies

Salvatore Ferragamo installs NFT booth in NYC

Regulation

- Ontario regulator fines Bybit and bars Kucoin
- China's WeChat bans crypto and NFT-related accounts
- US crypto enforcement actions have issued more than \$3.3b in penalties since 2009

Scam and scam fighting

Harmony exploited for \$100m, via its Horizon bridge.

Chainalysis launches 24/7 hotline for crypto crime victims

From June 14th to June 19th

Summary (links are an extract of links below)

This week may be remembered as one of the most frightening week of crypto history, as main finance fear appeared: the default risk, in at least two major players (somehow correlated), a possible consequence (and cause) of the sliding market (with bitcoin under \$20'000 and Ethereum under \$1'000) and of the Luna crash.

Credit risk appeared in a possible « bank run » on Celsius, a major staking and lending platform, with \$11.8b AUM and 1.7 million users. Users are lending money to institutions such as Celsius, expecting yields as high as 18% p.a., and the platform is then lending money to borrowers. Probably under client withdrawals pressure, Celsius decided on Monday 13th to pause withdrawals. This caused chained events, such as Finblox or Babel Finance deciding to restrain or block withdrawals or MakerDAO (DAI stablecoin issuer) deciding to freeze Aave's possibility of direct borrowing of DAI. Indeed, one of the underlying reasons for Celsius liquidity troubles lies with « staked ETH » (stETH), from Lido finance. stETH is related to the future Proof-of-stake transition of Ethereum (now planned to August 2022); indeed, assets locked in stETH are illiquid until the transition (so called The Merge). However, the main stETH pool is almost empty (in the Curve platform) (down from \$4.2b to \$0.6b), and heavily imbalanced (five times as many stETH as Ether).

Three Arrows Capital (3AC) is one of the main lenders for Curve's stETH pool. 3AC had been heavily impacted by Luna crash. Using leverage, it borrowed money using holder assets, such as stETH for collaterals. However, under sliding markets, the value of collaterals are diminishing, creating request from lending institutions to add further collaterals or being liquidated. On Wednesday, \$400 million of 3AC positions went liquidated, creating an insolvency fear for the \$10b crypto hedge fund. 3AC is now struggling to survive.

Beside these frightening news, companies' fundraising (see below) is still active, although without huge operation this week. And if you are looking for

fresh ideas, you can give an eye to a list of **8 interesting projects** (also a way of seeing how DeFi may be innovative).

Much more below

Opinions

- **Crypto winter is here**. The weak will die, and the strong will eat their bones.
- Mark Cuban forecasts the **weakest crypto projects will disappear** in this crisis.

Innovation

8 interesting and promising projects, for investors, air droppers, job searchers or simply innovation interested readers

Luna crisis consequences

- Credit risk
 - On Monday 13th, **Celsius paused withdrawals**. Celsius is one of the main crypto staking and lending platform with \$11.8b in AUM and 1.7 million users. It also **moved \$247m** of wBTC from Aave to FTX, for unknown reasons. Users now **fear collateral liquidation**. Some firms claimed they **withdrew all their assets** from Celsius. While the firm hired **restructuring attorneys**, Texas and other **states open investigations**. Interestingly, a paper in 2020 already **warned about the risks with Celsius**.
 - Celsius is the largest holder of **interest bearing staked Ether (stETH)**. Due to liquidity pressure, stETH traded **8% under spot ether** and **stETH Curve pool is now almost empty**. Complicated exit for lenders. Alameda Research and 3AC among them.
 - On Wednesday, MakerDAO, the protocol behind the DAI stablecoin, voted to **freeze Aave's direct borrowing of DAI**. This is linked with Aave's risk due to its high exposure to stETH.
 - On Thursday, Finblox a crypto staking and yield generation platform, imposed a **\$1'500 monthly withdrawal limit**
 - Crypto lender **Babel Finance halts withdrawals** due to liquidity pressures
- Insolvency risk: Three Arrows Capital (3AC) crisis
 - Three Arrows Capital (3AC), a hug \$10b crypto fund, is now in **big troubles**
 - 3AC faces possible insolvency after **\$400m liquidations**.
 - 3AC **positions liquidated** by FTX, Deribit and BitMEX.
 - Some firms, reported as potentially heavily impacted by 3AC insolvency, distance themselves from 3AC. This concerns **dYdX, Avalanche and Defiance Capital** (which seems the most exposed)

- 3AC confirms important losses from Luna crash and **searches solution to survive**.
- **Starry Night**, an NFT fund affiliated with 3AC, disappeared from NFT platform SuperRare. It might have moved dozens of high-priced NFTs to sell them.

Markets

- June 13th:
 - **SOL and DOGE lead plunge**
 - Binance **resumed Bitcoin withdrawals**, that had been suspended for some hours amid extreme market volatility and BTC price slump.
 - **ETH crashes to \$950**
 - **El Salvador, MicroStrategy, Tesla and Block Inc.** saw their bitcoin holdings fall deeper into the red
- June 14th:
 - **Fear and Greed Index reached 8**, a level last seen in March 2020
 - More that **\$1b worth of assets liquidated**. \$202m of Aave's positions at risk should ETH fell below \$1'009
 - **Too early** to say bitcoin price has reclaimed key bear market support
- June 15th: FED announces biggest interest rate hike in 28 years. **Markets rallied**.
- June 16th: **DOGE and SOL** lead gains, after sliding earlier this week
- June 17th: BTC survived **without breaking \$20k**. \$14k considered as lowest target.
- June 18th: Bitcoin price falls **below \$20K** for first time since 2020, Ethereum dips under \$1K

Opinion: **sell the Ethereum Merge**

MEV extractors are making their profit out of the chaotic market.

Altcoins

Aave V3 was deployed on the Rosten Testnet, in a move to be ready for The Merge.

Stablecoins

- **Theter market cap is shrinking** (now \$70b), while Circle's is growing (\$55b).
- **Circle** announces euro-backed stablecoin.
- Still some waves on USDD (Tron's stablecoin). It's trading under 97 cents (instead of its peg at \$1). On Monday the Tron DAO Reserve **deployed \$2 billion** to fight short sellers. Tuesday it **added \$500 million more**. Wednesday **it withdrew \$125 million worth of TRX** from Binance. On Thursday it **withdrew \$180 million worth**. Seems « déjà vu ».

CBDC

- European Central (ECB) considers **digital euro should be capped at €1.5 trillion** (M1 is 11.5t €).
- Major banks urge **caution with European Union's CBDC** plans. The International Institute of Finance points out that a European CBDC might be useful for cross-border payments, but that it needs to be properly designed.

Mining

BitRiver to partner with Russian Gazpromneft for using flared-gas as energy sources. BitRiver has been set on US list of specially designated nationals for helping Russia.

CleanSpark acquires 1'800 miners, to add 252 PH/s to its capacity, taking advantage of the machine price slide.

DEX

DEX volume is falling under centralised exchanges'.

NFT

OpenSea is moving from the Wyvern protocol to its self-developed Seaport protocol, in a move to reduce gas fees.

The team behind GoblinTown unmasked themselves to be TruthLabs, whose previous collections include the Illuminati Collective and The 187. Floor price for the Illuminati went from 0,2 ETH to 0,7, and The 187 from 5 ETH to 14. Other prices were down, as well as the market volume.

DAOs

Merit Circle DAO members finally voted for 'canceling' Yield Guild Games \$175k investment in Merit Circle. The two parties found an agreement on the proceed.

Business news

- **Coinbase** lays off 1'100 employees (18% of workforce). JPMorgan cuts **Coinbase to Neutral** and slashed its price target from \$171 to \$68 ; shares slump to \$49
- Crypto lender **BlockFi** cuts staff by roughly 20%
- On the opposite, **Binance, Kraken and Polygon** accelerate hiring.
- **Huobi** expands its operations in New Zealand
- **Bitso** handled \$1b in crypto remittances between Mexico and the US for the first part of 2022, around 4% of total remittances.
- **Meta** partners with Balenciaga, Prada, and Thom Browne and launches digital fashion marketplace.
- **Nansen**, the data analytics platform, launches a crypto native messaging platform, supposed to resist growing acts and spam on Twitter and Discord. This platform is currently open solely to Nansen's paying users.

- **Goldman Sachs** executes its first trade of Ether-linked derivative.
- **BlockFi** fined more than \$900k by Iowa as part of a broader settlement with securities regulators across the US announced in February.
- Wells Fargo initiated coverage of **Silvergate Capital** stock with an « overweight » rating and a \$120 price target (twice the current price). According to the bank, « Much of the bear case is priced in at current levels, which makes for an attractive entry point ».

Business news: M&A

- **FTX to acquire Bitvo**, Alberta-based trading platform.
- **Nexo proposes Celsius buyout**, taking advantage of its rival difficulties

Business news: Companies fundraising

Crypto founders face **falling valuations**

- **\$46m for The Wildcard Alliance**, game studio, subsidiary of Playful Studios (led by Words of Friends co-founder Paul Bettner). The round was led by Paradigm, with participants including Griffin Gaming Partners, Polygon and venture capitalist Sabrina Hahn. Wildcard – the upcoming first game from the subsidiary – is a hybrid multiplayer online battle arena, real-time strategy and collectible card game on the Polygon blockchain.
- **\$26m for NFTPort**, Estonia-based NFT infrastructure startup. The round was co-led by Taavet+Sten and Atomico. Other investors in the round included Filecoin creator Protocol Labs, Polygon co-founder Jaynti Kanani and Polkadot co-founder Jutta Steiner, among others.
- **\$13m for Molecule**, a platform where medical research projects can receive funding via DAOs, in seed funding in a round led by Northpond Ventures (biotech VC). Other participants in the round included Backed VC, Shine Capital, Speedinvest and former Coinbase CTO Balaji Srinivasan. Molecule is part of a nascent movement called decentralized science (DeSci). This is the idea that instead of a science ecosystem that relies on centralized bodies of research and funding, funding for research can be crowdfunded and decentralized in terms of ownership.
- **\$11m for Atmos Labs**, to build a « play and earn » metaverse. Sfermion led the round. Alan Howard, Animoca Brands, Collab+Currency, FBG Capital, GSR, CoinGecko Ventures and Avocado Guild also participated, among several others.
- **\$10m.3m for ScienceMagic.Studios**, a company that creates and advises on NFTs and social tokens. Investors include Liberty City Ventures, Digital Currency Group (DCG), Coinbase Ventures, Noam Gottesman and Alan Howard.
- **\$7m for Kaleidoco**, AR company for the metaverse. Investors include Animoca Brands, GameFi Ventures, Gemini, Jane Street, Adit Ventures, Merit Circle, Nexo, HexTrust, SuperChain Capital, and The Seelig

Group.

- **\$5.8m for zCloak Network**, zero-knowledge proof startup. Participating investors included Coinbase Ventures (although not leading, a major participant), Bixin Ventures, Matrixport Ventures, DFG, Sancus Ventures, KuCoin Ventures, Sancto Capital, Hash Global and Jump Capital among others.
- **\$3.5m for SKNUPS**, digital fashion company. The contributions came from Redrice Ventures, Blue Wire Capital, and Adelpha. The company also announced a deal with Dolce and Gabbana, to introduce their styles into online games.
- **\$2m for Nume Crypto**, a new crypto payment processing startup, in pre-seed funding, led by Sequoia Capital India with participation from Beenext and Whiteboard Capital, as well as angel investors.

Business news: development funds

Immutable launches **\$500m development fund for web3 game adoption** in the Immutable ecosystem.

Alchemy launches **\$25m developer grant program** to support web3 developers and startups.

Crypto adoption: companies

- **Tag Heuer** rolls out NFT feature for some smartwatch models.
- **Lacoste** launches its NFT
- **AllianceBernstein** is working with Allfunds Blockchain to adapt its services to the blockchain ecosystem

Regulation

- Gary Gensler, SEC's chair, said that there's a **regulatory path forward for crypto lenders**.
- Elon Musk faces a **\$258b lawsuit** with claims on Dogecoin pumping.
- Opinion: A case for **technological neutrality** (« Same business, same risks, same rules »)?
- **US stablecoin law** may pass this year
- EU finance commissioner calls for speedy passage of **MICA directive**.

Scam and scam fighting

Inverse Finance **drained for \$1.2m** in a flash loan attack.

From June 7th to June 13th

Summary (links are an extract of links below)

I wish I had published this newsletter yesterday, so I wouldn't have had to comment on what is clearly a kind of a crash. On Monday 13th, crypto markets lost 14% in total market cap, now under \$1b (where it reached \$3b in November 2021) (vs 4% for the equity market). Since I am writing Tuesday

morning European time, there is no paper commenting yet. You'll have to wait a week or do your own research. On my side, I consider this is rather an opportunity, although it might have consequences, especially for fundraising (and maybe on lending as well).

ETH has lost 30% in a week, and now stand at \$1'225. This is especially surprising since the main **test towards 'The Merge' went successful**. The transition from energy consuming proof of work (PoW) to efficient proof of stake (PoS) shall take place in August. The intrinsic value of Ethereum seems increasing.

Many finance experts, such as Fidelity CEO Abby Johnson are **confident in the longterm with crypto currencies**. And many traditional **hedge funds either intend to invest in or increase** their digital assets exposure (see PWC report on crypto hedge funds).

And many big names are now moving onward. **Citadel Securities** is building a crypto trading market place (with Sequoia Capital and Paradigm as backers!). **JP Morgan** wants to bring trillions of dollars of tokenised assets to DeFi. **Mastercard** announces its clients may now buy NFTs without needing to first purchase cryptocurrencies. **American Express** launches a crypto reward card. **MoneyGram** is launching a crypto-to-cash service, remittance being possible in any MoneyGram shop (targeting first USA and Canada on one side, Kenya and the Philippines on the other side). **Paypal** adds new crypto services including transfers to other wallets.

On the fundraising side, while activity may slow down a bit, some are preparing for a **down round**. No big funds launch, beside **Huobi's** multi-billion fund.

Finally, to get some fresh air, let's look towards innovation, with Helium, creating **wireless networks with token incentivised node**.

Much, much more below, including DeFi, M&A, companies fundraising, regulation (see the 'Lummis-Gillibrand bill project that may **transform crypto regulation in the US**) and more.

Opinions

Katherine Dee (Default Friend)'s interview on **pseudonymity**.

Innovations (this is rather a section for news that do not fit in any other..)
Helium, a possible new approach to **mobile networks**.

Markets

- June 7th:
 - Fed's quantitative tightening augurs more **pressure for token values**

- Ether **short liquidations to an ATH**
- SOL, AVAX and ATOM down by 10% or more
- June 8th:
 - Metaverse tokens **up 400% in a year**
 - ETH 'double Doji' pattern **hints at a 50% price rally** by September (but it may also break down, opening a bearish trend)
 - **Uncertainty on BTC** trend, with a lowering correlation with equity markets
- June 9th: **BTC under pressure** with \$800m options expiry on Friday 10th
- June 10th:
 - **Markets dive** after inflation number publication. BTC resists under \$30k.
 - **SOL in a bearish** configuration, risks of 40% downfall.

Messari's **weekly recap** shows sideways markets this week, with Web3 and gaming sectors showing respectively gains and losses.

Fidelity CEO Abby Johnson reaffirms her belief in the **longterm fundamentals of cryptocurrencies** to be strong.

Bitcoin

- Opinion: How bitcoin could power a new wave of **small business innovation**
- Bitcoin **adoption to hit 10% by 2030**

Ethereum

- The **Merge Ropsten's test is successful!** Two more tests are still needed to open the way to a full implementation of PoS in the Ethereum chain.
- Scaling Ethereum beyond the Merge: **Danksharding**
- Ethereum **rollups** aren't all built the same
- The ApeCoin community has voted to **not expand outside of Ethereum**. Needing rollups, this gives an advantage to Arbitrum, Optimism or Immutable X (NFT-Focused rollup).

Altcoins

- Investors View **Polkadot** as an Alternative Layer 1, Coinbase Says
- Mimblewimble upgrade brings significant advantages to Litecoin; however, its privacy feature creates problems for exchanges to properly respect AML rules. Consequently, some **exchanges delisted LTC**.

Stablecoins

- The US could have a **federal law on stablecoins by the end of this year**, while Changpeng Zhao calls for a **collaborative approach toward stablecoin regulation**

- Circle expands beyond Ethereum with support for **USDC on Polygon**
- Tether's **USDT launches on Tezos**
- Tron DAO Reserve (managing **USDD algorithmic stablecoin**) bought \$50m of BTC and TRX. It claims collateral ratio is now 193%.

Mining

- **Argo Blockchain** (LSE:ARBK) May Bitcoin output drops 25% from April amid teething problems at Texas facility. Argo reported mining revenue for May of just under £3.1 million (\$3.9 million), down from £5.52 million in April.
- Due to Texan heatwave, many miners have **powered down**, in line with the agreement they signed with the Electricity Reliability Council of Texas.

DeFi

- Liquid staking providers show **significant inflows**.
- The Graph has announced **closing its centralised service**, in favour of its decentralised network.
- Ocean is launching **Data Farming**.
- How **Ribbon Finance** manages to sustain revenue growth despite bear market
- **Lido staked Ether (stETH) dropped to a 5% discount** against ether for the second time in a month, amid fears of shrinking liquidity for the staking derivative.

NFTs

- In a depressed bear market, « **poop** » **NFTs** are emerging.
- **Pussy Riot** staged a protest in Texas Sate Capitol building, in support of reproductive rights. The moment has been hinted as an NFT and auctioned.
- 'Stranger Things' Netflix NFTs face **fan backlash**.

Metaverse

'Top' **projects to follow in 2022** (includes Decentraland, Axie Infinity, The Sandbox, Star Atlas and Otherside; the choice is debatable but it is still interesting to see this review)

DAOs

- Three states in the USA have adopted a **legislation concerning either Decentralised Organisations** (Wyoming and Vermont) or blockchain-based LLC (Vermont). The paper covers the weaknesses of the legislations, and makes some proposals (including calling for experts - understand the author). Still, it is interesting to see reactivity of some states administrations to face the raise of new forms of governance.
- If the so called Lummis-Gilliband's bill passes, **DAOs may be taxed like**

businesses.

Business news

- **Citadel Securities** is building a crypto trading market place, with the help of high-frequency trading firm Virtu, and backing from Sequoia Capital and Paradigm. It aims at creating more than an exchange, a trading ecosystem, to attract new investors.
- **JPMorgan** wants to bring trillions of dollars of tokenised assets to DeFi. Tokenizing market fund shares will allow the assets to be used as collateral in DeFi pools. Last month, JPMorgan tokenised some BlackRocks fund shares, via its Onyx blockchain.
- The SEC is investigating whether **Binance** should have registered the ICO of BNB (Binance coin) as a security in 2017.
- **Binance.US** launched a staking product enabling users to earn up to 18% APY on certain tokens.
- **Crypto.com** cutting 5% of workforce.
- An online petition from **Coinbase** employees called for the removal of a number of company executives, for serious product failures.
- **Checkout.com** will offer merchants instant fiat-to-stablecoin conversion for customer payments by using Fireblocks' crypto payment technology
- **MoneyGram** is launching a crypto-to-cash service on Stellar. The initial countries are Canada, Kenya, the Philippines and the US, and cash might be remitted at any MoneyGram location in these countries.
- **Mastercard** announces its clients may now buy NFTs without needing to first purchase cryptocurrencies. It is working with Immutable X, Candy Digital, The Sandbox, Mintable, Spring, Nifty Gateway and MoonPay.
- **Cronos**, the blockchain network of **Crypto.com** launches an accelerator and invites startup to apply for a 10-week program and \$100 to 300k funding. It aims hosting 4 cohorts of 10 startups per year.
- Bermuda-based **Jewel bank** received its full bank and digital asset business licenses from the Bermuda Monetary Authority
- **Kirobo**, Israeli blockchain company, offers an inheritance feature, allowing users to transmit their wallet to designated persons (wallets), on « future conditional transactions ». This may also be used to protect the primary wallet in case of lost of keys.
- **Miami International Holdings** (MIH), owner of the Miami International Securities Exchange, entered a pact with blockchain data firm Lukka to launch crypto derivatives.
- Crypto bank **Custodia** sues Federal Reserve for delaying a decision on its application for a master account
- **Coin Center**, crypto think tank, sues the Treasury Department and IRS, stating infrastructure law is unconstitutional (the law requires

recipients of more than \$10k in crypto to report personal informations on the sender).

- **Abra** introduces crypto rewards card on American Express network
- **Jack Dorsey's TBD** unveils « Web 5 », a decentralised platform to bring identity and data storage to apps.
- **Bloomberg** adds 40 new cryptocurrencies to its terminal data offering.
- **DCG** (Digital Currency Group) launches its wealth management subsidiary
- **Praxos**, crypto broker, targets financial advisers, to allow them to manage crypto assets for their clients on the platform.
- **VeChain** becomes official layer 1 blockchain partner of UFC. The multi-year deal is worth \$100m.
- Wintermute to launch a decentralised exchange this summer

Business news: M&A

- **Circle to acquire Cybavo**. Circle is the issuer of the stablecoin USDC. Cybavo is a crypto infrastructure startup that serves institutional customers. This is Circle's fourth publicly known acquisition, after equity crowdfunding platform **SeedInvest**, mobile investing platform **Trigger Finance** and crypto exchange **Poloniex**. Poloniex has been spun out in 2019. Circle has also been looking for a buyer for SeedInvest since 2020.
- **Flexa plans to acquire Drop Party**. Flexa is a digital payment firm; Drop Party is a marketing technology firm.
- **Coinbase made a strategic investment in Zipmex**. Purchase had been discussed but abandoned.

Business news: companies fundraising

- Opinion: Preparing for the **down round**
- What **young investors** think about crypto
- New breed of **DeFi credit protocols raises millions** (includes a list of 6 non-collateralized lending firms having raised money in the last six months)
- **\$60m for Delphia**, algorithmic traditional stock adviser. Delphia will also launch a token reward program for investors sharing personal shopping and social media data. The round was led by Multicoine Capital, with investments from Ribbit Capital, FTX Ventures, Valor Equity Partners, FJ Labs, Lattice Ventures and Cumberland, among others.
- **\$42.5m for Coinhouse**, France-based digital asset service provider. True Global Ventures, ODDO BHF, Tioga Capital, X Ange Siparex Innovation, Raise Ventures, CF Partners, Consensus and Expon Capital were among investors.
- **\$32m for Euler XYZ**, DeFi lending platform. The funding will go toward diversifying the treasury assets of the Euler DAO, which is expected to

go live later this month. The round was led by Haun Ventures (the new fund of ex a16z Katie Haun), with investors including Variant, FTX Ventures, Coinbase Ventures, Jump Crypto, Jane Street and Uniswap Labs Ventures.

- **\$26m for Galaxy**, a social token platform created by NBA star Spencer Dinwiddie. The platform lets fans connect with high-profile creators through video messages. The funding round was led by HBAR Foundation and Animoca Brands, with Polygon also participating.
- **\$20m for Orderly**, a decentralised exchange protocol. Three Arrows Capital, Pantera Capital, Dragonfly Capital, Sequoia China, Jump Crypto, Alameda Research, GSR Ventures and MetaWeb.VC invested in the round (a big bunch of big names!). Orderly has been created in April 2022 (!) and is incubated by Near (Orderly runs on Near Protocol).
- **\$20m for Skolem Technologies**, a startup providing data and trade execution services for institutions to access decentralized finance markets. The round was led by Galaxy Digital. Additional investors included Point72 Ventures, Jump Crypto, Fenwick & West, Morpheus Ventures, and Dragonfly Capital.
- **\$16.4m for PartyDAO**, creator of the NFT bidding platform PartyBid. A16z led the round, with investors including Standard Crypto, Compound Crypto, Dragonfly Capital, Uniswap Ventures.
- **\$11m for Valkyrie**, crypto asset manager. Valkyrie has \$1.2b AUM. Investors included BNY Mellon, Wedbush Financial Services and Coinbase Ventures.
- **\$10m for MachineFi Lab**, a startup which 'incentivizes the collection of real-world Internet of Things (IoT) device data through decentralized applications'. At \$100m valuation, the round was led by Samsung Next, Draper Dragon Fund and Jump Capital. Other investors in the round included Hashkey Capital, IOSG, Escape Velocity, Goodwater Capital, Xoogler Ventures, Wemade, Hanwha, Alpha Grep, DHVC, Vista Lab, Ribbit Angel Fund and NewBuild VC, among others.
- **\$8m for Floor**, NFT price tracker. 6th Man Ventures, Worklife, B Capital Group and others participated to the round.
- **\$7.5m for Tatsumeeko**, the web3 incarnation of the Discord-hosted MMORPG Tatsu.gg. The raise was co-led by Delphi Ventures, Bitkraft Ventures and DeFiance Capital. It also received funding from Binance Labs, Animoca Brands, Dialectic and GuildFi.
- **\$6m for Mash**, Lightning network startup allowing creators, builders and developers to make money from the content they publish online. Castle Island Ventures and Whitecap Venture Partners co-led the funding round. Other notable investors included Maple VC, Strategic Cyber Ventures, Aquanow, Spacecadet Ventures and several angel investors.

Business news: investment funds

Solana Ventures sets up **\$100m fund for GameFi and DeFi** in South Korea
Huobi enters the VC market with Ivy Blocks, **a multi-billion fund, to invest in DeFi and Web3**. It will also act as a liquidity investment department, an incubator and a research center.

Business news: investment tools

PWC published in **2022 Crypto Hedge Fund Report**. This is a valuable source of information on Hedge Funds (understand: excluding VC Funds), including 2021 performance and strategies, as well insights of managing teams for around 300 funds. It also covers how traditional hedge funds are investing in digital assets. Multicoin Capital Partners launch a **metaverse-focused crypto index** in partnership with Bitwise. The index will include 40 crypto assets. Bitwise will offer a corresponding ETF. Year to date, metaverse related tokens such as SAND or MANA have lost 70%, compared to bitcoin's 38% decline.

Crypto adoption: companies

PayPal adds new crypto services including transfers to other wallets
Salesforce is launching a pilot of NFT Cloud, a platform for NFT trading.

Regulation

- A bill project, proposed by Republican Senator Cynthia Lummis and Democrat Senator Kirsten Gillibrand, may **transform crypto regulation in the US**. Made of 67 pages it deeply covers most of the crypto topics, proposes to make the US Commodity Futures Trading Commission the sole regulator for the crypto, and proposes to consider some coins as commodities (such as bitcoin), and some coins as securities (such as Layer 1s). Securities are much more stringently regulated than commodities, the difference being based on the **Howey test**. Of course, this has already triggered a **controversy**. The new bill may also have **tax consequences on DAOs**.
- A group of 20 international human rights activist wrote an open letter to the US Congress, advocating for crypto as a tool in **combating « monetary colonialism »** worldwide. **The letter** is a direct response to an earlier letter submitted to Congress on June 1 by a group of 1,500 computer scientists, software engineers, and technologists urging lawmakers to take a **"critical, skeptical approach"** toward the industry.
- Without blockchain interoperability, « crypto cannot fulfill the social role of money » says the **Bank of International Settlements (BIS)** in a report.
- The **New York** Department of Financial Services has issued new compliance requirements for issuers of US dollar-backed stablecoins.
- Pierre Person, an outgoing French lawmaker, calls for recognition of DAOs and NFTs in **France's** legal system

- **Swedish** central banks calls for mining ban

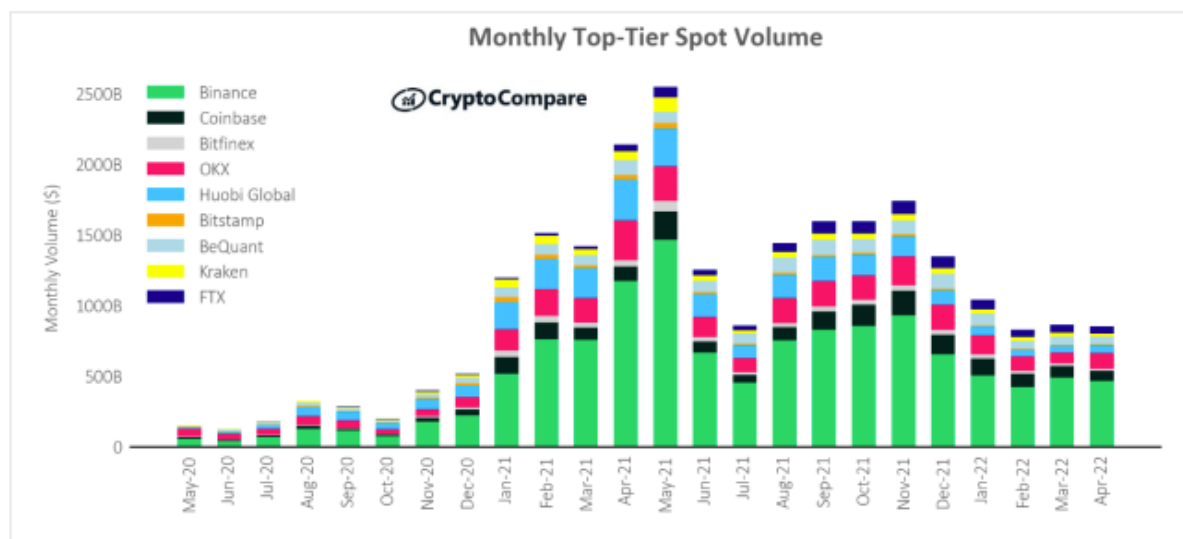
Scam and scam fighting

- Nate Chastain indictment (alleged of insider trading while at OpenSea) creates **fear in the crypto community**.
- Reuters says at least **\$2.35 billion from illicit activities went through Binance** over five years. Binance contests the figures and refutes the report. Having around 2/3 market share, it is understandable that a majority of funds are going through Binance. However, the platform should be an example on AML.
- Aurora Labs pays **\$6m reward to a hacker** who saved 70'000 ETH from getting stolen
- Optimism's 20M OP **hacker has returned 90% of the stolen funds**.
- Osmosis chain halted amid possible **\$5m exploit**. Osmosis says the **\$5m will be covered**, and the chain will restart.
- Move-to-earn app **STEPN under DDoS attacks** after upgrade

From May 30th to June 6th

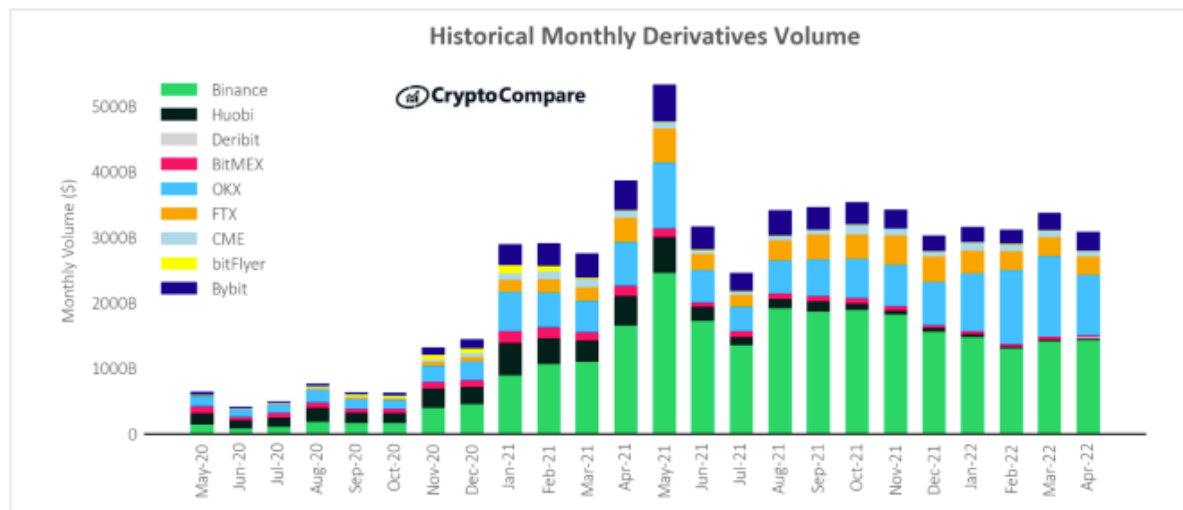
Summary (links are an extract of links below)

*In case some readers doubt of the reality of value in crypto, let's have a look at the true value of crypto exchanges. In 2021, their revenue hit \$24.3b (as compared to \$15.2b for exchanges trading with traditional securities). The market is by far led by **Binance**. Not being public, it's hard to find figures, and they are somehow guessed. Still, its market share is estimated to more than half of the total market by volume. Its profit is unknown; in 2020, it has been estimated to \$900m. Revenues since grew 4x. **Changpeng Zhao**, its founder and main owner, is worth tens of billions of dollars (estimates varies from \$17b to \$65b).*

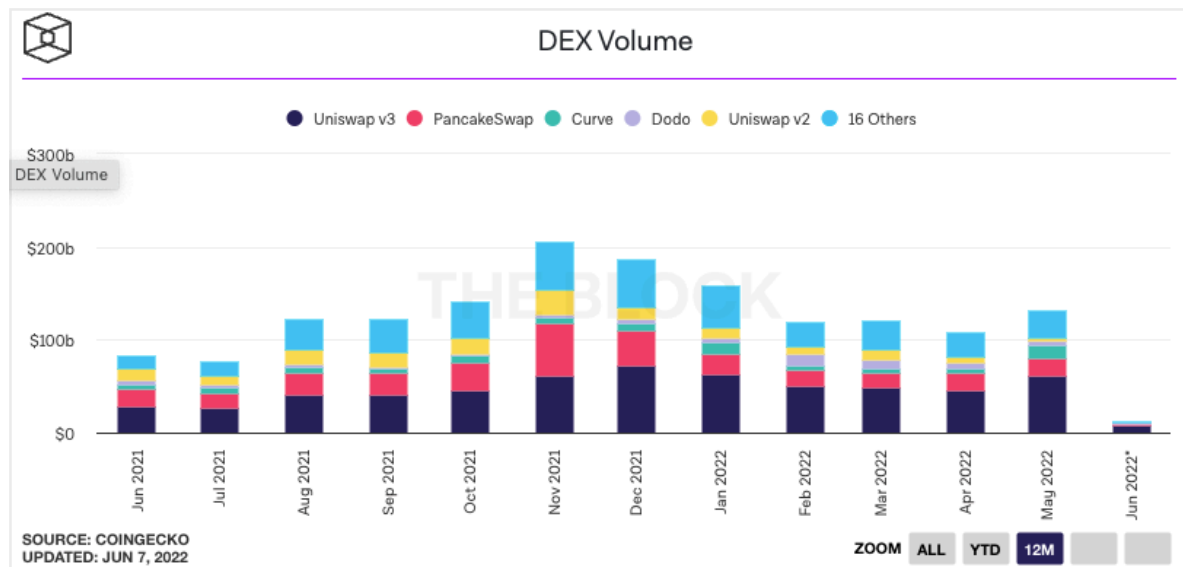


Other exchanges are profitable as well. **Coinbase**, the only listed exchange, and now the first crypto company in the **Fortune 500**, has published a net income for 2021 of \$3.6b (for revenues of \$7.3b, and trading volume of \$1.6t).

The derivative market surpasses the crypto market by volume (\$3.08t vs \$1.7t in April), and is still led by Binance, followed by OKX.



Concerning decentralised exchanges, the market is led by Uniswap, which processes \$1.3b daily (\$15b for Binance).



You will find more on centralised and decentralised exchanges below.

What strikes me is that these big players seem now to adopt a more traditional strategy, relying on acquisitions to grow (FTX has announced to be ready to invest at least 2 billion, Binance regularly announces acquisitions of new platforms or **geographical extensions**, and has recently announced investing in **PancakeSwap**, #2 decentralised exchange...). They also react as normal players during tough time, announcing **layoffs** for many of them this week.

Finally, with **lower valuations**, and **tougher fundraising**, we shall expect a growth in M&As, as well as a possible reduction in number of SPAC outcomes (see below for an impressive list of 9 expected crypto SPAC as announced). This does not prevent companies to raise funds (see below), nor investment funds to appear (let's name again Binance Labs, the venture arm of Binance, which launches a **\$500m fund that will invest in web3 projects** in DeFi, NFTs, gaming, metaverse, social and more).

Much, much more below, including infos on altcoins, NFTs, gaming, regulation and more.

Markets

- May 30th: **ETH bounces to \$2k**, but **whale transfer** to exchange is threatening. Metrics remain **bearish on Bitcoin**
- May 31st:
 - **BTC rallies to \$32.3k**, but its recovery can be limited. Cardano (**ADA**) **spikes 17%**, **AXS 46%**, **SAND 11%** in 24 hours.
 - Coinbase's institutional clients **hodlers**
- June 1st: **Bitcoin declines**, altcoins mixed
- June 2d:
 - Despite a seemingly bear markets, **Ethereum hodlers are still increasing** the size of their ETH bags.
 - **Bitcoin touches \$30k**
- June 3d: Bitcoin sentiment moves deeper into « **extreme fear** » zone
- June 6th:
 - **Volatility lowers**; sentiment improves
 - **BTC approaches \$32k**
 - **ADA to weekly highs**. Cardano's previous hard forks sparked massive ADA price rallies.

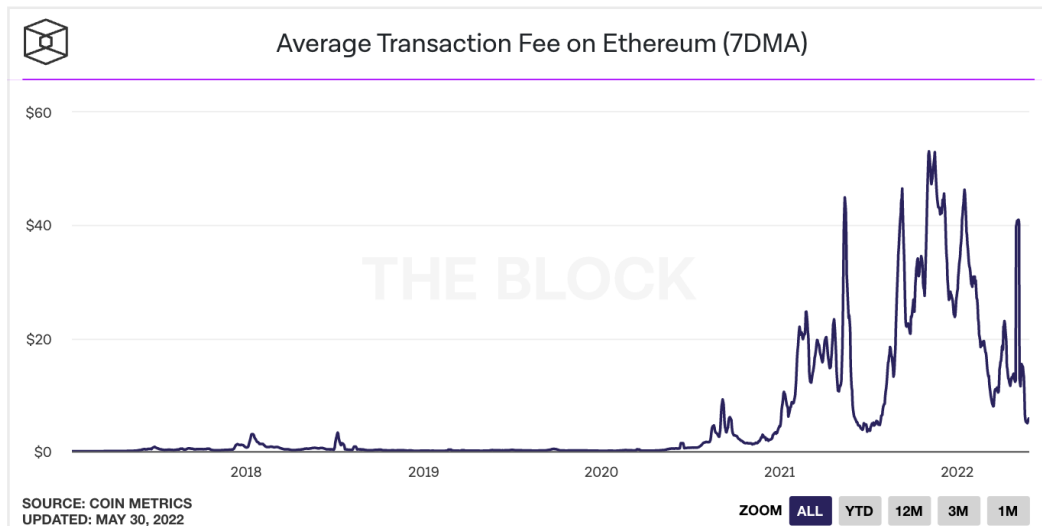
Messari's **weekly update** shows positive returns in every sector this week
Fed **money printer goes into reverse**: what does it mean for crypto?

Bitcoin

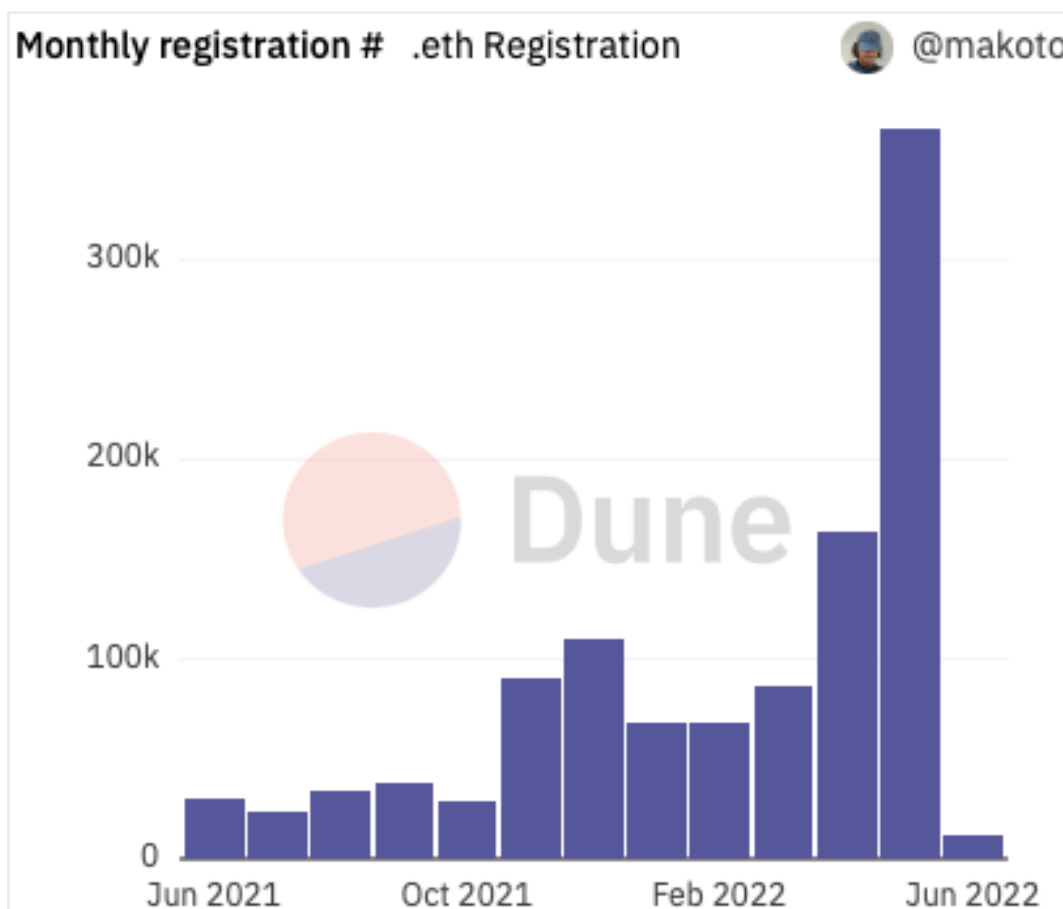
Bitcoin: knowledge and perception, is a well documented survey on 9,500 people across 14 countries. Its main finding are that Bitcoin is seen as a promise for a more equitable economy and that bitcoin education is key for adoption.

Ethereum

Average transactions fees on Ethereum hit its lowest point since July 2021 at \$4.96 last week. Volume has also decreased to a daily \$3.83b on May 26.



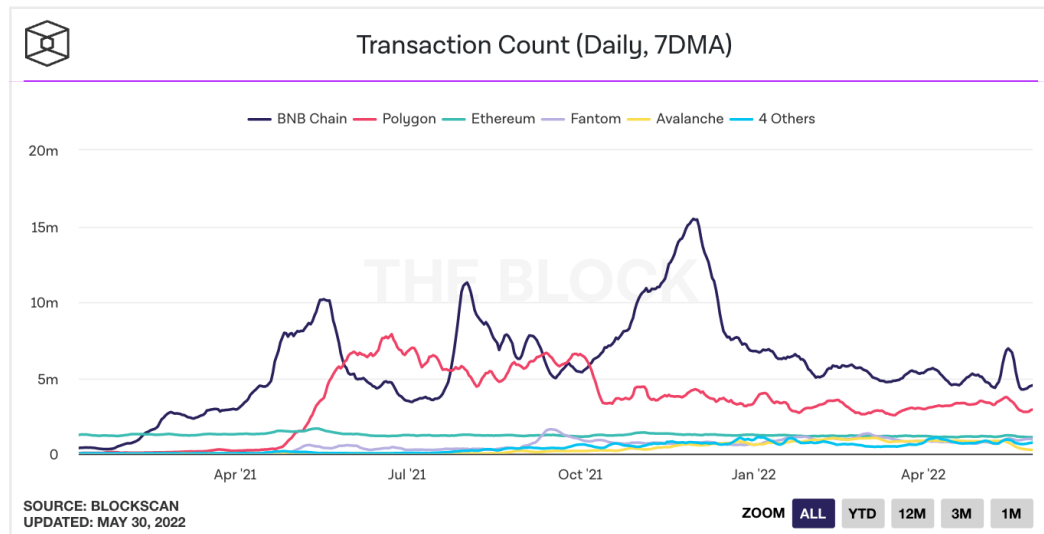
May was a **record-breaking month for Ethereum Name Service** domains. ENS domains are NFTs that allow users to connect a '.eth' domain name to cryptocurrency wallet addresses. This makes it easier to use cryptocurrency wallets by allowing its owner to request payments to a simple '.eth' domain name that can be easily read by humans, rather than sharing an 64-character alphanumeric code.



Building on EVM (**Ethereum Virtual Machine**) allows **metaverse projects** to plug into borderless and permission less infrastructure. A review of EVM compatible chains (Ethereum, BNB, Polygon, Arbitrum, Avalanche, Optimism).

Altcoins

Layer 1s transaction volume is in strong decrease. Avalanche, used to process 800k transactions a day, has seen a decrease over the past 2 weeks to 257k transactions on May 28.



Polygon increases its KYC for the Indian market

Claimed by some users **ahead official launch**, Optimism airdrop finally caused a big **surge in demand**, creating problems.

Zcash upgrade cause transactions to be shielded by default (payment details are hidden on the blockchain). No need to opt-in anymore.

