



10th March 2024

BITCOIN-RELATED



Bitcoin surpassed its previous all-time high of ~\$69,000 after 846 days on 3/5/24. Then, it broke \$70,000 on 3/8/24.

More than 97% of BTC addresses are now “in the money” (aka in profit), according to IntoTheBlock, the highest proportion since November 2021.

South Korea's “Kimchi premium” – the difference between Bitcoin prices in the West compared to the price in Korea – is back. Bitcoin’s price on 3/6/24 was trading at a 10.3% premium in South Korea, a high not seen since late 2021.

Traders in South Korea, China, and other Asian countries are responsible for ~70% of Bitcoin trading volumes, according to The Block. Asia accounted for \$791 billion of the \$1.17 trillion worth of bitcoin traded in February, broadly reflecting a trend seen since November. (On popular messaging app WeChat, searches for “Bitcoin” jumped 12-fold in February.)

Dylan LeClair: The time it took \$BTC to double after previous breaks of ATHs: Dec 2020: 18 days... March 2017: 84 days... Nov 2013: 10 days... March 2013: 18 days.

Matt Sheffield of Falcon X expects that as ETF buyers increasingly drain Bitcoin from exchanges, the price impact of ETF inflows will increase – “leading to BTC’s market cap expanding at a faster and faster rate for any given inflow.” Sheffield cites a pre-ETF estimate from CryptoQuant that \$1 of net inflows to Bitcoin likely adds \$3-5 to the market cap of Bitcoin. Now, however, Sheffield estimates that, as ETF demand reduces the number of “marginal sellers” of Bitcoin, \$1 of net inflows may translate to \$10-20 of Bitcoin market cap. (Read his report, [here](#).)

Open interest in Bitcoin hit \$31 billion on March 4, easily surpassing the \$24.3 billion record set in April 2021.

On March 8, the Deribit-listed Bitcoin call option at the \$200,000 strike price had a notional open interest of over \$20 million. Of the total tally, \$14.6 million is locked in the \$200,000 call expiring on Decemeber

27, while the rest is concentrated in June and September expiry strikes, according to data source Deribit Metrics.

MicroStrategy announced that it plans to offer a private sale of \$600 million worth of convertible senior notes (upping it to \$700 million just days later) due in 2030 in order to purchase more Bitcoin.

Max Keiser, an outlandish Bitcoin investor who has been working with El Salvador on its Bitcoin strategy, said that Qatar may have added Bitcoin to their balance sheet. Keiser has previously claimed without providing evidence that Qatar's sovereign wealth fund is “rumored to looking to buy \$500 billion Bitcoin.”

Blockchain analytics platform Arkham Intelligence claims to have identified Tesla and SpaceX's Bitcoin addresses – holding a combined 19,794 BTC, worth more than \$1.3 billion. Arkham believes Tesla holds 11,509 BTC (\$771 million) across 68 addresses, while SpaceX holds 8,285 BTC (\$555 million).

The Arizona State Senate is considering a proposal to encourage the Arizona State Retirement System (ASRS) and the Public Safety Personnel Retirement System (PSPRS) to explore the inclusion of Bitcoin ETFs in their investment portfolios.

On March 5, computer science major and leader at the Stanford Blockchain Club Kole Lee announced that the university's student-run Blyth Fund, which manages a portion of Stanford University's endowment, allocated around 7% of the portfolio to BTC following his pitch to the fund in February. “Stanford Endowment has bought Bitcoin at \$45,000,” he said before adding that he pitched BlackRock's IBIT ETF to the Blyth Fund.

Anthony Pompliano: “The Fairfax County Police Officers Retirement System and the Fairfax County Employees' Retirement System were the first public pension funds to get exposure to Bitcoin through a blockchain-dedicated fund that my partners and I managed... The average purchase price of the Fairfax pension funds' Bitcoin position in early 2019 was under \$6,000 per Bitcoin. This means that the first public pension funds in America to get Bitcoin exposure are up more than 10x on their Bitcoin allocation.”

Hedge fund chief Cliff Asness of quant shop AQR revealed that his hedge fund trades a “small amount” of Bitcoin in “pure alternative trend following products.” Asness said on X: “The story of the ‘halving’ is too good to check (so I checked it). The returns to Bitcoin have been large over these halving periods, but not really abnormally large, adding that Bitcoin has “net raged upwards over the whole time.”

Brave, a privacy-focused web browser with over 60 million users, rolled out an update to its desktop version (1.63) that introduces support for Native SegWit Bitcoin wallets within its built-in Brave Wallet. Additionally, Brave Wallet now enables users to send and receive from all types of Bitcoin addresses, including Legacy, Nested SegWit, Native SegWit, and Taproot, ensuring compatibility with third-party wallets.

INDUSTRY ADVANCES

The total market cap for all cryptos hit a new lifetime high of \$2.8 trillion (higher than the \$2.7 trillion watermark set in 2021).

Daily trading volume on centralized crypto exchanges surged to nearly \$100 billion for the first time in more than two years, according to The Block's data dashboard.