Solana blockchain suffers new network outage

BNB chain releases year-long technical roadmap to develop ecosystem

Polkadot is adding Lido's liquid staking to its network of blockchains.

MakerDAO: « The Endgame Plan ». MakerDAO founder Rune Christensen proposed a radical new restructuring plan for the leading DeFi project, plagued by financial losses and apathy by its members. The plan includes a complex creation of MetaDAOs and SubDAO to improve governance and focus energy.

Stablecoins

Stable or not stable? Three algorithmic stablecoins reviewed.

TRON announces it **overcollateralized its stablecoin, USDD**, launched on May 5. Initially, USDD was a near-carbon copy of Terra's algorithmic stablecoin.

What is Theter? How USDT works, and what backs its value.

USDN (Neutrino) is an algorithmic stablecoin, with a process similar to Terra (with **the** crypto WAVES). Its founder claims it is still different, citing restrictions on how many redemptions users can get in a day.

CBDCs

eNaira, Nigeria's CBDC, is experiencing **lack of demand**. Despite 764 000 app downloads, only 168 300 accounts have been activated, and 18 460 funded. Only 80 merchants are active.

Mining

Bitcoin mining revenues **fell by more than 20%** in May

Crusoe Energy expands in the Middle East, with investments from the Oman Investment Authority, and Mubadala, the sovereign fund of Abu Dhabi. Crusoe

Energy uses flared natural gas to power bitcoin mining rigs.

Bitcoin miners are **selling off their BTC holdings** to cope with market headwinds.

Riot Blockchain unloaded 700 bitcoins for the period from March to May, for a total of less than \$30m. Riot shares are down 70% this year. Its current hash rate capacity is 4.6 EH/s, with a revised target for 2023 to 12.6 EH/s.

M&A could be the **survival solution for some crypto miners**.

BTIG, Wall Street investment bank, **lowered its average 12-month targets for bitcoin miners by 65%**

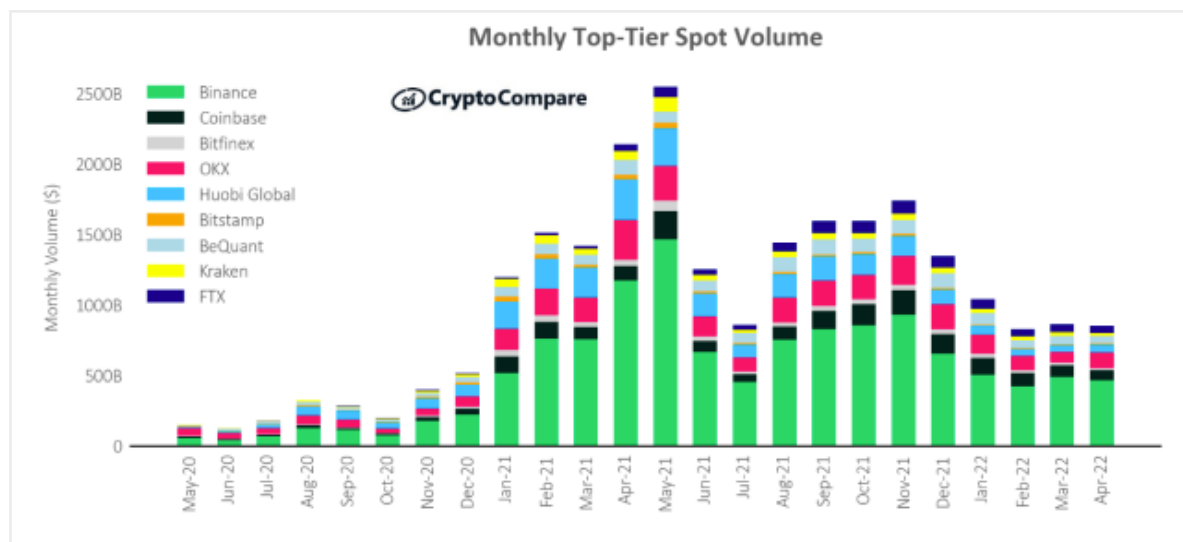
Counter trend, **Hut 8** holds its mined bitcoin, and ceased its lending programs, bringing back 2000 bitcoin into custody.

Bitzero chose North Dakota as headquarters and hub for its North American operations.

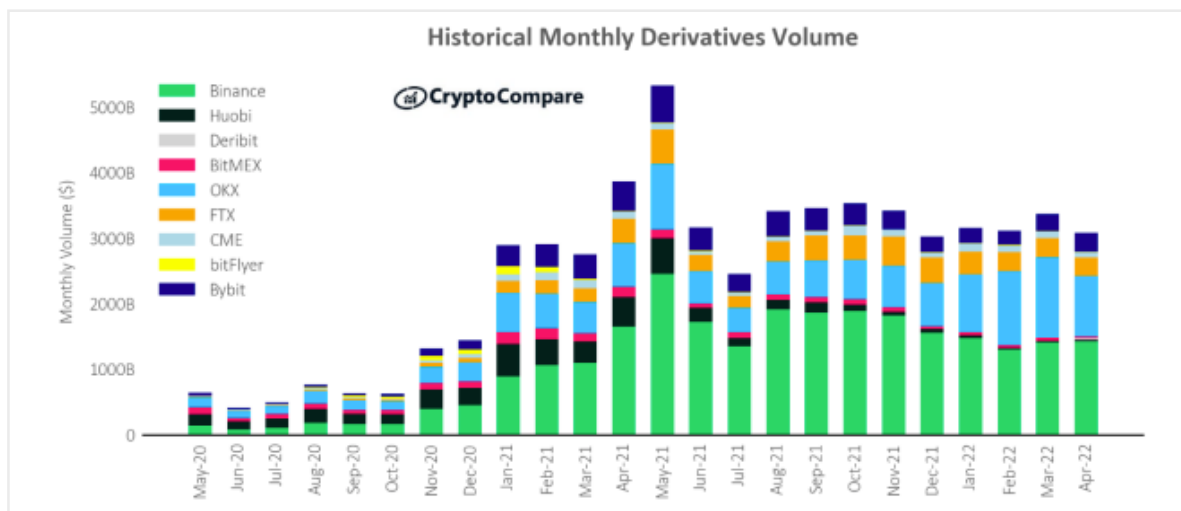
Exchanges

FTX surpassed Coinbase as second-biggest centralised exchange by trading volume in May. Binance still largely dominates the market.

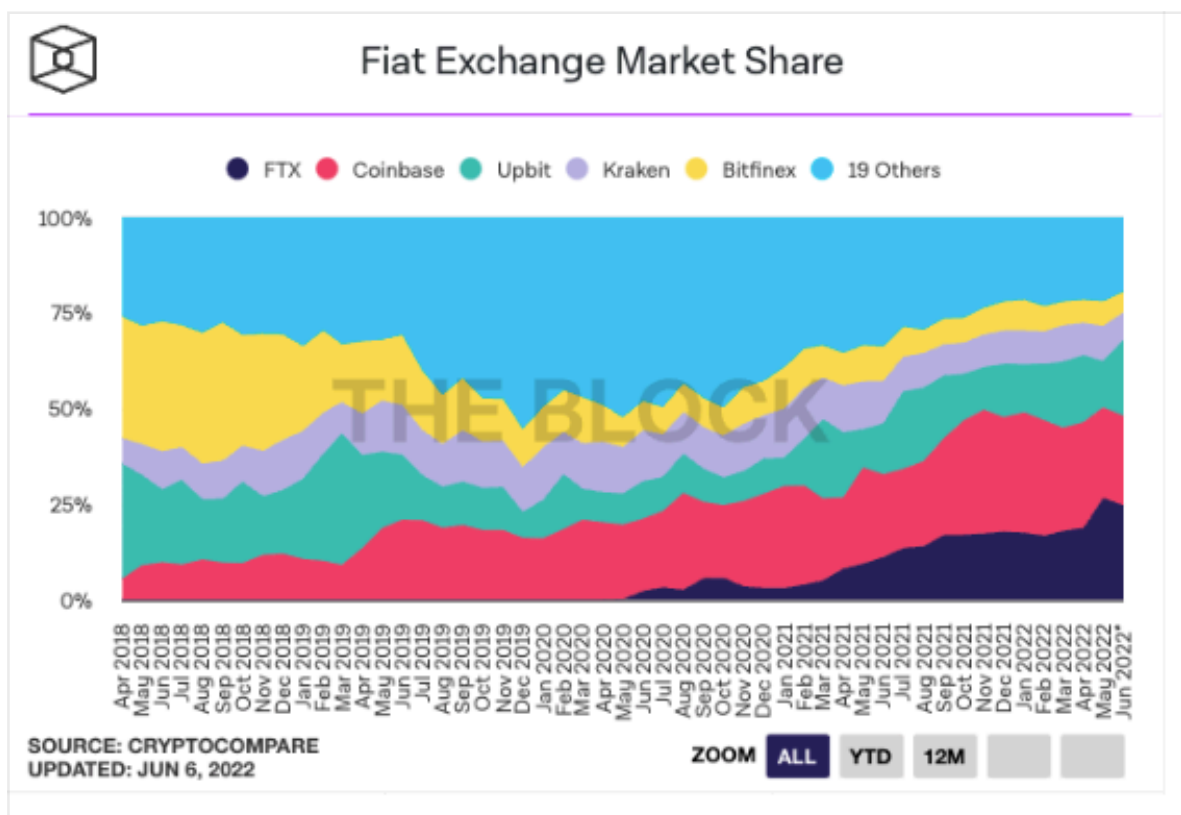
In April, total exchanges spot volume was at \$1,7b, Binance trading \$465b, OKX \$109b, Coinbase \$72.7b, FTX \$49.9b (according to CryptoCompare April **Exchange review**).



For derivatives (total volume \$3.08t in April), Binance has a 46.3% MS, followed by OKX (29.8%)

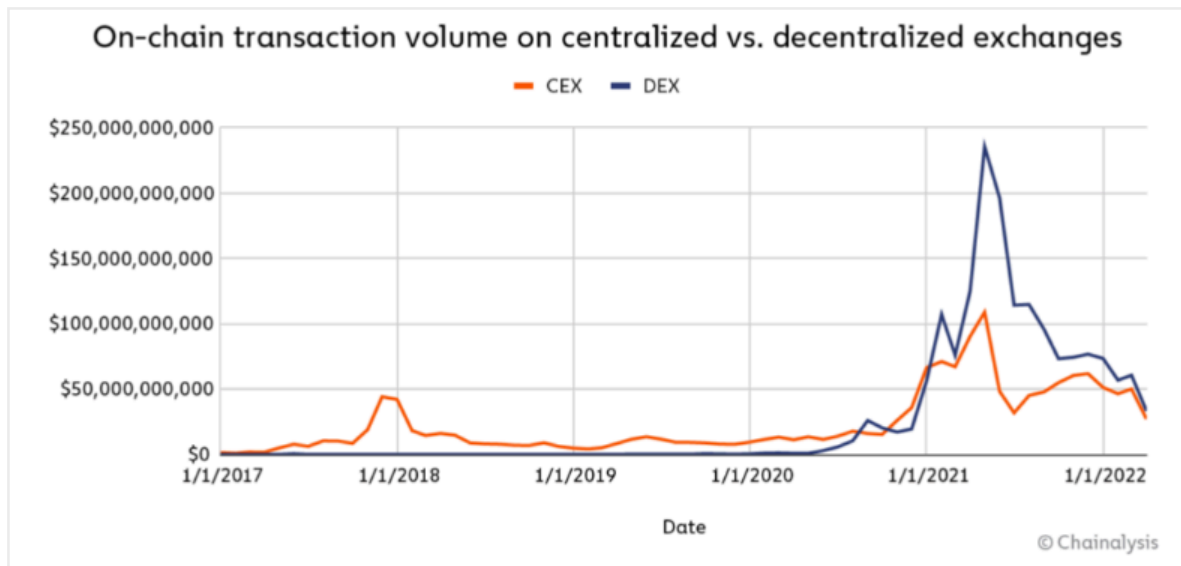


For fiat exchange, FTX is now the largest:

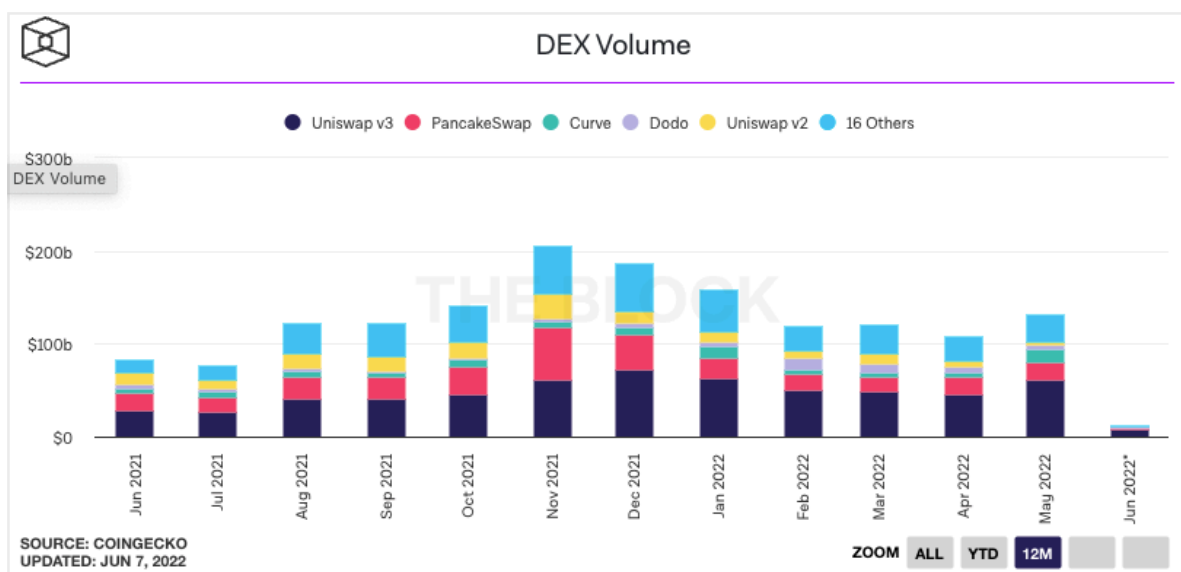


DEX

Over one year (April 2021 to April 2022), **decentralised exchanges (DEX)** **surpassed centralised exchanges** in on-chain trading volume (\$224b vs \$175b) (most of centralised exchanges trades are off chain, registered in order books to save on transaction fees).



Uniswap has processed more than \$1 trillion in lifetime trading volume. It has seen a \$500b increase in trading volume since Q4 2021. While it is still far from Binance (more than \$15b per day), Uniswap \$1.3b is growing while other are, on average, decreasing.



DeFi

Maple, Solana-based lending platform, host a contribution of \$75m from Genesis (which has a total loan book above \$44b as of March 2022). This will make Genesis acting as a pool delegate, first time for a centralised trading firm to act as delegate for a decentralised platform.

Are liquid staking derivatives a threat to Ethereum 2.0?

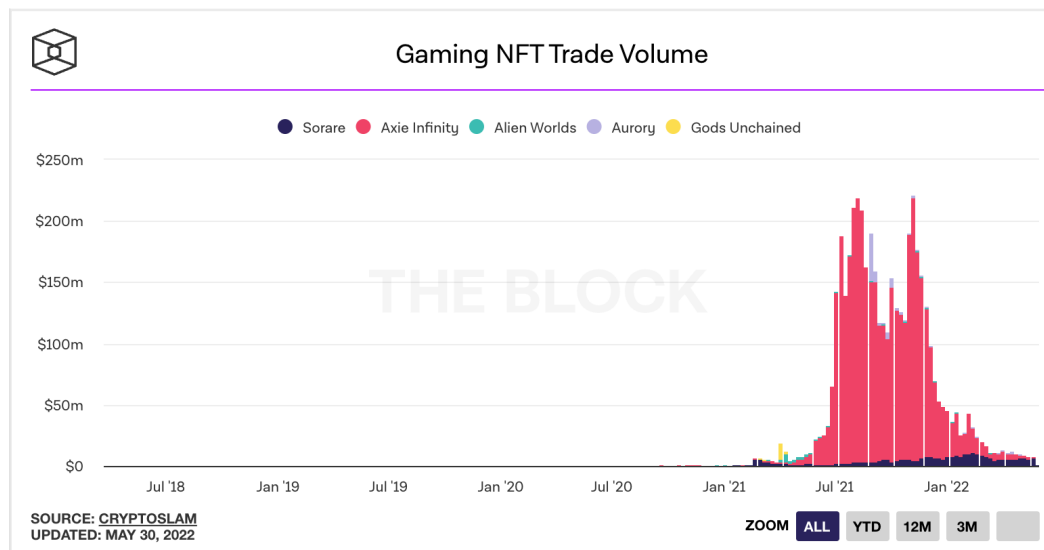
DeFi's TVL fell 40% in May, but right spots emerge

After Aave, Compound and dYdX, Chainlink expands to Solana. The blockchain oracle network said Friday that developers who build decentralized finance (DeFi) applications on the Solana mainnet can now incorporate seven of Chainlink's price feeds into their products.

NFTs

Goblintown was the most popular NFT collection on May 26th. Its floor price shot up by 168% in 24 hours.

Gaming



Gaming NFT volume dropped 98% from its highest weekly volume in November 2021, to 8.09m last week. Axie Infinity presents the largest decrease in volume and market share (from 98% in July 2021 to 14% last week). This is largely due to slide of token values, which players gain in these play-to-earn games, strongly reducing the interest of playing.

Epic Games adds Gala's web3 wild-west-themed Grit game to its store. It will be the first web3 game available for players on Epic's store.

Illuvium has collected **\$72m in digital land sales**. The land sale occurred between June 2 and June 5, 2022. Of the 20,000 plots of land available, 19,969 were sold, with the remaining 31 plots of land to be held for future giveaways.

Business news

Many crypto companies are announcing substantial job cuts and hiring freezes amid **challenging times** for cryptocurrency and equity markets.

We.trade, Irish blockchain venture, co-owned by 12 banks, is about to be liquidated.

Gemini slashes about 10% of its work force

Coinbase announces cost-cutting measures to face bear market

2TM, Brazilian largest crypto exchange, lays off 80 employees.

Rain, Middle Eastern crypto exchange, lays off dozens of employees

FTX launches licensed crypto exchange service in Japan

Binance registered **Binance Italy** as virtual asset service provider with Organismo Agenti e Mediatori (OAM). Binance recently secured regulatory approval in France as it continues its push into the European market.

Copper's Swiss unit gains regulatory nod for AML standards.

Algorand signed a partnership with FIFA as official blockchain partner for the next World Cup (Crypto.com is an official sponsor). FIFA will get assistance from Algorand to "further develop its digital assets strategy," and Algorand will have the opportunity for promotions, advertising and media exposure through

FIFA. ALGO surged 20%.

Gemini under scrutiny of CFTC for allegedly misleading statements in the self-certification of a bitcoin futures product.

UnionBank of Philippines has issued the country's first blockchain-based digital peso bonds, in a raise that has generated P11b (\$209m), 11 times the size anticipated.

CoinSwitch Kuber, Indian crypto exchange, started the Crypto Rupee Index, to track the performance of the eight largest crypto currencies by market cap in Indian rupees.

Blockdaemon launches a liquid staking protocol targeted at institutional investors, in partnership with Stakewise, a liquid staking platform.

Animoca Brands' investment portfolio now worth over \$1.5b. The gaming investment firm also reported \$573 million in bookings and other income for the first four months of 2022.

Business news: M&A

Binance-supported deal for **Forbes to go public via a SPAC** is called off.

Binance reviews possible options.

Ripple confirms FTX announcement that they are both looking for acquisitions.

Binance Labs invests in PancakeSwap. The amount of the investment hasn't been disclosed. Binance is the leading centralised exchange by trading volume. PancakeSwap is the second decentralised exchange by volume; built on the Binance's blockchain network BNB, it is the biggest decentralised app on BNB with 400'000 users.

SPAC activity might be scarce this summer, due to lower valuations. Still, here is a list of possible SPAC crypto deals:

- Circle, the backer of the USDC stablecoin, and its combination with Concord Acquisition Corp. (CND). The parties reached a **new agreement** with an initial outside date of Dec. 8, with the potential to extend to Jan. 31, 2023, under "certain circumstances."
- Miner PrimeBlock with 10X Capital Venture Acquisition Corp. II (VCXA), in a deal **expected to close in** the second half of the year.
- Miner Bitdeer and Blue Safari Group Acquisition Corp. (BSGA), in a deal that was **recently extended**.
- Bitmain-backed miner BitFuFu and Arisz Acquisition Corp. (ARIZ), which is **expected to list** on the Nasdaq in Q3.
- Miner Grid Infrastructure and Adit EdTech Acquisition Corp. (ADEX), originally **expected to close in Q1**.
- Coincheck, one of Japan's largest crypto exchanges, with Thunder Bridge Capital Partners IV. The deal is **expected to be completed** in the second half of this year.
- Investing platform eToro Group and FinTech Acquisition Corp. V (FTCV). The deal has a June 30 termination date.
- Crypto investment platform Bullish and Far Peak Acquisition Corp. (FPAC), with an outside termination date that was **recently extended to July 8**.

- Digital asset trading network Apify Group and Abri SPAC I, **expected to close in Q3**.

Business news: companies fundraising

Crypto companies raised \$30b from VC last year. The activity peak in December, and is likely to drop, according to Morgan Stanley report.

Opinion: **Crypto founders scramble** as VC are choosier about investments **\$113m for Pintu**, Indonesian exchanges, to face crypto investors yearly doubling in Indonesia. Investors include Intudo Ventures, Lightspeed Venture Partners, and Pantera Capital and investment advisory firm Northstar Group. Pintu raised \$35m in August 2021.

\$72m for Illuvium, in digital land sales. Alluvium is a monster-battle roleplaying game that incorporates NFTs.

\$66m for InfStones, blockchain infrastructure provider. SoftBank Vision Fund 2 and GGV Capital led the round, with other investors including INCE Capital, 10T Fund, SNZ Holding and A&T Fund.

\$43m for Mondu, a company aiming to bring Buy now Pay later (BNPL) model to B2B business (same as Klarna for B2C). This Series A round was led by PayPal co-founder Peter Thiel's Valar Ventures, with participation from Cherry Ventures and Fintech Collective. The seed round (\$14m) occurred in October 2021, and the company has been created a month earlier.

\$10m for Cryptio, accounting and reporting platform. Led by Point Nine, the round included BlueYard Capital, Alven, CoinShares, Avantgarde Finance, Protocol Labs and Draper Associates, among others.

\$10m for WAX, a blockchain for NFTs, video games and collectible. OKX Blockdream Ventures funded the round.

\$8m for VirgoCX, Canadian trading platform (one in the eight registered crypto trading platforms by the OSC). Draper Dragon led the financing, which also included Blockdream Ventures, Cobo Ventures, Molecular Group, Sora Ventures, and How Link Investment.

\$6m for Size, a company offering to "easily participate in sealed bid auctions for vested or unvested tokens." Three Arrows Capital, Wintermute and Mgnr led the round. Other investors included Alameda Research, D1 Ventures and Genblock Capital and angels investors.

\$5m for Dework, DAO management platform; combining Trello and LinkedIn-like features. The round was co-led by Paradigm and Pace Capital.

\$4.7m for Liminal, wallet firm. Investors include CoinDCX, prominent Indian exchange.

\$3.8m for Big Whale Labs, a startup building social protocol to facilitate pseudonymity. The round was led by M13 and Road, with participation from Slow Ventures, C2, Goodwater, Panache, NFR, and angel investors

Beanstalk kicks off a fundraising campaign on June 6 to restore \$77 million in non-native assets lost from a governance exploit that drained \$182 million from the project.

BlockFi, which raised funds last year at a valuation of \$3b, is reported closing a **down-round at a valuation of \$1b**.

Business news: funds fundraising

Binance Labs has raised a **\$500m fund that will invest in web3 projects** in DeFi, NFTs, gaming, metaverse, social and more.

NGC Ventures raises **\$100m for the Metaverse Ventures Fund**, to back early stage projects in DeFi, NFTs and GameFi. Through its previous funds, NGC Ventures made early investments in prominent blockchain projects, such as Solana, Oasis and Algorand.

Canonical Crypto raised its first **\$20m fund, focused on pre-seed and seed**.

Impressive backers list include Marc Andreessen and Chris Dixon of a16z, Shan Aggarwal of Coinbase Ventures, Amy Wu of FTX Ventures, Haseeb Qureshi of Dragonfly Capital, Semil Shah of Haystack VC and Dan Romero, an early employee of Coinbase, as limited partners.

Akatsuki, Japanese entertainment and gaming firm, raised a **\$20m fund to focus in web3 projects** in GameFi, NFTs and the metaverse.

Business news: investment funds

Digital asset funds score **\$87m weekly inflows** last week. Algorand saw record inflows for \$20m.

Crypto adoption: companies

Chipotle will now accept cryptocurrency through Flexa, a digital payments platform that had also previously partnered with Starbucks.

Mazda is the latest auto manufacturer to join the **MOBI** blockchain alliance, a consortium aiming at creating the Web3 infrastructure for connected vehicles. Other auto companies part of the 120 firm consortium include BMW, GM, Honda, Hyundai and Renault.

Prada releases NFTs

Crypto adoption: countries

Singapore's central bank (MAS) explore DeFi applications in wholesale funding markets. The project will explore the feasibility of tokenization and DeFi using open, interoperable networks, enabling digital assets to be traded across platforms, including existing financial infrastructure. The first stage of "Project Guardian" will see the MAS explore DeFi applications in wholesale funding markets through the creation of liquidity pool of tokenized bonds and deposits to carry out borrowing and lending on a public blockchain-based network.

Central African Republic announces plan to tokenise country's minerals.

Regulation

Basel Committee to issue second consultation on crypto

UK Treasury sets out to bolster stablecoin protections following Terra crash

Japan passes landmark stablecoin bill for investor protection. The new legal framework will take effect in a year.

The **state of New York** Senate has passed a bill, to bar new mining operations powered by carbon-based energy sources for two years. The governor still has the power to veto the bill.

Lithuania anticipates EU crypto directive issuing its own crypto law project. It includes criterion for licensing, such as staff based in the country, AML and 125k€ minimum capital.

Scam and scam fighting

Ex-OpenSea exec **charged with insider trading**, and **arrested**. Department of Justice officials say it's the first time they've pursued an "insider trading" charge involving digital assets.

IRA Financial, self-directed retirement accounts provider, **sues Gemini** (the exchange) for alleged role in the breach of customer retirement accounts, which resulted in the theft à \$36 million in February this year.

Bored Ape Yacht Club's Discord was 'briefly exploited' resulting in **200 ETH in NFT thefts**.

From May 23d to May 29th

Summary (links are an extract of links below)

The week has been somewhat quiet on crypto markets, with bitcoin price stuck between \$29 and \$30k. Things have been slightly more difficult for Ether, and definitely more difficult for altcoins, with some exceptions. Still, the overall market has lost nearly two third of its total capitalisation, from its peak near \$3 trillions in November last year, to around \$1.3 trillion now.

This has been interpreted by some as an [entry point](#); JP Morgan prefers it to real estate as alternative asset class. And Andreessen Horowitz has raised a [\\$4.5 billions fund](#) (!) to invest in web3 gaming, DeFi, decentralised social media, self-sovereign identity and layer 1 and 2 infrastructure. A third of that is for seed investment (that makes many deals, although some might be [criticised](#), such as a16z deal with [Adam Neumann](#), controversial founder of WeWork, who now seems to buy a new life creating a startup, called FlowCarbon, to sell tokenised carbon credits).

Also nice fundraisings (beside a16z huge fund), such as Starkware, an Israeli startup building layer 2 scaling solutions for Ethereum (layer 2 are tools to accelerate transactions and reduce costs), at a [valuation of \\$8 billions](#). Last Starkware fundraising in November 2021 was at a valuation of \$2b. So not all bad... See below for a complete list of companies fundraising.

At the same time, M&A might well flourish, especially with FTX, announcing having [billions to spend on acquisitions](#); this might be in crypto or traditional finance, with a clear [strategy to go into stock trading](#).

And the [Davos Forum](#) made no exception, with many [forums on crypto](#) and companies.

Finally, if you want to know more on the metaverse, you can read « [Everything you always wanted to know](#) » about the metaverse.

Opinions

At Davos, crypto is no longer on the outside. A report from Coindesk's journalist in Davos.

Crypto winter is here. **How long until spring arrives?** An interesting parallel between 2018 crypto winter, following the ICO boom, and the current one, following DeFi, NFTs and games boom.

Influencers hype crypto without disclosing possible conflicts of interest.

Bitcoin is the next NASDAQ. In the decade that ended last year, the top seven companies in the Nasdaq index were the prime creator of wealth for stock investors. The author claims that situation has changed, and that Bitcoin will replace them as top wealth creator.

Digital assets have replaced real estate as a preferred alternative asset class, according to the JPMorgan's note to clients.

Markets

- May 23d:
 - Monero enters 'overbought' danger zone after **XMR price gains 75% in two weeks**
 - Bitcoin stayed **glued to \$30'000**
 - Avalanche (AVAX) price trapped inside a 'bear pennant' structure, drawing a **bearish target 65% below current price**
 - Last week, investors **pulled out \$143m** from digital asset funds
- May 24th: Bitcoin returns to weekly lows **under \$29k**
- May 25th: Metaverse tokens (**MANA and SAND**) **outperformed**. Analysts expect more volatility
- May 26th:
 - Bitcoin recovered from a **major dip to \$28k** at the Wall Street open
 - **Solana (SOL) fell by 13%**, breaking out a bear pennant
- May 27th:
 - **Bitcoin clung to \$29k**, down 1%, while Ethereum is down 10% (AVAX 10% and SOL 7%)
 - **Ether liquidations double of bitcoin's**, an unusual situation.
 - Bitcoin on track to extend **record losing streak**

Messari's **weekly recap** as of May 27 shows all sectors in decline, but not as drastic as to erase last week's gain.

Post LUNA crisis

Korean police seek freeze on Luna Foundation Guard assets.

Lido in a system risk, according to Goldman Sachs. Lido is the largest Ethereum staking pool, with \$19.4b TVL.

Stablecoins in **regulators' crosshairs** after Terra collapse

Stablecoins customers to lose most of the \$47m they had entrusted to the company, deployed in Anchor protocol, savings app on Terra

Exchanges back **'Terra 2.0 revival plan'**

In another attempt to support the revival of Terra (LUNA), the community voted

to **burn 1 billion of UST** from its community pool.

Celsius token was trading at \$0.58 on May 27th, down from around \$3 in January.

Nansen (blockchain analytics firm) is **demystifying TerraUSD De-peg**, and its conclusion is that there has been no attack nor attacker working to destabilise UST, « only » a small number of players identifying vulnerabilities (in the relatively shall liquidity of the Curve pools securing TerraUSD peg to other stablecoins, and moving to exploit these.

On Saturday 28th, **Terra gets second life** as new blockchain goes live with LUNA 2.0 airdrop

Ethereum

Vitalik Buterin said that the Merge may finally **be ready in August**

Are miners trying to interfere with The Merge?

Consensus rolled out a new tool it claims will smoothen Ethereum's transition to PoS in coming months.

How a post-merge ethereal could **attract institutional investment**

Altcoins and tokens

« **Soulbound tokens** », a new type of tokens to store your social activity forever? A Vitalik Buterin proposal as Web3 credentials of the future... Is there as risk?

Optimism announced an upgrade that improves speeds and cuts costs. It hopes to take market share from Arbitrum (56% of Layer 2 TVL vs 19% for Optimism).

Solana loses track of time, now running 30 minutes behind.

Wormhole bridge expands to Cosmos ecosystem. Injective will be Wormhole's 11th chain.

Blockchain

JP Morgan Chase executed its first transaction tokenizing BlackRock money market fund shares and using them as a **collateral, on Onyx blockchain**. "What we've achieved is the frictionless transfer of collateral assets on an instantaneous basis," said Ben Chalice, JPMorgan's global head of trading services.

Stablecoins

Vitalik Buterin defends algorithmic stablecoins, at some conditions

Theter launches **stablecoin for Mexican Peso** called MXN₮. Tether also offers Euro-pegged and offshore Yuan-pegged stablecoins called EUR₮ and CNH₮, respectively.

Theter launches **USDT on Polygon** (it's already available on Ethereum, Solana, Avalanche, Algorand, Tron, Omni, EOD, Liquid Network, Kusama and Bitcoin Cash)

CBDC

Circle argues against a US CBDC, as potential competitor to its USDC.

At a Davos forum on CBDC, Mastercard CEO mentioned that **SWIFT might**

disappear within 5 years.

Mining

GPU prices on a decline

AS bitcoin price slides, older mining rigs are becoming less profitable. The value of one terahash of computing power has dramatically decreased in the past six months, from a peak of around 40 cents per terahash per day, to 12 cents for the same computing power.

BIT Mining, publicly traded Chinese company, reports 40.4% dip in revenue in Q1 2022 vs Q4 2021, to \$296.7m. Net income is \$1.2m, vs a loss of \$4.1m in Q4 2021.

DeFi

Are company and protocols the same? A case run by the state of New York against PoolTogether Inc. claims they are (on the basis of a violation of lottery prohibition). The company answers its protocol runs by itself, and that they are only providing the interface that provides access to the protocol.

Aave ends rewards to yield farmers on its native token AAVE.

MakerDAO regains first place in TVL

Flexa, a digital payment network, integrated in existing POS, and supporting over 99 cryptocurrencies.

NFTs

NFTs to drive consumer loyalty

NFTs for written essays

CryptoPunks floor price drops below \$100k, down 50% from last month

Gaming

The National Football League (NFL) will launch a P2E game in partnership with Mythical Games.

Metaverse

« The possibilities of the metaverse » was the theme of one panel at Davos Forum.

How do you value metaverse projects? Indeed, it seems the author doesn't have the answer.

5 principles to guide design in the metaverse.

Everything you always wanted to know about the metaverse but were afraid to ask.

Metaverse real estate: next big thing or next big boondoggle?

DAOs

A \$175k investor in a DAO last year might be kicked out at the same price, for « lack of value ». Yield Guild Games invested in Merit Circle, a competitor. This shines a light on the intricacies of investing in a DAO.

Business news

Coinbase becomes the first crypto company to enter the Fortune 500.

Filecoin works with Lockheed Martin to bring decentralised storage to space.

The main tool for decentralised storage is the InterPlanetary File System (IPFS), a blockchain-based storage protocol that stores files based on content, using 'content IDs,' over location. Computers can be located somewhere besides earth to facilitate quicker extraterrestrial communication.

GameStop unveils crypto and NFT wallet

Binance's Bahrain license upgraded for more crypto services.

Binance will help Kazakhstan develop digital assets regulation.

Former execs of OnlyFans launch a new platform for trading NFT playing cards featuring celebrities and influencers. The platform launching this summer will be called **Zoop**, and will launch on Polygon.

UnionBank Philippines issues blockchain-based digital bond.

Bitso lays off 80 employees. Bitso is a leading crypto exchange in Latin America, with 4 million users. It had 700 workers before the cut.

Stepn to bar gameplay in China. The stepping reward game saw its GMT token falling 38% in 24 hours.

Coinbase's India communication strategy seems weird

Business news: M&A

Huobi acquires Bitex, Latin America exchange (Argentina, Chile, Paraguay, Uruguay).

FTX kicked off acquisition talks with at least brokerage startups (Webull, Public.com and Apex Clearing). This confirms FTX strategy to push into stock trading. Sam Bankman-Fried, FTX CEO and founder also says being prepared to **spend billions on acquisitions**.

Business news: companies fundraising

\$100m for Starkware, an Israeli startup building layer 2 scaling solutions for Ethereum, at a valuation of \$8b. The funding round was led by FTX and Compound backer Greenoaks Capital, and Moonpay and Alchemy investor Coatue. Other investors in the Series D include Tiger Global. StarkWare's ZK-STARK rollups use zero-knowledge proofs, which preserve privacy by publishing just the time and date; only the recipient can access details about the transaction. StarkEx, Starkware's scalability engine is used by DeFi protocols such as dYdX, Sorare, and Immutable X. It has settled \$600b worth of trades since its launch in June 2020. Its last fundraising occurred in November 2021, at a valuation of \$2b.

\$80m for Babel Finance, crypto lender, at a valuation of \$2b. The leading investors were China-focused venture capital fund Jeneration Capital, U.S. crypto investment firm 10T Holdings, and existing shareholders Dragonfly Capital and BAI Capital.

\$70m for Flowcarbon, a startup to sell tokenised carbon credits on the blockchain. Flowcarbon has been created by the controversial founder of WeWork, Adam Neumann. The raise was a combination of equity and token sale. The round was led by a16z, with participation of General Catalyst, Samsung Next, 166 2nd, Sam and Ashley Levinson, RSE Ventures and Allegory

Labs. Fifth Wall, Box Group and the Celo Foundation took part in the token sale. **\$58m for ADDX**, Singapore-regulated blockchain-based securities exchange. Investors include SET Venture Holding (Stock Exchange of Thailand subsidiary) Hamilton Lane (global investment manager). Existing investors include the Singapore Exchange, Heliconia Capital (Temasek), and the Development Bank of Japan.

\$37m for Bud, gaming platform powered by user-generated content. The round was led by Sequoia Capital India. ClearVue Partners, NetEase and Northern Light Venture Capital also participated in the round, alongside existing investors GGV Capital, Qiming Venture Partners and Source Code Capital.

\$20m for Common, a platform offering services to DAOs (governance, crowdfunding and chat). Investors include Spark Capital, Polychain, Jump, Wintermute, Mirana Ventures (BitDAO's venture arm), and others.

\$6.2m for Pebble, a Y combinator fintech startup, offering 5% APY on cash deposits, as well as 5% cash back on transactions. Investors in the round include Y Combinator, LightShed Ventures, Eniac Ventures, Global Founders Capital, Montage Ventures and Soma Capital, as well as angel investors Odell Beckham Jr., musician Matthew Bellamy, Quantstamp CEO Richard Ma and others.

\$5m for Doppel, a startup tracking down counterfeit digital assets (such as NFT scams). The round was led by FTX's venture capital arm. Polygon Studios, Solana Ventures, OpenSea Ventures, Dapper Labs, SVAngel, South Park Commons, Script Capital, Spartan Group, Paxos, 6529 Capital, Quiet Capital and AlphaLab Capital all participated in the round alongside angel investors including Balaji Srinivasan and Gokul Rajaram.

Elliptic, blockchain analytics firm, which raised \$60m in October, announces JP Morgan joined the round.

Protego Trust Bank, which raised \$70m series A last year (investors included FTX, Coinbase, Algorand, Avalanche, Cardano, Ripple and Solana, Digital Currency Group, NYCA Partners and Reciprocal Ventures), is now preparing a series B at a valuation of \$2b.

Business news: funds fundraising

a16z raises **\$4.5b for seed (\$1.5b) and venture**, in web3 gaming, DeFi, decentralised social media, self-sovereign identity and layer 1 and 2 infrastructure. This brings total amount raised by a16z for crypto ventures to \$7.6b. **Critics** appear against excessive influence of a16z in web3 startups... Standard Crypto raises a **\$500m fund to invest in equity and crypto** (among which NFTs and DAOs). The fund is named Axios.

Former Binance execs reveal a **\$100m fund focused on blockchain investments**. Named Old Fashion Research, it was founded in late 2021 and has already invested in over 50 projects.

Crypto adoption: companies

Sumitomo Mitsui Trust, Japanese bank, will form a new company to offer digital asset custody services.

BNP Paribas joins JPMorgan's blockchain network Onyx for fixed income trading

Audi launching a fractional NFT

Callaway, the golf brand, is forging a relationship with NFT group LinksDAO.

Paypal looks to embrace all possible crypto and blockchain services

Crypto adoption: people

12% of **US adults** held crypto in 2021

10% of **households in eurozone** population centers own crypto.

Lack of knowledge about bitcoin is the **biggest barrier to usage**.

Only **1 out of 5 family offices** invested in crypto

Crypto adoption: countries

Central African Republic, which recognise bitcoin as legal tender last month, now wants to create a legal crypto hub

Regulation

Portugal's parliament rejected crypto tax proposals, issued by minority parties, but the government is still willing to tax crypto.

Paraguayan bill regulating crypto mining and trading moves closer to law. If the law is approved, it will create a status for miners and trading and custody services.

Scam and scam fighting

Scam the scammer: Solana NFT community managed to get back stolen NFTs raising royalties to 98% on stolen NFTs.

Hackers **steal 29 Moonbirds valued \$1.5m** in NFT phishing attack.

\$70k stolen via **hack of NFT artist twitter account**

Optimism foundation under Sybils attack, trying to get their share of airdrop.

In 2018, Sparkster raised \$30m to develop a 'no-code' software-creation platform. They **failed delivering**. Now, a sleeping wallet linked to the project converted \$22m from ETH to USDC. Some observers are crying foul and calling on the funds to be blacklisted.

Former BitMex CEO Arthur Hayes was **sentenced to two years of probation**. He wilfully failed to implement AML program.

From May 16th to May 22d

Summary (links are an extract of links below)

On Monday May 23d, opens the Davos forum, with a special focus on climate change. You might remember last month paper on [cryptos societal value](#). It's good to see that [blockchain might also help fighting climate change](#), as US-EU trade and technology council's climate and clean tech working group mentioned their will to work with this technology.

This week, crypto markets have tried to recover from last week's Terra/Luna crisis without any clear trend, but still an [Extreme Fear index](#). It's now time for counting [losses](#) (or [profits](#)); beside the \$50b losses in Terra/Luna, apps running

on Luna have shown [\\$28b losses in TVL](#) (Total Value Locked), and others have been impacted, such as [Scream](#), [DEI](#) or [Celsius](#). It's also time for [legal actions](#). The main lesson is clearly the risk inherent to [algorithmic stablecoins](#) (non fully collateralised) (as opposed to traditional collateralised stablecoins such as Theter (USDT) or Circle (USDC)). The latter gained market share as shown in the graph below.

Many interesting business news in the sections below, including a dozen fundraisings. It's worth mentioning Andreeseen Horowitz (a16z) launching a new [\\$600m investment fund dedicated to gaming](#) (called Games Fund One), and reading a summary of [a16z « state of crypto » report](#), showing its interest into web3.

Finally, to open our mind, it's good to read how [fashion brands are building in the metaverse](#).

Opinions

What [Web3](#) means to [Andreessen Horowitz](#), and what its new « State of crypto » report means for you.

Markets

- May 16th:
 - [Bitcoin](#) may fall to \$20k
 - Some [analysts remain cautious](#) and expect lower price returns for bitcoin over the next few months.
- May 17th: [Big-money investors](#) who boosted bitcoin's price might now crash it
- May 18th:
 - Markets stabilise after \$693b sell-off. Crypto's market capitalization fell from \$1.81T on May 5 to lows of \$1.12T on May 12
 - [Bitcoin under \\$29k](#), ETH under \$2k, and altcoins sliding, correlated with stock markets
 - Price analysis 5/18: BTC, ETH, BNB, XRP, ADA, SOL, DOGE, DOT, AVAX, SHIB: altcoins risk 90% 'standard bear market correction'
- May 19th:
 - Bears aim to keep bitcoin under \$29k ahead of [Friday's \\$640m options expiry](#) (it finally closed at \$30 323)
 - Luna Foundation still has [2 million AVAX tokens](#), with no disclosed plans for them (AVAX daily transaction volume is around 15 millions)
- May 20th:
 - Bitcoin 'death cross' [target \\$22'700](#)
 - Ethereum preparing a 'bear trap' ahead of the Merge -[ETH to \\$4k next?](#)

- **DeFi underperforms.** DeFi index down 33% over past month vs 23% for Bitcoin index

Messari's **weekly recap** shows all sectors recovering from last week

Post LUNA crisis

Luna foundation spent \$3b to defend UST peg, but **counterparts selection** raises questions

Terraform Labs' **legal team left** after crisis

Terra (**LUNA**) **to reborn?** Some members **contest the project.**

Terra-based projects have to migrate to other networks; competition is harsh between them. **Polygon Studio** state they are already working with some of them. Fantom offers its help, including a grant program. **VeChain** offers up to \$30k in assistance to migrate. Reef says they can access \$200k in funding.

BNB Chain has committed to providing investment, starting with Stader Labs. Do Kwon, South Korean Terra founder faces **government investigations, lawsuits, and \$78M fine** for tax evasion

Terra based DeFi apps have **lost \$28b in TVL.** Their total value locked went down from \$29b before crisis to \$155m now, the biggest being ANCHOR, the lending protocol, whose TVL went down to around \$100m from around \$700m. **Scream, lending protocol, appears to be insolvent,** due to poor management of stablecoins value. It considered fUSD and DEI to value \$1, while they depegged. This allowed users to drain Scream's liquidity pools. This impacted Fantom, on which Scream is based.

DEI stablecoin falls below 60cents.

Celsius (**CEL**) **has lost 90%** of its value, causing users to be liquidated. Its CEO accuses short sellers of opportunism.

Pantera Capital claims to have withdrawn 80% of their important assets from Terra right before the crash. Pantera invested in Luna in 2020, and backed Terra beginning of 2021. According to Pantera, the firm turned \$1.7m into around \$170m. **Mike Novogratz** (Galaxy Digital) also claims having taken profits, while **Hashed seems to have lost \$3.5b**, and Delphi Digital seems to have losses as well. **Argo Blockchain** was able to sell its UST positions at \$0.93.

Ethereum

First **major testnet to merge in June 8.** 'The Merge' might take place in Q3 2022.

Altcoins and tokens

Ernst&Young (EY) releases Nightfall 3, a rollup, hybrid of ZK and optimistic, in partnership with Polygon. Rollups are scaling solution that collects batches of transactions, settles them on another blockchain, then rolls them up into a single transaction on Ethereum. Rollups benefit from Ethereum's security while cutting costs and speeding things up. Nightfall is a hybrid of two popular types of rollups: privacy-preserving zero-knowledge proofs, which only publicly disclose the time and date of a transaction, and optimistic rollups, which assume the transactions are accurate but allow validators to contest them. ZK rollups are faster but optimistic rollups are similar to the Ethereum Virtual

Machine, making things easier for developers.

Flow, Dapper Labs' layer-1 solution for NFT access, well known for NBA Top Shot NFTs, now has 3 millions active users, and leads owner to owner transactions number, but has still low smart contract transactions



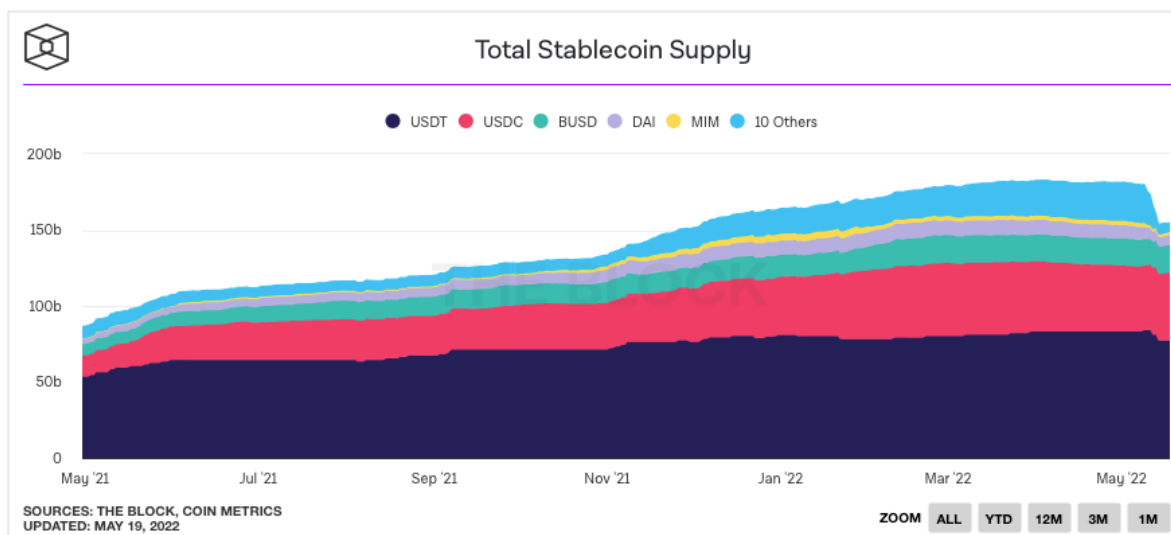
Alpaca Finance: a leveraged DeFi product suite

Blockchain

US and EU look to **blockchain to track greenhouse gas emissions**

Stablecoins

During Terra's crisis, **Theter (USDT) lost more than \$7b market cap**, while Circle (USDC) gained \$4b. BUSD and DAI also benefited from Theter fear.



Other algorithmic stablecoins heavily suffered (VAI, FEI, DEI, and USDN (Neutrino USD)). USDN is paired to NEAR, VAI is linked to Venus (XVS), FEI holds on decentralised assets, DEI is collateralised by USDC, FTM, DAI, WBTC and DEUS.

This can be explained by FED interest rate rise, drying up liquidity supply in crypto stablecoins

In the meantime, Theter has decreased its commercial paper holdings by 20% since April, replacing it with US treasury bills, and increasing the quality of its commercial paper from A-2 to A-1. Attestation says \$74b market cap is backed by assets that amount at least \$83b. On the other hand, Circle (USDC) says it is entirely backed by cash and short-dated US government obligations.

CBDC

Norway's central bank chose Ethereum Layer2 for its central bank digital currency pilot.

Digital Euro could come out within 4 years, ECB said.

Mining

Bitcoin and Ethereum hash rates hit all-time highs, at 1126 TH/s for Ethereum and 154.77mTH/s for Bitcoin. Although it might be surprising to see miners investing in Ethereum mining ahead of the Merge, yields on farming Ethereum rewards is attractive.

Despite the ban, many miners remain in China, concealing their location.

Bitfarms, Canadian miner, reported Q1 2022 revenues to \$40m (vs \$60m in Q4 2021, and \$28m in Q1 2021) with a profit of \$5m (\$10m in Q4 2021). It also announced a scale back in investments, partly due to energy costs.

Argo Blockchain published Q1 2022 revenues to \$19.5m (£14.9m) (vs \$17.8m Q1 2021) and income \$1.9m (vs \$27.1m, mainly due to change in fair value of digital currencies). Argo is the only miner listed on the London Stock Exchange (quote ARB).

Mawson to develop new bitcoin mining site in Texas, to accommodate up to 4 EH/s power. It reported Q1 2022 revenues to \$19.4m, and profit to \$11m.

Defi

Lens, decentralised social graph, ultimate answer to Twitter?

What happens inside Uniswap and other Dec? **Kaiko probes Dex asset pools**

Declining rates as a consequence of declining institutional demand

Exchanges

BitMEX is now offering spot trading for BTC and ETH. Until now, it focused on USDT pair trading and derivatives.

NFTs

Spotify tests NFT galleries on musician profiles

Wearable NFTs make money

Magic Eden tops OpenSea in daily trading volume by number of transactions.

Solana NFTs heat up.

OpenSea launched a new marketplace protocol that lets users **bundle different assets to buy NFTs**.

Morgan Stanley says **NFTs next to watch** after UST collapse.

DAOs

Consensys may bring its Metask's customer care team to create VillageDAO, to **decentralise customer service for web3 projects**

Business news

Robinhood to launch non-custodial wallets. The wallet won't charge network fees.

Coinbase releases a wallet that lets customers access Ethereum-based dapps in the Coinbase app. Supported DeFi protocols include decentralized exchanges Uniswap and Sushiswap, borrowing and lending platforms Curve and Compound, and NFT marketplaces OpenSea and Coinbase NFT.

Coinbase co-founder Fred Ehrsam buys the dip, purchases \$75m of company stock

Block (former Square) shows \$1.29b gross profits for Q1 2022, up 34% YoY.

CashApp, Block's Bitcoin retail outlet, generated \$1.73b revenue (Bitcoin sales), and \$43m profit, down 42% YoY

FTX launches US equities trading with stablecoins as a funding option. The platform offers no-fee brokerage accounts.

Celsius announces plans for an IPO of its bitcoin mining subsidiary. The announcement came few days after Celsius **troubles with Terra's** crisis affecting its lending protocol Anchor.

Binance in talks for regulatory approval in Germany

Ledger adding Safari browser extension

Meta files five trademark applications for 'Meta Pay' teasing crypto and digital payment platform

Business news: M&A

Nansen acquires Ape Board for an « eight digit figure ». Nansen is on on-chain data platform. Ape Board is DeFi portfolio tracker, listing over 375 protocols across 33 blockchains. Nansen will expand its platform to incorporate portfolio

tracking, programmatic access to on-chain data and Web 3-native communication, combining its analytics with Ape Board's portfolio tracking to make for an "all-in-one super app ».

Business news: companies fundraising

\$70m for Elwood, crypto hedge fund company and digital asset platform for institutions. Dawn Capital co-led the Series A alongside CommerzVentures, Barclays, Galaxy Digital Ventures and BlockFi Ventures. Elwood is well known for having created the first 'Global Blockchain index' (now called Coinshares **Blockchain Global Equity Index**), tracking equities of the blockchain world.

\$60m for Voyager Digital, crypto trading platform, in a private placement offering at \$2.34 a share led by Alameda Research. The placement also included participation from Galaxy Digital, Blockdaemon and Digital Currency Group. Investment bank BTIG is the sole agent and bookrunner. Voyager's Toronto-listed shares, which closed at C\$4 on Friday (May 13), fell as much as 13% at Monday's open.

\$46m for N3TWORK studios, blockchain video game developer. The round was led by Griffin Gaming Partners, with participation from Kleiner Perkins, Galaxy Interactive, Korean Investment Partners, Floodgate and LLL Capital.

\$36m for Certora, an Israel-based company that provides security analysis tools for smart contracts. The round was led by Jump Crypto, with participation from Tiger Global and Galaxy Digital

\$25m for SingularityNET and Singularity DAO in commitment. SingularityNet is a decentralized protocol-backed suite that allows AIs to coordinate in a scalable, interoperable way. SingularityDAO brings community governance to a DeFi protocol that offers AI-powered tools for managing cryptocurrency portfolios. Funds were committed by LDA Capital.

\$23m for TipTop, a « stealth » startup founded by Bastian Lehman, after its \$2.65b Postmates exit to Uber. The startup is keeping things as vague as possible on its website and job listings with redacted graphics promising "consumer finance solutions for a changing web" and that they're "building protocols and infrastructure," doing something "at the intersection of fiat and crypto." a16z led the round (with Marc Andreessen himself joining the board), with participations of Sam Altman, Naval Ravikant, Andy McLoughlin, Jeff Clavier and Dan Romero, among others.

\$20m for DoraHacks, hackathons organiser. The capital will be used to drive the launches of the Dora Grant DAO, a decentralized grant community, and Dora Infinite Fund, a venture fund focused on NFTs. The round was led by FTX Ventures and Liberty City Ventures. Other participants included Circle Ventures, Gemini Frontier Fund, Sky9 Capital, Crypto.com Capital and Amber Group.

\$15m for BitKeep, Singapore-based crypto wallet, at a valuation of \$100m. The funding will help BitKeep develop a cross-chain decentralized autonomous organization (DAO) to give ecosystem ownership to wallet users. Dragonfly Capital led the round with participation from KuCoin Ventures, A&T Capital, Foresight Ventures, SevenX, Matrixpor, Bixin Capital, Danhua Capital, Peak Capital and YM Capital.

\$15m for Azra Games, P2E gaming studio. The round was led by A16z, via its new games fund; other investors include NFX, Coinbase Ventures, Play Ventures and Franklin Templeton.

\$6.5m for Saga, a protocol carving out decimated blockchain space for gaming and entertainment developers, at a valuation of \$130m. Investors involved in the fundraise included Maven 11, Longhash Ventures, Hypersphere, Figment, Polygon Studios, Samsung NEXT, Chorus One, GSR, C2X, CRIT Ventures, Akash Network, Unanimous Capital, Strangelove Ventures, Tess Ventures, Merit Circle, Hustle Fund, Polymer, Zaki Manian, Jae Kwon, Garrette Furo, Alex Shin, Nick Tomaino and other angel backers.

Business news: investment funds

Andreessen Horowitz launches a new **\$600m fund dedicated to gaming** industry, named Games Fund One. The fund's backers include a number of executives in the games world, including co-founders at such companies as King, Discord, Roblox, Zynga, Twitch, Blizzard and Riot Games. Fortis Digital is raising a **\$100m fund with an altcoin focus**.

Business news: investment tools

Crashing markets yield **high funds inflows** last week as investors bought the dip.

Grayscale Investments to list its first ETF in Europe

21Shares launches 2 new ETP on the US market. The 21Shares Crypto Basket 10 Index Fund will track prices of the top ten cryptocurrencies by market cap that are available on U.S. exchanges. Meanwhile, the 21Shares Mid-Cap Index Fund offers investors exposure to the "next tier of emerging cryptos," or those which rank from third to tenth in market cap. Outside the US, the firm offers around 30 ETPs.

Crypto adoption: companies

Revolut plans to launch a non custodial crypto wallet. Its token (so called 'Revcoin') will reward customer loyalty.

Nomura to launch crypto unit with DeFi and NFTs on menu

S&P Global Ratings forms DeFi group to build out crypto framework

Regulation

Dutch Finance official wants to ban retail investors from trading crypto derivatives, but they don't yet have the authority (at least until MICA comes into effect).

UK proposes regulations that would recognise stablecoins as a form of payment.

Portugal may tax crypto gains

"In light of the recent turmoil in the crypto-asset market, the **G7** urges the FSB (Financial Stability Board)...to advance the swift development and implementation of consistent and comprehensive regulation », says a draft communique on May 19

The **Bank of International Settlements** (BIS) released a paper calling for a

perspective change, from a centralised approach to regulating distributed-ledger-technology (DLT) in order to facilitate cross-border payments.

OECD proposes a crypto-asset reporting framework for information exchanges on tax purposes

Nigeria says all digital assets are securities in new rulebook.

Russia may legalise crypto payments, said the trade minister.

Crypto adoption: countries

Madeira is embracing bitcoin (which is very different from adopting it as legal tender)

Crypto adoption: companies

B3, the Brazilian stock exchange, to begin trading bitcoin futures this year

Scam and scam fighting

Chainalysis introduces a new product simplifying long list of transactions, to find out rapidly the incumbents of a possible fraud.

5'505 ETH (worth around \$10m) of the \$625m Ronin exploit are making their way through Tornado Cash.

Wormhole pays \$10m bounty to a white hat hacker who reported a bug
Conti ransomware extorted 725 BTC (worth around \$21m) in one attack

From May 9th to May 15th

Summary (links are an extract of links below)

According to commentators, this week has been the worst of the ten last crypto years. Due to market slide (around 30%), Luna/Terra fall. \$50b of invested money has been wiped out. Let's take some time to give an eye. You will find below a review of the events.

*In summary, the stablecoin USTerra lost its peg, causing its pair Luna's supply to grow x20, decimating its value. Luna's price went from \$100 (\$40b market cap) to \$0,0002. And Terra from its peg \$1 (\$10b market cap) to zero. The mechanism behind is called an **algorithmic stablecoin**, where the stability is supposed to be created by supply and demand of the stablecoin, the algorithmic mechanism converting the stablecoin into its pair if the price tends to go under its peg, and the reverse in the opposite case.*

Luna crisis have had multiple consequences:

- *It has shown the **weakness of such stablecoin**, although it had already been seen in the past, and **forecasted** (David Morris' paper is worth reading), and **signalled by the regulator***
- *It has even impacted the trust into traditional stablecoins (such as USDT Theter and USDC Circle) (traditional in the sense that their stability is guaranteed by other assets), **USDT briefly losing its peg** (for about one hour)*
- *It created side effects:*

- some DeFi apps hadn't planned that Luna may stop being quoted; due to late reaction some have **taken advantage of this mistake**
- Some have tried to hastily convert USDT in USDC, causing **MEV bots to take advantage** of the hasty transaction, stealing more than half of it
- It creates room for the regulator to impose **new rules**
- Finally, **it impacted the whole market**, causing bitcoin to briefly touch \$26'350, and Ether being under \$2'000. The trust in crypto has been affected.

Poor markets do not have short term consequences on companies fundraising as shown below in the long list. I will pick one : **KuCoin reached the decacorn status**, raising \$150m at a valuation of \$10b; what is striking is that last KuCoin's fund raise was its \$20m serie A in November 2018, at a valuation of \$100m. Matrix Partners, IDG Capital and Neo Global Capital, who invested in the serie A, have multiplied their investment by 100!

Much more below.

Opinions

Lessons of the Dotcom boom applied to Web3

Markets (beside LUNA's special situation, see section below)

- May 9th:
 - **Bitcoin price falls to \$31k**
 - **SHIB** price dropped by 10%, with a risk further
 - Price analysis 5/9: BTC, ETH, BNB, SOL, XRP, LUNA, ADA, DOGE, AVAX, DOT: approaching the « **capitulation phase** »
- May 10th:
 - **Polygon reversed course to the upside**, with strong fundamentals and a partnership with Meta
 - Crypto market cash leads to **\$1b in liquidations**
 - **LUNA loses half of its value** in 24 hours; Avalanche also plunges
- May 11th: **Bitcoin bounced back** from ten-month lows. Crypto Fear & Greed index hit one of the lowest level ever recorded
- May 12th:
 - **Layer1 tokens sink** (FTM, SOL, BNB, NEAR, AVAX, ADA...): all are way below ETH 26% slide in five days
 - 3 reasons why bears aim to **pin Bitcoin below \$30k** for Friday 13th options expiry
 - Bitcoin could **target \$32k**
- May 13th: **Bitcoin oversold**, resistance at \$33K-\$35K. ICP, MANA and DOGE rallied by more than 20% over 24 hours. But some analysts warn **bottom 'not in yet'**

Messari's weekly market review shows **huge losses in every sector** (on average

30%). Interestingly, Maker (MKR) is the only token to show a 7.5% grow: with a spike around the same time that the USTerra crashed, suggesting investors might have flocked to a more reliable stablecoin protocol with an established track record.

LUNA's death spiral (*this is a specific section this week, due to the very special situation*)

This week crash **wiped out more than \$50b** of LUNA and USTerra market cap! Sale of \$285m UST led to the **depeg of UST**. The **fall of Terra**, crypto's Lehman's moment, creates a **major crisis for algorithmic stablecoins**. **What happened?**

Terra debacle exposes flaws plaguing the crypto industry.

To understand the underlying mechanism of the crash, it's worth reading David Morris's paper, explaining what is an algorithmic stablecoin, and **warning of the risk of Terra/Luna crash**, written on April 22. Vox's paper on the **underlying mechanism** is more technical.

- May 8th: Some early signals, with a **temporary depeg**
- May 9th: Luna Foundation Guard says it will **lend out \$1.5 billion** in BTC and UST to defend stablecoin peg
- May 10th:
 - Luna Foundation seeks **\$1b to shore up UST**
 - Celsius pulled **half a billion dollars out of Terra's Anchor** lending protocol
 - After having dropped as low as \$0,61, **USTerra regains some ground**
- May 11th:
 - **LUNA crashes 95%** as USTerra de-pegged
 - **Rumours** flourished on a possible attack
 - **AVAX dropped 30%** since Luna foundation is emptying its crypto reserves to bring its stablecoin back to its \$1 peg
- May 12th:
 - Theter (**USDT**) **briefly depegged** in early morning trading. Some **opportunistic bots have taken millions of dollars** worth of profits, taking advantage of haste sales (in one case, one holder tried to sell \$15.5m USDT (*Theter, not USTerra*) and got \$6.14m of USDC, the difference having been mostly taken by MEV bots).
 - Terraform Labs CEO Do Kwon unveils **plan to restore UST peg**. This includes drastically LUNA's minting capacity
 - **LUNA's supply grows 20-fold** in four days, decimating its value
- May 13th:
 - SEC « crypto mom » said the regulatory movement around stablecoins needs to **allow room for failure**
 - Chainlink quotation suspension created **losses in DeFi platforms** Blizz Finance and Venus Protocol (which reported a loss of \$11.2m)
 - Traders complain of **Crypto.com suspending quotations**

- Terra blockchain has **officially halted**
- **Do Kwon proposes Terra revival**, including token redistribution plan
- Finally, Do Kwon recognised that **UST will not be the future decentralised money**.
- Still, **\$1.2b bitcoin remains unaccounted** for by LFG

A **wrap-up** : Euronews explain

Altcoins, tokens and blockchain

The **Hong Kong Exchanges and Clearing** (HKEX) is set to establish a digital trading platform with smart contracts and blockchain technology.

Can **Solana** become the dominant PoS chain? The Solana network seems to be battling persistent outages while seeking to address the industry's blockchain trilemma. According to Nansen research, there are often 10-times more transactions on Solana than Ethereum. Solana's outage are due to bots; Metaplex NFT protocol maker has implemented a '**bot tax**' to combat such issues

India's National Securities Depository launches a **blockchain system to monitor bond issuances**.

MakerDAO's real world application to **track Aussie beef supply chain**

Stablecoins

The Federal Reserve published its semi-annual Financial Stability Report on Monday 9th. The report highlights the **run risk of stablecoins**.

Crypto skeptic **Nouriel Roubini** announces plans for a tokenised dollar alternative.

Jeremy Allaire, Circle CEO, calls for **more regulatory framework around stablecoins** (video)

Mining

Bitcoin **mining difficulty at an all-time-high**

Bitcoin **mining in Norway** gets the green light

Hut8 reported revenues of CAD 53.3m and net income of CAD 55'708 in Q1 2022

Core Scientific reported revenue of USD 192.5m, with a loss of USD 466.2m in Q1 2022 (among which \$386m comes from fair value adjustment on convertible notes)

Exchanges

Coinbase will keep customer balances in event of bankruptcy

DeFi

Abracadabra enables **leveraged yield farming** on Stargate

CreditFi lets USDC holders **lend capital to Koala Insurance**.

NFTs

Azuki floor price sled 68% this week, following its creator's confession on its inadequate marketing techniques

Charities

Ukraine's Digital Transformation Ministry approves [charity NFT project](#) benefiting war efforts

Business news

[Compound Treasury](#) got a rating from S&P, B-. Compound Treasury serves a 4% p.a. yield to institutional customers, converting US dollars to USDC, deposited into Compound Finance.

[Coinbase](#) posts net loss of \$430m in Q1 2022. Quarterly trade volume was down to \$309b (\$547b in Q4 2021).

[Galaxy Digital](#) reported a loss of \$111.7m in Q1 2022, compared to a gain of \$858.2m in the same quarter 2021. Galaxy Digital, Mike Novogratz' digital asset management company has \$2.7b AUM, with a 5% decline in Q1 2022.

[Grayscale](#) bitcoin trust discount widens to all-time low of 30.79%. Each share of GBTC holds \$26.46 worth of bitcoin, while trading at \$18.35.

[Nomura](#) starts trading crypto derivatives, joining Goldman Sachs and JP Morgan.

[Microstrategy](#)'s bitcoin assets, worth \$3.6b (129 218 bitcoins), now holds a \$330m paper loss (at a bitcoin value of \$28'200)(the average price of hold bitcoin is \$30'700).

[Lightspark](#) is the new company of David Marcus, former head of Meta's crypto operations. Lightspark plans to build backend infrastructure for companies, developers, and merchants looking to transact on the Lightning network. Backed by prestigious investors, the team is also quite impressive. Amount raised and valuation have not been disclosed.

Sam Bankman-Fried, FTX founder, takes a 7.6% stake in [Robinhood](#), for more than \$500m. Robinhood stock surged by 28% thereafter.

Elon Musk's [acquisition of Twitter](#) « on hold »

Business news: companies fundraising

[\\$170m for Chainalysis](#), at a valuation of \$8.6b (the double of last round at \$4.2b last June). GIC led the round.

[\\$150m for KuCoin](#), at a valuation of \$10b. Valuation went 100x from last round, a series A in [November 2018](#), at a valuation of \$100m. The round, which was led by Jump Crypto, also saw participation from Circle Ventures, IDG Capital and Matrix Partners.

[\\$105m for Tacos](#), crypto trading firm providing technology to support digital asset trading for financial institutions. Citigroup, Wells Fargo and BNY Mellon participated in the funding, together with existing investors Andreessen Horowitz, Paypal, Fidelity and Castle Island Ventures.

[\\$70m for Elwood Technologies](#), a trading platform that helps institutions access crypto markets. In addition to lead investors Goldman and Dawn, the Series A round was joined by Barclays, BlockFi Ventures, Chimera Ventures, CommerzVentures, Digital Currency Group, Flow Traders and Galaxy Digital Ventures.

[\\$45m for Solidus Labs](#), crypto risk monitoring firm. The round was led by

Liberty City Ventures; other participants in the round include Evolution Equity Partners, Declaration Partners, Hanaco Ventures and Avon Ventures

\$40m for BVNK, London-based crypto banking platform, processing \$2b in annualised payments. The round was led by Tiger Global and also featured digital asset custodian Anchorage Digital, token sale platform Coinlist and Francesco Simoneschi CEO of open banking startup TrueLayer.

\$25m for Co:Create, NFT startup, aiming to help NFT collections launch their own tokens. The round (seed) was led by Andreessen Horowitz (a16z) with participation from Gary Vaynerchuk's VaynerFund, Packy McCormick's Not Boring Capital, Amy Wu and RTFKT.

\$23m for Mara, Pan-African centralised exchange. Mara targets Nigeria and Kenya first. The funding round was led by Coinbase Ventures, Alameda Research, Distributed Global, Day One Ventures, TQ Ventures and more

\$21m for Casa, bitcoin self-custody company (where users keep control of their private keys). The round was led by Acrew Capital, with contributions from Positive Sum Ventures, Naval Ravikant and Scott Belsky.

\$21m for Arianee, Paris-based platform linking NFTs to luxury brands. Tier Global led the round.

\$12.5m for Branch, P2E gaming startup, aiming at keeping the crypto out of sight, while using NFTs...Participants in the round include Mechanism Play, TCG Crypto, Dragonfly Capital, Polychain, Coinbase Ventures, Three Arrows Capital and Polygon Studios CEO Ryan Wyatt.

\$7.5m for Ryan Heroes, to develop P2E game, at a valuation of \$100m.

Investors included venture capital firms Kosmos Ventures, Sino Global Capital, Shima Capital and Petrock Capital.

\$7m for Lighthouse, to be the search engine of the Metaverse. The round was co-led by Accel, BlockTower and Animoca Brands and included participation from White Star Capital, Sparkle Ventures and Gemini Frontier Fund, among others.

Business news: investment funds

6th Man Ventures raises a **\$145m fund, target a pre-seed, seed and some serve A deals**, in P2E gaming, metaverse projects, web3 networks, DAOs and infrastructure

Fasanara Capital is raising a **\$350m fund, to invest in fintech and crypto startups**, with a focus on infrastructure, trading platforms and liquidity providers.

Business news: ecosystem funds

Dapper Labs launches a **\$725m fund to support Flow ecosystem**. The fund is backed by Andreessen Horowitz (a16z), Coatue, Union Square Ventures, Greenfield One, Liberty City Ventures and CoinFund, among others. Flow, a fast and low cost blockchain, is known for its traffic from Dapper's suite of NFT platforms: NBA Top Shot, NFL ALL DAY and UFC Strike.

Crypto adoption: companies

Instagram will test NFTs as profile pictures

Scam and fight

Mining Capital Coin's CEO **indicted for alleged \$62m fraud scheme**

Tax investigators identify **potential \$1b crypto Ponzi scheme**

From May 1st to May 8th

Summary (links are an extract of links below)

A major business news last week, was the **takeover of Twitter by Elon Musk** (for a total price of \$44b). **Binance** participates for \$500m. Musk will serve as **temporary CEO** after deal closes. And Musk changed its **Twitter profile picture**, with a specially designed NFT, patchwork of seemingly Bored Ape Yacht Club NFTs; BAYC floor price consequently surged to 10 ETH. This is (probably) not related to last week news on Yuga Labs' Otherside sale, which raised **concerns on gas fees**.

On the crypto business side, companies fundraising announcements were high (you will find below the list of 14 closed deals, and 2 ongoing). I will select **Syndicate**, raising \$6m from more than 50 investors, including VCs, DAOs, non-profit, and more. Syndicate aims at allowing easy creation of Web3 investment clubs.

Concerning VCs activity, its worth reading the Medium post of 1K(x) **DAOs are disrupting the way venture capital is working**. Although promoting its author's business, it yields interesting insights on this new approach.

Finally, Messari published this week three « Q1 2020 reports » (from its partners), on **Solana**, **Polkadot** and **Balancer**. The Polkadot one gives a view on its ecosystem. I recommend reading the **Solana** one (although rather long) if you want to understand the underlying business of a layer1 blockchain, and thus its value (Solana is very active on NFTs and gaming). You will find hereunder a table extracted from the report giving the main figures.

Markets

- May 3d:
 - 3 reasons why Bitcoin price is **clinging to \$38k**
 - Can **ADA price rebound** in the same way as in March?
- May 4th:
 - **ETH briefly above \$3K**, Coinbase ETH outflows hit ATH. Bearish prospects remain
 - Price analysis 5/4: BTC, ETH, BNB, SOL, XRP, LUNA, ADA, DOGE, AVAX, DOT: volatility before Fed meeting
- May 5th:
 - **Bitcoin price hits 10-week lows**. Somehow correlated with bearish equity markets

- Total crypto market cap **down to \$1.8b** after Fed raises rates
- Luna Foundation **acquires additional 37 863 BTC** (for a total of \$1.5b)
- May 6th: **Bearish scenarios**, ETH being in a better position than BTC
- May 8th: **'Extreme fear'** crypto crash suddenly wipes \$200 billion. LUNA's slide causes fears on UST stability

Bitcoin

Is **bitcoin becoming a risk-off asset**?

Ethereum

Ethereum map for transition to Proof of Stake. « **Transition in sight** » **Ethereum and its rivals**. Ethereum explained and set in perspective.

Altcoins, tokens and blockchain

On May 4, **Polkadot's** parachain has become a fully interoperable multi-chain ecosystem. DOT and other Polkadot assets can now be transferred between parachains, while smart contracts, dApps, and other modules built using Polkadot's native Substrate framework can also communicate with one another across Polkadot parachains

On April 30, **Solana's network went down for seven hours**. Price plunged 15%

On May 2, the blockchain-based naming protocol known as **ENS** surpassed the milestone of one million created names

Fantom overcame \$37m whale liquidation

Optimism and layer2s

Tokenizing property markets, and sharing rental revenues. Latin America

LaProp platform will allow investors to buy tokenised shares in various real-world properties, using decentralised oracle network Chainlink

Hop Protocol, a multi-chain bridge on Ethereum, announced a new governance token under the ticker HOP and an airdrop for early users

FIO, a solution to transfer assets across blockchains

Vega, an app chain for trading derivatives






Orca, Solana-based automated market maker

State of **Balancer** Q1 2022. Balancer is a DeFi automated market making protocol. The protocol allows users to create a pool of assets with predefined weights in the pool

State of **Polkadot** Q1 2022. A comprehensive review of the Polkadot ecosystem

State of **Solana** Q1 2022. Solana experienced mixed trends across network and financial metrics compared to the prior quarter. While market cap and revenue declined by 30% and 43.5%, respectively, the network experienced continued uptrends in usage, quantified by average active unique fee payers (+28.4%), average transactions per second (+94.8%), and total average daily transactions (+4.2%). A thorough and interesting report to understand the underlying activity of a protocol, including competitive analysis. The report shows the main role of NFTs in Solana's activity

Solana Key Metrics vs. Other Top Layer-1s

Q1 2022					
	Solana (SOL)	Ethereum (ETH)	Terra (LUNA)	BNB Chain (BNB)	Avalanche (AVAX)
Network Financials					
Price	\$120.70	\$3,282.78	\$106.10	\$428.82	\$97.33
% Change Q1 2022	-29%	-13%	24%	-19%	-15%
Circulating Market Cap	\$39.2 B	\$407.5 B	\$37.7 B	\$74.5 B	\$25.7 B
% Change Q1 2022	-26%	-7%	21%	-14%	-4%
Total Revenue	11.0 M	2.5 B	4.7 M	177.1 M	52.3 M
% Change Q1 2022	-44%	-43%	-35%	-58%	73%
Circulating P/S Ratio	990.9x	81.5x	1,865.3x	123.4x	91.2x
Ecosystem & Development					
Total Value Locked	\$7.8 B	\$127.0 B	\$28.4 B	\$13.8 B	\$11.2 B
% Change Q1 2022	-30%	-15%	54%	-13%	-5%
Mcap/TVL Ratio	5.0	3.2	1.3	5.4	2.3
NFT Secondary Sales Volume	\$699.1 M	\$8.5 B	-	\$4.4 M	\$198.0 M
% Change Q1 2022	4%	51%	-	832%	550%
NFT Unique Buyers	1.1 M	1.9 M	-	10.7 K	74.8 K
% Change Q1 2022	83%	68%	-	305%	248%
Average Daily Core Developer Activity	461.0	280.5	41.5	.2	61.5
Decentralization					
Number of Validators	1,000+	200,000+	<150	<25	1,000+
Nakamoto Coefficient	20	3	10	7	27

Data as of: Mar 31, 2022

Source: Token Terminal, DeFi Llama, Network Blockchain Explorers

Notes: Single point-in-time metrics were measured on the final day of the quarter.

Totals and averages are measurements of the entire quarter ending Mar 31, 2022.

Stablecoins

USDD goes live. USDD is Tron's algorithmic stablecoin

DeFi

Lido, a liquid staking protocol, is now the leading DeFi protocol by TVL, with \$19.4b, overtaking Curve, which led for the last six months. Liquid staking is a process where users can delegate tokens to a staking service but hold onto the underlying value through derivative tokens

Ribbon Finance offers **structured products** including option-based covered calls and put

Yearn Finance, leading yield aggregator, releases a V3

Wall Street starts using DeFi: Jane Street, a Wall Street quantitative trading firm with more than \$300b in assets, has taken out a 25m USDC loan from BlockTower Capital, using a decentralised funding platform Clearpool

Gaming

Illuvium, P2E game, to sell 20'000 virtual plots on June 2. Plots will generate in-game fuel and elements, tier 5 ones also coming with a stadium to host Illuvium's esports tournaments

Cometh, a French gaming studio, creates games that can seamlessly connect with DeFi protocols, such that they come equipped with a suite of crypto-based financial tools. It also makes white label products to help established gaming

firms build out crypto functionality

NFT

Elon Musk swaps Twitter avatar for a horde of Bored Apes, BAYC floor price surges 10 ETH

Coinbase NFT went live on May 4. Surprisingly, it mixes an NFT platform with a social network. This may disrupt the market, or backfire. The two first weeks of beta (before May 4) did not show strong results

NFT aggregators scale trading, Gem and Genie leading.

Competition between Gem and Genie, the two leading NFT aggregators, is harsh. Genie accuses Gem of a DDoS attack during Otherside minting, while Gem seems to outpace its rival

SuperRare, one of the first historical platform for NFTs, now opens a gallery in NYC

Metaverse

Inside Yuga's metaverse mint, and soaring gas fees (followed from last week Yuga's sale of 55'000 land parcel on Otherside)

DAOs

Using a DAO in an attempt for dead brands resurrection. Nostalgia

DAOs are disrupting the way venture capital is working. Landscape of Investment DAOs, Incubation DAOs and Service DAOs (*this paper is a Medium post, from one player, promoting its organisation; still, it holds valuable informations*)

Charities

Wikimedia Foundation stops accepting crypto donations, citing environmental concerns

Business news

Binance commits \$500m to co-invest in Twitter with Elon Musk (among 18 co-investors)

Coinbase took out the first Bitcoin-backed loan from Goldman Sachs. The dollar value of the loan has not been disclosed, but it was collateralized by a portion of Coinbase's total holdings of 4,487 BTC, worth around \$170 million at the time of writing. The loan features 24-hour risk management but requires Coinbase to top up its BTC collateral if prices fall too low

Multicoin Capital has lost 95% on its 8-figure investment in NFT project Loot

Business news: companies fundraising

\$65m for Kevin, Lithuanian payment startup. The round was led by Access and included Eurazeo and Kevin's existing investors; OTB Ventures, Speedinvest, OpenOcean and Global Paytech Ventures. Additional investors were Harry Stebbings, founder of 20VC; Ilkka Paananen, CEO & co-founder of Supercell; Amitabh Jhavar, ex-CEO of Venmo, among other angels

\$50m for Zora, NFT marketplace. The round was led by Haun Ventures; it also

includes investments from Coinbase Ventures, Kindred Ventures and others
\$40m for Irreverent Labs, blockchain gaming firm. Its first title, the play-to-earn game, "MechaFightClub," sees non-fungible token (NFT) owners battle for glory and profit through robotic chickens. Names of the 11 investors and valuation have not been disclosed. Irreverent raised \$5m in November, in a round led by a16z, with participation of The Chainsmokers' Mantis Fund, Keen Crypto, Unlock Ventures, and Advant Capital

\$33.6m for Bitcoin.com, provider of crypto exchange and wallet services, in a private token sale. The raise was backed by Digital Strategies, KuCoin Ventures, Blockchain.com, ViaBTC Capital, Redwood City Ventures, 4SV, BoostX Ventures, and individuals including Roger Ver, Jihan Wu and David Wachsman

\$30m for Amberdata, digital asset data provided. The round was led by Knollwood Investment Advisory, with participation from Susquehanna International Group, Nasdaq Ventures, NAB Ventures, Chicago Trading Company, Nexo, Coinbase, and Innovius

\$24m for Untamed Planet, blockchain-based gaming startup. Untamed Planet uses the game creation platform Roblox to recreate natural environments, incorporating non-fungible tokens (NFTs) built on the Solana blockchain. Further, the startup donates between 50% and 100% of NFT sales to conservation organizations. The round was led by Animoca Brands

\$12m for LootRush, a platform that aims to improve user access to blockchain games

\$10m for Cometh, French blockchain gaming studio. The round was co-led by White Star Capital, Ubisoft and Stake Capital. Serena Capital, Shima Capital and IDEO Colab Ventures participated. The valuation has not been disclosed.

\$10m for Decrypt, crypto media firm. The new funding came from 22 organizations, with no leading investor, in a bid to become a "truly independent news organization," the company [announced Tuesday](#). Decrypt was previously owned by blockchain incubator ConsenSys Mesh. The [list of new investors](#) includes venture capital firms Canvas Ventures, Hack.vc, Hashkey Capital, IOSG Group Limited, SKH Group and XBTO Humla Ventures, as well as a group of angel investors, strategic partners and DAOs like Global Coin Research DAO and Honey DAO. ConsenSys Inc will stay on board as a minority investor

\$9m for InfiniGods, blockchain gaming startup. Pantera Capital led the funding round. Additional participants include Framework Ventures, Jefferson Capital, Animoca Brands and Double Peak

\$6m for Syndicate, a decentralised asset management platform, aiming to allow anyone to create a "web3 investment club ». Investors for this round include Andreessen Horowitz (a16z), South Park Commons, Carta Ledger, OpenSea, Circle Ventures, Polygon, United Talent Agency, CoinList, FalconX and others, more than 50 investors including DAOs, non-profits, partners, customers, and individual investors

\$5.3m for Stakes, an NFT startup on sports betting. The round was led by Digital Currency Group (DCG), FBG Capital and CMS Holdings. It includes LD Capital, Cadenza Ventures, Matrixport Ventures and Sterling Select Group. Valuation has not been disclosed

\$5.2m for Bundlr, developing tools to facilitate users access to Arweave, a

blockchain-based storage network. The round was led by Framework Ventures, Hypersphere Ventures and Permanent Ventures, and it also saw participation from OpenSea and Race Capital

\$3m for Ready Games, traditional gaming startup, to bring Web2 gaming to Web3 world. The fund-raising was done via a token sale. The startup aims at bringing new NFT games to traditional app stores

Amber Group, cryptocurrency trading platform, is raising funds at a valuation between \$5b to \$10b. In February, Amber Group raised \$200m at a valuation of \$3b

SO-COL, Irene Zhao crypto influencer company, is raising funds at a \$100m valuation, after closing its seed round in February

Business news: funds fundraising

\$85m for Pangea Fund Management, crypto hedge fund with a concentrated portfolio anchored by 3-7 high conviction liquid tokens, with a **long only strategy**

\$40m committed for 1.21 Gigawatts Fund, created by Ryan Carson, ex COO of Moonbirds, to invest in NFTs. The fund has a longer-term view on NFTs, holding acquired pieces for 3-10 years

Business news: ecosystem funds

Nym Technologies, a Swiss privacy startup that shields online activity from surveillance using a mixnet, launched a **\$300 million fund to entice developers to its ecosystem**. Backers include Polychain, Greenfield One, Huobi Incubator, Tioga Capital, Eden Block, NGC Ventures, HashKey Capital, Figment, Fenbushi Capital, OKX Blockdream Ventures, Tayssir Capital, KR1, Lemniscap and Andreessen Horowitz (a16z). Grants will range from \$50k to millions

Business news: investment tools

SEC has approved a new **Bitcoin futures ETF**, from Valkyrie, but still no spot ETF (although there are many outside the US, such as 3iQ Coinshares, Purpose Bitcoin and CI Galaxy Bitcoin in Canada, or 21Shares Bitcoin ETP or Coinshares in Switzerland, or ETC Group or VanEck in Germany) (graph as of July 2021)

Product	Trading currency	Where traded	Fidelity ticker	Expense ratio (%)	Assets (\$mil) ¹
<i>Redeemable funds²</i>					
21Shares Bitcoin ETP	U.S. dollars	SIX	ABTC:CH	1.5	188
3iQ CoinShares Bitcoin ETF	Canadian dollars	TSE	BTCQ:CA	1.3	616
CI Galaxy Bitcoin ETF	U.S. dollars	TSE	BTCX_U:CA	1.0	167
CoinShares Bitcoin Tracker	euros	Nasdaq Stockholm	N/A	2.5	1,574
CoinShares Physical Bitcoin	U.S. dollars	SIX	N/A	1.0	206
ETC Group Physical Bitcoin	euros	Deutsche Börse Xetra	BTCE:DE	2.0	518
Purpose Bitcoin ETF	U.S. dollars	TSE	BTCC_U:CA	1.5	679
VanEck Vectors Bitcoin ETN	euros	Deutsche Börse Xetra	VBTC:DE	1.0	130
WisdomTree Bitcoin	U.S. dollars	SIX	BTCW:CH	1.0	184

Crypto adoption: companies

Gucci to accept payment in crypto in five pilot stores

Regulation

Argentina's central bank blocks financial institutions from offering crypto

Scam

Blender.io on US North Korean sanctions list. Along with listing 46 addresses linked to Blender.io, US Treasury also added four new wallet addresses used by North Korea's Lazarus Group

OpenSea Discord server hacked to promote scam NFT pass

Since beginning of 2022, already **\$1.6b exploited** from DeFi. This includes the \$600m Ronin Bridge exploit in March

From April 25th to April 30th

(Apologies for the lack of news from April 13th to April 24th, due to holidays)

Summary (links are an extract of links below)

After two weeks of personal holidays, I'm back. In the meantime, most currencies have declined (BTC-16%, total market cap -18% in April), only nine of top 100 cryptocurrencies having posted gains (see [monthly market recap](#)). There is one interesting increase, the ApeCoin (APE).

Beside surging 37% in April, this reflects the bullish strategy of Yuga Labs. Created in February 2021, Yuga launched the now leading Bore Ape Yacht Club NFTs collection, then took over its main competitor (Crypto Punks) in March 2022, and has launched on April 30 a new metaverse world, Otherside. They proceed to the [sale of 55'000 land parcel in 3 hours](#), cashing in \$317m in ApeCoin. For they last fundraising, in March, they raised \$450m at a valuation of \$4b. It's worth reading their [success story](#).

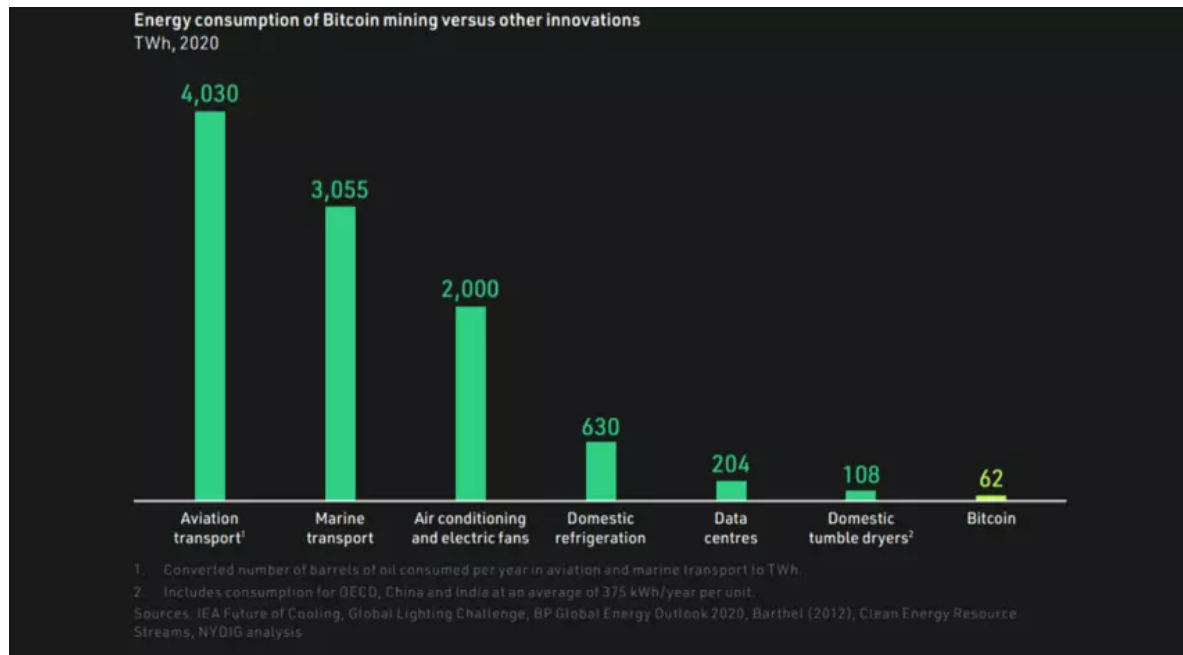
Still in the NFT world, OpenSea, the leading NFT platform (with a market share around 60%, for a total [2021 market of \\$25b](#)) took over Gem, an NFT marketplace aggregator, pushing to keep its advance.

On a completely diverse topic, crypto often raises criticism over its energy consumption (this is especially true of Proof-of-Work mechanisms, used for bitcoin, and much less from other mechanisms such as Proof-of-Stake, to be used this year for Ethereum). However, it's rarely mentioned that [cryptos also have a real societal value](#), especially for millions of people living in countries with hyperinflation or using crypto for remittances. It's worth noting that the World Economic Forum's Crypto and Sustainability Accelerator has posted a [per](#) on this topic.

Finally, you will find many more interesting news below, including business news (Meta's metaverse BU [Q1 2022 losses of \\$2.9b](#)), companies fundraising and more.

Opinions

Why the debate about **crypto's energy consumption** is flawed (*by World Economic Forum's Crypto Impact and Sustainability Accelerator*). Leaving a Western point of view, we should consider the societal value of crypto for millions of people living in countries with hyperinflation or using crypto for remittances



Ukraine related news

Binance closes accounts of individuals with links to Russian government

Markets

- Apr.26th: Bitcoin repeats rare weekly chart signal that resulted in **50% BTC price dips**
 - Apr.27th: Purpose Bitcoin ETF, world's most ancient spot ETF, '**buys the dip**'
 - Apr. 28th:
 - **ApeCoin (APE) ATH**, ahead of Otherside land auction on Apr.30th
 - STEPN's move-to-earn tokens, **GMT and GST hit new highs** after Coinbase listing announcement
 - Apr.29th: Price analysis: BTC, ETH, BNB, XRP, LUNA, SOL, ADA, AVAX, DOT, DOGE: **deadly risk** for most altcoins if BTC lows to \$25k
 - Apr. 30th: Whale holding despite **warnings of BTC price crash** to \$20k
- Messari's **weekly recap** as of April 29th, shows all sectors in red this week, with very few coins showing gains
- April market roundup:** Total crypto market cap dropped 18%. Only nine of the top 100 currencies posted gains, the most noticeable one being ApeCoin (APE)

Altcoins, tokens and blockchain

3 reasons why **Dogecoin** price can now gain 50% by September
VET (VeChain) now available as payment mean in 2 million stores, via Alchemy Pay. VeChain is also included in Binance Bridge 2.0. Vechain is a supply chain tracking system, which combines physical tracking with blockchain record keeping
Optimism is launching a governance token

Stablecoins

Justin Sun, TRON's founder, announces the launch of a **decentralised stablecoin offering a 30% p.a. yield** to investors. TRON will take \$10b in collateral
USN, a new decentralised stablecoin has launched on April 25th, on Near protocol

Mining

The New York State assembly passed a bill to impose a **two-year moratorium** on PoW mining. To become a law, it **needs to pass the state Senate** before June 2.

DeFi

Crypto-to-Real World model picks up steam. DeFi lender Goldfinch reaches **\$100m in loans**

NFTs

How Yuga labs **became a \$4b NFT** juggernaut in a year
An **Automated Market Maker** (AMM) is now available for NFTs. It allows users to design custom bonding curves
Will tokenisation of real world assets in **NFTs save the housing market?**

Metaverse

The Otherside metaverse project, from Yuga Labs (owner of BAYC collection), **sold out all the available 55,000 land NFTs within three hours** of its public sale starting at 9PM ET on Saturday 30th. It brought in 16.7 million ApeCoin (\$317m) making it a record-setting NFT mint. The event caused gas fees on the Ethereum blockchain to soar to 8,000 GWEI (usually hundred times lower)
Decentral Games, is a game operator within Decentraland. Its most successful game is ICE poker, with attracts more than 10'000 daily users
Meta takes nearly **half of transaction fees generated** in its virtual reality game Horizon

DAOs

DeDAO, a decentralised autonomous organisation of DeGods NFT holders, **acquired rights on a basketball team** ins Ice Cube's BIG3 league, acquiring NFTs which will give them a say in the team's CEO, president vice-resident and the intellectual property and licensing rights for league-approved merchandise

Business news

During Paris Blockchain Week, CZ, Binance's founder and CEO, announced

Paris will be **Binance's European Base**, partnering with Station F incubator **Three Arrows Capital** (3AC) moves its headquarters from Singapore to Dubai
Robinhood announces layoffs ahead of first-quarter earnings release
FTX hosted a multi-day **crypto conference in the Bahamas**, together with SALT.
FTX has its headquarter in the Bahamas
Meta's metaverse-focused unit lost \$2.9b in Q2 2022
Fireblocks adds support for Terra, under institutional demand. This gives Fireblocks customers access to Terra-based DeFi apps, such as lending protocol Anchor and liquid staking protocol Lido. In the first week, Fireblocks customers deployed nearly \$500m on Terra-based protocols
Stripe adds payment possibilities in USDC, using the Polygon network
Fidelity to let workers save 20% of retirement in bitcoin (diversifying 401(k) savings account

Business news: M&A

Robinhood to acquire Ziglu, UK-based crypto wallet and card startup
OpenSea acquired Gem, an NFT marketplace aggregator. OpenSea is the leading marketplace for NFTs (with a market share above 90%)

Business news: companies fundraising

\$300m for OneFootball, football media company. While OneFootball does not appear as a crypto company, the round was led by blockchain fund and Liberty City Ventures, with investment from Animoca Brand, Dapper Labs and others. The aim is to support company's expansion in web3 companies
\$70m for 0x Labs, makes of Matcha, popular DEX aggregator, as well as 0x API (multi-chain aggregated liquidity as a service) and 0x Protocol (backbone for DEX)
\$50m for Flipside Crypto, blockchain analysis and business intelligence company
\$40m for Argent, London-based DeFi wallet startup, aiming to build gaming infrastructure. The round was led by Fabric Ventures and Skype co-founder Jann Tallin's investment firm Metaplanet
\$23m for Venly, Belgium-based crypto wallet firm. The round was led by Courtside Ventures
\$23m for Cogni, US neobank, aiming to launch a multi chain wallet and a savings account on DeFi rails. The round was led by Hanwha Asset management and CapliFo, and involved Solana ventures, FTX ventures and shop Capital
\$20m for Ondo Finance, providing structured product built on top of decentralised exchanges. The round was co-led by Peter Thiel's Founders Fund and Panthera Capital
\$6.5m for CXIP Labs, a protocol aiming to fix common minting problems, to launch NFT product suite for create and businesses
\$6m for Mad Realities, to create a decentralised media, made by users. Investors include co-founders of crypto social club Friends with Benefits
\$6m for Rain, a corporate card and expense management platform for decentralised organisations

[\\$1.27m for ZeroDrop](#), an in-game data and wallet analytics startup. The investment was lead by Nansen, an on-chain data platform, which recently raised \$70m. This is the first time Nansen has invested in an outside firm

Business news: financial tools and investment funds

21Shares launches [hybrid Bitcoin and gold ETP](#) to enable inflation hedge.

21Shares manages 30 ETPs on various cryptos

A new investment fund, called [Asymmetric](#), raised around [\\$500m](#) from prestigious investors, including Marc Andreessen, Chris Dixon, Anatoly Yakovenko and Raj Gokal

People

Aave founder [Stani Kulechov's Twitter account suspended](#) after joke twitt, claiming he's new Twitter interim CEO. This takes place after Elon Musk \$44b takeover, claiming one of its motivations was to promote free speech. Kulechov claims this goes in favour of Lens Protocol, Aave decentralised social media

[Edward Snowden](#) played key role in Zcash privacy coin's creation

[Ryan Carson](#), COO of the Moonbirds NFT collection, launched on April 16, is leaving to start an NFT fund, less than 10 days after the launch, and right after having used inside info to buy some of the new collection

Crypto adoption: countries

[Central African Republic](#) adopts Bitcoin as legal currency

Crypto adoption: people

Global [crypto users to reach 1 billion](#) by the end of 2022

Regulation

[Brazil](#) passed a bill to regulate virtual assets and services providers, creating guidelines and adding AML procedures

Scam

Rari Capital's liquidity pools [exploited for \\$80m](#)

Stablecoin DEX Saddle Finance [hacked for \\$10m](#)

Deus Finance [hacked for \\$13m](#) via a flash loan exploit

[Phishing attacks on iCloud Metamask users](#)

[BAYC NFTs stolen](#), for about \$400k, through hacking of BAYC Instagram account, used for phishing attacks

From April 3d to April 12th

Summary (links are an extract of links below)

The « Business news » section below is especially rich this week (in fact nine days). It is worth noting similar news on payment systems, although in various fields :

- Metamask to allow [Apple Pay users to buy crypto](#);

- FIS, US main payment processor, to offer merchants direct settlement in USDC - Circle stablecoin -;
- CashApp to let users convert paychecks to bitcoin;
- and finally Strike to partner with Shopify, NCR and Blackhawk Network - an alternative payment provider - to create a new payment system to allow customers to pay in crypto: McDonald's, CVS, Walgreens, Whole Foods and WalMart will accept payments this way)

Nice fundraisings as well, for companies from VCs (Q1 2022 has been the highest in crypto history, with nearly \$12.5b, with blockchain infrastructure, NFT and blockchain gaming leading categories), and for ecosystem funds (from Hedera, Toncoin - a new coin integrated in Telegram messaging service - , and EVM) (in 2021, we saw Fantom, Harmony, Avalanche and Cell, and earlier this year Polkadot Acala). And one major M&A to mention, showing links between traditional finance and crypto: Bolt acquired Wyre, a crypto infrastructure firm, for a record amount of \$1.5b.

Much, much more below

Trends

This week was **Bitcoin 2022** in Miami, with 35,000 attendees

Opinions

Ronin attack shows cross-chain crypto is a 'bridge' too far

Ukraine related news

EU moves to block the provision of 'high-value' crypto services to Russia
 Ukraine crisis is not propelling crypto market activity, says Crystal Blockchain, data analysis firm

Markets

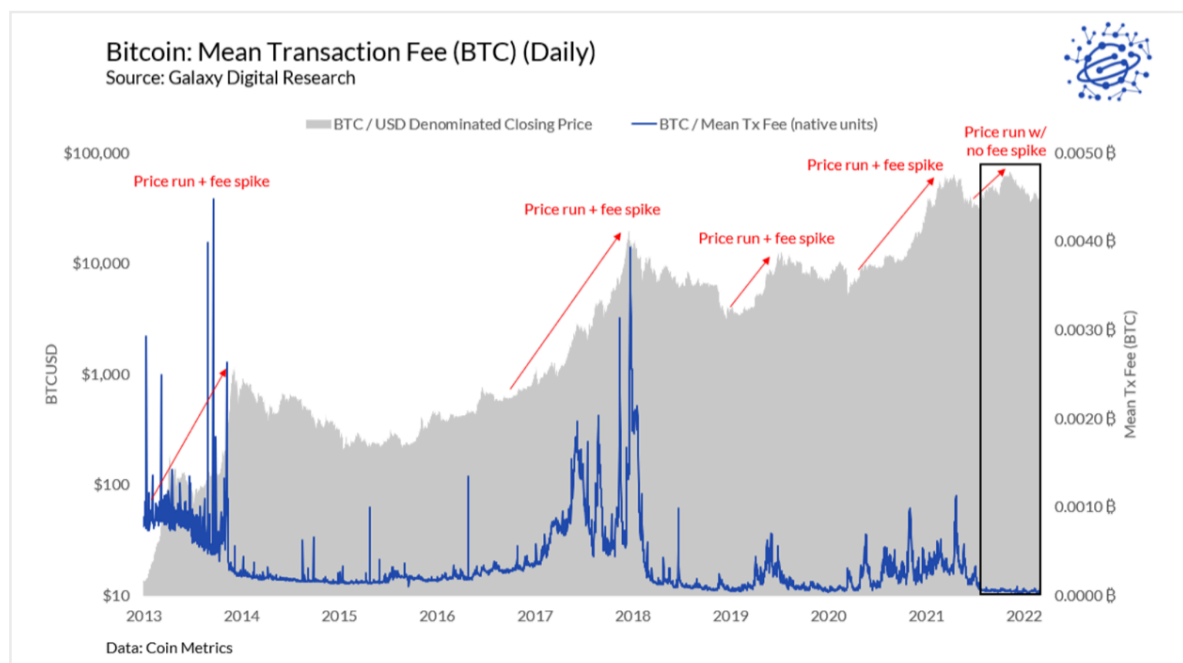
- April 4th:
 - Bitcoin accumulation suggest **BTC's dip to 45k** will be short-lived
 - Price analysis: BTC, ETH, BNB, XRP, LUNA, SOL, ADA, AVAX, DOT, DOGE: **BTC and altcoins dropping** to retest support levels
- April 5th:
 - **Musk again!** DOGE rallies
 - **'Reserve risk' indicator suggests** opportunity for long-term accumulation
 - **MicroStrategy buys BTC**, but market does not follow
- April 6th:
 - **BTC drops to \$43.5k**, but data project strength
 - **ETH might drop to \$2,900** if support at \$3,200 fails
 - Price analysis: BTC, ETH, BNB, XRP, LUNA, SOL, ADA, AVAX, DOT, DOGE: **BTC and altcoins dropped far below their support levels**
- April 7th:

- **BTC under 43k**: fear takes over
- Traders of crypto **futures lost over \$400m** in liquidations. Outside BTC and ETH, SOL and DOGE were the most impacted
- Luna Foundation buys **\$100m in AVAX** for stablecoin reserve
- Market wrap: BTC flat, WAVES +6%, AAVE +3%. Crypto recover?
- April 8th: **Risks on BTC dropping** to \$38k, while bulls remain confident
- April 10th: Bitcoin battles for **weekly close above \$42k**
- April 11th:
 - **Market slid during the weekend**, with BTC close to \$40k and ETH to \$3K. Luna Foundation added \$173m in bitcoin to its wallet
 - **LUNA lost 25% in a week**, over concerns on TerraUSD, Luna's stablecoin
 - With inflation indicator, market went red this Tuesday, and Long traders fell pain, with **\$430m in liquidations**, mostly from bulls, but **bitcoin saw a brief boost**

The **Defiant** market summary as of April 8th

Bitcoin

In the past, price increase led to a spike in transaction costs. In the fall 2021, this has not been the case. Alex Thorn, head of **research for Galaxy Digital**, explains with five main reasons: Segregated Witness transactions adoption; Increased use of batched transactions; reduced Theter and OP_RETURN transactions; growth of the Lightning Network; reduced miner selling



Altcoins

On April 6th, OpenSea began activating support for **Solana-based NFT**. Solana's NFT trade volume was \$173m in March (on places like Magic Eden), while OpenSea reached \$3.4b

Much ado about **WAVES**. Over the weekend drama emerged between Waves founder and Alameda, a trading firm founded by Sam Bankman Fried. A the

same time **USDN**, a stablecoin lost its peg, apparently due to a two weeks old change related to swaps between WAVES and USDN

NEAR token has doubled in 4 weeks

Osmosis: diffusing liquidity across the Cosmos ecosystem

FXS, the governance token for Frax Finance, have surged 80% in the past week

Tezos' new upgrade lowers block times and improves performance

Toincoin (TON) may be the future Layer1 infrastructure for Emerging countries CBDCs, involving Telegram-integrated support

State of **Avalanche Q1 2022**

Stablecoins

Near Protocol to launch a stablecoin

Terra's founder, Do Kwon, wants to **kill DAI**, using Curves

FRAX stablecoin may **buy major coins as reserve**. While FRAX collateral was initially solely USDC, it now includes ETH, AVAX, BNB, FTM, ONE, MATIC and SOL

Lightning Labs wants to **bring stablecoins to Bitcoin**, via an infrastructure protocol called Taro (Taproot Asset Representation Overlay), aiming at facilitating the movement of assets over Lightning

CBDC

Sweden carefully considers whether to go for e-Krona CBDC

eCurrency, CBDC technology providers, works with CLabs (Celo ecosystem) to allow end users holding **CBDCs access to DeFi** (seemingly antonym)

Mining

A pilot **solar-powered mining center**, using Tesla batteries will be financed by Block (former Square) and Blockstream

One-fifth of global bitcoin hash rate is controlled by **listed companies**, vs 3% beginning of 2021

Marathon to move its miners outside Montana, in a search for more sustainable power sources

New **Canaan** miners positions to rival Bitmain's S19 and S19 pro

Greenidge's Seneca Lake mining project wins ruling to continue operations

Digihost (a public miner) will offer its shareholder bitcoin dividend payments

« **Intel Blockscales ASIC** », Intel's second-generation bitcoin mining chip, boasts efficiency to 26 J/TH, better than Bitmain S19 Pro+Hyd (27.5 J/TH) and MicroBT Whatsminer M30S++ (31 J/TH)

Exchanges

Coinbase published the list of **45 tokens to be listed** on the platform next quarter

DEX

State of **Uniswap Q1 2022**

DeFi

Money legos to simplify yield-bearing tokens development?

NFTs

Pudgy Penguins's floor price triples

Record amount of \$8.3m for a loan, with NFTs as collaterals

Film maker Kevin Smith will release his latest movie as a collection of NFTs on the Secret Network Q2. NFTs owners will be able to use the movie's characters to create content of their own

Gaming

Crypto and gaming collide in high-risk 'play-to-earn' economies

Blockchain Brawlers, Wax Studio's new P2E game, earns \$357m in first week.

Critics have pointed out the "digital serfdom" created by Axie stemming from the high barrier to entry to play. Similarly, in Blockchain Brawlers the floor price for a brawler and a ring, the items necessary to play, is a hefty \$6,000.

Metaverse

Does the Metaverse need a free trade agreement?

Business news

Goldman downgrades Robinhood (from neutral to sell), and sees headwinds for Coinbase and Silvergate Capital; it expects most digital asset players to miss Q1 revenue estimates

Blockchain-exposed stocks could show 16% annual sales growth to 2024, vs 9% for US median stocks, says Goldman

Robin Hood widens access to its crypto wallet to the 2 millions users on the waiting list. It also plans to support Lightning payments

After failure of Bitmex's takeover on Bankhaus von der Heydt, the platform laid down 75 employees

Binance hires a top official from UK's Financial Conduct Authority as global director of regulatory policy

Kraken shuts down global headquarters in San Francisco, because the 'city is not safe'

Metamask allows Apple Pay users to buy crypto

Strike partners with Shopify, NCR and Blackhawk Network (alternative payment provider) to create a new payment system to allow customers to pay in crypto. McDonald's, CVS, Walgreens, Whole Foods and WalMart will accept payments this way. The system uses Bitcoin Lightning network

FIS offers merchants direct USDC settlement. USDC is Circle's stablecoin. FIS is using its technology Worldpay from FIS, offering services for main exchanges. FIS processes over \$2 trillion in transactions annually

CashApp lets users automatically convert paychecks to bitcoin. It is also further building out its integration with Bitcoin's Lightning payments network

Wintermute, FCA registered company, launches institutional crypto OTC trading platform

Bakkt signed a deal with American Bank to offer its customers the ability to buy and sell bitcoin and ether

Coinbase tries to enter the Indian market. It opens its platform on April 7th, claiming supporting the popular UPI payment system, but **withdrew it a few hours later**, under regulatory pressure. Coinbase earlier announced its intention to **quadruple the number of employees** in India this year

Applied Blockchain, a mining data center provider, files for \$60m NASDAQ IPO

Meta explores the creation of a non-blockchain-based virtual currency, controlled by the company. The currency might be called « Zuck Bucks » (?)

Metaverse majors (Decentraland, Axie Infinity, The Sandbox) have larger valuations and fewer active users than non blockchain games

HSBC is starting a discretionary managed portfolio investing in the virtual world for private banking clients in Asia. It will focus on five key areas: infrastructure, computing, virtualisation, experience-discovery, and human interface

Kraken to release structured products for staking. Aimed at institutional investors, they will be designed to minimise the exposure to the underlying cryptocurrency

OneDegree, Hong Kong based insurer, announces a deal with Munich Re, to offer digital asset insurance product to trading platform, custodians, asset managers and technology providers. The product does not target DeFi at the moment

Business news: M&A

Bolt acquires Wyre, crypto payment infrastructure firm, for a record amount of \$1.5b

FTX.US to take a 'significant' stake in IEX (stock exchange)

Merger of **Gryphon Digital Mining and Sphere 3D** has been terminated. Gryphon would have gone public via a reverse merger with Sphere 3D (ANY), publicly traded data management firm as announced in June

Business news: companies fundraising

March saw the third highest monthly investment in the crypto sector to date. Over 225 crypto startups received more than \$3.5b worth of VC cash, bringing the first quarter's total to nearly \$12.5b. This is the highest quarterly investment in the history of crypto, breaking the previous record of Q4 2021.

Main categories were blockchain infrastructure (with mega deals over \$100m - Consensus, Aptos, Optimism, and NFT and blockchain gaming (capturing 45% of all deals in March, for \$1.2b) (**full paper** is for The Block News+ subscribers only)

\$350m for Near Protocol, a high speed layer 1 network, in a round led by Tiger Global, at an undisclosed valuation. Earlier this year, Near raised \$150m. The NEAR token is up 83% in six weeks

\$200m for Binance.US at a \$4.5b valuation

\$150m for Sky Mavis, Ronin Network validator manager. The round is led by Binance ventures. Funds will be used to reimburse victims of Ronin hack

\$150m for Improbable, to build an interoperable 'metaverse' network.

Andreessen Horowitz and Softbank Vision Fund 2 led the round

\$88m for CertiK, at a valuation of \$2b. The round was led by Insight Partners, Tiger Global and Advent International

\$70m for [Lightning Labs](#), to bring stablecoins to Bitcoin, through an infrastructure protocol called Taro
\$35m for [Coin Metrics](#), crypto data firm
\$8m for [Liquid MarketPlace](#), a marketplace for tokenising physical and digital collectibles, launched by YouTuber Logan Paul
\$4.5m for [Trisolaris](#), a DAO DEX based on NEAR's Aurora engine
\$3.2m for [Leap](#), a non-custodial wallet for accessing the Terra ecosystem

Business news: investment funds

Pantera Capital is raising a new [\\$200m fund, to offer its LP access to growth-stage deals](#)

eToro is launching a [\\$20m fund to invest in NFTs](#)

[Uniswap](#) Labs launches venture unit to invest in web3 projects

Business news: ecosystem funds

Nearly a year after Fantom, Harmony, Avalanche and Celo launch of ecosystem development fund, and six months after huge \$800m launch of Near ecosystem fund, [Hedera launches its \\$150m fund to develop its ecosystem](#), \$60m for liquidity mining rewards, and \$95m for infrastructure-focused grants

A new [\\$250m ecosystem fund to support projects on Toncoin](#). TON (Telegram Open Network) was initially launched by Telegram, and shut down in August 2020. The TON Foundation, initiator of the Toncoin, is independent of Telegram, but has its support to be integrated into the 500 million users messaging service. The fund is backed by Huobi and Kucoin's venture arms
The IOST Foundation launches a [\\$100m ecosystem fund to support developers on Ethereum Virtual Machine \(EVM\)](#)

Business news: investment tools

21Shares launches [Metaverse ETP](#), which acts as a tracker of MANA (Decentraland token). 21Shares now offers 30 crypto ETPs, most of them being single token trackers, and some being baskets

Business news: people

[Bank of England's fintech chief](#) left to join Fireblocks

Crypto adoption: companies

LimeWire, RadioShack, MoviePass: [old brands try to reborn](#) moving into crypto. Good move?

[Goldman Sachs](#) to offer OTC ETH options

[Starbucks](#) announces NFT initiative

[Off-White](#) accepts crypto payments, using Lunu payment system

Regulation

[Janet Yellen](#) first speech on crypto is in line with president's executive order, aims at « tech neutrality », but calls for regulation on stablecoin

[UK Treasury](#) outlines plan to regulate stablecoins and issue an NFT

Some areas in [Honduras and Portugal](#) unveil Bitcoin adoption plans (Próspera in

Honduras and Madeira in Portugal)

France's presidential election run hasn't shown much interest for cryptos

Georgia central bank plans to introduce new crypto rules

UK aims to become global crypto hub, Exchequer says. It aims starting with stablecoins legitimization

Singapore law requires overseas-only operators to be licensed

After new tax came into effect in India, on April 1, trading volumes collapsed

Scam

German authorities seized 500 bitcoins (around \$25m), shutting down Hydra, world's largest darknet marketplace, with around 17 million customers and 19,000 vendors

Convex Finance escaped a possible \$15b rug pull. A breach has been detected, and corrected, during a security audit

DeFi lender Inverse Finance exploited for \$15.6m

From March 28th to April 2d

Summary (links are an extract of links below)

The [\\$600m hack](#) on Axie Infinity's Ronin blockchain was widely commented; indeed the sophisticated process used, involving hacking private access keys to validators node to allow the withdrawal contrasts with the seemingly naive usage of centralised exchanges accounts (covered by KYC procedures), which may [prevent the hacker from cashing out](#). Maybe his intent was more on the reputation side.

While there were many news on 'alt-coins' (see dedicated section below), among which quite a few on [Solana](#), and one especially interesting on Polygon launching an [identity service](#) using zero-knowledge proofs (a bit technical, but useful for future KYC), one bad news went for crypto fans: the [European parliament](#) validated an extension of the 'travel rule', where exchanges must verify the identity of external (unhosted) wallets, creating some fear that this might be impossible to apply, or extremely costly. This has still to be approved by the Commission and the Council.

If you want to read motivating reports on NFTs, Michael Casey's view on NFT.LA is worth giving an eye, illustrating how [money can unleash creativity](#).

Finally, Ukraine has not been forgotten this week, and an interview of Deputy Minister of the Ukrainian Ministry of Digital Transformation gives a special enlightenment on how [crypto plays a role in the war](#), and how the Ukrainian economy is going.

Much, much more below, including companies fundraising, M&A, and market news.

Ukraine related news

Chainanalysis's report on possible usage of **crypto to evade international sanctions**, concludes there is no such evidence (includes Russian whales moving funds, Sbercoin activity, ruble denominated trading activity)

Ukrainian refugees may use **bitcoin as a lifeline**

Inside **Ukraine's crypto efforts** during wartime

Markets

- March 28th:
 - **BTC could return to ATH** if \$46k holds
 - After two straight weeks of outflows, **crypto funds see largest inflows** since mid-December
- March 29th:
 - BTC near 200 days average, triggers **over \$400m in liquidations** (\$300m short, \$180m long)
 - **LUNA sets new ATH**
 - **Microstrategy** subsidiary will purchase Bitcoin after closing \$205m crypto-collateralised loan
- March 30th:
 - **Bitcoin holds steady**
 - **Solana surged 12%** in 24 hours (26% in a week) following OpenSea reveal on NFT trading volume on Solana increased by 80%
- March 31st:
 - **ZIL price increased 300%** since March 26. Zilliqa's Megapolis, a **metaverse-as-a-service platform**, is scheduled to launch with a VIP event on April 2
- April 1st:
 - Price analysis: BTC, ETH, BNB, XRP, LUNA, SOL, ADA, AVAX, DOT, DOGE: Bulls set their **targets on new highs** now that the brief consolidation phase in BTC and altcoins appears to have ended
 - BTC price dipped to \$44.3k before recovering to \$45k; indicators show growing deposits on exchanges, a bearish sign, while bitcoin's 'Guppy' indicator flashes **green for bulls**

Messari's weekly recap as of March 31 shows **all sectors in green, except gaming**

Bitcoin

The 19,000,000th bitcoin has been mined. Only 2 million left (the unbreakable stock limit for bitcoin is 21 million)

Greenpeace **campaigns to change Bitcoin code** for a low-energy protocol; the campaign was joined by Chris Larsen, Ripple's co-founder

Ethereum

The roads not taken (by Vitalik Buterin) (a long and deep interesting paper on Ethereum choices)

Altcoins, token and blockchain

Astar (ASTR) price booked a 100% weekly gain. Astar is one of the first Polkadot parachain (see below), as multi-chain smart contract platform. It raised \$22m in January, and announced launching 15 projects in April. It now has more than 100,000 wallet addresses. Its market cap reaches \$500m Polkadot is the most commonly held asset among crypto funds, and has the second largest developer community (behind Ethereum). It's ecosystem is unique, Polkadot acting as a « layer0 » to currently 11 « parachains », with various applications. It's worth giving an eye to **Polkadot's ecosystem** (with a review of each of the 11 existing parachains)

Avalanche celebrates its first main summit. A review of the projects Interoperability-focused **Stargate Finance** aims to kick off DeFi 3.0. Listed on March 17, its price soared 438%

Akash is an open-source platform with a distributed peer-to-peer cloud marketplace that connects users seeking cloud services to infrastructure providers with excess computing resources

Osmosis is an Inter-Blockchain Communication (IBC)-supported DEX in the Cosmos ecosystem

The **Oasis** Network is designed to be a privacy-focused, scalable, Proof-of-Stake (PoS) Layer-1 smart contract platform that is Ethereum Virtual Machine (EVM) compatible

Filecoin offers decentralised storage and cloud services; it has the largest market share in terms of used storage and network capacity

Polygon unveils **identity service** leveraging zero-knowledge proofs

OpenSea adds Solana to its supported networks

CME is considering **AltCoins futures** on Solana and Cardano

Opera's crypto browser to support Solana, Polygon, StarkEx, and five others in its native wallet

MENA Climate Week notes **blockchain's potential for climate action**

Polygon unveils identity service leveraging zero-knowledge proofs

Stablecoin

BNY Mellon will serve as primary custodian for the reserve assets behind the USDC (Circle) stablecoin

CBDC

Not exactly a CBDC, but US e-cash: a bill submitted to the House of Representatives calls for the creation of an **electronic version of the US dollar**
Are **CBDCs a risk to freedom of expression?**

Elizabeth Warren calls for US to create a CBDC

Mining

Greenidge plans to triple its US mining capacity, after securing \$100m financing
Ethereum miners reach **\$1.29b in revenues in March**. That's 8% more than bitcoin miners

Exchanges

Kraken on its way to gain FED account, as a traditional bank. It received a routing number from the ABA

DEX

ShibaDEX is the first cross-chain exchange where users can trade Shiba Inu for tokens on other chains, for millions of Shiba Inu community members

DeFi

Traditional loans, **syndicated in crypto**

Gaming

Another **anti-NFT gamers backlash** : following last week FTX's acquisition of Good Luck Games, as a way to 'help crypto make inroads with gamers', the community of Storybook Brawl rebelled review bombing and calling for uninstalling

NFTs

Permissionless NFT innovation and financial liberation. The possibility of financial liberation is the most powerful force at work in the NFT economy. It's why we're seeing digital creativity and collaboration like we've never seen before – not only in art and music projects, but in new models for derivative works, cross-creator collaboration, fan engagement and community building Visa Program to **help creatives build their businesses with NFTs**. Selected creators will participate in a one-year NFT immersion program

Jeff Koons to release its NFTs

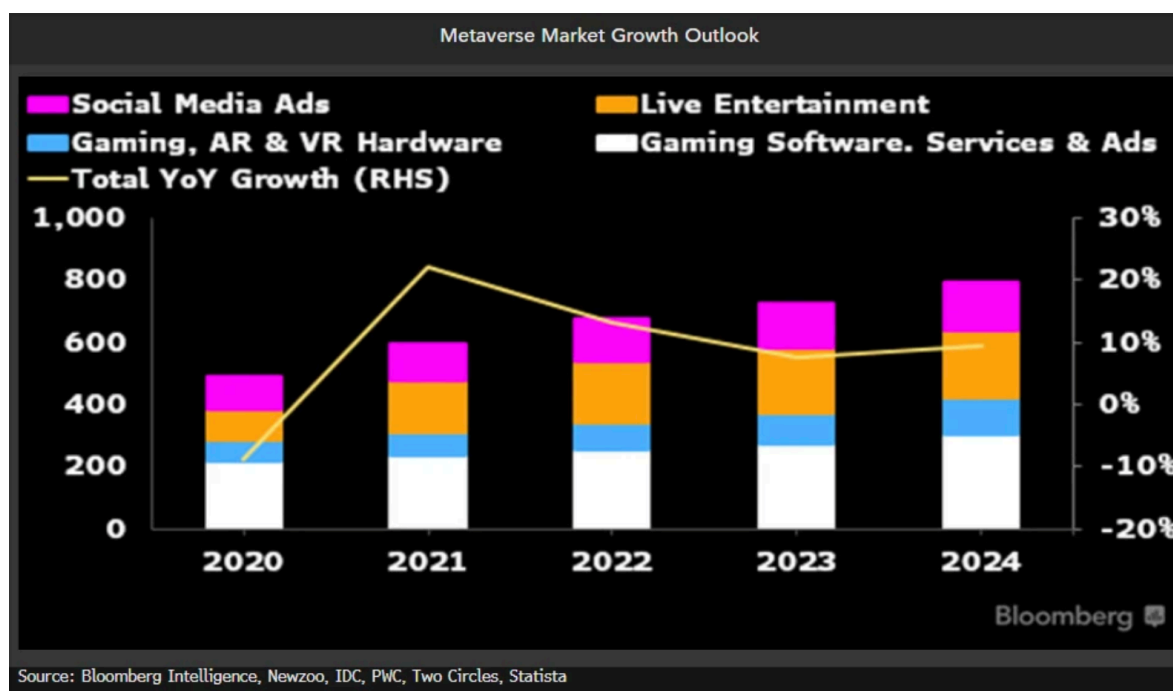
Azuki NFT sells for record \$1.4 million

OpenSea rolls out **credit card payments for NFTs**

Metaverse

Metaverse Fashion Week attracted more than 2'000 participants, with leading brands such as Tommy Hilfiger and Estée Lauder. It held on Decentraland Metaverse economy may reach a **TAM of \$13t (!)** in 2030, according to Citi. This includes infrastructure in a broad sense, including cloud servers

Metaverse market may reach **\$800b in 2024**, mostly from gaming, according to Bloomberg



Shiba Inu's metaverse unveiled project details announcing 100,595 land plots

DAOs

MakerDAO financed a \$7.8m real estate deal for a Tesla facility. This is in-line with MakerDAO, DAI stablecoin issuer, policy to diversify its reserves in real-world assets

Business news

BitOasis, a Middle-East focused exchange has received approval from Dubai's new crypto regulator

Token firm Socios signed a \$20m promotion deal with Messi

Binance announces partnership with Grammy organisation, to bring « web3 solutions » to the Recording Academy

Bitso, a leading South American exchange, gave 1,840,500 Brazilian reals (about \$387,000) to Brazilian soccer fans as part of a marketing campaign during a recent match

Bitcoin miner PrimeBlock plans to go public via \$1.25b SPAC deal, planned to be completed in the second half of 2022

Business news: M&A

Coinbase in talks to acquire 2TM, owner of Mercado Bitcoin, Brazil's largest crypto exchange, with 3.2 million customers and a trading volume of \$7.1b in 2021. 2TM plans to grow in Latin America through acquisitions in Argentina, Chile, Colombia and Mexico. In January, the company acquired a controlling stake in CriptoLoja, Portugal's first regulated crypto exchange

Bankhaus von der Heydt planned acquisition from Bitmex failed (it had been announced in January)

Business news: companies fundraising

Blockchain.com reached a \$14B valuation, in an unknown amount fund raising,

led by Lightspeed VP, backed by Baillie Gifford. The firm raised \$300m at a \$5.2b valuation in March 2021

\$620m for Cross River Bank, a New-Jersey based firm providing lending and payments infrastructure for more than 80 companies, including Coinbase and Stripe. Eldridge and a16z led the round

\$200m for Helium, a blockchain network of wifi hotspots that supports IoT devices. Owners of hotspots earn cryptocurrency by enabling data traffic. The round was led by Tiger Global and Andreessen Horowitz

\$135m for LayerZero Labs, developing a protocol that aims to connect decentralised applications across multiple blockchains. The round values the firm at \$1b, and is led by Sequoia, FTX ventures and a16z

\$35m for Fractal, gaming-focused NFT platform, enabling game companies to mint and drop gaming NFTs for fans. It also provides a secondary market for players to sell the NFTs to one another. It has been created by Twitch co-founder Justin Kan

\$11m for Blur, pro-trader-focused NFT marketplace. The round was led by Paradigm

Wormhole tries to raise \$187.5m in a private token sale, which would value the company at \$2.5b. Wormhole had been exploited beginning of 2022 for \$325m

Business news: investment funds

Gumi Cryptos Capital launched a **\$110m fund targeting web3 startups**. GCC first fund has returned 24x and outperformed most rivals, according to Angel List

Business news: investment tools

New **ETPs for Solana, Cardano, Polkadot** in Europe, launched by WisdomTree
A new investment trust promises « **staking rewards** » to about 8%p.a.. Staked is a startup specialised in staking activities. It created Staked Ether Trust, available solely to accredited investors. This sits in line with competitors **Lido Finance's** liquid staking or **Coinbase Beacon Chain ether**

Crypto adoption: people

In Indonesia, Nigeria, India, Philippines, Uruguay or many other countries, **Web3 brings endless opportunities to developers**

One in five American adults have invested or used cryptos

Crypto adoption: countries

Kazakhstan tries to attract crypto exchanges in the Astana international financial centre. The country intends to amend existing laws to facilitate crypto activities

Crypto adoption: companies

Wall Street and crypto: a romance

Regulation

US SEC proposes a new definition for « Dealer », which may be a shadow

attack on DeFi, since it includes traders and liquidity providers that utilise automated and algorithmic trading technology, including any digital assets deemed as securities

EU parliament committee on economic and monetary affairs to vote on March 31st on measures to **extend 'travel rule' to every transaction**. The amendment, aiming at requiring exchanges to **verify the identities of the owner of unhosted wallets**, has been approved by the committees

European Systemic Risk Board says popularity of crypto assets has the potential to pose risks to financial stability

UK crypto future is still unclear for 13 firms, whose pending registration had to be decided before March 31st, which have been **postponed**, for some of them (unknown). Among the 13 are Copper, Revolut, and **Blockchain.com**

The UAE pushes to become a centre for the virtual asset sector. **Dubai** has issued its first law governing digital assets and formed the Virtual Asset Regulatory Authority. It also granted asset licences to Binance and FTX. **Bybit and Crypto.com** said they are also establishing operations there

Indonesia to charge 0.1% VAT on crypto transactions. This will take effect on May 1st

Scam

Axie Infinity's Ronin bridge **hacked for over \$600m**, using hacked private keys. On Friday Ronin announced it **replaced the validator**. It seems that the hackers might well be **unable to cash out**, since he used centralised exchanges accounts; analysis of possible reasons

Bored Ape Yacht Club **discord channel briefly compromised** by a malicious tool intending to trick users into minting fake NFT

Cashio hacker asks **victims to 'apply' for refunds**. Cashio stablecoin had been hacked last week for \$52m. The hacker now proposes to refund « those who do need money »

Fuse Lending, an Ola Finance product, suffered **\$3.6m hack**

35 NFTs stolen, worth around \$900k via phishing attack, using hacked Twitter accounts. Clicking on the twitted link lead users to a malicious code that gave scammers access to wallets (even if the user refuses to connect his wallet)

UK ransomware attacks doubled in 2021

From March 21st to March 27th

Summary (links are an extract of links below)

*Spring is clearly there, and markets have reacted positively, in average +15% in a week. Maybe they have forgotten Ukraine, and crypto news on this side were very few. It might be that BTC price reacted to the info that Terra foundation intended to invest up to \$10b (!) in bitcoin, but the **bull trend was even stronger for alt-coins**.*

Crypto winter hasn't prevented large players from making strategic moves, and FTX announces this week are once again impressive. They continue their

geographical *expansion in Australia*, while being *cautious in the United Kingdom* (with a very suspicious regulator); they continue their acquisition or investments, in *on-line banking* or in the *gaming industry* (? According to FTX, to convince gamers to love NFTs...); and they try to *rock the boat of derivatives*, revealing intentions to go into the market without brokers.

Fundraising was active, with *Yuga Labs raising \$450m* at a \$4b valuation (Yuga Labs is the owner of the Bored Ape Yacht Club trademark, and have announced big strategic moves last week), and new *investments funds* as well.

Finally, crypto adoption was in the front, with big names such as *Goldman Sachs* and *Bridgewater*, and more and more people (*50% of Germans* intend to invest in crypto, and number of crypto users *grew by 2500% in Africa* in 2021).

Much, much more below...

Markets

- March 21st:
 - While implied volatility trended lower, *Bitcoin put-call skews are down* significantly from February, a sign of continued weakening for downside protection; Ether Breaks out after 13% increase last week
 - *Bitcoin 'could easily see \$30k'*
 - Price analysis: BTC, ETH, BNB, XRP, LUNA, SOL, ADA, AVAX, DOT, DOGE: Bitcoin and major altcoins are *attempting to sustain above their immediate support levels*, signalling a possible change in the short-term trend
- March 22d:
 - *BTC at \$43k*, growing fever over Terra's \$3b BTC buy-in
 - ETC (*Ethereum Classic*) *up 75%* in 8 days (NB: ETC is different from ETH)
- March 23d:
 - *Bitcoin dips 3.6% from weekly highs to \$42k*, but a new *\$125m transaction* may occur, possibly causing a spark in price. It occurred already on March 21st, and a new amount has been transferred to Binance
 - *Bitcoin's correlation to S&P500* hits 17-month high
- March 24th:
 - *Total market cap reaches \$2T*, and Bitcoin Fear & Greed index escapes « extreme fear ». Goldman Sachs signals digital assets and the metaverse as « mega trends »
 - *Bitcoin hits \$44k*, but traders want to see a few daily closes before a move higher
- March 25th:
 - *ETH hits \$3.2k*, anticipation builds ahead of the 'Merge'
 - *BTC near \$45k*, with a possible sell wall

- Price analysis: BTC, ETH, BNB, XRP, LUNA, SOL, ADA, AVAX, DOT, DOGE: BTC and most major altcoins **could witness a minor dip** to retest lower support levels, but the overall trajectory appears to now favor bulls

Messari's **weekly recap** ending March 24, shows that all sectors have finished in the green territory, for the second consecutive week

Fundamentals: **Part 1: Timing** (in this paper, some BTC indicators)

MEV bots earn \$476k, targeting large stablecoin swaps: Maximum Extractable Value consists of reordering and censoring blocks, in order to frontrun a transaction to take advantage of an opportunity

Bitcoin

Bitcoin is being purchased to **act as a reserve currency**

Ethereum

Ether staking yields are likely to be in the range of 10% to 15% following the Ethereum 2.0 upgrade, one trader said

Altcoins, tokens and blockchains

Polygon, a multi-sided approach to ZK scaling

Stargate bridge attracts **\$2b of liquidity within a week** of launch. Unlike other bridges, relying on wrapped tokens, Stargate uses its own « multi-chain » token, which, according to the firm, improves security

Anchor leapfrogs Aave as top DeFi lending protocol, with \$14b TVL. Anchor is a stablecoin yield protocol representing 53% of Terra's TVL

Stablecoin

ANZ bank mints **the first Australian Dollar** (AUD) pegged stablecoin

CBDC

The BIS (Bank of International Settlements) will work with Malaysia, Australia, Singapore and South Africa, to test **cross-border payments using multiple CBDCs**

Mining

The **state of bitcoin and Ethereum mining** in 10 charts

Exxon pilot project uses wasted **flare gas for crypto mining**

The **future of mining finance**: time to get creative

What does a crypto mining farm look like? **Striking photos** from Siberia to Spain

Dex

What is Uniswap, everything you want to know about the decentralised exchange

DeFi

Nexo experiments with **liquid staking in hunt for DeFi yields**. Liquid staking allows you to use your staked assets in other sites

Anchor will finally readjust its interest rates each month, after a community vote (initially rejected)

Mango Markets, a borrowing, lending and trading protocol on Solana, has decided to **invest part of its \$700m treasury in SOL**, and has rejected investing in BTC. This is the result of a vote of Mango DAO, the governing body of Mango Markets

NFTs

NFT market shifting into **new growth phase?**

How NFTs create a '**beautiful cycle**' between artists and fans

Japan's social media giant **Line** to launch NFT marketplace

Gaming

Getting **gamers to embrace NFTs** is not impossible

DAOs

Andrew Yang, former US presidential candidate, launched **GoldenDAO** to focus on solidarity with Asian American and Pacific Islander issues. This reflects the growing trend of DAOs used as vehicles for social activism

Sponsoring

Crypto.com will be the official sponsor of the **FIFA World Cup** this year

Business news

FTX 'cautious' on expansion into UK, but expands in **Australia**

FTX rocks the boat at Boca derivatives conference, showing intention to go direct to its users, without brokers

FTX to invest \$100m in Dave, an online banking service that offers tools such as debit cards, spending accounts and budgeting tools. The deal will enable the platform to begin offering crypto services

Gemini wins Irish electronic money license

Meta filed for eight trademark applications for its logo, reflecting the company's strategy for moving into the metaverse

Investment bank **Cowen** launches digital assets division

Coincheck, a Japanese exchange may list on the Nasdaq via a SPAC, at a valuation of \$1.2b

US loan platform **Figure** sets out plans to launch crypto-backed mortgages

Business news: M&A

FTX buys Good Luck Games, in a quest to convince gamers to love NFTs and blockchain

Blockchain.com acquired Altonomy's OTC trading desk. Altonomy is specialised in altcoins, and handled \$16b in spot market OTC last year.

Business news: companies fundraising

\$450m for Yuga Labs (Bored Apes creator) at a valuation of \$4b. Yuga Labs has an ambitious agenda (see NFT section)

\$180m for Jeeves, the corporate expense platform, at a valuation of \$2.1b.

Jeeves will use the fund to finance geographic expansion (in MENA and Southeast Asia), as well as exploring crypto, bringing on a new CTO

\$100m for Worldcoin, at a valuation of \$3b. Co-founded by Sam Altman, the former president of Silicon Valley incubator Y Combinator, Worldcoin is an Ethereum-based token aiming to distribute something akin to a universal basic income for all the world's people

\$21m for Phi Labs, initiator of the Archway protocol, "one of the first smart contracting chains where any [decentralized app] developer can build on top of, and then access all the other assets throughout the Cosmos ecosystem" says Griffin, Phi Labs CEO

At least **\$9.5m for Ultiverse**, a Web3 social gaming metaverse. Binance Labs led the first round, investing \$4.5m, and doubled it a week later with another \$5m

\$9m for the TIE, a data startup whose Bloomberg Terminal-esque "SigDev" product has proliferated along with crypto's institutional ascent. This values the company at \$100m

\$5m for Block Tackle, a metaverse gaming studio

\$2.1m for Alinea, a crypto investing platform geared toward Gen Z women. The platform has been created by two Y Combinator alumnae. Investors include Goodwater and Kima Ventures

Bastion, a decentralised lending protocol built on the NEAR blockchain raised an unspecified amount from leading firms, such as Jane Street, ParaFi Capital, DCC and CMS

Business news: investment funds

Katie Haun raises **\$1.5b fund to invest in Web3 startups**, \$500m earmarked for early stages (!)

Acala, a parachain project on Polkadot, has launched a **\$250m fund to boost the adoption of its stablecoin Acala USD (aUSD)**

Nexo, the leading lending platform, creates Nexo Ventures, with **\$150m to invest in Web3, DeFi, NFTs, metaverse and GameFi**

Tekin Salimi has launched a **\$125m fund**, called dao5, to invest in pre-seed and seed stage in DeFi, NFTs, DAOs and Layer1 projects

Avalanche launches **\$100m creator fund** to launch projects on the network, accessible on social media platform Op3n. The first funded project will go toward musician Grimes

Qualcomm (QCOM) has set up a \$100 million fund that will invest in metaverse-related plays

Business news: investment tool

Grayscale launches **a fund dedicated to smart contract platforms** (excluding Ethereum). Currency, this includes ADA, SOL, AVAX, DOT, MATIC, ALGO, XLM

Business news: people

Web3 **salaries soar to \$750,000** for rank-and-file devs

Crypto adoption: companies

Goldman Sachs completes first OTC crypto options trade

Acorns offers its customers a possibility of bitcoin exposure, via ProShare's bitcoin futures ETF

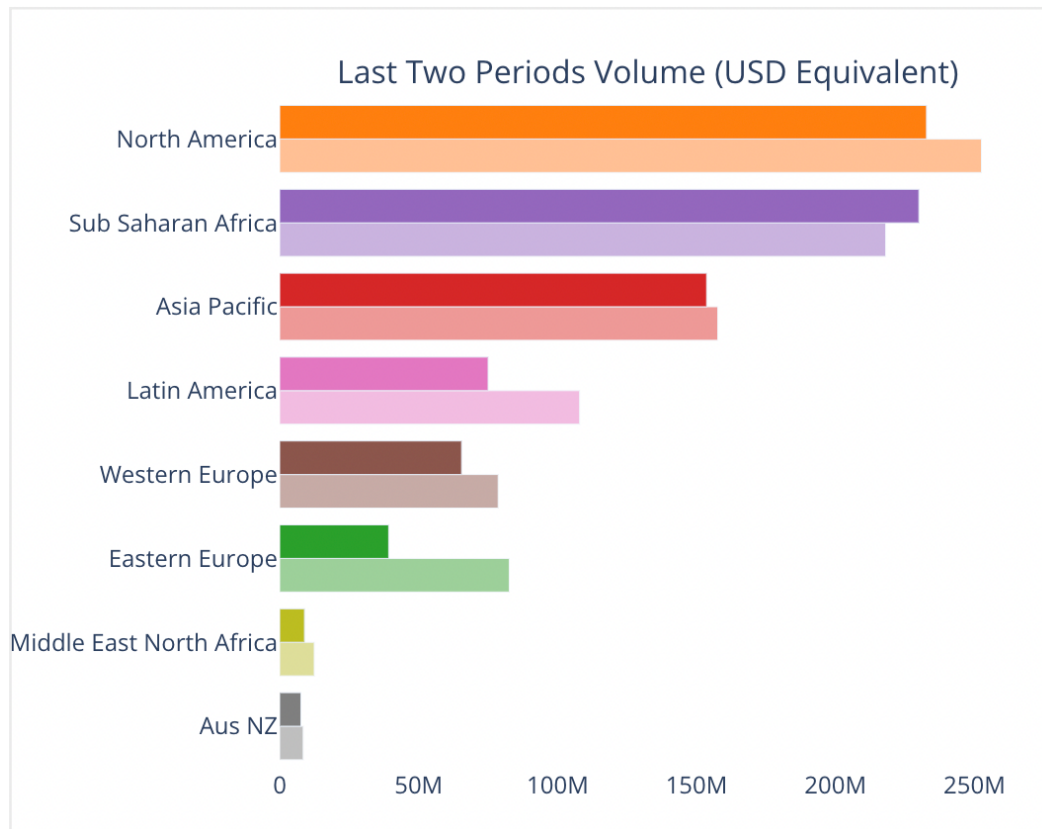
Bridgewater is preparing to back its first crypto fund

Larry Fink, **Blackwater** CEO, confirms they will serve their clients with digital currencies

Leumi, one of the biggest banks in Israel, will start offer crypto trading to its customers

Crypto adoption: countries

Crypto users in **Africa** grew by 2 500% in 2021. The graph below shows worldwide crypto transactions over a 90 day period by regions, indicating sub-Saharan Africa as second. 88.5% of transactions in this region are cross-border transfers. This seems especially **strong in the CFA zone**, where the « colonial » money shows signs of distrust



Honduras central bank huts down rumors of Bitcoin becoming legal tender

El Salvador postpones bitcoin bond

'**Satoshi Island**', crypto utopia receives 50k citizenship NFT applications.

Satoshi Island is an island in Vanuatu

Florida to accept bitcoin for tax payments

Crypto adoption: people

Almost **half of Germans** to invest in crypto, according to KuCoin

Goldman Sachs survey shows **60% of surveyed clients** expect to increase crypto holdings

Madonna acquired a Bored Ape NFT for 180 ETH (\$564k)

Regulation

EU vote on Bitcoin mining: what does it mean for the industry?

US SEC rejected two more spot bitcoin ETF proposals

Indian crypto tax policy to treat each digital asset investment independently.

The government intends to treat each crypto trading pair transaction separately, deterring traders as it would only tax their profits without accounting for the losses. This may cause a "**brain drain**" in the country, some warns

Thailand bans crypto as means of payment; on the other hand, government approved exchanges will be exempt from a 7% VAT until 2023

UK regulator releases notice to crypto firms, mentioning a list of unregistered crypto assets. Uncertainty continues, including Copper and Revolut, with a deadline of March 31

UK, US Regulators Call for 'High Levels' of Global Collaboration in Overseeing DeFi

UK advertising regulator issues 'Red Alert' guidance on crypto ads. Companies have until May 2 to ensure their ads meet the new guidance

Scam

A **data breach at HubSpot**, a tool used by many companies to manage marketing campaigns and on-board new users, has affected BlockFi, Swan Bitcoin, NYDIG and Circle

NFT marketplace Veve closes after in-app token exploit, waiting to solve the problem

A hacker **steals \$1.7m in NFTs** from Defiance Capital founder, using spearhead phishing. A second wallet was **hacked for \$720k**, it could have been more but was finally secured

Stablecoin **Cashio exploited for \$52.8m**

From March 14th to March 20th

Summary (links are an extract of links below)

*Weeks are passing by, and some are different. Today starts Spring, and maybe it's Crypto Spring as well. There are signs: even if bitcoin price stay rather constrained, with a **triangular configuration** that may break to a bull or bear market, **alt-coins are rather up** (at least on average, for every sector). And it's surprising how fundraising announcements flourished this week (14 companies, for a total of more than \$1 billion - including **\$450m for Consensys**, at a valuation of \$7b; consensus is the owner of Metamask and Infura) (see below), although news were thin on funds side (maybe hysteresis is higher on funds?). Market maturity may also be seen via companies strategy, now expanding geographically and horizontally. We have seen last week Binance's announcements. This week, other leading companies were at the front, such as **Coinbase**, which unveiled its derivatives offering, or FTX, expanding in **Dubai** and **Africa** (last week we have seen FTX expansion in **Europe**). Binance keeps*

on, announcing entering [Bahrein](#), or eying [Brazil](#).

But what dominated the week were news from Bored Ape Yacht Club's owner, Yuga Labs. We saw last week their huge [acquisition of Crypto Punks](#). This week, [Yuga Labs releases its coin](#) (named APE of course), with a huge airdrop. This caused a jump in BAYC average price, while floor price [seasawed](#). On APE price, it went [down 80%](#) the first day and [up 90%](#) the second day... And someone took advantage of sophisticated (?) mechanism to claim [\\$1.1m of APE tokens](#) (via airdrop) using a flashloan to borrow five BAYC NFTs, while claiming the airdrop and repaying the NFTs, all in a single transaction. Nice DeFi...

Much, much more below.

Ukraine related news

The Economist confirms [Crypto is unlikely to be useful for sanctions dodgers](#)
Japan sets [penalties on crypto exchanges making payments to sanctioned individuals](#) following Russia's invasion of Ukraine

Ukraine partners with FTX and Everstake for [crypto fundraising website](#)

Blockchain forensics firm finds [millions in sanctioned crypto wallet](#)

[Central Bank of Russia tightens P2P transactions monitoring](#), including those in crypto

Phishing scammers are taking advantage of Ukraine situation to solicit [scammed crypto donations](#)

Markets

- Mar.14th:
 - Price analysis BTC, ETH, BNB, XRP, LUNA, SOL, ADA, AVAX, DOT, DOGE: the bounce in Bitcoin and select Altcoins increases the [possibility of a short-term rise in prices](#)
 - [DOGE spikes 10%](#) after Musk's statement
 - Mar.15th:
 - [Bitcoin fails to crack \\$39k](#)
 - Whales slightly selloff, [risks of 'bear market capitulation'](#)
 - [The Graph \(GRT\)](#) price gains 39% in three days
 - Mar.16th: [BTC price cracks \\$41k](#) as hopes of peace in Eastern Europe send Bitcoin higher
 - Mar.17th: [Bitcoin holds above \\$40k](#); AVAX leads gains among crypto majors
 - Mar.18th:
 - [Bitcoin rally hopes diminish](#) as pro traders flip bearish
 - [Price analysis](#) BTC, ETH, BNB, XRP, LUNA, SOL, ADA, AVAX, DOT, DOGE: Select altcoins are outperforming the market despite Bitcoin struggling to sustain the higher levels
- Messari's [weekly recap](#) ending March 17 shows all sectors with a positive trend, albeit diversity among assets

Ethereum

The Merge works! Ethereum passes major test in shift to Proof of Stake

Altcoins, tokens and blockchain

Terra's CEO bets \$1m that **LUNA price will be higher in 1 year time**

Coinbase Wallet adds support for Solana

Aave launches V3 on six networks, Fantom, Avalanche and Harmony, as well as L2s Arbitrum, Optimism and Polygon. Aave claims faster loan times, reduced gas fees and new risk management features

diginexLUMEN is a **blockchain based ESG supply chain traceability tool**, developed in partnership with Coca-Cola and Recuit, to help promote supply chain due diligence around working conditions

Stablecoins

TerraUSD wants to accumulate \$10b in BTC as reserves. TerraUSD is an algorithmic stablecoin, partly maintained via its native token Terra (LUNA)

CBDC

Canada's central bank to collaborate with MIT on CBDC research

Mining

Bitmain releases its **new Antminer S19 XP Hyd.** with liquid cooling, delivering 255 TH/s with an efficiency of 20.8 joules per terahash (previous Antminer S19 XP delivers 140 TH/S at 21.5 J/T)

Canaan announces up to \$100m in stock buybacks

Hut 8 reports surprise Q4 loss. Revenues are in line with expectations, but EBITDA missed estimates

Kazakhstan forces 106 **crypto mines to close**

Bitcoin mining difficulty drops for second time in March. The decrease is likely result of miners unplugging their machines due to high energy costs. The total hash rate has dropped from 248 EH/s in February to 216 EH/s on March 17

Bit Digital, Chinese miner, has deployed 39% of its rigs in North America. All have been moved outside China, but many are waiting for hosting capacity

DeFi

A proposal to **reduce Anchor's yield payout** has been rejected

DEX

Metamask long awaited token. Consensus co-founder announces it

NFTs

With the acquisition of Crypto Punks by Bored Ape Yacht Club (see last week **M&A section**), the **NFT sector becomes more centralised** (an interesting analysis on NFT sector economics)

The Bored Ape Yacht Club **releases its APECoin token**, with a huge airdrop to BAYC NFT holders, causing a jump in BAYC average price, while the floor price

seesawed. Token price was **down 80%** on the first day of trading, **up 90%** the following day. APE (the coin) serves to govern ApeCoin DAO
Someone took this opportunity, to **claim \$1.1m of APE tokens**, using a flashloan to borrow five BAYC NFTs, while claiming the airdrop and repaying the NFTs, all in a single transaction

'The Gimmicks', Mila Kuni's show, will issue NFTs, letting **holders choose the plot**

Digital assets can **boost revenue for sports teams**, via tokenised tickets, NFT media rights and sponsorship of metaverse events

Demand for **loans backed by NFTs** is exploding

NFTs on Instagram « in the near term », according to Mark Zuckerberg

Universal Music bought Bored Ape #5537 to lead Kingship, a virtual music group composed of three Bored Ape and a Mutant Ape

Metaverse

Bored Ape plans virtual land sales in a metaverse gaming project in a leaked pitch deck, later **denied by founders as outdated**. In the leaked pitch deck, Yuga Labs would expect \$455m revenue in 2022, chiefly through proceeds from the virtual land sales. What has been confirmed, **teased on twitter** under the name Otherside, is a gaming project involving NFTs from Yuga's collections

DAOs

Utility doesn't always lead to value. A proposal aims to **shake up MakerDAO**, aiming an increase in price; the proposal has been rejected

Will DAOs bring **transparency to business**?

Charities

Buffalo Trace distillery auctions bourbon bottles in favour of charities, using NFTs linked to the bottles

Business news

Standard Chartered's crypto custodian Zodia to launch new products to help institutional investors earn yield on token holdings, backed by Northern Trust
Crypto.com opens its activity to US users, starting with institutional investors
Coinbase unveils its derivatives offering, including merchant activity, trading platform (using recently acquired FairX), and clearing organisation (owned by Deutsche Börse)

FTX announce new license to operate in Dubai and **Binance** to operate in Bahrein

FTX expands in Africa via a partnership with AZA Finance, an African fintech, running a Nairobi-based exchange, with financial services across 10 African markets

GameStop announces launch of NFT marketplace for Q2 2022

LemonCash, Argentinian crypto exchange, expands to Brazil

Business news: M&A

Binance is eyeing Sim;paul, a Brazilian securities brokerage, with central bank

approval

Coinshares invests \$26.5m in FlowBank, and now holds 32% of voting rights. FlowBank is a Swiss bank, established in 2020. Coinshares, Jersey-based, is Europe's largest digital asset investment firm

Business news: companies fundraising

\$450m for Consensys, at \$7b valuation. Consensys is the owner of Metamask, now with more than 30 millions users, and of Infura, an infrastructure tool used by more than 400 000 developers. Previous \$200m fundraising occurred in November 2021, at a valuation of \$3.2b

\$200m for Aptos, a scalable layer 1 blockchain, with a technology based on the Diem network

\$150m for Optimism, Ethereum scaling startup, at \$1.65b valuation

\$92m for The Mina Ecosystem, a collective set up to attract software developers to the privacy-focused blockchain protocol Mina

\$88m for Hex Trust, Hong-Kong based crypto custodian

\$27m for Magic Eden, Solana-based NFT marketplace

\$25m for C2X, blockchain gaming platform, in token sale, valuing the platform \$500m

\$23.8m for Gauntlet, services provider to DeFi protocols and organisations in areas such as risk management. This values Gauntlet at \$1b

\$18m for Treehouse, DeFi analytics firm

\$14m for Joyride, web3 game development platform

\$10m for Lava Labs, London-based gaming studio, at a valuation of \$100m

\$10m for Metaverse Game Studios, game development studio of Angelic, a massive multiplayer metaverse turn-based combat game, with NFTs for items and a DAO mechanism to give players governance over the game

\$9.5m for FreedomFi, a firmware and hardware manufacturer for Helium's new token-powered 5G network. Helium is building a decentralised wireless network for IoT devices, with already 640 000 nodes. Nodes earn HNT tokens for providing services

\$3.2m for Coinbooks, an accounting software firm for DAOs

Maicoin, Taiwan largest crypto exchange, may raise \$400m at an unknown valuation

Business news: funds

Ripple to give out \$794m to developers in the Ripple environment

Business news: people

Polygon Studios reinforces its gaming arm with major hires

Crypto adoption

Austin (TX) may accept Bitcoin as a payment option and wants to integrate Web3 applications to improve resident's lives

Crypto adoption: companies

American Express files trademarks related to metaverse

HSBC partners with The Sandbox in a metaverse project

Regulation

MiCA [European directive](#) passes parliamentary committee, without the provision to ban proof-of-work mining. The text has now to be debated with the European Council and the European Commission

Reactions to President Biden's executive order on crypto were many. The main is probably in favour of [US CBDC](#). American [Crypto industry](#) reacted favourably, while [Mining sector](#) seemed to benefit, but [international crypto community](#) had more mixed feelings. Finally, it seems that the directive [doesn't mean a lot](#)

[Ukraine's](#) president signs law establishing regulatory framework for crypto

[Argentina](#) signed a \$45b debt deal with IMF, including a clause to discourage crypto usage

Binance confirms it will no longer open new accounts for users in [Ontario](#)

Scam

Mixing service Coinjoin is now [blacklisting bitcoins tied to illegal activity](#)

Agave and Hundred Finance [exploited for \\$11m](#)

Australian Competition and Consumer Commission has [sued Meta](#) platform for alleged scam advertisements featuring prominent Australian public figures without their consent, leading to a fake media article inviting users to sign up

From March 7th to March 13th

Summary (links are an extract of links below)

Of course, the week has been impacted by news from Ukraine, and [markets](#) [have followed](#) consequently.

Still, we have seen reflexions on consequences of a possible [new world order](#), more commodities-based, and possibly benefiting to bitcoin in the future. Or an interesting philosophical opinion of how, being more [Plato or Sartre](#) may change regulatory decisions.

This is the moment chosen by [President Joe Biden](#) to issue a much awaited executive order, stating six priorities for the digital asset sector, including a willingness to carefully study a possible American CBDC. The executive order is rather crypto neutral, and the markets have reacted positively.

On the business side, while we have still seen fewer fundraising, we attended major geographical moves, with companies such as the leading exchange [FTX entering Europe](#), via a Cyprus approval and Swiss headquarters. [Elrond](#), a layer 1 blockchain acquired a Romanian regulated company, after having acquired a Portuguese one a month ago. The UK, on the other side, appears more as a [threaten market](#), with companies such as B2C2 already retreating, and other, possibly including Revolut, that might be based by the end of the month. [Binance](#) also has made some announcements (see below), including its intention to acquire non crypto firms.

On the NFT side, while [Softbank](#) announced its intention to launch a marketplace, it is interesting to see the dominating NFT collection [Bored Ape Yacht Club acquiring the rights on Crypto Punks](#), the historic leading collection (more precisely, Yuga Labs acquired the intellectual property rights on Crypto Punks and Meets from Larva labs, and decided to give full commercial rights to the NFT holders).

Finally, for having a bit of fun, you can read how to use a home miner to [heat up a caravan...](#) and if you are not aware of the importance of DAOs, you can read on [BitDAO's \\$1.8b treasury](#).

Much, much more below...

Opinion

[Plato or Sartre vision for crypto](#) could lead to major regulation decisions
[Bretton Wood III ?](#) « After this war is over, "money" will never be the same again ...and Bitcoin (if it still exists then) will probably benefit from all this » (Zoltan Pozsar, Crédit Suisse short-term interest strategist)

Ukraine related news

Estonia calls to restrict crypto amid [fears of Russian sanctions evasion](#)
Crypto still isn't helping [Russian oligarchs evade sanctions](#)
Ukraine is buying [bulletproof vests and night-vision goggles](#) using crypto
[Justin Sun](#), Tron's founder, initially advocated for donating to Ukraine. In a recent message, he called for strengthening cooperation with Russia...
Coinbase blocks over 25'000 addresses linked to [illicit Russian activity](#)
Six steps exchanges can take to [comply with cryptocurrency sanctions](#)
EU confirms [crypto will be included in Russia sanctions](#) as 'transferrable securities'
How Ukraine crisis caused [leaks of ransomware secrets](#), showing links with Russia
[Ukraine minister calls on Tether](#) to bar Russians from using its stablecoin
Ukraine has received close to [\\$100m in crypto donations](#)
[OnlyFans donated 500 ETH](#) to DAO supporting Ukraine

Markets

- Mar.7th:
 - [ETH paints bearish 'symmetrical triangle'](#); risks crashing under \$2k
 - 3 reasons why [BTC can rally back to \\$60k](#)
- Mar.8th: Large ETH options flow [guards against slide below \\$2.2k](#)
- Mar.9th:
 - [BTC and ETH short spike](#) on issue of Biden executive order
 - Market cap of [gold-backed cryptos](#) surpass \$1b
 - Privacy coins such as Monero (XMR)(+25%), Cash (ZEC) and Secret (SCRT) (+16%) [jump with demand for privacy](#)
- Mar.10th:

- Bitcoin reverses course to \$39k, ahead of ECB rate decision
- Bitcoin awaits triangle breakout
- Mar.11th:
 - Bitcoin spikes above \$40k as potential 'positive shifts' arise between Russia and Ukraine
 - Analyst warn that a sweep of recent lows is likely for bitcoin price

Messari's weekly recap ending March 10, showing reversals in every sector, gaming being the most affected this week. The major exception has been Terra (LUNA) with a +15.4% gain, with Ripple (XRP) showing a +1.7% gain. All other top ten assets by market cap showed losses

Ethereum

Ethereum's TVL dominance drops to 55%, with a possible bearish target

Does the future of DeFi still belong to the Ethereum blockchain?

Over \$26b worth of Ethereum locked on Ethereum 2.0 staking contract

Altcoins, tokens and blockchain

Espresso, a layer-1 solution with zk-rollups, mixing scale up, privacy and decentralisation

Crypto loans against tokenised agricultural commodities (such as soya, corn and wheat). Santander Argentina has partnered with Agrotoken

Dozens of tokens tumble as prolific developer Andre Cronje leaves DeFi development

Whale holdings in Cardano's ADA hit record high

RUNE surges 37% after DeFi synthetic assets go live. RENE is the native token of THORChain. Synthetic assets are blockchain representations of another asset, allowing to hold and trade assets faster and at a lower cost

Neutrino, Vires and Waves bag 100% gain after pivot toward interoperability

The US Federal Reserve moves forward with its real-time payment project FedNow Service, by starting with the blockchain infrastructure

Polygon network stopped during eight hours. The problem has been fixed

Stablecoin

Big short against Theter? The asymmetric trade bets on Chinese real estate supposed positions

CBDC

President Biden's executive order calls for an urgent focus to be placed on US CBDC

Early adopters of Jamaican CBDC to get incentives from central bank

Mining

Van Eck launches crypto mining ETF (DAPP in London USD or DAVV in Frankfurt EUR)

Hive to buy Intel's new chip, aiming to reach 1.9 EH/s (+95%). Chips will be shipped later this year

For fun, how to use home miner to heat up a caravan

DeFi

DeFi wallet **Argent launches layer 2 account**, to cut down fees, offering speedy transactions and reducing carbon emission

How **swapping and staking on Curve** drives high user engagement

NFTs

Minorities promoting their cultures using NFTs

Miami club E11EVEN creates a crypto division to release NFT collection « 11 Captain Club »

Gaming

Axie Infinity will increase its market place fees to 5.25%, and share revenues with content creators

GameFi is a new game for Southeast Asia players

DAOs

BitDAO's treasury is already at \$1.8b, and growing 2m per day

Empire DAO is opening IRL a coworking space in lower Manhattan

Charities

World of Women teams up with the Sandbox for \$25m inclusivity push

Business news

FTX expands in Europe. Having secured approval in Cyprus, the world leading exchange will start offering its products to European clients via a licensed investment firm with passportable licenses across the European economic area. The new entity will be headquartered in Switzerland

Binance resumes euro and pound transfers, which had been suspended eight months ago under regulator's pressure, for European holders, except Switzerland and the Netherlands

CZ, **Binance's** CEO, met with UK government officials in a 'charm offensive' **Binance** to focus on crypto payments with new subsidiary Bifinity. Bifinity will provide a \$36m convertible loan to Eqonex, listed digital asset firm. This triggered a **warning from UK regulator**

Stripe launches payment support for crypto businesses

State Street to offer an institutional-grade digital asset custody product
JustCarbon and Likvidi are two **new trading platforms for tokenised carbon credits** issued by Verra

Coinbase is preparing its new fees-free service

Business news: M&A

Elrond acquired Twispay. Elrond is a layer 1 blockchain with scalability in mind. Twisty is a Romanian payments firm, holding an approval by the Romania's central bank to issue electronic money. In January, Elrond acquired **Utrust**, a Portuguese crypto payment firm

Binance to acquire non-crypto companies, to enlarge total market

Yuga Labs(Bored Ape Yacht Club) acquired the rights of Crypto Punks and Meebits (from Larva Labs)

Business news: companies fundraising

\$200m for Immutable, at a valuation of \$2.5b. Immutable runs the NFT-focused scaling layer 2 network Immutable X. Immutable X is used by Open Sea, TikTok and GameStop

\$100m for StarkWare, layer 2 developer, at a \$6b valuation

\$32m for Espresso, a privacy-focused blockchain, developed by Stanford University collaborators

\$10m for Space Runners, metaverse only fashion house

\$4.3m for Cega, to build exotic DeFi derivatives

Business news: Funds

Griffin Gaming Partner announced an oversubscribed fund with **\$750m committed**, to invest in Web3

Bain Capital Venture launches **\$560m crypto fund**, looking to back all types of crypto startups, from DAOs to layer 1 to storage

Avalanche Foundation unveils \$290m incentive program to spur on growth of subnets

Bessemer commits **\$250m to Web3**

A Crédit Suisse vet is raising a **\$200m crypto options trading fund**

Fintech platform Cake DeFi creates **\$100m VC arm**, to invest in Web3, NFTs and fintech projects

Four Princeton alumni pooled **\$20m to fund a new research project** on blockchain and the decentralisation of power

Business news: people

Citi's co-head of digital assets, **Alex Kriete**, quits to start up its own crypto venture

Crypto adoption: companies

Softbank's tech division set to launch NFT marketplace

Regulation

Biden issues long-awaited executive order on crypto. The rather neutral approach states six key priorities. The crypto market has reacted favourably

Dubai creates agency for virtual asset regulation

Yoon Suk-Yeol, the **new South Korean president**, promised to deregulate the crypto industry. South Korea related **token surged**, such as Icon (ICX), +70%

Firms are retreating from UK, such as B2C2. Others are still on a temporary register, such as Revolut and Copper; their fate has to be decided by the end of March

UK's FCA issues **termination order for Bitcoin ATMs**

SEC shot down two more spot bitcoin ETFs, from NYDIG and Global X. This is in line with previous rejects, such as VanEck's

Bank of Israel publishes draft guidelines for crypto deposits

Proof-of-work ban is back in the proposed [European legislative framework](#). The text had been previously stripped, but seems to have been included once again [Crypto.com](#) gives users in excluded countries (including Germany, Switzerland and the UK) [one week to repay loans](#). The decision might be linked to regulatory clampdown

Scam

Chainanalysis makes new [crypto sanctions monitoring tools free](#) to the public
How to use Chainanalysis'cross-chain [investigation tool to track attackers](#). The example of Badger DAO \$120m exploit

[Fantasm exploited for \\$2.6m](#)

US authorities [seize \\$28m related to NetWalker](#) ransomware

DeFi detective alleges this 'suspicious' smart contract code may put [dozens of project at risk](#)

From February 28st to March 6th (and some from February 21st to February 27th)

Summary

Of course, we have all been shocked by the geopolitical news this week. Our thoughts goes to the people suffering from the war situation.

On the market side, after a [deep plunge](#), cryptos strongly reacted with a [sharp bullish breakout](#), to finish the week with a [global decrease](#). Bitcoin raised partly because of [Russian or Ukrainian demand](#) (and not necessarily to avoid sanctions). A lot has been written on sanctions, and the possible use of cryptos to avoid them, although it seems [this not yet the case](#). There has been debate on whether sanctions should be extended to crypto exchanges account holders. Platforms, such as Binance, have rejected it. And many in the crypto world consider it would harm the poorest people (but isn't it the case for traditional financial sanctions, which aim at putting pressure on government).

On donations side, crypto [donations to Ukraine](#) have reached \$37m.

On the business side, the week seemed quieter, maybe because of the influx of geopolitical news, maybe because of my selection, or for unknown reasons. See the sections hereunder

Main information from last week

[Bitcoin plunges](#) as Putin announces 'special military operation' in Ukraine. By Friday, crypto markets reversed

[\\$18.6m in crypto sent to Ukraine](#), donated by thousands of people

[Mitsubishi UFJ financial group is winding down its crypto unit](#)

Ukraine related news

Bitcoin price jumps as [demand in Ukraine and Russia booms](#)

Could Russia use cryptocurrencies to [bypass financials sanctions](#)? Still, there does [not seem to be evidences of sanctions evasion](#)

Why did bitcoin surge so much against the Ruble? A well documented analysis Fintechs suspended their services in Russia, including Wise, Zepz, TransferGo, Remitly and Revolut

Ukraine has received \$37m in crypto donations so far

Polkadot founder Gavin Wood donates \$5.8 million to Ukraine

Binance to donate \$10m to Ukraine refugees projects

Ukraine's Vice Prime Minister, Mykhailo Fedorov, has cancelled Ukraine's crypto airdrop. He has instead announced NFTs to support the Ukrainian Armed Forces

Opinion

Some consider sanctions should not be imposed to all Russian holders of crypto exchange accounts, to avoid blind punishment. The author of this newsletter disagrees, one of the purpose of the sanctions being to increase the pressure from citizens on their government; if financial sanctions are applied in the traditional finance, it should be the same in crypto

Markets

- Feb.28th:
 - Bitcoin and Altcoins surprised investors with a sharp bullish breakout. Price analysis on BTC, ETH, BNB, XRP, ADA, SOL, AVAX, LUNA, DOGE, DOT
 - Bitcoin rebounds over \$41k after painting a 'bullish hammer'
- Mar.1st: Bitcoin analysts eye crucial levels to hold after BTC price almost hits \$45k (a weekly gain of 17%), ETH \$3k
- Mar.2d:
 - Bitcoin bounced strongly as comments by the Federal Reserve added to the volatility
 - Solana price eyes \$150 as SOL's 25% jump this week puts 'double-bottom' in play
 - Crypto market cap back above \$2T, its level of August 2021
- Mar.3d: Anchor (ANC) raises nearly 300% in a month. Anchor is the DeFi platform built on Terra. This mirrors Terra (LUNA) bullish moves
- Mar.4th:
 - Bitcoin declines with US stocks, as nuclear threat ripples through markets
 - WAVES risks 'death cross' plunge after price rallies 88% in six days

As every week, Messari's Friday weekly market recap is interesting. This week, it shows high returns, a decoupling of crypto and equity markets, possibly driven by Ukrainian and Russian demand

Altcoins

LUNA price surge (70% last week) made Terra second largest staked asset, to \$30b (@6.98% p.a.), ahead of Ether (Terra is the name of the currency, LUNA its 'ticker'). The largest staked asset is Solana (SOL), with \$40b, @5.86% p.a.

FC Barcelona wants to create its own crypto

CBDC

In **Brazil's CBDC competition** to supply infrastructure, Banco Central do Brasil chose nine applicants, among which Visa and Aave

Venezuela pegs minimum wage to the national cryptocurrency; Petro (PTR) is centralised around government issuance, but is not exactly a CBDC, and is not convertible outside Venezuela

Mining

Bitcoin miners revenues have dropped for the fourth consecutive month, with a month-over-month decrease of 12.9% between January and February, to \$1b. Same for **Ethereum miners revenues**, for the third consecutive month, down to \$1.19b

Bitcoin mining difficulty drops for the first time this year

A **clean energy mining center** to open in Sweden by 2024. Energy sources for the 100 megawatts plant will be 54.5% hydro, 42.8% nuclear and 2.7% wind
Digihost (DGHI), small public mining company, announced share offering for \$250m. Its previous market cap was less than \$100m. Share price is down 13% on news of the offering

Centralised exchanges

South Korean virtual asset service providers registered a total **net profit of \$2.78b in 2021**

DeFi

Circle delays its DeFi API product

NFT

Billboard and Universal Music Group partner to launch an NFT based project of digital collectibles

Metaverse

Les Échos (French financial information media) confirm the metaverse **land prices fever** (*in French*)

DAO

FriesDAO raises **\$5.4m to buy fast food restaurants**

Sponsoring

Manchester City soccer club signs with OKX, a crypto exchange

Business news

Wintermute wins approval for UK's crypto register

DCG announces \$250m **share buyback of several Grayscale** crypto trusts

Business news: M&A

Shift4 acquires The Giving Block for \$54m. Shift4 is a US-based payment solutions. The Giving Block enables non-profit organisations to accept crypto donations

DAO merger: the case of Keep and NuCypher. A deep review of an apparently successful merger to create Treshold, an encryption network for blockchain and crypto, which occur in 2021

In Malaysia, where it couldn't get regulatory approval, Binance takes a strategic stake in MX Global a Malaysian regulated platform

Business news: companies fundraising

February saw the second-highest monthly investment in the crypto sector to date (*The Block News+ subscriber only*)

Sherlock aims to raise \$100m in token sale. Sherlock is a DeFi security provider \$50m for VALR, a crypto exchange in South Africa

\$33m for Subspace Labs, a layer-1 blockchain, offering storage and compute network

\$18m for Thetanuts, DeFi platform aiming of offering the most competitive risk-adjusted yield opportunities

\$10m for Ignite Tournaments, a platform to provide tools for P2E tournament organization

\$7.5m for Nested, a French DeFi trading platform

\$4.1m for Dialect, to bring smart messaging to Solana

\$4m for metaENGINE, a web3 gaming platform

Business news: Funds

Electric Capital raises \$1b fund, to invest in web3 infrastructure, DeFi protocols, and platforms powered by NFTs and DAOs

Hack VC launches a \$200m fund to finance early-stage start-ups operating in crypto, open-source, fintech, artificial intelligence, machine learning and business software sectors

Schwab files with SEC to create 'Crypto economy ETF'

Bitcoin held by funds hits record high

Charities

FTX launches philanthropic fund with plans to deploy at least \$100m

Crypto adoption: companies

eBay to add crypto payment options soon

Crypto adoption: countries

Sanctions may increase usage of cryptos in Russia, but it will not be sufficient

The city of Lugano, Switzerland, has announced it will accept bitcoin and Tether as legal tender

Critics warn Palau's bid to become global crypto hub could turn to scammers paradise

Regulation

Metamask and Infura have been temporarily **unavailable in Venezuela**, due to a geoblocker, possibly part of sanction compliance

UK's FCA said it opened more than 300 cases in 6 months 2021 for unregistered businesses

UK regulator **bans Floki Inu ads** as 'irresponsible'

EU parliament scraps proof-of-work ban from future MiCA bill, and the final vote is **postponed indefinitely**

Scam

Governments have been **seizing stolen or sanctioned cryptos**; how?

Stolen 'Smol brains' **NFTs returned to users** hours after Treasure exploit

From February 14th to February 20th

Summary (links are an extract of links below)

*From a crypto news point of view this week has been rather quiet, with seemingly fewer fundraising announces than usually. Still, nice informations on crypto adoption by companies, with **Apple** announcing the inclusion of crypto payments in ApplePay, or **JPMorgan** opening a virtual shop in Decentraland. **McDonald's**, **NYSE**, **Twitter** and **Samsung** have made announcements as well, in various matters.*

*Markets have been following worrying geopolitical and macroeconomic news. Is it the reason for more news on scam side? The interesting Chainalysis' **crime report** shows the growing role of DeFi, law enforcement successes, ransomware, sanctions evasion and more. On crime side, it has been found that **74% of ransomware revenues (\$400m) went to Russia** last year, and that **4% of whales are criminal** (whales are addresses having at least \$1m worth of crypto; they are considered as criminal if they have received 10% or more of their funds from illicit addresses). Even the raising DAO sector has been scammed, with an example of a theft of \$470k due to a **weak governance** (the surveillance had been left to a bot: someone managed to buy enough tokens to get control an vote to give himself full control, emptying the treasury).*

*On the business side, WuBlockchain publishes a report on tokens returns over the last 18 months, and includes a VC funds profit and losses analysis. It ranks the **top 50 VC funds**, from a yield perspective. It is interesting that only 13 out of 50 generated a positive yield in that period. The leading one, DCG, generate most of its striking 675% yield from one single project (well-named Magic). I copy here the top 15:*

	Yield Ranking		
	Yield	Max_profit	Max_loss
DCG	671.5%	1175.7%	-51.3%
Galaxy	301.3%	863.2%	-56.2%
Pantera Capital	167.1%	613.9%	-52.5%
Coinbase	109.6%	415.8%	-56.1%
Binance	60.7%	393.4%	-58.3%
Multicoïn	37.8%	657.0%	-58.9%
Hashed	23.2%	422.6%	-58.5%
Jump Capital	9.5%	342.4%	-49.5%
Momentum 6	7.9%	346.7%	-70.6%
IOSG Ventures	6.7%	501.2%	-62.2%
Master Ventures	6.0%	273.7%	-77.6%
Parafi	5.1%	425.1%	-52.0%
Spartan	2.9%	313.1%	-61.1%
Animoca Brands	-10.4%	238.8%	-55.3%
Polychain	-11.8%	338.5%	-65.1%

Finally, to look at the future, it is somewhat strange looking at *virtual real estate market trends* in the metaverse (here in Sandbox).

Opinion

If you want to know what were the *crypto ads during the Super Bowl*, read Gottsegen's report and ranking

Markets

- Feb.14th:
 - *Bitcoin bull trap?* Indicators predict BTC to \$24k
 - *Bitcoin kisses 50MA*
- Feb.15th: *Bitcoin spikes to \$44.5k*, with a heighten correlation to stocks
- Feb.16th:
 - *Bitcoin stall, Metaverse related tokens surge* (MANA+10,5%, SAND 6%, AXS 11%)
 - Derivatives show traders expecting *tumultuous March*
 - *BTC fell* into the Wall Street opening
- Feb.17th: *Bitcoin under \$42k* on inflation fear
- Feb.18th:

- **Bitcoin under \$40k** in macroeconomic and geopolitical tensions. ETH below \$3k, Altcoins share the pain
- **DIA** rallies 30% on announcement the DIA oracle will include CF index, a crypto index used by CME to settle futures and options

A Deutsche Bank survey shows **most would hold even if crypto markets crashed**

Bitcoin

Bitcoin as a tool for **social justice**

Ethereum

Ethereum's rollups aren't built the same. An interesting presentation of Optimistic and zk Rollups

Ethereum's burn rate plunges as NFT markets activity declined

At-coins, tokens and blockchain

XRP mega-whales have accumulated over \$700m since December

Bank of America says **Chainlink is the likely driver behind the growth of DeFi TVL**.

Chainlink (token LINK) is an oracle network (oracles are info used by smart contracts). Chainlink oracles secured more than \$60b deposits as of Feb.15

Stablecoin

Silvergate, the company which bought Meta Diem assets, plans to launch its stablecoin in 2022

Mining

Georgia (US) passes tax incentives for attracting miners. **Illinois** wants to do same

NuMiner's **low-energy mining rig**: fake or real? Sphere3D, Toronto listed company announced acquiring for \$1.7b from NuMiner's rig, which may be fake Coupling **oil production and mining**, through gas flare reduction, in North Dakota or in **Russia**

Concerns grow over Monero mining pool that has **44% of the network's hash rate**

Intel is investing in blockchain technology with a new chip designed to mine crypto. The new chip, called « blockchain accelerator » is set to ship later this year, and is design to be energy-efficient

DeFi

1inch, a **powerful aggregator**

Filecoin Asset Use Swap, **a new CFTC regulated derivative** on filecoin, a decentralised storage protocol

NFT

Steve Aoki, veteran DJ and producer, says he's made **more money using NFTs** that in 10 years before

Using NFTs to **fractionalised the ownership** of a real-estate good

Getting beyond the **good-bad NFT** debate

TreeTrunk is a new NFT protocol making easy for an artist to mint a master NFT and sell derivatives to fans

CryptoPunks doubled their top price to \$24m

Metaverse

A review of Sandbox, and its **land parcels market trends**

The future of the Metaverse: **dystopia or empowerment?**

Gaming

\$30m guild program for Play-to-Earn guilds, up to \$500k per guild

DAO

Beware DAO's weak governance. How a DAO governance, apparently left to the surveillance of a bot, led the organisation to loose \$470k (the whole of its treasury)

(This appears in the scam section as well)

Business news

Having settled with SEC, paying down \$100m, **BlockFi** aims now to register with SEC

Binance renames BNB (formerly Binance Smart Chain) to Build'N Build, willing to indicate that it goes beyond Binance

Bybit sponsors RedBull F1 team for \$150m (\$50m over three years)

Fidelity enables direct investment in Bitcoin in Germany first

Binance forced into outage following super bowl ad

Business news: M&A

Fireblocks acquires First Digital, an international crypto payments firm.

Fireblocks is a crypto-custodian, institution-oriented

Circle to merge with SPAC Concord at a \$9b valuation

Business news: companies fundraising

An interesting report on token returns, **ranking top 50 VC firms**, and giving the details for each. It shows that the leader, DCG, yielding 675%, have invested in only 15 projects, and gets its yield mostly from one single project, Magic (nice name), and in a lesser way from three more

Crypto **VC investments in Latin America** grew almost tenfold in 2021 to \$653m
\$35m for Axelar, a decentralised network connecting multiple blockchains, at \$1b valuation

\$9m for Digital Infrastructure Inc., to build a platform for giving drivers control over their vehicle data

\$3.5m for Housecat, a Finn startup that allows users to micro the trades of an experienced asset manager

Business news: funds

Sequoia Capital launches a **\$500m fund to invest in tokens** (mostly liquid or about to be listed). It will also manage tokens staking them and participating in governance. Sequoia also have a crypto startup investment fund, with \$7.5b commitments

Castle Island Ventures announces a **\$250m fund for web3 investment**

The Graph has launched a **\$205m fund to support developers** using its technology, facilitating on-chain data access to decentralised application

Cherry Ventures launches a **\$34m fund for seed investing**

Crypto adoption: companies

McDonald's to launch a restaurant in the metaverse (*in French*)

NYSE filed for a trademark focused on NFTs. NYSE minted its first NFT last year. The trademark filing refers to an « online marketplace » for NFTs and virtual goods

JPMorgan sets up a shop in Decentraland. The place is called Onyx Lounge

Twitter opens the possibility of using Ethereum wallet addresses for tipping

Apple will give merchants a way to accept crypto payments via Tap to Pay function in ApplePay

Samsung accompanies south-Korean pre-orders of its new Galaxy S22 with an NFT

Crypto adoption: people

Crypto apps soar in popularity after Super Bowl splurge

Warren Buffet invested \$1b in Nubank, the largest fintech in Brazil, holding Easynvest, which is offering a Bitcoin ETF

Ukraine already trades more crypto than fiat currency. Now assets like Bitcoin are officially legal

Regulation

A group of 18 crypto service providers, called **TRUST** (Travel Rule Universal Solution Technology) are acting together to implement the travel rule, in AML move. The group, lead by Coinbase, includes Fidelity, Robinhood, Gemini, Kraken...

While it seemed last week that **Russian** government and Central Bank reached an agreement, they now formalise their disagreements, the former willing to regulate and allow cryptos, the latter calling for a complete ban

US treasury department indicates that miners and brokers won't be concerned by reporting rules imposed to brokers by the Infrastructure bill

UK's FCA concerned about Binance's access to British primary payments network

FSB (Financial Stability Board) considers fast-growing crypto markets could be a threat to global financial stability

Israel's Capital Market Authority requests Binance to stop marketing to Israelis

Belarus president's decree to support free circulation of crypto

Under pressure from mainland China, **Hong-Kong** crypto regulation is growing

UAE to issue crypto licenses in bid to become industry hub

Crypto scam

Chainanalysis' [2022 crime report](#) is available. It shows the growing role of DeFi, law enforcement successes, ransomware, sanctions evasion and more

- [74% of ransomware revenues \(\\$400m\) went to Russia](#) last year
- [\\$470k stolen](#) from Build Finance DAO, due to weak governance
- UK taxman seizes NFTs in [£1.4 million fraud](#) probe
- [\\$36m drained](#) from individual retirement crypto accounts held in Gemini
- Fraudsters are using [bots to drain](#) cryptocurrency accounts
- [4% of whales are criminal](#). Criminal whales have received 10% or more of their funds from illicit addresses (whales have at least \$1m worth of crypto)
- New projects pose as prominent brands to [lure crypto investors](#)
- US agencies seized \$30m of crypto related to [NetWalker ransomware](#) last year
- More than two dozens users of Opens saw some of their [NFTs stolen](#) this weekend

From February 7th to February 13th

Summary (links are an extract of links below)

Probably the most striking news of this week is the announcement that the [US government seized 94,000 bitcoins \(worth \\$3.6 billions!\)](#). These were part of the 119,754 bitcoins stolen from Bitfinex in 2016. They were earmarked and untraceable; surprisingly, they reappeared on multiple exchanges. The two wallet owners have been rapidly arrested. However, there are doubts that they might have been the author of the initial theft.

On the business side, the PwC report on crypto M&A and fundraising in 2021 is also striking. It shows [M&A activity growing from \\$1.1b in 2020 to \\$55b in 2021](#), with more than 10 deals exceeding the sole total amount of 2020 (among which 4 are SPAC mergers). It is also interesting to note that, although there have been less deals in EMEA than in the US, the total amount in EMEA is greater, and thus the average deal size, although US size has been moving upward by the big SPAC mergers. The same report mentioned that [fundraising from companies grew x7 from 2020 to 2021, to \\$34.3b](#). Now that big players companies have large treasuries, M&A activity will keep going, foreseeably in the [mining sector](#).

More technically, it is interesting giving an eye to a post on [GameFi](#) (gaming and Decentralised Finance), which is well exemplified by the game DeFi Kingdoms, described, as well as this raising industry, from various aspects (blockchain usage, fundraising, challenges...).

And I cannot leave silent the raising question of the Metaverse (read this if you want to know [what you can do in the metaverse](#), including [religious services](#)), where Gartner forecast [25% of humans will spend at least one hour a day](#) within 5 years.

Finally, I would have thought that the intensive usage of e-Yuan, the leading CBDC, during the Beijing Winter Olympic Games, would have made a lot of noise, but we hardly read anything on it, besides a enlighten opinion from US Senator Pat Toomey, alerting on the risks for dollar supremacy.

Much, much more below

Opinion

Right to Privacy or Right to Know?

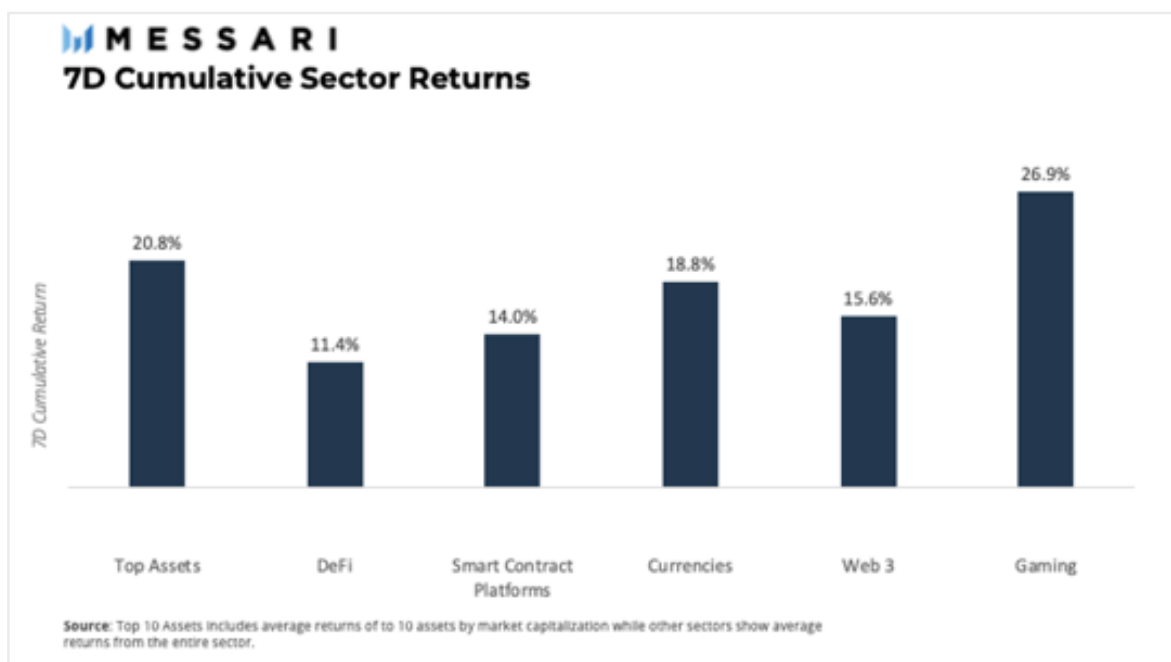
Markets

- Feb.7th:
 - SHIB gains 75% in two weeks (having previously lost 80% from its ATH in November)
 - XRP gains 30% after Ripple gets permission to explain 'fair notice défense' vs. SEC
- Feb.8th: BTC begins correction after \$45k rejection
- Feb.9th:
 - Crossing MACD delivers BTC bull signal
 - Bitfinex's LEO token jumps 46% after release of the information that US federal officials seized 94'000 bitcoin tied to the hack of Bitfinex in 2016
- Feb.10th:
 - Soon after January's CPI publication, BTC dropped \$1,800, and recouped even more after a few hours
 - FLOW surges as a new Play-to-Earn game on Flow lets players into the Olympics action
- Feb.11th:
 - BTC stuck in a tight range, as crossing of 100 and 200 EMA will give a bull signal
 - SOL and XRP lead alt-coin tumble

An interesting study reveals markets are about the same level in price and market cap, but volumes are much lower than a year ago (60 to 80% lower), in every sector (BTC, ETH, Altcoins, DEX...)

Miners offloaded holdings in January, as BTC price dropped to \$33k

Messari' weekly Friday markets newsletter points out double digit weekly returns in all sectors



Ethereum

Are current Ethereum **Layer 2 networks** cheap enough?

Altcoins, tokens and blockchain

On-chain options protocols (Open, Ribbon, Friction, Lyra...) are unlikely to see future growth unless the crypto market turns bullish. Shiba Inu launches 'Shiba Land' a metaverse, with **LEASH**, a dedicated token

Bridges (this is a new section this week)

A nice paper on **Allbridge**, a PoS bridge with on-chain consensus, which gives also a good view on bridges

Stablecoin

FRAX, an interesting 'fractional-algorithmic' stablecoin, between fiat-backed (such as USDC and USDT), collateralised (such as DAI) and algorithmic (such as FEI). Furthermore, FRAX is part of the Curve war, through Convex, and its new Automated Market Operations module « collateral investor » generates high profits to FRAX. Past its overselling stance, an interesting, although technical, paper in the heart of DeFi

Mitsubishi UFG Trust and Banking, Japan's largest financial institution has announced plans to launch a yen-pegged stablecoin in 2023, called 'Progmecoin'

CBDC

CBDC : **crypto-killers**? An interesting introduction to CBDCs and stakes, to be continued

IMF chief prefers well-designed CBDCs to cryptocurrencies and private stablecoins

Zambia is exploring CBDC to increase citizen's participation in the financial system

Jamaica to roll out a digital currency in 2022

The official launch of **eYuan as tender in the Olympic village**. US senator Pat Toomey wrote *"Analysts have raised the eCNY's potential to subvert US sanctions, facilitate illicit money flows, enhance China's surveillance capabilities and provide Beijing with "first mover" advantages, such as setting standards in cross-border digital payments"*.

DEX

PancakeSwap will be one of the first decentralised exchanges to **geoblock users**, starting on March 9th. Locations that will be blocked are Belarus, Cuba, The Democratic Republic of Congo, Iran, Iraq, North Korea, Sudan, Syria, Zimbabwe, and Crimea. 1inch, a popular DEX aggregator, geoblocks users from the US

Mining

CleanSpark Q4 2021 revenues rose 52% from Q3 to \$41.2m. CleanSpark has an hash rate of 2.1 EH/s (around 1% of world capacity)

Kazakhstan president calls for tax increase on crypto mining

Gaming

Zynga is ready to launch its first NFT game. It also plans to soon announce alliances, partnerships and potential acquisitions

GameFi developers have solved staking, liquidity pooling and other aspects of blockchain technology, but they are still whiffing on the gaming part of their projects. They should **take lessons from pre-blockchain** game developers

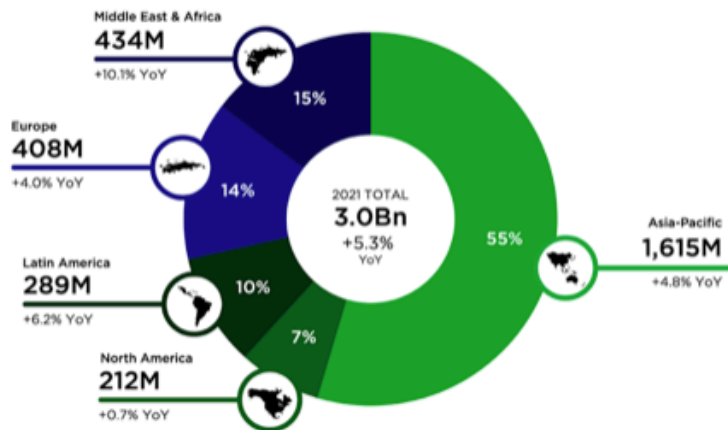
TakeTwo (GTA publisher) CEO thinks NFTs are a good fit but wants to stay away from speculation

Number of gamers now exceed 3 billion worldwide, with more than half in Asia. Concerning **GameFi** (gaming, NFT and DeFi) infrastructure, BinanceSmartChain (BSC) is rapidly growing its market share in on-chain gaming. In cross-chain, WAX is leading the way. An interesting paper on GameFi, including a nice in view of DeFi Kingdoms, the leading game (in trading volume)(yes: it's not Axie Infinity!), combining P2E, DEX and NFT. Also info on gaming fundraising.



2021 Global Players

Per Region With Year-on-Year Growth Rates



55%

of global players are in Asia-Pacific, and the region still houses some of the fastest-growing markets worldwide

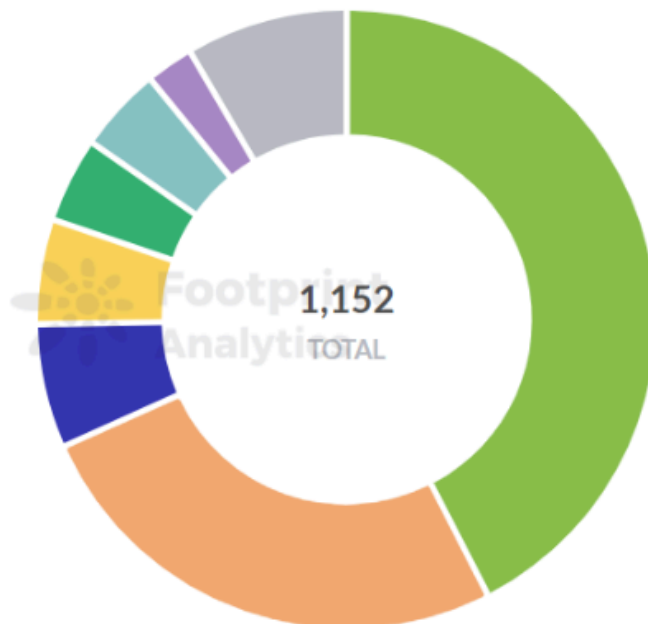
Source: ©Newzoo | Global Games Market Report | June 2021
newzoo.com/globalgamesreport

Definition of players: anyone who has played games on PC, console, or mobile device in the last six months.

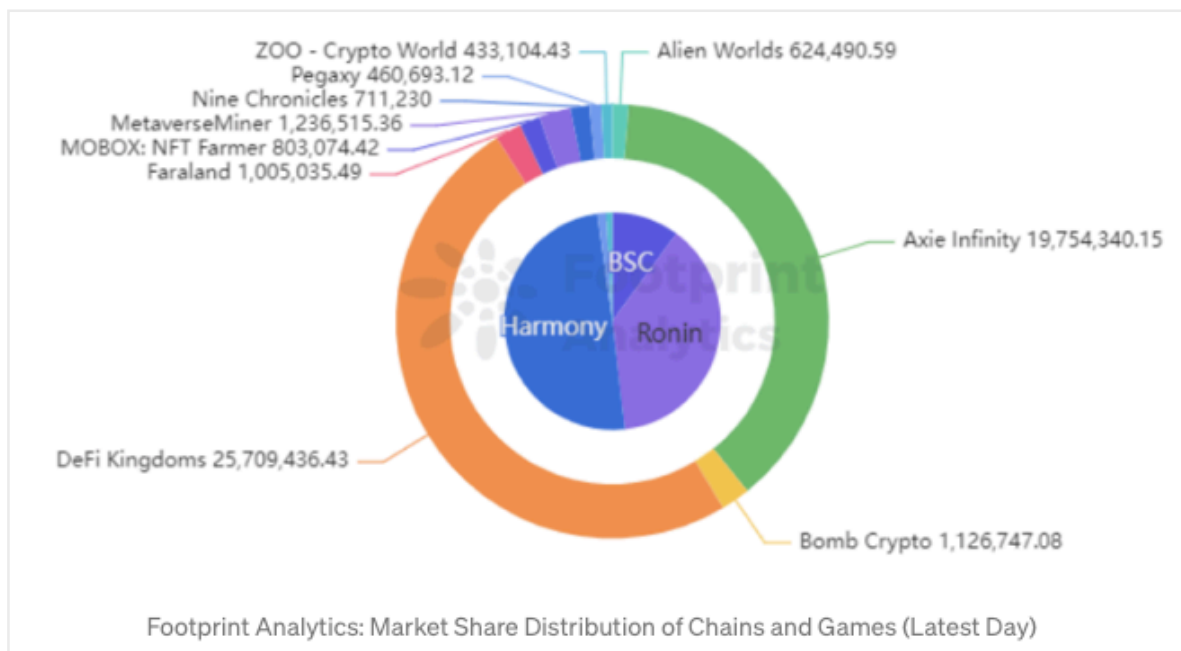
Screenshot Source: Newzoo Website (Percentage of Game Player Data By Region)

Current Month Number of Games %

Ethereum	43.14%
BSC	26.13%
Polygon	6.34%
EOS	5.30%
Tron	4.25%
WAX	4.25%
Ontology	2.26%
Other	8.33%



Footprint Analytics: Current Month Number of Games



NFT

Crypto Punk V1 vs V2. **A legal battle**

FlamingoDAO, created in October 2020 to invest in NFTs, with 60 ETH membership buy-in, now holds a **portfolio worth \$1b**, and its membership buy-in has increased 350x to 3,000 ETH

Satoshibles is first NFT collection available on Stacks, **a bitcoin-backed platform**

Lending using **NFTs as collaterals** is growing (still very small in comparison with art)

Who paid for Reese Witherspoon's NFT collection? The answer is not really interesting (and unknown), but the analysis process says a lot on **chain transparency** (at least to wallet addresses)

Metaverse

What can you actually do in the Metaverse in 2022

By 2026, Garner estimates 25% of people will have spent **at least one hour a day** in the metaverse, and 30% of the organisations will have product or services in it

Digital meets fashion at Superverse, Dubai's **Metaverse-focused creator summit**

Religious services in the metaverse

Gucci bought a piece on land in Decentraland

DAO

Gnosis community votes on whether to spin out Safe, a major DeFi infrastructure, **holding more than \$100b** (5% of total crypto capitalisation). If the vote succeeds, the assets will be transferred to SafeDAO

Assange DAO spent **\$53m for Assange x Pak NFT**, essentially a donation to free Julian Assange

Wonderland's treasury saga exposes the **fragility of DAO projects** today

Business news

Aave announced the launch of Lens, an 'open, Web3 social media protocol'. Lens is built on Polygon and serves as a platform for developers

Binance invests \$200m in Forbes, making it one of the two biggest owners of Forbes, and gets two directors out of nine. Forbes plans to merge with a SPAC, and to be listed under ticker FRBS

Wirex launches in the US. Wirex is a UK-based fintech allowing its users to buy, hold and exchange fiat currencies and crypto in an account linked to a debit card. If you are interested, you can read an insight on **Wirex's US strategy**

Tesla recorded \$101m of impairment losses on Bitcoin in 2021. It holds \$2b worth of bitcoin (43,200 BTC) by the end of 2021

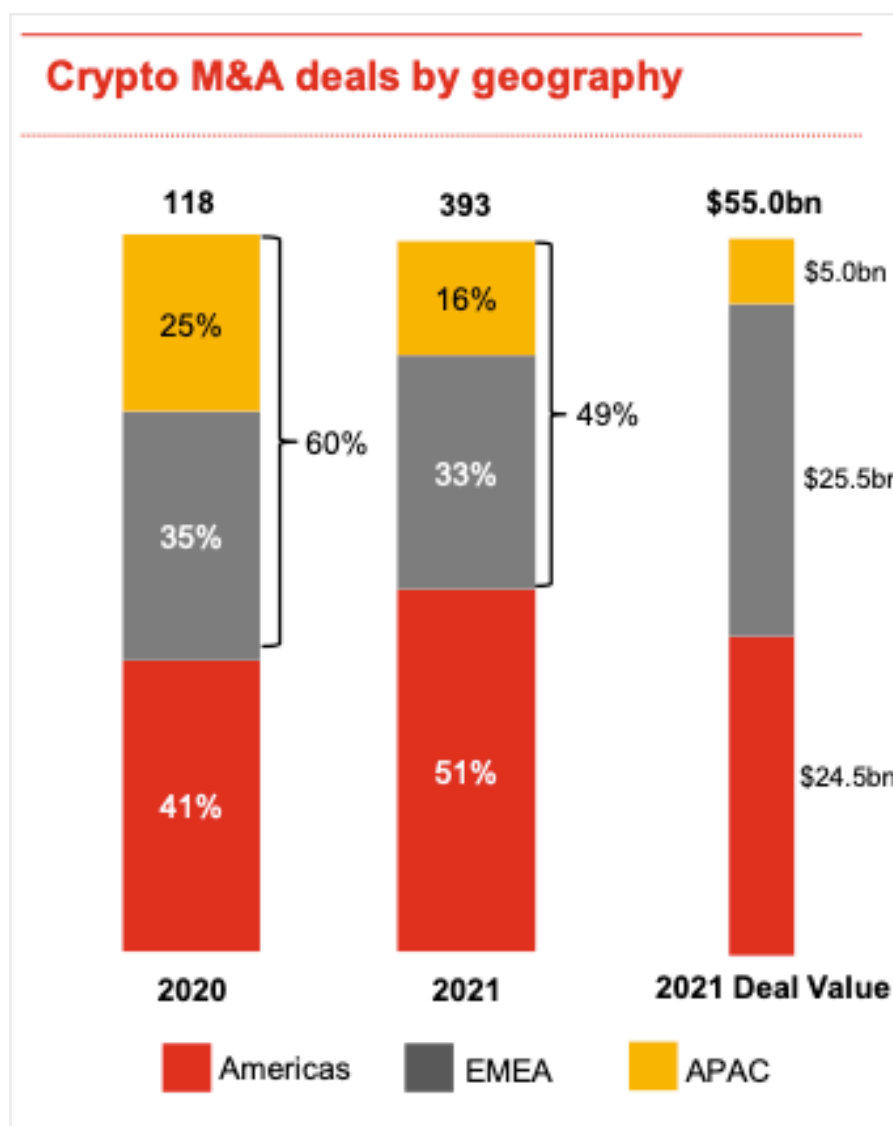
One River partners with Coinbase to offer crypto SMA (Separately Managed Accounts). One River has \$2.5b AUM

Follow up of the tension between EOS Foundation and **Block.one** (founder of EOS Foundation), **started in December**: EOS foundation now seeks legal action to recoup \$4.1b

The crypto lending platform **BlockFi will pay \$100m to settle investigations** into its interest generating accounts. \$50m would be paid to the SEC, and \$50m to state regulators

Business news: M&A

Crypto M&A rose to \$55b in 2021 (vs \$1.1b in 2020, x50), PwC report says. The average deal size tripled to \$179.7m. The US led in numbers of deals (51% of transaction), while EMEA led in value (\$25.5b in EMEA). Deal size was influenced by SPAC boom, with numerous \$1b+ mergers, but other grew in size as well (the top 10 are all above \$1b). For 2022, PwC expects a continued momentum, and existing crypto players to drive investment



Mining might be a sector with many M&A this year

Business news: companies fundraising

PwC report mentioned in the M&A section reports **total crypto fundraising reached \$34.3b in 2021** (+645% vs 2020). NFT and DeFi, invisible in 2020, represent together 14% of the total in 2021

Animoca Brands may extend its fundraising to \$500m (from the previously announced \$360m -see week ending January 23d). It brings its valuation to \$5.5b

\$450m for Polygon, at a valuation of \$13b. Polygon is a layer 2 protocol for Ethereum

\$385m for Compute North, a Minnesota-based infrastructure provider for mining (\$300m in debt and \$85m in equity)

\$200m for Alchemy, at a valuation of \$10.2b, three month after its previous fundraising of \$250m at a valuation of \$3.5b. Alchemy's developer suite powers Web3 companies, such as OpenSea and Adobe

\$200m for Aleo, a platform for building private blockchain-based applications, valued at \$1.45b

\$50m for PDAX, Philippines crypto exchange

\$30m for Hayvn, Abu Dhabi trading firm. The fund raising has not yet been confirmed

\$20m for Newton, Canadian crypto platform, at a valuation of \$200m

\$20m for OpenNode, bitcoin payment processor

\$12m for Sup, whose project Blitmap in which users can collectively decide key features of the story's universe

\$5m for Portals, a browser-based metaverse platform

\$3m for Summoners Arena, a GameFi RPG based in Vietnam

Business news: funds

OpenSea launches a VC arm to invest in NFT protocols, social and gaming projects and NFT aggregators

Infinity Ventures Crypto closes \$70m fund to invest in Web3 startups, with a focus on south-east Asia

Crypto adoption: companies

YouTube sees 'incredible potential' in Web3 and NFTs

Uber will accept crypto payment, at some point

BlackRock is preparing to offer cryptocurrency trading service to its institutional clients. These days it's taken as known that Wall Street banks and large financial institutions are edging into crypto, with the likes of Goldman Sachs, Morgan Stanley and Citi carefully choosing strategies. BlackRock also has plans to launch the iShares Blockchain and Tech ETF, an exchange-traded fund tracking an index composed of companies involved in crypto technologies in the U.S. and abroad

KPMG Canada made its first allocation of crypto assets to its corporate treasury, for an un disclosed amount. Its spokesperson mentioned They are bullish on crypto assets

Regulation

Russian government agree to treat Bitcoin as currency

Canada MP proposes bill titled « Encouraging the growth of the crypto asset sector act »

Deadline for UK FCA approval approaches (end of March), and 96 applicants are still waiting for a decision, including Revolut, Celsius and BitPanda

A bill would allow Tennessee state, counties and municipalities to invest in crypto and NFTs

Sweden leads a charge to ban mining from EU

Portugal as a bitcoin tax heaven

Crypto fear

Fitch downgraded El Salvador's rating to CCC

Instagram bans @NFT account, holding 1.7 million followers, for repeated promotion of NFT collection without disclosing posts as ads

Central bank of Ireland considers crypto funds are too difficult for a retail investor

Crypto scam

US government seized **94'000 bitcoins (worth \$3.6b)** out of the 119'754 stolen from Bitfinex in 2016

Russia shuts down **darknet 'carding' sites**, accepting crypto payments in exchange for stolen credit card

CoinMarketCap removes allegedly **fake SHIB wormhole addresses**, with delay **\$4.4m stolen** in hack of blockchain infrastructure firm Meter

Ransomware payments are getting bigger as hackers shift focus to larger targets. The average ransomware payment grew to \$118,000 in 2021 (vs \$88,000 in 2020)

NFT wash traders scammed **\$9m from unsuspecting newbies** last year

US treasury department warns of **NFT risk in art-related money laundering**

From January 31st to February 6th

Summary (links are an extract of links below)

*This week, markets have shown early signs of possible recovery after a steep slide in January, where, on the contrary, most NFTs surged (see graph below). Sam Bankman-Fried (founder of the leading exchange FTX - this week **raising \$400m at a valuation of \$32b(!)**-, and the richest person under 30 in the world) explains why **NFTs outperformed broader crypto markets**, while the decoupling spurs **debate on a new asset class**.*

*On the business side, we've seen some nice M&As (**Consensys on MyCrypto**, **FTX on Liquid**, **Amber Group on DeCurret**, **BCB on LAB577**, and **Chainanalysis on Abbax**) (details in the links, or more info below).*

*On the innovation side, it is interesting to read on MEV (**Maximum Extractable Value**) (which make me think of the beginnings of High Frequency Trading, where it was 'easy' to take advantage of discrepancies in the market) or on DAOs (a nice paper called « **The people who think DAOs are the future of work** » explaining that Decentralised Autonomous Organisations are indeed not decentralised, nor autonomous, nor even organisations).*

*Finally, on the negative side, you might be interested to read the crypto-hostile paper « **The Maltese falcoin** », by JPMorgan's chief asset manager, and to learn on the biggest heist in the history of DeFi, **stealing \$325m** from Wormhole, a popular bridge (linking various blockchains - in this case Solana and Ethereum), or to learn on the **vulnerability of bridges** (although key for the future of cryptos).*

Much, much more below.

Opinion

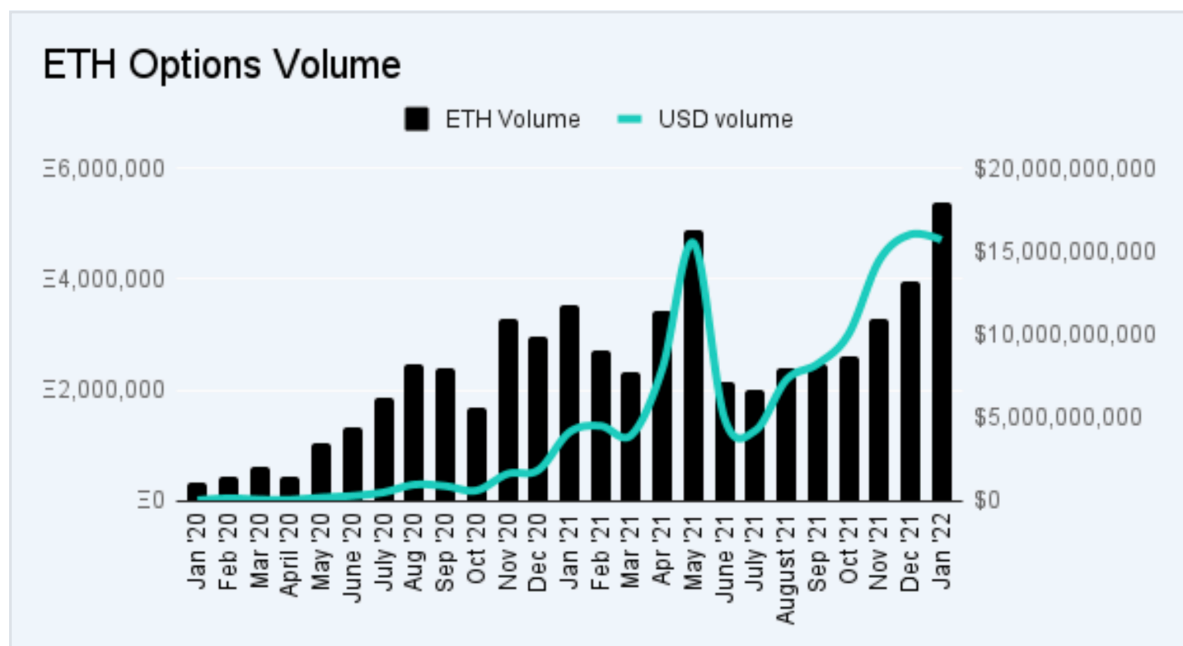
« **The Maltese falcoin** », a crypto-hostile report by Michael Cembalest, JP

Morgan asset management chief

Markets

- Jan.31st:
 - Bitcoin MACD indicator **threatens bullish bias**
 - Ethereum price **risks dropping to \$2k** on 'bear flag' setup
 - Coinbase and Galaxy Digital **continue recovery**
 - Morgan Stanley says bitcoin **50% correction is nothing new**
 - JP Morgan: Excessive **volatility hinders bitcoin** institutional adoption; Ethereum faces challenges due to declining market share
 - **Bitcoin's put/call ratio** at 6-months high
- Feb.1st: **SOL surged 17%** after Coinbase listed two Solana-based projects' tokens
- Feb.2d: **BTC price dives**, showing again a correlation with tech stocks
- Feb.3d:
 - Long-term hodlers **still hodling** despite bitcoin fall to \$33k
 - **Bitcoin turns lower** from bearish trend line, support at \$35.5k
 - As Wormhole hack exposes security hole, **Solana price 'bear flag'** paints \$50 target
- Feb.4th:
 - **Bitcoin surges toward \$39k**
 - **Bitcoin jumps past \$40k**, liquidating \$50m bears; ETH near \$3k; SOL gains 13%
 - **Metaverse tokens surge** as Meta's share price plunges

Crypto **options trading volumes surged** in January as prices fell



ECB, BOE have scant leeway to influence bitcoin

As every week, the **weekly recap** from Messari yields an overview by sector

How innovative Just-In-Time Liquidity Provision brings liquidity into the market.
Or how some are using **Maximal Extractable Value** through arbitrage, liquidations, front-running and sandwich attacks

While **Microstrategy** was forced to take a \$147m impairment charge due to falling prices on the 124,391 bitcoin it held, it is still buying in January, 660 bitcoins, although at a lower pace than in December, where it bought 1914 bitcoins. **Is it a good corporate strategy to buy bitcoins?**

Ethereum

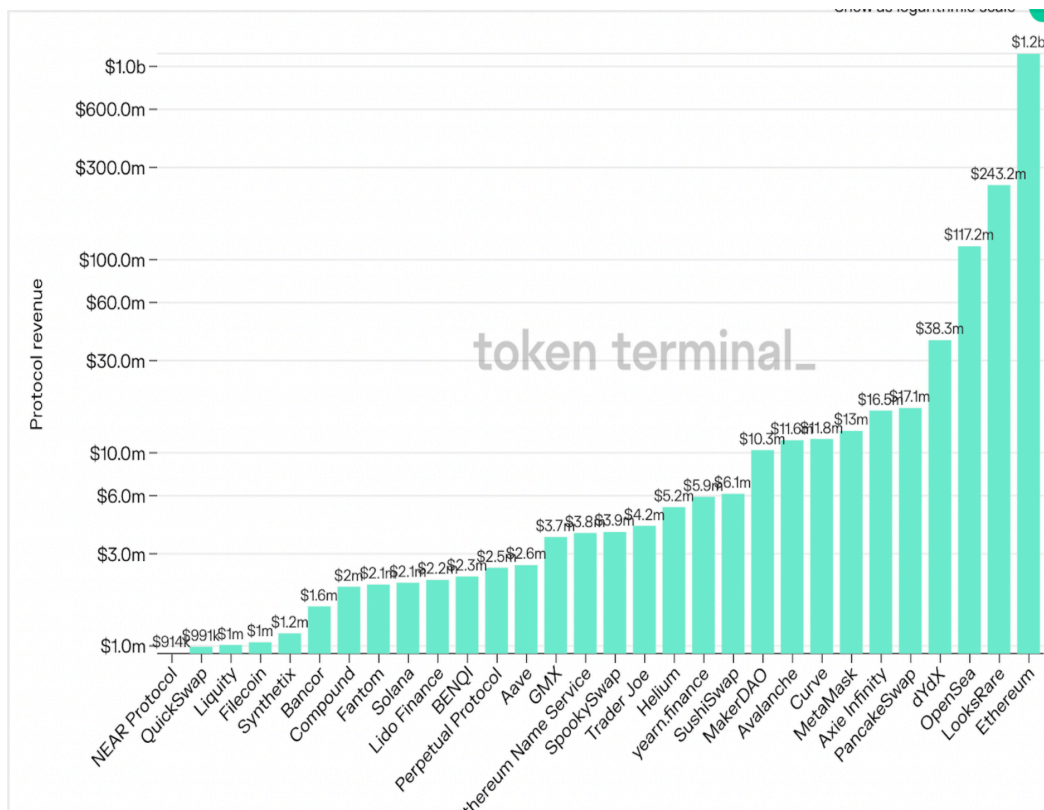
\$1B worth of ETH burned in the past 30 days due to record high OpenSea NFT transactions

Alt-coins, token and blockchain

Alts have been underperforming... A rather nice and relevant analysis.

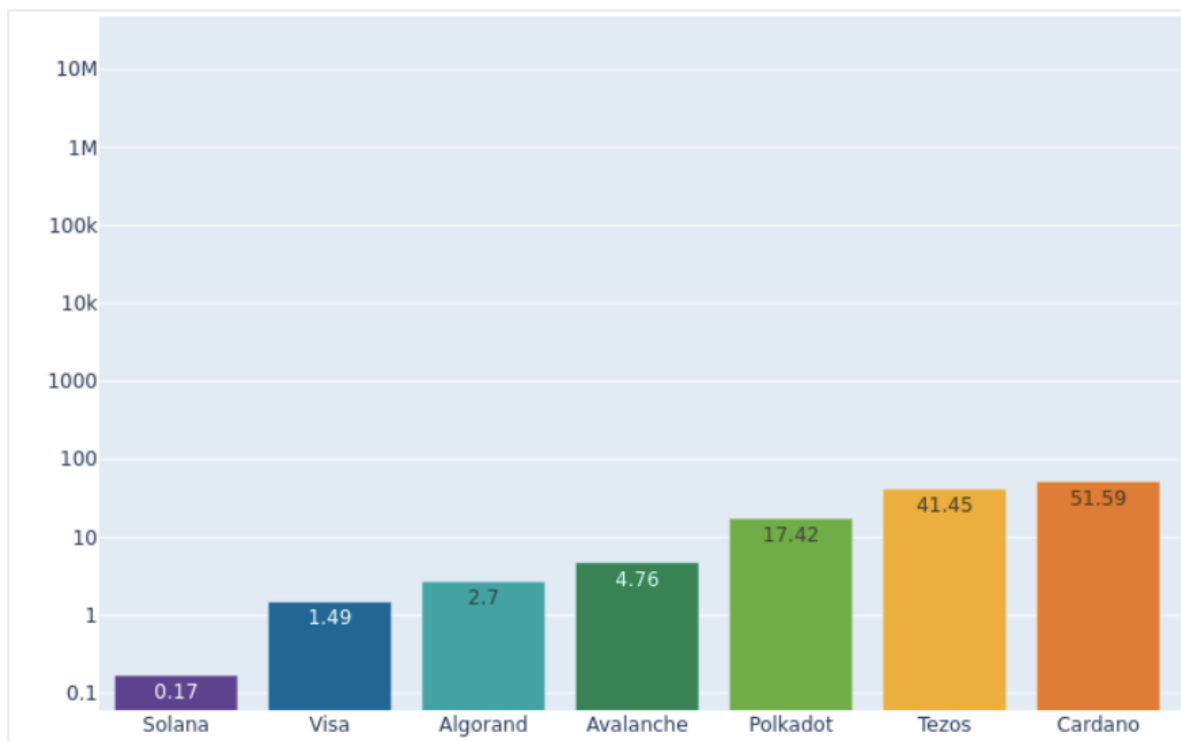
Currency	Beta to BTC	Expected Return (beta x BTC returns)	Actual Returns (Jan. 1 - Jan. 26)	Difference
BTC			-23%	
ETH	1.23	-28%	-35%	-7%
XRP	1.03	-23%	-28%	-5%
BCH	0.99	-22%	-34%	-12%
ADA	1.40	-32%	-24%	+7%
XLM	1.07	-24%	-29%	-5%
LTC	1.18	-27%	-28%	-2%
EOS	1.01	-23%	-29%	-7%
DASH	1.13	-26%	-35%	-10%
XMR	1.25	-28%	-42%	-14%
TRX	0.92	-21%	-27%	-6%
ETC	1.21	-27%	-31%	-4%
ZEC	0.92	-21%	-40%	-19%
ZRX	1.26	-28%	-39%	-11%
BAT	1.11	-25%	-37%	-12%
LINK	1.35	-30%	-25%	+5%
XTZ	1.21	-27%	-39%	-11%
BSV	0.68	-15%	-27%	-12%
DOGE	1.06	-24%	-18%	+6%
OXT	1.05	-24%	-39%	-16%
ALGO	1.27	-29%	-48%	-19%

FIDA and ORCA have been the two first Solana ecosystem tokens listed on Coinbase. This started on Monday January 31st. ORCA rallied within minutes of Coinbase's announcement, FIDA dropped, and **SOL rose 17%**



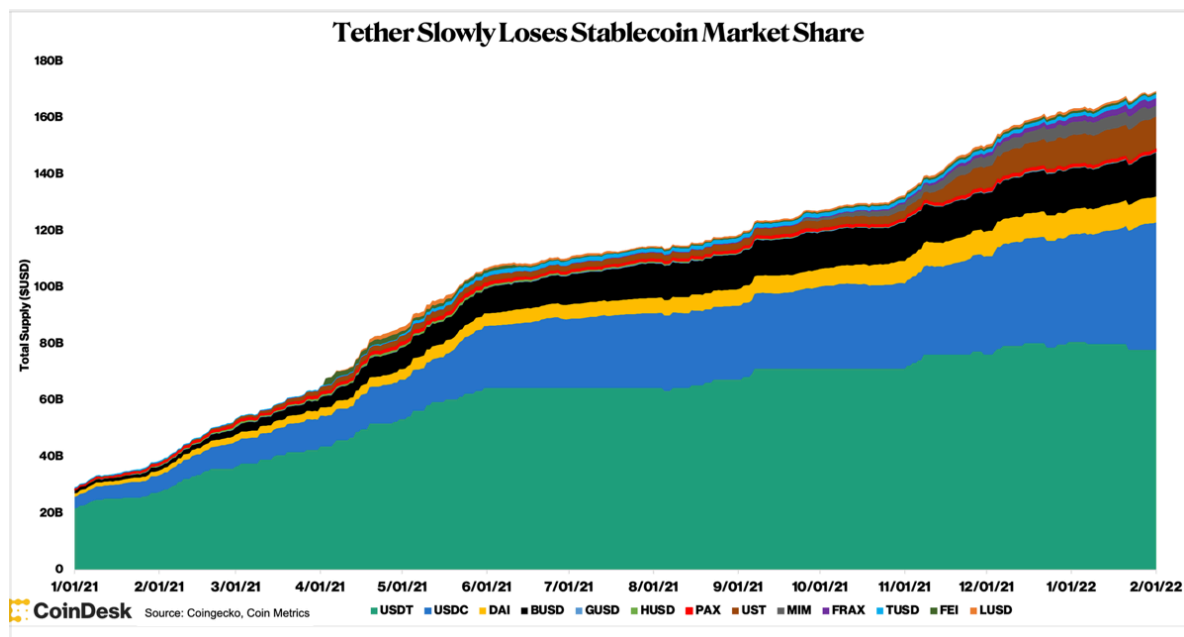
Compound Q4 2021 report

Solana reported to use the **least energy per transaction** from all PoS protocols



Stablecoins

Theter (USDT) is losing market shares to Circle (USDC)



CBDC

India announces its will to launch a digital rupee. This may be a premature announcement, since nothing have yet been prepared nor tested. In similar situations, countries have shown a ramp-up of 12 to 24 months

Rising CBDCs may benefit cryptos, and in the end lead to a volatile competitive multi-currency international system, in which cryptocurrencies (and bitcoin in particular) may emerge as viable competitors. It depends on US reaction to the threat on dollar supremacy

Myanmar's military government wants to launch its digital currency. Earlier on, the shadow government said it accepts tether as official currency

Mining

Irkutsk region's electricity consumption rose fourfold in 2021, after Chinese ban. Russian government is working on new crypto mining regulation

As Artic storm approaches, Texan miners shutter operations to help protect the state's power grid

Exchanges

BitMEX airdrops 1.5m BMEX to users

Binance builds up \$1b insurance fund to cover potential hacks

DEX

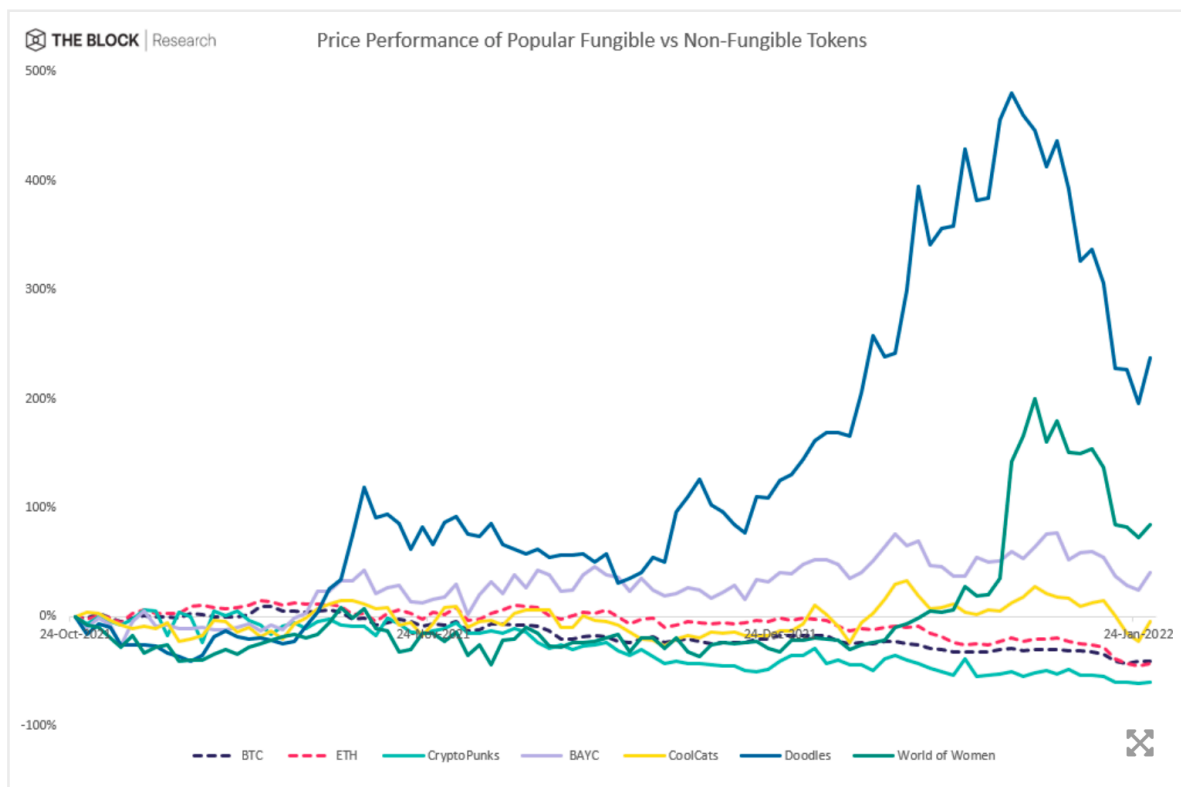
Trader Joe's native coin climbs as the DEX unveils 'Modular staking' (either access to Avalanche projects, or a share of revenue, or boosted yields)

DeFi

Using real-world assets (such as real estate) as collaterals for staking

NFT

Sam Bankman-Fried explains why NFTs outperformed broader crypto markets



Decoupling of NFTs and crypto spurs debate about future of new asset class
 Music festival **Coachella launches an NFT collection**, on Solana. NFTs will give consumers the opportunity to unlock festival passes, art prints, photo books, digital collectibles real-life experiences and merchandise. Proceeds will go to three charities

GameStop is launching an NFT marketplace

International Olympic Committee to launch a play-to-earn multiplayer game, with Olympic NFT digital pins as rewards

Nike takes seller of **unlicensed NFT sneakers to court**. StockX is a popular online reseller estimated to be worth \$3.8 billion, and its NFT sneakers in dispute are still online

A new NFT marketplace wants to **turn colours into tradeable assets**, and share NFT transactions revenue according to their colour content

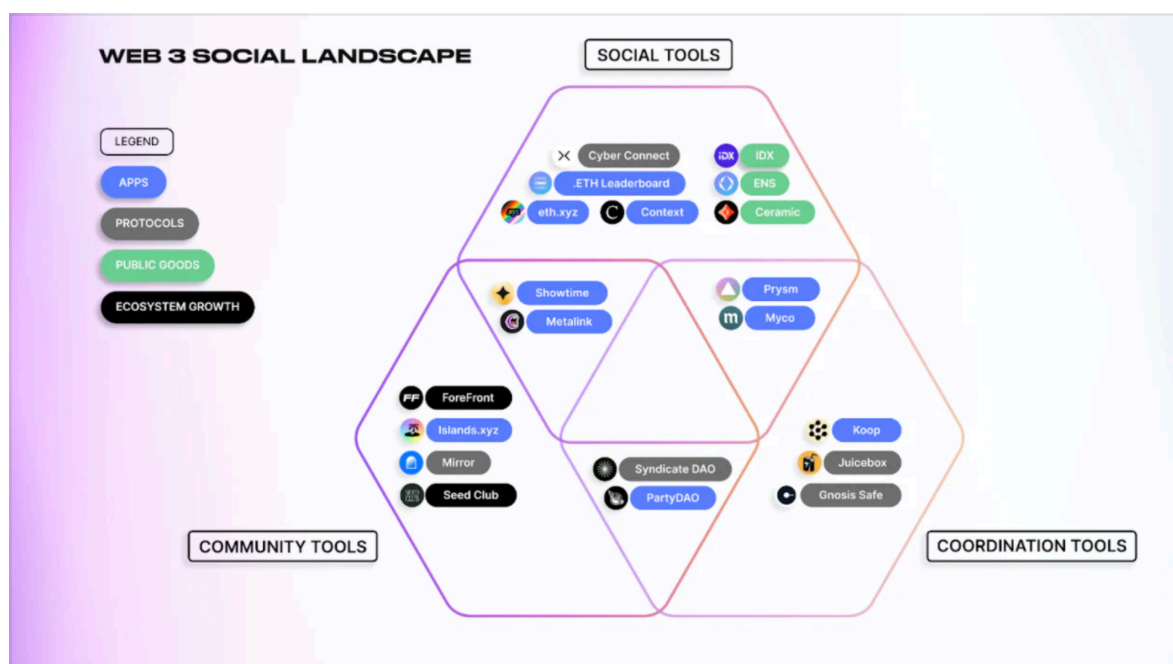
Gaming

Game devs hate crypto

GameFi faces **regulatory headwinds in Asia** (in South Korea, Japan and China)

Metaverse and Web3

Web3 social landscape



DAO

The people who think DAOs are the future of work. A nice trip into a system that is neither decentralised, nor autonomous, nor an organisation

How Friends With Benefits uses Utopia to manage DAO's contributor payroll

AssangeDAO has been created to raise funds to free Julian Assange

Sponsoring (a new section this week)

Baby Doge sponsors TSG Hoffenheim, a Bundesliga football club

Tezos is set to sponsor Manchester United

Business news

Anchorage might be the first crypto asset manager to get a contract with the Federal Insurance Deposit Corp. (FDIC), the insurance of US banks

Terraform Labs, the DAO pool of Terra, might be sponsoring a major American sports league (undisclosed, NFL, NBA, NHL or MLB) for \$38.5m over 5 years, using the Terra community treasury. As it is a DAO, the proposal has to be approved by token holders

Crypto Open Patent Alliance (COPA) has been joined by Meta. The alliance members have pledged not to enforce their core cryptocurrency patents

Japanese trading house Mitsui to launch gold-linked cryptocurrency

Institutions now make up 50% of Coinbase's business, up from 10% three years ago

Business news: M&A

Consensys acquires MyCrypto, an Ethereum wallet. Meataask's owner plans to merge the two

FTX acquires Liquid Group, a Japanese crypto exchange. Value has not been disclosed. Liquid Group had been valued \$1b in 2019.

Amber Group acquires DeCurret, a Japanese crypto exchange. Amber group is

a startup offering algorithmic trading and digital market-making. Amber group raised \$800m last June at a valuation of \$1b

BCB group acquires LAB577, a digital asset shop. Both are based in the UK. BCB is a cryptocurrency trading and payments services firm. It acquired the German Sutor bank last December (still pending BaFin approval)

Chainanalysis acquires Abaxx, a US government consultancy firm

Business news: companies fundraising

\$400m for FTX, at a valuation of \$32b (!!!!!)

\$109m for Phantom, at a valuation of \$1.2b. Phantom (not to be mismatched with Fantom) is a Solana layer given its users the ability to interact with others. Phantom is to Solana what Metamask is to Ethereum

\$80m for Qredo, a crypto infrastructure firm on decentralised custody, settlement and cross-chain swaps. Qredo is valued \$460m

\$69.4m for Dune Analytics, value \$1b. Dune analytics create data charts and dashboards on metrics such as DEX and NFT trading volumes

Yuga Labs, the startup behind the Bored Ape Yacht Club, is looking for a new funding round at a valuation of \$5b

Business news: funds

776 management raised \$500m fund. The VC firm is owned by Alexis Ohanian, Reddit co-founder

Arca has raised **\$50m for a fund to invest in individual NFTs**. Future acquisitions will include digital property, in-game assets, passive income generators, art and collectibles, DeFi integrated NFTs, utility and reward based NFTs, AI NFTs, identity tokens and royalty streams

Galaxy Digital is launching an ETF on the Toronto stock exchange, aiming at offering **risk-controlled exposure to bitcoin and ether**

Crypto adoption: companies

Carrefour has bought a land in the SandBox (*in French*)

Nike is hiring a metaverse director

Crypto adoption: people

Johnny Depp launches NFT collection

Regulation

After hesitations, **India** finally wants to recognise cryptocurrencies, while taxing any profit at 30% flat. At the same time, the just-announced government budget allows government to **define NFTs** (though the industry doesn't know where it leads)

UK government updates crypto tax rules on DeFi and staking, issuing guidelines on determining whether returns should be classified as income or capital gains

Russia's minister of finance suggests letting banks sell crypto

Scam

\$2.5b worth of bitcoins, hacked in 2016 from Bitfinex, reappeared on Tuesday on various exchanges. Most of them are blacklisted **Privacy, blockchain analytics, and major actors** (CipherTrace, Chainalysis, Elliptic). A review of chain analytics companies methods **Wormhole lost 120,000 ETH** (\$325m) in DeFi's largest heist of all time. Jump Crypto, which incubated Wormhole, refilled Wormhole's ETH contract. Wormhole is a bridge protocol And indeed **bridges are vulnerable** (and key for the future) New **malware targets Metamask** and 40 other crypto wallets

From January 24th to January 30th

Summary (links are an extract of links below)

*Crypto winter is established, but some categories are **sidestepping it, such as NFTs**, which have seen their monthly trading volume reaching an all-time-high this month, to **\$6 billion**.*

*There are still quite a few **reasons for optimism** (in the long term), and the creativity of the crypto world is one of them. This week, I come back on DAOs (Decentralised Autonomous Organisations), a rising figure of the crypto world. Basically, they are informal organisations, controlled by their coins owner; they are much easier to create (see the **South Korean example** of a DAO created to try to save museum's art pieces in ten days), and are made possible and secure through smart contracts. They offer high flexibility (even to **fire an unsafe treasurer** in 48 hours, or even a whole **content team**). Still, they may **interact with traditional finance**. And when *The Economist* publishes a paper on DAOs, that shows their adoption level. Finally, I do not resist at quoting the whole merger proposal between two DAOs (**Abracadabra and Wonderland**): « This proposal aims to use 98B SPELL tokens to acquire the Wonderland Money Treasury and merge the two projects. The funds for the acquisition will be sourced by minting the treasury's remaining LP allocation, approximately 80B SPELL, and raising the remaining 18B SPELL via a loan from Danielesesta and 0xMerlin. As a result, all SPELL farming, bribing and emissions will stop. The Treasury of Wonderland would then transfer to the Treasury address of Abracadabra. » (Most probably the proposal did not succeed, since Wonderland's community seems to be **voting the shutdown** of the project, after the treasurer story mentioned above)*

*In the business news, it is noticeable to see that **Meta** (former Facebook) has decided to stop the Diem (former Libra) project, **selling off its assets**. Beside Meta, the sector is quite active, with two noticeable fundraising, both with a valuation of \$8 billion: **\$550m for Fireblocks**, and **\$400m for FTX US** (more companies fundraising below). In the funds sector, as this is an INSEAD alumni newsletter, note the \$75m fundraising for **Blockchain Founders Fund**, from Aly Madhavji, INSEAD alumni and senior blockchain fellow at INSEAD.*

Finally, it is also noticeable the wide adoption of crypto (we have seen last

week numerous NFT emissions by prestigious brands). After *Twitter* last week, we see *YouTube* and *Reddit* announcing NFT based approach. Also note that *Warner Music* launches a 'Concert Theme Park' in the Sandbox Metaverse; we may soon see Ed Sheeran and others in the Metaverse.

Opinion

Does the US administration has a *plan to hand the crypto industry to the banks*? A nice paper (very American, though)

6 reasons for optimism in this crypto winter (*spoil*: layer 2 scaling systems, no longer just an idea; permission less models are winning; corporates and financial institutions are here; regulation implies normalisation; this wasn't (all) crypto faults)

Markets

The week started with a *crypto total market cap fallen below \$2t*

- Jan.24th:
 - *Bitcoin dives below \$33K* to fill futures gap amid record BTC 'hodling'
 - *Whales stay away* even as RSI flashes oversold
 - *COSMOS* surged 8%, *SOL* slides 17% to lead losses
 - Jan.25th: *Bitcoin up 14%* in 24 hours, *Bitcoin-Ether ratio hits 3 month high*
 - Jan.26th:
 - *Bitcoin hits \$38k*; ETH up 4% above \$2.5k; SOL, XRP, MATIC and DOGE leading
 - Split opinion on whether *BTC floor* is touched or not
 - Jan.27th:
 - After Fed hawkish outlook, *markets slide*, BTC and ETH loosing 4%, SOL and AVAX 8%, ATOM and NEAR 13%. While *the outlook for bitcoin is bearish*, the downside may be limited
 - *BTC doesn't look bullish*; ETH loses ground while DOGE and ADA flat
 - *\$670m worth of BTC left* centralised exchanges (outflows - from exchanges to wallets- are signs of hodling)
 - Jan.28th: Technical analysis points toward *early bottoming signs* in BTC and altcoins, but analysts forecast another sharp downside move
- Market summary: « If it looks like a bear, and walks like a bear, *it could very well be a bear* » (thorough and technical)

Messari *weekly market report* (as of Friday)

Goldman Sachs says *crypto markets to become more correlated with traditional financial markets*

Innovation: Open's « *crab strategy* » is designed to profit in a sideways market

Ethereum

Ethereum money makers (AAVE, Compound and MarketDAO) processed a *record amount (\$200m) of liquidations on Friday*. MakerDAO took the largest

part of it, collecting \$15.5m in liquidation penalty fees on a single day (90% of its monthly liquidation revenues)

A new app allows Ethereum users to **communicate via their wallet address**. This may facilitate NFT transactions

Alt-coins, tokens and blockchain

On Monday, **Fantom** transactions surpass Ethereum for the first time. Its price surged 52% last week, making Fantom the **third largest DeFi protocol** by value locked

Ripple announces \$200m share buyback, at a **valuation of \$15b**

Coinbase close to listing **Solana ecosystem tokens**. The biggest by market cap is serum (SRM)

Grayscale Investments has added 25 digital assets to its list « Assets under consideration ». One (AMP) has been added to the list « Assets currently in Grayscale's product family ».

Avalanche Q4 report gives an idea of the huge growth of DeFi protocols. Growth was sparked by the arrival of Aave and Curve on the network. With around 100,000 daily active addresses, the network processes a daily average of nearly 500,000 transactions

Avalanche Quarterly Metrics	2021 Q1	2021 Q2	2021 Q3	2021 Q4
Circulating Market Cap ¹	\$3,790,153,626	\$2,059,481,956	\$14,324,823,285	\$24,667,095,817
% Change	-	(45.7%)	595.6%	72.2%
Total Quarterly Revenue ¹	\$1,440,859	\$2,037,487	\$7,149,020	\$30,279,971
% Change	-	41.4%	250.9%	323.6%

Wonderland' **TIME token fell 32%** after a co-founder was revealed as one co-founder of QuadrigaCX, a Canadian exchange scammed by another co-founder

Stablecoin

What are stablecoins? A deep review of stablecoins, including various types, applications, limitations, risks and regulations, by CB insight

CBDC

The **Bank of Korea** wrapped up the first phase of a CBDC simulation project in December 2021

The **US Federal Reserve** released its study of a digital dollar, without taking position

Mining

Kazakhstan will cut off energy to crypto miners until end of the month

Luxor mining company is launching an **Ethereum mining pool**, even as Ethereum is planning to abolish mining

Texas governor is inviting **bitcoin miners to stabilise electrical grid**, cooperating with the power network

\$1.9b crypto-mining center under construction in **North Dakota**

Exchanges

How exchanges and other crypto services **handle your data and your privacy**. A thorough review of 22 exchanges and services by Coindesk

NFTs

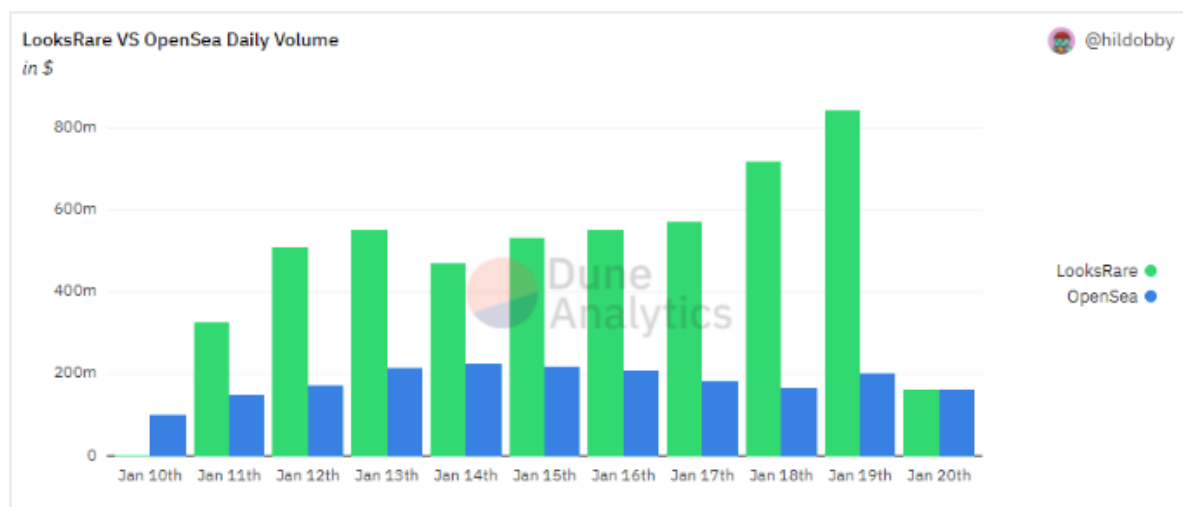
Monthly NFT trading volume reaches all-time high of **\$6b in January**

Why are **NFTs sidestepping the crypto winter**?

Genesis, which traded \$100b in crypto last year, is exploring **institutional hedging and liquidity products for NFTs**

How to get started with music NFTs, a musician crypto beginner's guide

After its vampire attack on OpenSea, market leader, **LooksRare surges to \$7b valuation**



NFT art market plagued by fraud, with arts sold by people not owning any right on it. DeviantArt has flagged more than 90,000 of them. Platform such as OpenSea do not require any proof of ownership for posting a sale
Following an ad fro Kevin Durant, **NBA Top Shot NFTs surged 72%** in 30 days

Metaverse

Goldman Sachs sees the **metaverse as \$8 trillion opportunity**

DAO

DAO and traditional finance cooperation: NEM and Symbol, two protocols that voted to merge, « hired » a treasury manager, namely the traditional finance firm Valkyrie, for their \$700m token treasury

Syndicate launches tool for **spinning up DAOs with legal docs**

When **The Economist issues a paper on DAOs**, this shows crypto adoption level (The Economist subscribers only)

2 DAOs are trying to **collect \$4m in 10 days**, to prevent a South Korean museum to sell 2 national treasures. However, they are struggling with South Korean new rules for crypto exchanges

Governance

A vote in MakerDAO governance **expelled content production team**. The abruptness of the process raised calls for changes

On Jan.29th, **the Wonderland community voted to unseat the treasurer**. Indeed, he has been revealed on Jan.27 to be the convicted co-founder of the failed Canadian crypto exchange QuadrigaCX. Daniel Sestagalli, Wonderland's co-founder, said he discovered his co-founder situation a month ago, but did not react. Wonderland's treasury balance stands at \$735m. The community is now voting to possibly wind down Wonderland, and return the treasury. At this moment, the **vote** is in favour of closing.

Business news

Diem (Meta stablecoin project) is considering the sale of the project's assets to return money to investors. The Wall Street Journal reported they will be **sold to Silvergate Capital for \$200m**

Mizuho securities revised its price target for **Coinbase**, from \$300 to \$220, and mention it as especially unattractive for the first half of 2022

Valkyrie has applied to list **a mining ETF** on NASDAQ

Lightning Capital is preparing to launch a **market-neutral fund**

XREX, Taiwan-based fintech, wants to **facilitate business remittances** from Canada to India, using stablecoins

Gibraltar could launch the **world's first crypto stock exchange**, where conventional stocks and financial products could be traded for cryptocurrency

MoonPay now allows buying NFTs with a fiat credit card

BitFuFu, mining company, to go public on Nasdaq via a SPAC, at a valuation of \$1.5b

Apify, crypto exchange, to go public on Nasdaq via a SPAC, in a \$530m deal

Fidelity is launching two ETF: the **Metaverse ETF and the Crypto Industry and Digital Payments ETF**

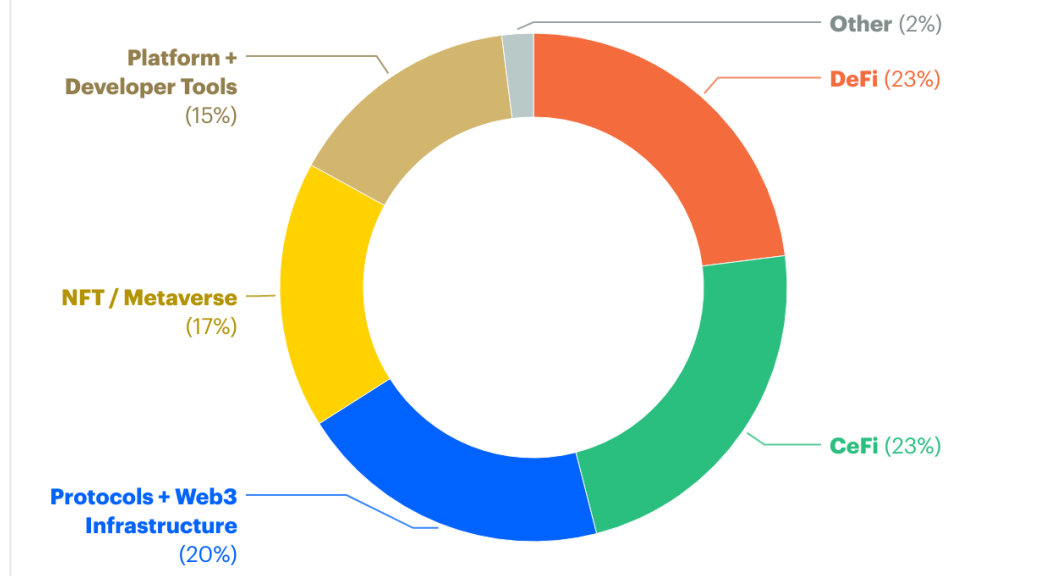
WisdomTree AUM in crypto surged five fold in 2021 (WisdomTree has \$77.5b AUM in total)

Visa says **crypto-linked card usage hit \$2.5b** in Q4 2021 (up from \$1b for S1 2021)

BSTX, a joint venture between tZero and Boston Options Exchange Digital Markets has received SEC approval for blockchain-powered automated securities exchange

Coinbase Ventures published a **breakdown of the firm's portfolio**, showing a tie between DeFi and CeFi

Coinbase Ventures portfolio by category



Business news: M&A

Pluto Digital to go public in reverse takeover of NFT investments. The latter is listed on the Aquis stock exchange growth market in London; the former is a crypto VC fund investing in Web3 and NFTs assets

Nice proposition 🤔, for a vote in **Abracadabra x Wonderland merge**: « *This proposal aims to use 98B SPELL tokens to acquire the Wonderland Money Treasury and merge the two projects. The funds for the acquisition will be sourced by minting the treasury's remaining LP allocation, approximately 80B SPELL, and raising the remaining 18B SPELL via a loan from Danielesesta and OxMerlin. As a result, all SPELL farming, bribing and emissions will stop. The Treasury of Wonderland would then transfer to the Treasury address of Abracadabra.* » (Note: the merge did not actually yet happened, but the proposal on « Magic Internet Money DAO » from « Abracadabra DAO » was too nice to remain unmentioned 🤔)

Business news: companies fundraising

\$550m for Fireblocks, at a valuation of \$8b (!!!). Fireblocks is a digital asset custody firm. Its customers include Revolut, Galaxy Digital, Crypto.com, BlockFi, Deribit, eToro, Coinshares, 3 Arrows Capital and B2C2, as well as the more traditional BNY Mellon. Fireblocks claims its customers have \$45b in assets under custody using its platform. Fireblocks uses Aave as lending protocol to create permissions DeFi pools

\$400m for FTX US, at a valuation of \$8b (!!!) (FTX US is the subsidiary of FTX). The American platform now has 1.2 million users, and a trading volume of \$67b last year (Coinbase has 73 million users in the world, probably half of its volume coming from the US; its market cap is around \$50b)

\$100m for CoinTracker, crypto tax reporting platform. For its serie A (!) the startup is valued at \$1.3b. It raised \$2m in seed in 2018, and has been profitable since.

\$60m for BCB Group, in the largest ever UK crypto series A. BCB provides

business accounts, payment services and foreign exchange custody services for crypto clients

\$10.5m for SuperDAO, in seed; SuperDAO is building a one-click DAO creation and management tool

\$10m for Project Galaxy, a digital credential aggregator

\$4.2m for TRLab, an NFT platform, to diversify its artwork collection

\$3m for HAL, blockchain data automator

Consensys is raising again, with a **valuation doubled in three months**. It raised \$200m in November at a valuation of \$3.2b. It is now raising at a valuation of \$6.5b. Consensys has developed Metamask, which claims 21 million users (x38 since 2020)

Business news: funds fundraising

Dragonfly is launching a new fund for \$500m

Hong-Kong-based **HashKey group raises \$360m** blockchain fund, to invest in Asian startups and major liquid tokens

zkDAO is a new **DAO with \$200m** to invest in zkSync ecosystem. The new DAO is backed by BitDAO, a DAO-directed treasury with a balance of more than \$2.6b

Blockchain Founders raised \$75m for a new fund. Blockchain Founders Fund has been created by **Aly Madhavji**, INSEAD alumni, senior blockchain fellow INSEAD

PleasrDAO, **crypto art collector, is raising \$69m**. PleasrDAO is a decentralised autonomous organisation

The Sandbox is launching a **\$50m incubator program**, to invest in 30-40 metaverse startups each year over 3 years

Crypto adoption: companies

YouTube is taking Web3 « as a source of inspiration » and is willing « to help creators capitalise on (...) NFTs »

Reddit may soon add NFT-based profile pictures

Warner Music launches a 'Concert Theme park' in the Sandbox metaverse. It could bring names like Ed Sheehan, Bruno Mars and Dua Lipa in the metaverse

Wall Street banks are expanding crypto research

Crypto adoption: people

A **political action committee** to back pro-crypto candidates

Crypto fear

IMF urges El Salvador to discontinue bitcoin's legal tender status

Regulation

Thailand restricts use of digital assets for payments

Bithumb, one of **South Korea's** largest exchange will stop accepting unregistered wallet addresses, including Metamask, enforcing the « travel rule »

Chinese government rejects metaverse trademark applications

A review of **countries banning crypto**. Nice quote "A general pattern suggests

that countries with a less stable fiat currency tend to have high crypto adoption rates, and thus end up with bans on crypto, as governments want to keep people invested in fiat. [...] In China, the wide rollout of the digital yuan CBDC is rumored to be the real reason for the crypto ban."

Russian government agrees on road map to regulate crypto. It has no plan to ban crypto (although the Bank of Russia called for it), and introduces KYC and AML rules

Trezor hardware wallet adapts to the new « travel rule » (Switzerland and Singapore)

Crypto firms are now spending high in lobbying

Scam

Cybercriminals laundered 8.6b in crypto last year

A bug on the OpenSea front end allowed a user to buy some NFTs at the previous price listing, and sell at the current one. The user is reported to have profited 332 ETH (around \$700k). Later, OpenSea launched a new listing manager to mitigate the flaw. It is now reimbursing users who lost money in-between

X-Bridge was exploited for \$80m. X-Bridge is a token bridge between Ethereum and Binance Smart Chain

Multichain vulnerability (see last week) put a billion dollar at risk

« Grimace » coin made up 285,000%. Its costs cents to issue a token, and easy to take advantage of rumours

A link between crypto hack and Hamas has been revealed in India

From January 17th to January 23d

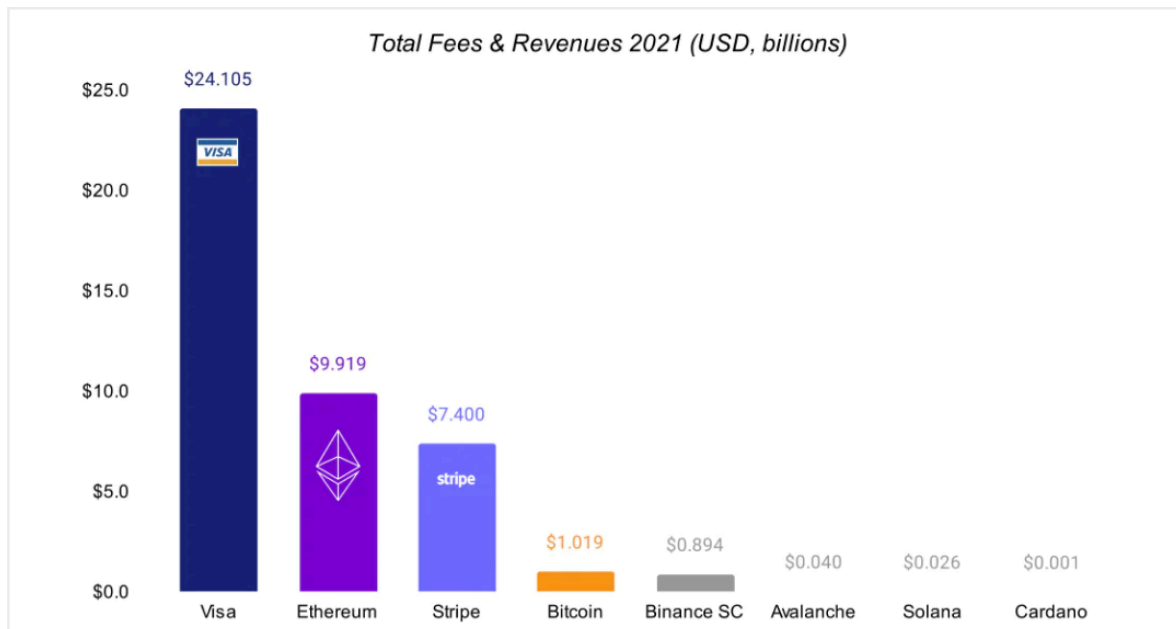
Summary (links are an extract of links below)

While it is clear that it is crypto winter (BTC has lost 40% (!) this week, and most other coins are in the same situation), this does not refrain companies to adopt crypto (see investment of Mercado Libre into Mercado Bitcoin and Paxos, nor VC to invest (see the list of companies fundraising below)(in both cases, moves have been initiated far before); demand is strong, allowing a16z to raise \$4.5b (!) funds. M&A may even be reinforced by the drop in prices, since companies cash is high. This week has shown indeed some two noticeable crypto moves into traditional finance, BitMEX on Bankhaus von der Heydt in Germany, and the acquisition of Omniex by Gemini (its second acquisition this year).

News were quite strong around NFTs. It is now common for a company to issue its NFTs (Adidas and Prada, Gucci, Mercedes-Benz, UFC, Crocs, Bud Light) or to invest in this sector (Meta, Walmart, Hulu - Disney-owned streaming platform -, Mastercard). And innovation is the rule as well, be it AI-generative art, aggressive « vampire attack » on competitors, or even new marketing trends. In the end, some foresee NFT sector to weigh \$80b in 2025, with two digits growth every year.

On the regulation side, countries are reacting to excess advertising in crypto (*Spain, Singapore, UK*), while other are considering regulating or banning mining (*Russia, Europe*).

Finally, one graph is enough to see where does the crypto economy now stands.



Opinions

With some delay, Huobi publishes its '*Global crypto industry overview and trends*', in collaboration with the Blockchain association Singapore. The report forecasts a bear market for Bitcoin, and major growth for DAO and DeFi. *Who writes the story of the metaverse?* Interesting opinion claiming for a fight to keep Web3 free. Much against *Zucked-Meta*, whose *advertising focused revenue* is clear.

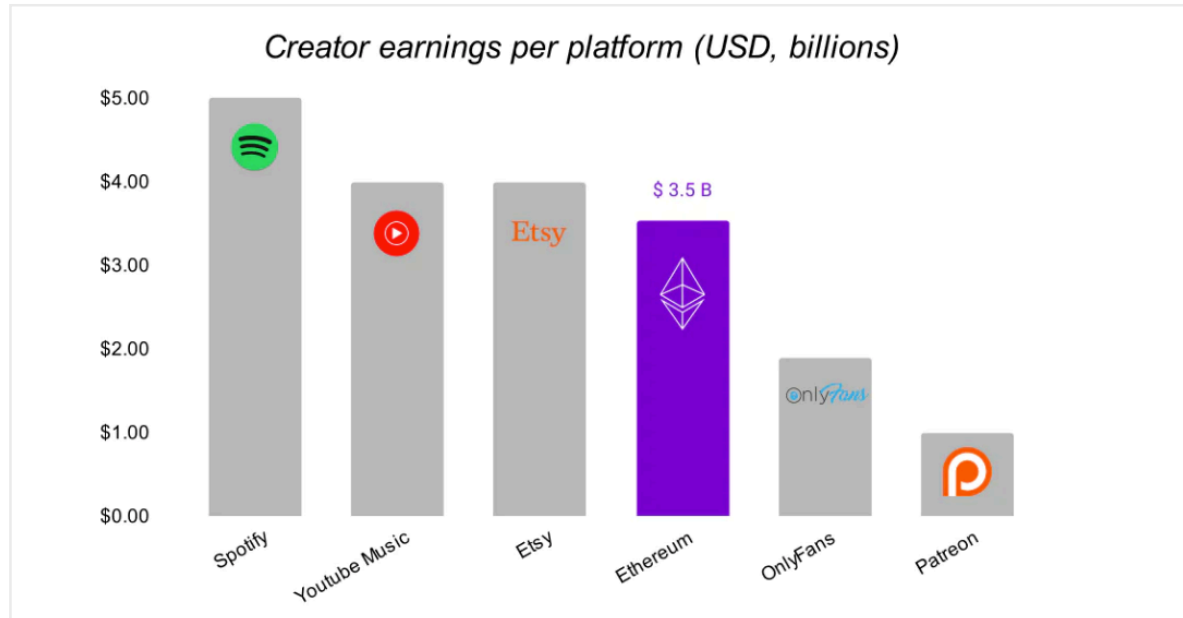
Markets

- Jan.17th:
 - WallStreet is closed, *BTC is sideways and boring*
 - *Cardano (ADA) price surges* after announcement of the launch on Jan.18th of a DEX on Cardano
- Jan.19th:
 - *Bearish sentiment may soon abate*
 - Grayscale bitcoin trust hits *record discount of 26.53%*
- Jan.20th: *BTC price climbed \$2,500 in 24 hours*, to \$43,400
- Jan.21st:
 - Ether, *Alt-coins tank with bitcoin*, as decoupling narrative goes up in smoke. Bitcoin lost 8% in 24h to \$38,300
 - *Layer1 and DeFi tokens* among hardest hit
- Jan.22d: *BTC at \$34k*, losing 20% in 36 hours

The bull and bear case for 2022. A nice analysis of the situation, pointing out a rising correlation between M1 and BTC

Ethereum

Nice report « The year in Ethereum 2021 ». Two graphs illustrate its power:



Crypto innovation, combining leverage and options, to get a **squared leverage**. This is the aim of Open's new Squeeth (Squared Ethereum)

Alt-Coins, tokens and blockchain

Harmony (ONE) has seen a surge of 163% since its lowest in Dec.4th; there are plenty of **good reasons for Harmony rally** (a \$300m fund to sustain projects and cross-chain bridges)

THETA could be a breakout star in 2022

EOS was in trouble after the departure of its co-founder, Dan Larimer, a year ago, although the company, Block.one had raised \$4b in token sale. After negotiation, Larimer is back, to **put EOS on the right track**

Polygon has delegated to Bitfinex for staking, giving \$189m in MATIC to the exchange

What is **cross-chain smart contract**?

OHM (OlympusDAO) down 80% from ATH

During Friday 21st session, as price of crypto currencies slid, the **Solana blockchain experienced network congestion**

Mining

Bitcoin **mining difficulty to a new ATH**

Intel works on an energy-efficient ASIC

Lendinvest founder, Christian Faes, sees an **opportunity in crypto mining** and has corralled tens of millions of dollars for a new Texas-based venture

DEX

[Osmosis now integrates Cosmos](#), connecting Ethereum through the interblockchain protocol (IBC). This allows faster and much cheaper transactions

State of [Uniswap Q4 2021](#). A thorough report on the leading decentralised exchange activity

[What is Uniswap and how to use it](#), a beginner's guide

DeFi

Liquidity mining is dead. [What comes next?](#) A thorough analysis on yield farming and liquidity control, via a range of novel new services such as bonds, time-weighted voting systems and DAO-to-DAO-focused stablecoin issuers

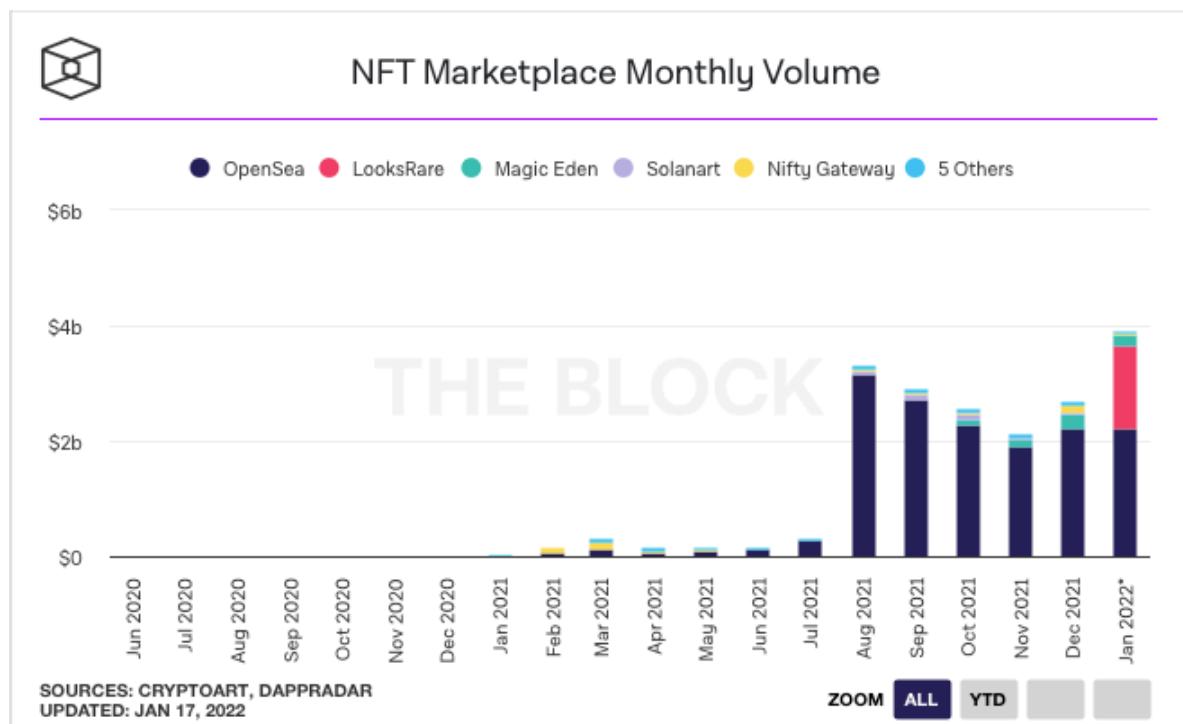
New entrants follow Compound's lead to offer [fiat savers](#) juicier yields

[Aave integrates Arbitrum and Optimism](#), L2 protocols. Aave is a liquidity protocol for earning interest, targeted at institutions, via a whitelist process, including KYC and AML

NFT

OpenSea holds more than 90% market share. No surprise the situation generates many [OpenSea's challengers](#)

LooksRare vampire attack on OpenSea (see last week) seems successful



JPMorgan says [Ethereum is losing NFT market share to Solana](#)

Will [AI-generative art](#) be the next trend for NFT?

What is it with [NFTs and destroying real-world items?](#)

Superplastic to drop [10,000 NFTs with Gucci](#) on Jan.18th

[Adidas and Prada](#) are collaborating on an NFT project, which will feature 3,000 tiled photos taken by the community

[Mercedes-Benz](#) celebrates the G-Class series with NFTs

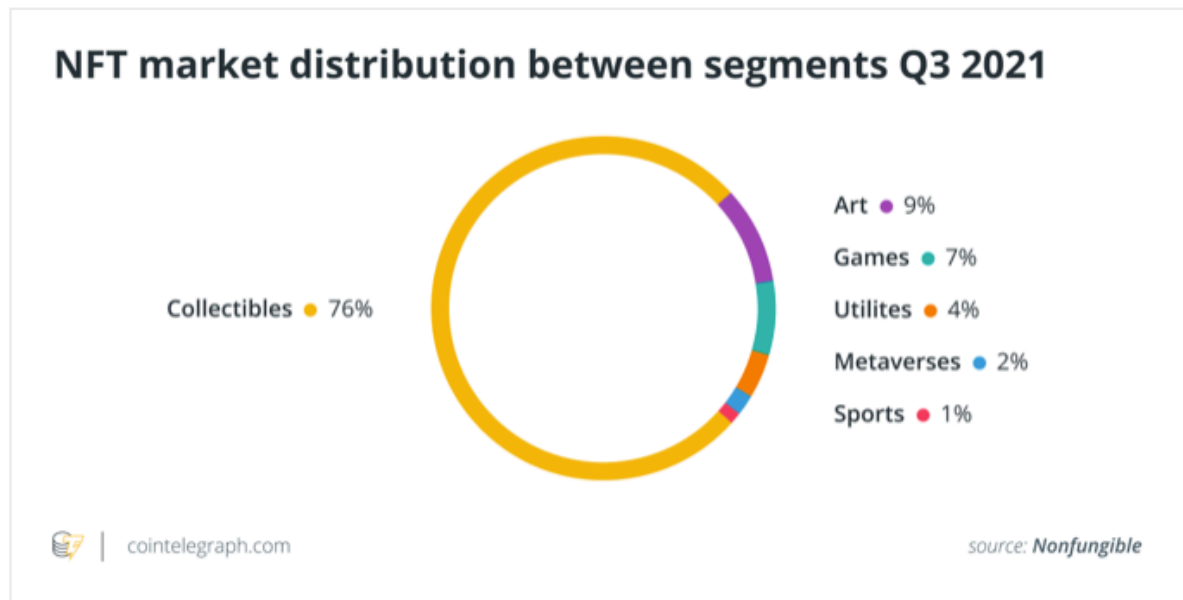
[UFC](#) has partnered with Dapper Labs, the creator of the NFT marketplace NBA

Top Shot

Small and medium **NFT communities band together** in the 'Pixelverse'
Meta is looking to launch NFT marketplace

Last Peter Bogdanovich last picture show, starring Kim Basinger is set for release on January 25th, **solely available as an innovative NFT** on the Ethereum blockchain

NFTs for marketing, not only for art. And by the way, it's impressive seeing that NFTs' market is driven by collectibles:



Jefferies sees the **NFT market reaching more than \$80b in value by 2025**, with a double digit growth for the next five years

Gaming

2022 prediction : « **Gaming will lead to further crypto adoption** »

New trends in gaming: Profit-sharing communities, communities with educational support, DeFi combined with NFTs and P2E gaming

Crypto enthusiasts meet their match: **angry gamers**

Play It Forward DAO is **making Play-to-Earn gaming open to everyone**

Metaverse

Land prices surges on Pavia, a Cardano Metaverse project

DAO

What is a subDAO? An interesting paper showing the wild world of DAOs

Spice DAO bought in auction-sale a copy of unpublished Jodorowsky's book Dune last November for \$3m. They announced their intention of producing a series from it, forgetting they don't own the rights for it. Their announcement met ridicule. It's not enough **to raise money efficiently via DAO, professionalism is also required**

Business news

Binance partners with Thai Gulf Energy's subsidiary to set up a crypto exchange in Thailand

Robinhood deploys beta crypto wallets to 1'000 test users
Crypto-friendly **UnionBank of the Philippines** will be using cryptocurrency safekeeping technology for IBM and Swiss custody specialist Metaco. The bank has \$15b AUM
SEC rebuffs **MicroStrategy's non-GAAP bitcoin accounting approach**.
MicroStrategy, a listed company, is the biggest bitcoin listed owner, having more than 120,000 bitcoins
A Reuters's report says **Binance has kept weak KYC checks**, despite its promises
Crypto investment funds have seen **an outflow of \$532m** over the past five weeks

Business news: M&A

BitMEX to acquire Bankhaus von der Heydt, a 268-year-old German bank. The deal is subject to the approval of BaFin
Gemini acquires Omniex, an institutional trading platform. This is the second acquisition from Gemini this year. Short after, Gemini announces introduction a **prime brokerage**.
OpenSea acquires Dharma Labs. The acquisition value has not been disclosed yet, but it has been reported it could be between \$110m and \$130m
Crypto stock plunge could **hinder IPOs, and facilitate M&A**

Business news: companies fundraising

\$358.88\$ for Animoca Brands, Hong-Kong based metaverse startup, focused on NFTs and gaming. Animoca is the owner of The Sandbox, leading virtual land world. This values Animoca brands up to \$5b
\$170m for Autograph, Tom Brady's NFT platform
\$125m for iTrustCapital, valued at \$1.3b. iTrustCapital provides IRA crypto accounts (Individual Retirement Plans allow US citizens to save money for retirement in a tax-advantaged way)
\$110m for Rain Financial, a Bahrain-based crypto exchange
\$50m for The Graph, an indexing and querying blockchain data protocol
\$46m for Metaplex, in SAFT sale. Mataplex is a Solana-based NFT protocol
\$20m for Carry1st, Africa-focused gaming and payment platforms
\$12.5m form Stader Labs, crypto staking infrastructure firm
\$10m for POAP (Proof of Attendance Protocol), delivering NFTs for celebrations and events
\$6.7m for Cyber, virtual showrooms for NFTs
\$5m for STEPN, a 'move-to-earn' startup that rewards users for exercising

Business news: funds

a16z is raising \$4.5b (!) for two funds: one of \$3.5b, which will be the largest ever, and one of \$1b for seed investing in digital asset startups
Pantera's new fund reaches \$1b commitments, aiming at investing in equity and tokens projects
Blossom Capital raises \$432m fund. One third will be for crypto investments.
Mechanism Capital launches **\$100m fund focused on Play-to-earn** (P2E)

gaming

\$400m to support Secret Network environment (\$225m for an ecosystem fund, and \$175m for an accelerator pool)

FTX Ventures wants to take a more crypto founder-friendly route

Crypto adoption: countries

Fidelity Digital Assets wrote that 2022 might be the era of adoption of bitcoin by sovereigns

El Salvador plans to offer crypto-based loans for SMEs

Crypto adoption: companies

Twitter begins rolling out access to NFT profile pictures. However, this announcement generates a strong backlash from part of Twitter's NFT community, on security grounds

Mercado Libre (Latin America e-commerce giant) invests in Mercado Bitcoin (Brazilian crypto exchange) and in Paxos, the blockchain company. In May 2021, it disclosed a purchase of \$7.8m in BTC. In December 2021, it chose Paxos as infrastructure of its digital wallet, Mercado Pago, which allows users to buy and sell bitcoin, ether, and USDP (Pax stablecoin)

Walmart has filed several trademarks covering blockchain, non-fungible tokens (NFTs), cryptocurrencies and the metaverse

Crocs is coming into NFTs

Hulu, Disney-owned streaming platform, hires a « culture trend marketing manager with a background in metaverse and NFT platforms »

Mastercard partners with Coinbase to simplify the NFT purchase experience, enabling card payments

Opera browser releases Web3 browser

Bud Light changed the avatar of its Twitter account to an NFT

Crypto adoption: people

Posts for digital assets positions on LinkedIn grew 395% between 2020 and 2021

Serena Williams appointed as advisor for Sorare, the sports NFT platform

El Salvador BTC wallet has onboarded 4 million users (70% of El Salvador's population)

Regulation

Spain announces new rules for influencer crypto posts. In December, the UK watchdog banned ads from seven companies

Singapore has cracked down on crypto marketing in a bid to curb a frenzy of retail trading in risky digital assets

UK regulator issues draft rules to tighten crypto promotions

Pakistan's crime agency asks telecom authority to block crypto websites

India's budget speech will take place on Feb.1, 2022. Crypto exchanges will scrutinise the speech, since its outcome is highly unpredictable; from ban of crypto to set up of a digital rupee. It may well not mention cryptos at all

Bank of Russia has proposed a full ban on cryptocurrencies

European Securities and Markets Authority vice chair called for a [proof of work mining ban](#)

[US Federal Reserve](#)'s white paper on CBDC suggests that it could coexist with private stablecoins

Crypto fear

The 3 reasons behind [El Salvador's Credit Default Swap quadrupling](#)

Crypto scam

On Monday 17th, [Crypto.com has suspended withdrawals on its platform](#) for some hours, on reports on « unauthorised activity ». Withdrawals have later been resumed, and funds had been reported to be safe. However, [the sum lost now appears to stand at \\$34m](#). Stolen funds have been [laundered using Tornado Cash](#) mixer


Multichain reported [a steal of around \\$3m](#), \$800k having later been returned by one hacker

From January 10th to January 16th

Summary (links are an extract of links below)

Nothing really dominant in the news this week, beside maybe some nice fundraising (\$1b for [Checkout.com](#), at a valuation of \$40b) and interesting M&A ([Coinbase acquiring FairX](#), a CFTC regulated derivatives exchange - the US crypto derivative market being seen as highly underserved and Coinbase being quite late in crypto derivative as compared to other exchanges; or Brazilian [Mercado Bitcoin acquiring Portuguese CriptoLoia](#), in a move toward European market). Funding will not stop, as exemplified by [FTX launching a new \\$2b fund](#). And the list of fundraising companies is back on track, after some end of year shortage (see below).

Everyone is trying to guess what will be the major trend for 2022 (see [JP Morgan 2022 outlook for crypto](#)). Definitely, there will be major moves in the NFT field, in turn causing pressure on infrastructure blockchains, being either Ethereum - we have seen again a [spark in Ethereum gas fees this week](#), caused by a sustained NFT market-, with its layer 2 rollups, or Ethereum competitors - so called Layer 1 - being Solana, [Fantom](#), Avalanche, Polygon, [Hedera](#) or other... And lines might blur, between NFT and DeFi, possibly leading to [MetaFi](#), as forecasted by Outlier, the UK crypto accelerator.\$

Finally, on the country side, [Tonga](#) might be the next country to accept Bitcoin as legal tender, [Palau](#) (a small Pacific Island) wants to shift its economy from tourism to crypto, and [Switzerland](#)  might be the first country to launch a wholesale CBDC (that is, interconnecting financial market infrastructures).

Much, much more below (on markets - rather shaken, see [Messari weekly recap](#)-, on Ethereum -with a nice « [Q4 report](#) », on mining, on [LooksRare](#)

[vampire attack on OpenSea](#), and more...).

Opinion

Web3 is a long fight worth fighting

Africa's financial liberation with bitcoin

JP Morgan's report on the [2022 outlook for crypto](#) predicts that cryptocurrency markets are increasingly relevant to financial services and that DeFi has a strong potential (driven by the scaling of layer-1 and growth of layer-2)

Markets

- Jan.10th:
 - Last week, [ETH burn rate surged](#) amid record NFT volume and traders rush to reduce exposure
 - [Bitcoin approaches 'Death Cross'](#)
 - BTC lost 10% the first ten days of the year, but [ETH and others are much worse off](#)
 - [BTC under \\$40k](#) and ETH below \$3K
- Jan.11th: Macro-driven [crypto plunge spares NFT](#) floor prices
- Jan.12th:
 - Entity-adjusted dormancy flow, an indicator, suggests [bitcoin could be close to bottoming out](#)
 - Pascal Gauthier, Ledger CEO, considers [retail is pushing the Bitcoin price up](#)
 - Bitcoin and most major Altcoins have started a [strong recovery](#). [Fantom and Harmony](#) lead gains as DeFi narrative heats up
 - Traders say Bitcoin run to [\\$44k may be a relief bounce](#)
- Jan.13th:
 - [Traders at odds](#) whether Bitcoin will keep rising
 - [Shiba Inu surges 16%](#) after rumours of Robinhood listing. Dogecoin, Baby doge and Floki Inu also surged in the same period
- Jan.14th:
 - [Dogecoin surges](#) sees short traders lose \$8m after Tesla allows payment in DOGE
 - Crypto [options market prevented bitcoin from bottoming out below \\$40k](#)
 - Bitcoin under \$42k; [breakout 'most probable outcome'](#)

Messari is now publishing a [weekly recap](#) every Friday morning. This recaps well the markets (and other).

Ethereum

Nice « [Ethereum Q4 2021 report](#) », showing impressive results

Metrics: Protocol Results	Q4 2020	Q4 2021	Y/Y
Network Revenue	\$ 231,416,344.31	\$ 4,342,735,508.17	1777%
ETH Staked	1,545,586.00	8,818,933.00	471%
ETH Issuance Rate	1.01%	0.36%	-64%
Value of ETH Burned	n/a	\$ 3,784,039,376.56	n/a
Average Transaction Fee	\$4.09	\$26.89	557%
Daily Active Addresses (Average)	425,636	572,700	35%
Hash Rate (GH/S)	293,670	925,877	215%

Metrics: Ecosystem Results	Q4 2020	Q4 2021	Y/Y
DeFi TVL	\$ 17,730,000,000.00	\$ 154,200,000,000.00	770%
DEX Volumes	\$ 48,970,000,000.00	\$ 291,530,000,000.00	495%
Outstanding Debt Money Markets	\$ 2,555,920,000.00	\$ 12,643,000,000.00	395%
Stablecoins Issued	\$ 18,350,000,000.00	\$ 93,542,000,000.00	410%
BTC on Ethereum	138,190	321,730	133%
OpenSea Sales	\$ 71,572,636	\$ 35,913,755,621	50078%
Layer 2 TVL	\$ 50,001,784	\$ 5,551,244,877	11002%
ETH Bridged to EVM Chains	n/a	\$ 35,072,893,856	n/a

Alt-coins, tokens and blockchain

Bank of America considers [Solana could become the 'Visa of crypto'](#)
[Fantom](#) transactions surge ahead of Avalanche a DeFi prospects heat up. More on layer 1...

[Ronin](#), Axie Infinity's layer 2 blockchain, is bigger than many layer 1s by volume
 CryptoTelegraph [alt-coins newsletter](#) sees a strong potential in HR protocols, such as [Keep3rV1](#) (blockchain developer jobs) or [TIME](#) (recruitment, HR and payment). Corporate oriented protocols such as [Lightning](#), [Fantom](#), [Polygon](#), or [Hedera](#) are also well oriented

Blockchain for good: [Doctors Without Borders](#) (MSF) is using blockchain for storing medical records, using [Transcrypt](#) services

Stablecoin

New York Community bank, FirstBank, Synovus and Sterling National bank found [USDF consortium](#) to offer a new bank-minted stablecoin

[USDC's supply on Ethereum surpasses USDT's for the first time](#). USDT total supply however remains higher than USDC's. Half of USDT's supply lies on Tron blockchain. USDT demand is mostly led by centralised exchanges and institutions, while USDC rely mainly on DeFi platforms.

CBDC

[Switzerland practically ready to launch a wholesale CBDC](#). The Bank for International Settlement (BIS), the Swiss National Bank (SNB) and the Swiss stock exchange (SIX) have completed the trial, including five commercial banks (Citi, Crédit Suisse, Goldman Sachs, Hypothekarbank Lenzburg and UBS). Wholesale CBDC aims at connecting financial market infrastructures, not at opening CBDC into retail bank accounts.

[e-CNY gets ready](#) for Beijing Winter Olympics (*en français*)

[Visa and Consensus](#) team up on CBDC tech. Consensus is already working with

Australia, France, Hong-Kong and Thailand to develop CBDCs
UK House of Lords committee sees 'no convincing case' for UK CBDC
Ukraine's e-hryvnia may use Stellar-based Ukrainian Tascombank solution

Mining

Bitcoin mining is profitable above a BTC price at \$34k
Analyst opinion: Crypto miners are better investments than bitcoin. Analyst recommends Marathon and Core Scientific. Another analyst considers bitcoin's slump as good for miners, since it deters new entrants. Other consider efficiency will be key in an overcrowded and depressed market
While mining companies share price leveraged bitcoin price, Coinbase didn't
Inspired by Kazakhstan troubles and internet shutdown, a Spanish deputy proposed to make Spain a safe harbour for mining activities
After Kazakhstan end of internet shutdown, hash rate is now nearly fully restored. Full data on btc.com
Hive blockchain holds bitcoin and sells some Ethereum, while Bitfarms purchased 1,000 bitcoins in the first week of January
Norton Antivirus has installed a crypto miner in its antivirus suite. This caused a great backlash
Luxor launches a service for buying and selling mining hardware
The Block (formerly Square) to build open-source mining system

NFT

LooksRare goes live with vampire attack on OpenSea. Users on OpenSea (having spent more than 3 ETH) are offered free tokens on LooksRare to have them switch
OpenDAO, known for its airdrop to past users of OpenSea is developing an NFT prediction market
Candy Digital (digital collectibles) is launching its NFT marketplace for Major League Baseball's NFTs
World of Women NFTs floor price surged as it announced a deal with a veteran music executive
933 selfies sold as NFTs for \$3 each are now worth 1'000 times more
Doodles NFTs soar in value thanks to community input and astute management
China-backed Blockchain Services Network will introduce infrastructure this month to support NFTs that have no link to cryptocurrencies. This goes with the vision that NFTs will be widely used in China in the next five years, but the government doesn't want the technology to be associated with crypto or running on public, permissionless chains
Associated Press, the news agency, is launching an NFT marketplace

Metaverse

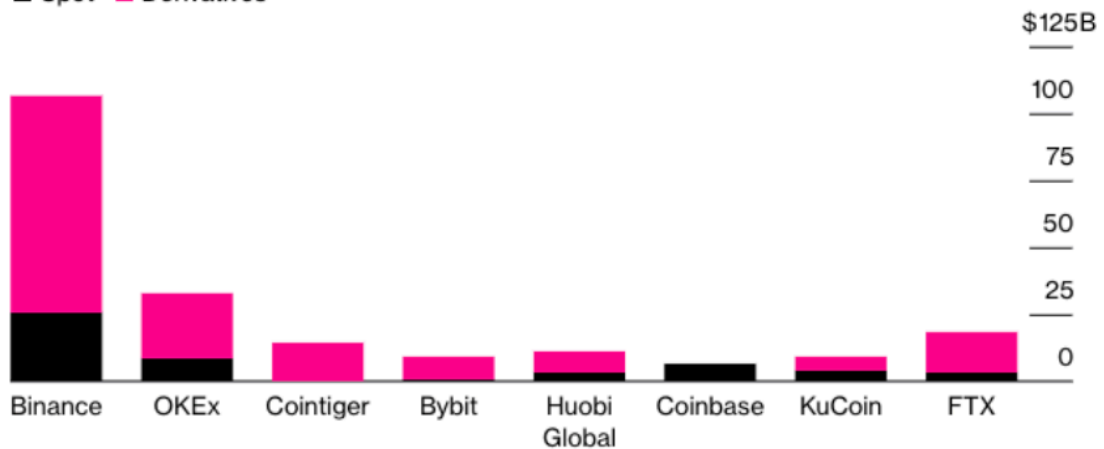
Binance.US is building HQ in Portals, a metaverse platform built on Solana. (Sandbox and Decentraland are built on Ethereum)

Centralised Exchanges

Crypto Colossus

Binance is by far the largest cryptocurrency exchange by volume, in both spot and derivatives markets.

■ Spot ■ Derivatives



Source: Coingecko.com
24-hour trading volume figures retrieved Jan. 6

Source: [Bloomberg](#)

FTX and Bitstamp may offer stock trading to their customers

DEX

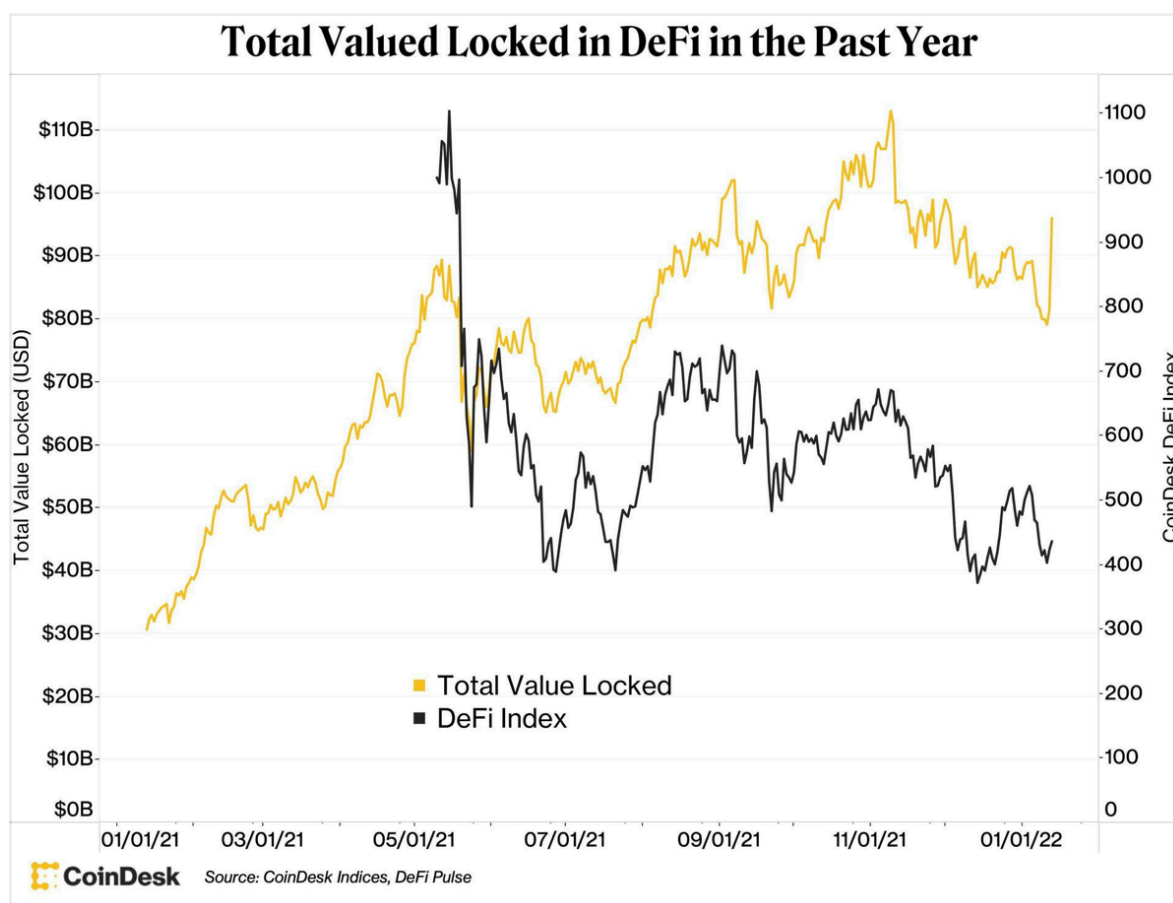
dYdX to be fully decentralised in 2022

DeFi

When DeFi joins Metaverse, it leads to [MetaFi](#). Outlier reports on this 2022 trend. You can listen at it on [Youtube](#) too

[Zeta Markets is a decentralised derivatives exchange](#), offering services as undercollateralized trading, portfolio cross-margining, sub-second mark-to-market updates and instant settlement. Zeta markets will go live on Solana on January 17th

An interesting graph, showing the anomalous counter-performance of the DeFi sector, as compared to the Total Value Locked (digital asset value collateralised for loans in DeFi):



DAO

Pudgy Penguins community ousts its founders for having failed to deliver and drained all the funds

Business news

CZ=\$96b. The wealth of Changpeng Zhao, Binance's founder is estimated way above Sam Bankman-Fried (FTX founder) or Brian Armstrong (Coinbase CEO), in the order of Mark Zuckerberg, Larry Page or Sergey Brin. It is estimated that CZ holds 90% of Binance's shares, which has been valued from publicly traded peers

Crypto funds delivered, on average, 214% in 2021, while SP&500 returned 26.9% and hedge funds 10%

Bitcoin miner Rhodium plans IPO, at a value of \$1.7b

Wikipedia faces **pressure to stop accepting crypto donations**, on environmental grounds

Goldman bullish on online brokers' Q4 earnings. It sees 62% rise at Coinbase and 18% at Robinhood

TaxBit launches a tool to link 20 crypto exchanges account, in order to produce tax forms

Unstoppable Domains, a start-up creating identity applications, launches **NFT-based sign-on** for Ethereum and Polygon

Business news: M&A

Coinbase is acquiring FairX, a CFTC regulated derivatives exchange

Gemini acquired Bitria, a crypto asset management platform
2TM acquired CriptoLoja. 2TM is the holding company of Mercado Bitcoin, Brazil's largest crypto exchange. CriptoLoja is Portugal's first licensed crypto exchange. This is step one of Mercado Bitcoin European expansion plan

Business news: companies fundraising

\$1b for Checkout.com at a valuation of \$40b! This made the payment company one of the most valuable European startups. Checkout.com has tripled its volume of transaction for the third year in a row

\$200m for Oasis Foundation, brought by Binance Labs (Binance's VC arm). Oasis Foundation supports startups to use its Oasis layer 1 blockchain

\$150m for the Near Foundation, in a private token funding round. Then Near blockchain environment is one of the best funded project, and announced in October \$800m in grants for projects developed on Near

\$119m for Seba Bank, Swiss-based digital assets banking platform regulated by the Swiss Financial Market Supervisory Authority

\$110m for Lukka, middle and back-office data services and software tools company. The round values Lukka at \$1.3b

\$105m for Zero Hash, crypto services provider to retail brokers and fintech firms

\$55m for Plunge, Indonesian investment app

\$50m for Alliance DAO. Former DeFi alliance, startup accelerator, having incubated Shushi and Olympus DAO, raised funds from 300 selected Web3 leaders

\$15m for Proof of Learn, a « learn-to-earn » platform

\$12m for Cion Digital, an enterprise SaaS blockchain orchestration platform

\$8.5m for Ex Populus, an Ethereum- and Solana-based gaming studio. Ex Populus hopes to attract attention with a novel token distribution method: 40% of forthcoming token supply will be earned by players, in a « proof-of-skill » distribution system

\$6.5m for Flip, NFT marketplace aggregator

\$6m for Seashell, high-yield investment app. Investors include Mark Cuban and Robinhood CEO Vlad Tenev

Business news: funds fundraising

FTX has launched a \$2b venture fund, one of the largest to date. « It will make strategic, concentrated bets », in order to « advance global blockchain adoption »

DEcentral Park Capital launches \$75m DeFi fund, to invest in liquid tokens, decentralised exchanges and lending protocols

Crypto adoption: countries

Tonga may adopt Bitcoin as legal tender by November. Tonga highly relies upon remittances, which it hopes will be facilitated in bitcoins

Palau, a small Pacific Island and republic, with 20'000 citizens, wants to shift its economy from tourism to crypto, creating the first digital residency program. Users will be issued a non-fungible token (NFT) of their digital resident ID

cards, giving them access to Palau-based perks like shipping services and a physical address

Crypto adoption: companies

TP ICAP has started trading crypto ETP. TP ICAP is the world's largest inter-dealer broker

Wisdom Tree adds bitcoin futures to its Managed Futures Strategy ETF.

Wisdom Tree has \$76b AUM

A survey made by Visa in 9 countries shows that **25% of small businesses plan to accept digital currencies** as form of payment in 2022

Crypto adoption: people

The mayor of Rio de Janeiro wants to turn its city into a cryptocurrency hub, and wants to allocate 1% of the city's treasury into Bitcoin

Crypto salaries are becoming a popular way to attract young talent

Lobbying (this is a new section this week)

a16z publishes web3 principles for world leaders on « **how to build a better internet** »

Crypto regulation

Pakistan plans to ban cryptocurrencies, in a country which has the third highest adoption rate in the world

Hong-Kong begins discussions to introduce stablecoin regulatory framework

Bitfinex withdraws from **Ontario** amid major push against centralised exchanges

US Government Accountability Office **blames crypto ATMs** to facilitate illegal human and drug trafficking, for allowing transactions more difficult to trace

Crypto scam

North Korean hackers stole \$400m in 2021, mostly in Ether. They used DeFi mixers to hide their track. They seem to be **targeting cryptocurrency startups**, and may finance the North Korean government

Russian authorities raid **REvil hackers**

Theter freezes \$160m in an operation with regulators on suspicious accounts

From January 3d to January 9th

Summary (links are an extract of links below)

This is the first newsletter of 2022. To all of us, I wish a wonderful year, a crypto successful year.

There was no newsletter for the last days of December. Probably nothing important.

*2021 has been named by quite a few 'the crypto year', for it has shown institutional recognition, a \$1 trillion market cap for the bitcoin, and the raise of Ethereum (thanks, in part to the NFT boom - the **NFT transaction volume***

[representing \\$13b](#) -vs \$33m in 2020), as well as [alt-coins](#), especially alternatives to the too slow Ethereum, so-called layer1 alternatives (Solana - SOL-, Polkadot - DOT-, Cardano - ADA-, Binance Smart Chain - BNB-, ...) or Layer2 supplemental to Ethereum, such as Polygon - MATIC-, who have seen their market cap multiplied by 10, 100 or even 200 in the former case. Coindesk Research [Annual Crypto Review for 2021](#) gives more information.

This week, in a rather depressed and uncertain market, marked by a bitcoin price reaching a 3 months low, bears seem to dominate, while opinions are rather uncertain (see the market section below).

The mining sector was quite active publishing informations this week ([Marathon](#), [Bitfarms](#), [Hut8](#), [CoreScientific](#), [Northern Data](#), [Riot Blockchain](#), [Argo Blockchain](#)). This might be due to the fact that more than 15 companies are listed in this sector, which is still highly fragmented (the 17 listed companies hold about 12% of world mining capacity). With declining margins, and strong capital needs, some are [expecting large M&A](#) this year. While [hash rate hit an All-time-high](#) on January 2d, it has then be [impacted by Kazakhstan](#)' internet shut down for five days, showing once more the vulnerability of the sector to geopolitical situations, Kazakhstan holding 18% world mining capacity. This triggered a [US lobby](#) in favour of mining.

Public opinion on crypto seems still hardly influenced by the non-ecological image of crypto, due to bitcoin mining (although it is important to underline that proof-of-stake networks, less known, are quite eco-friendly). This has been seen through reactions to [Mozilla](#)'s initial decision to accept crypto for donations, backflipped a week after under public pressure, or through reactions to [Square Enix](#), world leading gaming company (Final Fantasy), announcement to grow its footprint in decentralised blockchain based gaming, which triggered [negative fans reactions](#). In this sector, it is worth mentioning Reddit co-founder prediction that [play-to-earn crypto games will be the only type of games](#) most people play in five years.

This contrasts with adoption, from people ([Eminem](#), [Kasparov](#), or South Korean leading [candidate for the presidency](#)), or from companies ([Samsung](#), [Konami](#), or [Paypal](#)).

Finally, governance is a key feature for 2022, with a new trend in [vote locking governance tokens](#), maybe as a reaction to events such as '[Curve war](#)', where token holding share allows bending yields in your favour. This is clear as well in DAOs (Decentralised Autonomous Organisations), as shown by [Shiba Inu](#), launching a beta version of DAO to give users authority over crypto projects, or Wonderland, launching a « [crowdVC](#) » (?) platform

General

One week after the others, Coindesk publishes in [Research Annual Crypto Review for 2021](#), pointing out interesting facts. Beside Bitcoin importance (now

\$1 trillion market cap), it points out the **raise of alt-coins** (especially alternative layer 1s) and Ethereum - thanks, in part to the NFT boom)(see the graph below), and the incredible explosion of capital investment (to \$23.1b)

Markets

- Jan.3d:
 - Mixed signals, with ETH and BTC without a clear direction, layer 1 coins (LUNA, DOT) gaining 3%, and DeFi (UNI, AAVE and YFI) up 8%. Will BTC price **follow hash rate** (at ATH, see below), or follow centralised exchanges inflows, pushing prices down?
 - **Bitcoin dips below \$47k**, Ethereum is becoming an increasingly popular bet
- Jan.4th:
 - **Altcoins turn bullish**, even as Bitcoin below \$46k again. ID, PAC and RVN lead the breakout
 - **Bitcoin open interest to ATH**. Predictions of BTC price 'fireworks' this month
 - **Goldman Says Bitcoin \$100,000 a Possibility** by Taking on Gold (Bloomberg)
- Jan.5th:
 - **Bitcoin monthly RSI lowest since September 2020** in fresh 'oversold' signal
 - Internet Computer (ICP) **rose 56% in five days**
- Jan.6th:
 - **Bitcoin Falls Below \$43K**, Leads to \$800M in Crypto Liquidations
 - **Top Altcoins saw deep losses in the past 24 hours**, retreating in sync with bitcoin (Polkadot (DOT) -14%, Solana (SOL), Avalanche (AVAX and Terra (Luna) -12%)
 - **Bitcoin price bounces off \$42k, Ethereum plunges 13%. A whale bought the dip**, adding 43,000 bitcoins to its reserves; seems to be owned by Binance
 - Bitcoin sentiment turns **extremely bearish**
- Jan.7th:
 - **Bitcoin slips to 3-month low**, down to \$41k, as a reaction to FED's tightening
 - **Bitcoin leverage ratio reaches new highs**, indicating traders are taking risks
 - **50 weeks moving average crossing may indicate Bitcoin rebound**, as in May 2021
 - Bitcoin and Ether heading \$100k and \$5k in 2022, **Bitcoin will be likely gaining "upper hand" versus stocks this year** (Bloomberg)
 - **Bitcoin may pass \$30k**
- Jan.9th: **Bitcoin bounces at \$40.7k**, mimicking events from September 2021

Bitcoin

MicroStrategy, the company holding the largest amount of bitcoins on its balance sheet (124,391 BTC as of Dec.29), added 1,914 BTC in December (\$94.2m). The total purchase price of the bitcoin assets amounts to \$3.75b, for a market value of approximately \$5.8b (as of Monday 3d)

Turkish lira is now more volatile than Bitcoin

Ethereum

3 reasons why **Ethereum can reach \$5,000** in Q1

Ethereum dominance at risk in 2022, with delays in the upscaling, leading the way for alternative such as Terra, BSC, Avalanche, Solana, Fantom, Tron and Polygon to take place

Fourth months after London fork, what are the **impacts on fees and delays**

Ethereum's Beacon Chain roadmap, by Vitalik Buterin (**Beacon Chain** is the coordination mechanism of the proof-of-stake Ethereum 2.0, including managing shard chains)

Blockchain and tokens

How crypto innovations can **bring real-world benefits to emerging economies**

How tokens are distributed through various means, depending on activity

Layer2 gas consumption is rapidly growing, signalling wide adoption

Arab bank Switzerland is offering its customers **access to 10 DeFi tokens** (namely fantom (FTM), aave (AAVE), compound (COMP), synthetix (SNX), chainlink (LINK), polygon (MATIC), the graph (GRT), curve (CRV), uniswap (UNI) and yearn finance (YFI))

Crypto to finance litigation, allowing individuals to invest, and take share of the outcome

CBDC

Jamaica is set to roll CBDC in Q1 2022, having completed the trial phase by Dec.31

Boston Fed seeks project manager for CBDC development

e-CNY (**digital yuan**) has gone live on iOS and Android app stores in China

Tencent supports e-CNY, through WeChat Pay wallet. **1 billion users will now have the option to pay in e-CNY**, as long as they have their identity verified with the new e-CNY app. The objective for the e-CNY is to be operational at the Winter Olympics in Beijing, beginning Feb.4

Mining

Hash rate hit an ATH on Sunday 2d

On Wednesday 5th, **Kazakhstan turned off internet**, amid major anti-government protests. This **impacts global hash rate**, since Kazakhstan holds 18% of world mining capacity

Following energy shortage, **Kazakhstan is reining in 2021's** stampede of crypto miners

Mining stocks are often seen as **levered proxy of bitcoin**. Furthermore, constant

need to raise money dilutes shareholders

Marathon, largest public mining company (13.6% market share amongst listed companies), ordered 78,000 new machines (Bitmain S-19XP) for \$879m, adding around 11 EH/s to its mining capacity. This should allow Marathon to grow its capacity (currently around 3 EH/s) to more than 20 EH/s, including the previously ordered machines

Bitfarms secured a \$100m credit facility, backed by its bitcoin holdings. The company has already withdrawn \$60m @10.75% p.a.. Bitfarms expects to reach a hash rate of 3 EH/S by March 31, and 8 EH/s by Dec.31 2022

Hut8 pursues its hodling strategy, while securing a \$30m loan to finance its growth

Core Scientific plans to go public via a SPAC merger, at a valuation of \$4.3b

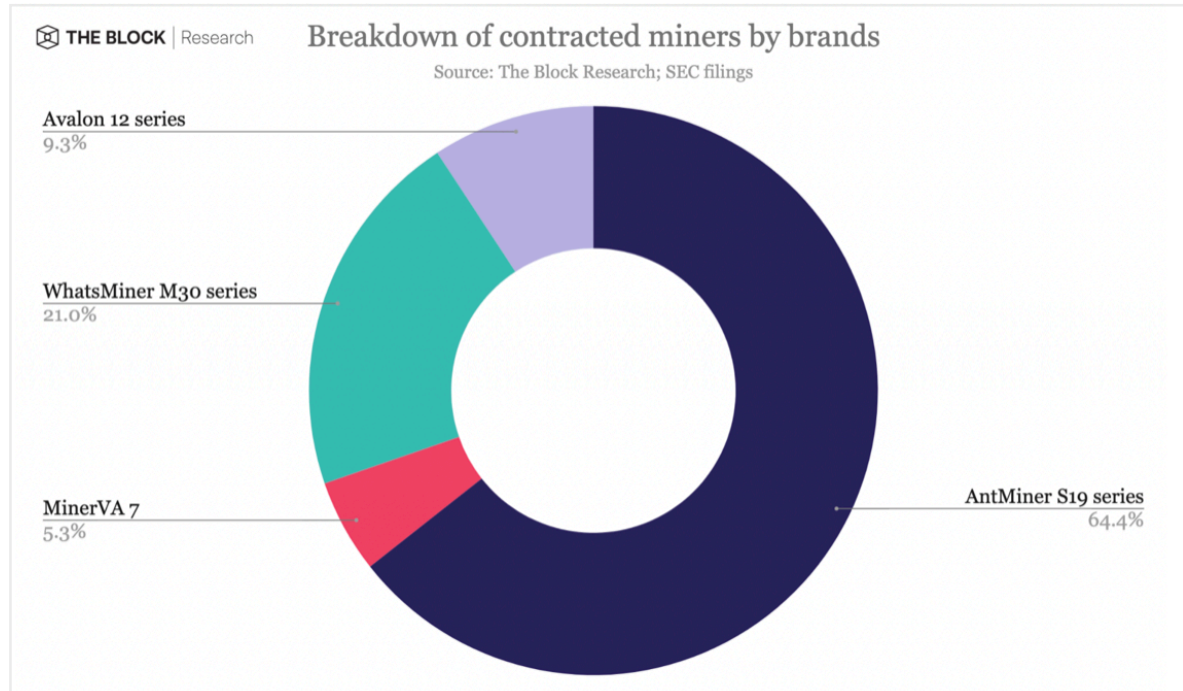
Northern Data, Frankfurt-listed mining firm, saw its shares price raising 8.4% on Wednesday following an operational update

Riot Blockchain shares price jump 7% after broker Cantor Fitzgerald starts coverage, with an overweight rating

Argo Blockchain, London SE listed company, saw a revenue decrease of 5.7% in December vs November, with a production increase of 15.7%, due to bitcoin price fall

Canaan, Chinese ASIC maker, expands in Kazakhstan

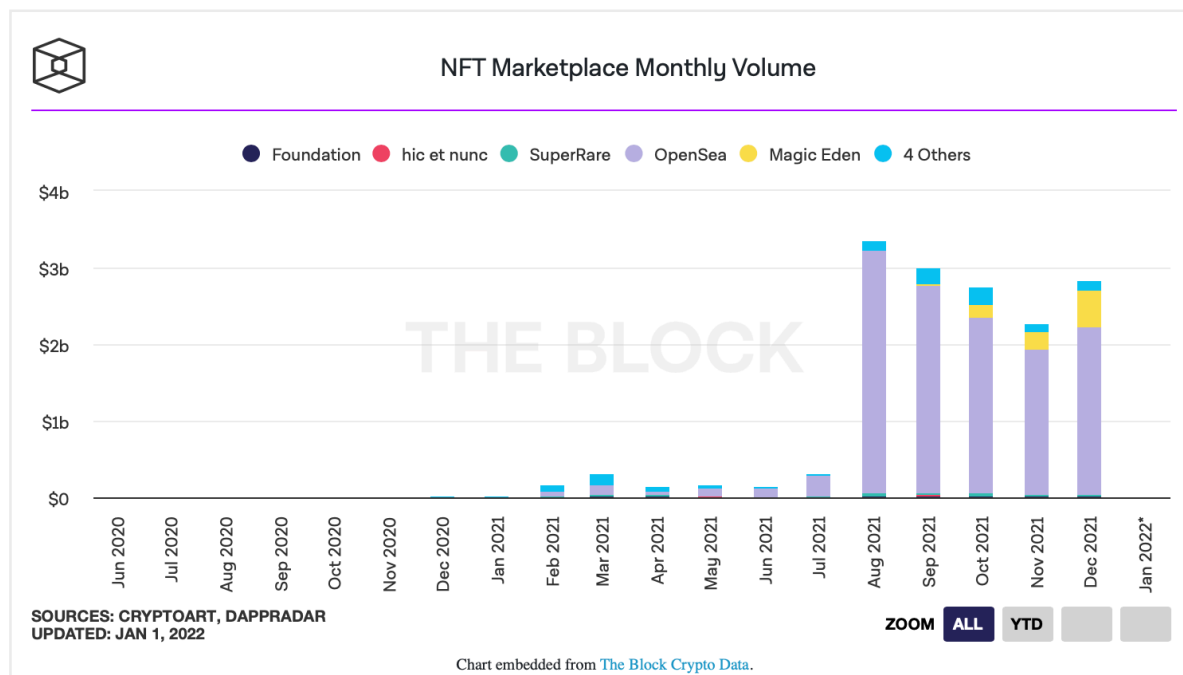
Bitmain (AntminerS19) dominates the mining machines market, with 64% market share (contracted), with MicroBT (WhatsMiner M30) following at 21%, Canaan (Avalon 12) at 9%, and MinerVA at 5%



Mining is also a geopolitical stake

NFT

The trading volume of NFTs for 2021 amounts to more than \$13b (\$33m in 2020), with a market share of 88% for OpenSea. Among this, BAYC (**Bored Ape Yacht Club**) represents \$1b



The NFT market is booming in the early days of 2022. OpenSea sees its best day of Ethereum trading since August

Samsung announces 3 TVs with NFT trading capability in 2022

A nice summary of Chainalysis report on NFT, showing that, if you are not a big trader, you are probably to lose money if you try to flip your NFT collection
FloorDAO is an initiative to provide liquidity in the NFT market, pooling the floor items of a collection, and allowing fungible tokens to be minted from NFTs

GameStop stock surges following NFT marketplace announcement

Gaming

Square Enix, world leading gaming company (known for Final Fantasy game), intends to grow its footprint in decentralised blockchain-based gaming, hoping « this becomes a major trend in gaming going forward ». Once more, fans reacted negatively, mostly on environmental concerns (Blockchain is seen as energy consuming, probably in a confusion with Bitcoin)

Reddit cofounder predicts play-to-earn crypto games will be the only type of games most people play in five years

Drone Racing League partners with Playground Labs to create a play-to-earn drone game in the metaverse, based on Algorand's blockchain

Metaverse

Walmart tweeted its vision of metaverse shopping, inducing hostile reactions

DeFi

Convex Finance reaches \$20b in total value locked (TVL), being the second largest DeFi protocol by TVL. Convex allows users to earn fees from stablecoin Curve's liquidity pools. Curve is the first largest DeFi protocol by TVL, at \$24b
Curve governance token, CRV, has gained 23% in a month and 127% in three months, with declining liquidity, due to a war between various protocols to control the decentralised exchange and allocate the rewards. The leading

protocol, Convex, serves yield as high as 48% p.a. to get the liquidities. An interesting case...

Vote locking governance tokens is the new hotness for DeFi

Osmosis reaches \$1b in TVL. Osmosis is based on Cosmos

Aave Arc has whitelisted 30 licensed trading firm for its new DeFi platform. This goes in the opposite way of traditional permissionless (anonymous) DeFi platforms, but may open the gate to **untapped institutional funds**

DAO

Shiba Inu launches beta version of DAO to give users more authority over crypto projects

Wonderland, a « **crowdVC** » (?) chooses its investment in a community-based way

Business news

Grayscale AUM down by 30% since ATH in November (\$43b vs \$61b)

Grayscale DeFi fund rebalanced its portfolio, in a quarterly move, removing BNT and UMA, and adding AMP. AMP is the native token of the Flexa network, a payment network that enables crypto-collateralized payments at physical stores and online

BTCS is offering dividend payment in Bitcoin. Share price jumped 40% after the announcement. BTCS is the first ever Nasdaq listed company to offer a dividend in crypto. BTCS is a blockchain infrastructure and data analytics company. It went public in September 2021

Kaspi, a payment system used by half of the Kazakhstan population, has seen its shares price on London Stock Exchange, falling sharply due to the political situation in Kazakhstan

Bitso, Latin American leading exchange, deals with São Paulo Futebol Clube
Bank of America upgrades **Coinbase to Buy**

Business news: M&A

WonderFi bought BitBuy for \$161.8m. WonderFi (formerly DeFi Ventures), is a Vancouver-based listed DeFi platform (WNDR). BitBuy, Toronto based, is the fastest growing Canadian exchange

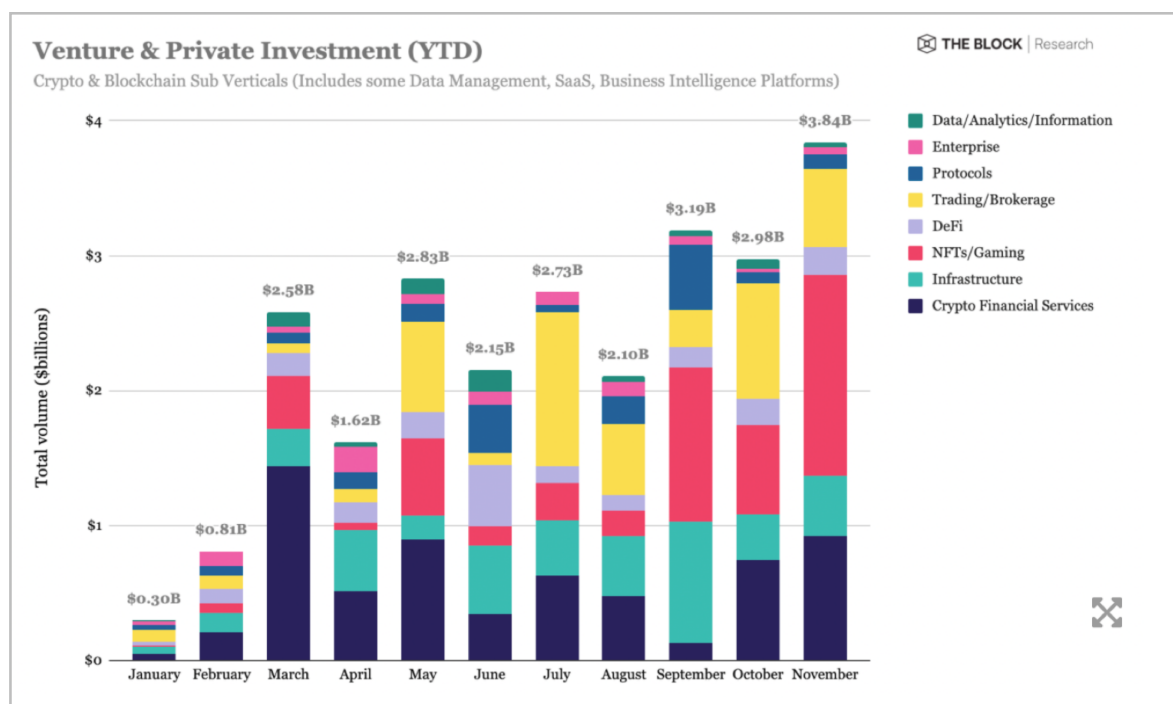
OpenSea in talks to buy Dharma Labs. OpenSea is the leading (80% MS) NFT platform; Dharma Labs operates digital wallets

Architect Partners and Emergents merge in an effort **to become the go-to M&A advisory firm in the crypto space**. Architect Partners has delivered M&A and financing services since 2010. Emergents is a tech investment bank focused on crypto and blockchain.

Business news: companies fundraising

A new report indicates **\$33b invested in crypto in 2021** (a previous report -see last newsletter- indicated \$25b)

Investment in financial services is growing, amid lowered regulatory uncertainty



\$300m for **OpenSea**, at a \$13b (!) valuation. OpenSea holds more than 80% market share of NFTs transactions

\$100m for **Bitfarms**, in bitcoin-backed loan

\$100m for **Serum**, major Solana-based DeFi infrastructure project. The fundraising is done by the Incentive Ecosystem Foundation, and mid-way through

\$90m for **Sygnum**, digital asset bank and trading platform. This values Sygnum at \$900m. It will use the funds for offering yield-generating products and asset management solutions for institutional clients

\$32m in coins sale for **Umee**, a protocol building interoperable tools for DeFi users

\$25m for **DeBank**, a crypto wallet providing access to DeFi services

\$25m for **Goldfinch**, DeFi credit protocol

\$13m for **Ready Player Me**, a startup letting users create a single avatar across virtual platforms

\$20m for **Livepeer**, video streaming platform

\$12m for **WOO**, a liquidity platform connecting users to exchanges and DeFi networks. The \$12m have been invested by Binance's VC arm, after a \$30m series A in November

\$10m for **Pocket Network**, Web3 developer platform and infrastructure provider

\$9m for **CryptoSlam**, NFT data aggregator

\$3.8m for **JPG**, NFT curation site

Business news: funds fundraising

Katie Haun, ex-a16z partner, is raising \$900m for two new funds, one for investing in crypto startups, one for larger companies and digital tokens

Patera's Bitcoin Feeder Fund reaches \$63.7m in funding. It invests in Pantera's Bitcoin Fund

Crypto adoption: companies

Wall Street will find ways to satisfy crypto envy (Reuters'opinion)

Samsung to open a virtual store in Decentraland's metaverse; the store, name 837X, will be a replica of Samsung's flagship 837 store in New York

Konami celebrates Castlevania's 35th anniversary with NFT collection

Tribal, a B2B financing platform, raised \$40m in debt, half of it in USDC

Paypal is 'exploring' a stablecoin USD-backed

Crypto adoption: people

Eminem purchases Bored Ape Yacht Club NFT for \$462k

The leading candidate for the South Korean presidency has announced a fundraiser based on non-fungible tokens. The news comes despite earlier concerns that such fundraises may violate law

For Gary Kasparov, crypto means freedom

Crypto fear

One week after having announced it will accept crypto as donations, Mozilla backflips, on 'planet-incinerating' backlash

Regulation

India announced they suspected tax evasion from WazirX, Indian main exchange, for \$6m. 5 other exchanges are under search

Ontario regulator in a quarrel with Binance. In June, Binance had taken steps to end access in Ontario. Recently, Binance users received updates claiming that the exchange is underway being registered as Money Service Business in Canada. The regulator mentioned that this is unacceptable, since « No entity in the Binance group holds any form of securities registration in Ontario »

Estonian new regulation increases requirement for operators

US CFTC (Commodities Futures Trading Commission) order shutdown of Polymarket (crypto betting service), and fined it for \$1.4m, under the charge of using unregistered swaps. This is the first decision of the year, and might be relevant to how the agency will act with DeFi

Kosovo moves to ban crypto mining, facing an energy crisis

Tether frees \$1m worth of USDT belonging to a single address; this was done in a work with the regulators

Thailand's crypto traders subject to 15% capital gains tax

Crypto scam

UK police have seized \$435m in illicit bitcoins, over the last five years

Pakistan to investigate in multi-million dollar scam, implying Binance users

Liechtenstein-based exchange LCX loses \$6.8m in a hot wallet compromise