Binance launched a new platform, Futures NEXT, that incentivizes users to accurately predict the next tokens to be listed on its futures exchange. Users can nominate tokens and place bets on them, with successful predictions rewarded through vouchers for futures trading or fee rebates. (Binance ensured users that this platform will not influence token listings and is independent of its listing process.)

MIT and Harvard alumni teamed up to launch a startup accelerator focused on supporting early-stage Web3 founders associated with either institution. The accelerator, dubbed MIT x Harvard Blockchain Accelerator, is a non-dilutive program, meaning it will not make any investments in accepted startups. Sam Lehman, a core contributor to the accelerator, said: “The accelerator does not take any equity in the startups we accelerate. We do not have any plans to invest or offer grants in the near term; we are focused on pure mentorship.”

APhone, a cloud-based smartphone application, announced the rollout of its mainnet on Layer-1 blockchain network Solana. The app’s goal is to make Web3 mobile content and apps more affordable and accessible, especially for those in emerging markets.

EthChat, an innovative chat platform, officially launched, leveraging blockchain technology to redefine the way users communicate online. With EthChat, users can engage in private conversations without worrying about their data being compromised. The platform's blockchain technology ensures that all messages are encrypted and stored securely, giving users peace of mind knowing that their conversations are confidential.

Metallicus, the core developer of Metal Blockchain (a foundational Layer-0 blockchain) announced Vibrant Credit Union's enrollment in its Banking Innovation Program. This move signifies Vibrant Credit Union's proactive approach to investigating blockchain technology's potential and harnessing Metallicus' expertise to elevate its technological prowess.



The World Economic Forum published a video on their Instagram page highlighting the benefits that Bitcoin mining has brought to a community in Eastern Congo. In this video, they cited the job opportunities created by the project as well as its utilization of hydroelectric power. (Watch the video, [here](#).)

After agreeing to end its emergency of Bitcoin miners, the Energy Information Administration will solicit feedback on the survey for a 60-day public comment period.

Riot Platforms announced that it entered into a new purchase agreement with Shenzhen MicroBT Electronics Technology. Under the agreement, Riot purchased 31,500 next-generation M60S miners from MicroBT for a total consideration of \$97.4 million (exclusive of applicable taxes and fees and adjustments), for use at the Rockdale Facility.

Bitdeer Technologies developed and “successfully tested” a new 4-nanometer Bitcoin mining chip, the SEAL01, to enhance mining efficiency/performance with lower operating costs and less environmental impact. The SEAL01 chip, designed for Bitdeer's upcoming Sealminer A1 mining machine, can achieve a power efficiency ratio of 18.1 J/TH.

Argo Blockchain announced that it has entered into an agreement for the sale of its data center located in Mirabel, Quebec (the “Mirabel Facility”) for \$6.1 million. The net proceeds from the transaction are expected to first repay the Mirabel Facility's outstanding mortgage in full, with the remainder expected to be used to repay debt owed to Galaxy Digital.

Hut8 is closing down its Drumheller mining facility, citing increasing energy costs as the primary catalyst for this decision.

ETPS (EXCHANGE-TRADED PRODUCTS), FUNDS & INDEXES



BlackRock's spot Bitcoin ETF (IBIT) fund hit record daily inflows of \$788.3 million on 3/5/24, as Bitcoin reached a new all-time high above \$69,000. IBIT's inflows that day were 30% higher than its previous \$603.9 million record set on 2/29/24.

BlackRock's IBIT crossing AUM of \$10 billion, it surpassed the iShares Silver Trust (AUM of \$9.6 billion), which is the largest silver ETF.

BlackRock's iShares Bitcoin Trust (IBIT) and Fidelity Investments' Wise Origin Bitcoin Fund (FBTC) have captured 79% of total inflows into the “Newborn Nine.”

BlackRock opened a new filing with the SEC to purchase more Bitcoin ETFs. It intends to use the new Bitcoin ETFs for its Strategic Income Opportunities Fund (a \$36.5 billion fund). Per BlackRock, the Strategic Income Opportunities Fund, a flexible bond strategy. BlackRock also filed to do the same thing in its Global Allocation Fund, which focuses on U.S. and foreign equity, debt and money market securities (\$17.8 billion fund).

Global Bitcoin investment vehicles surpassed one million BTC in AUM (valued at ~\$64 billion). According to K33 Research, over 83% of this is held by US spot and futures Bitcoin ETFs, with investment products in Europe and Canada following. Together, they manage 1,008,436 BTC, which accounts for 5.13% of Bitcoin's circulating supply as of 3/4/24.

The SEC delayed its decision to approve or disapprove options trading for BlackRock's Bitcoin ETF until April 24, allowing for more time to consider the proposal. It has also delayed decisions on allowing Cboe and Miax Pearl to list and trade options on spot Bitcoin ETFs, with their deadlines set for the same date.

Digital asset manager Osprey Funds announced that it may have to liquidate its Bitcoin trust if it can't find an ETF to rescue it. The company said in a statement: “The common units of fractional undivided beneficial interest of the [Osprey Bitcoin Trust] are trading at a discount to the value of Bitcoin,” adding it “plans to consider a wide range of options and is in various discussions about a potential sale of the trust to, or merger with, an existing Bitcoin ETF.” If Osprey Funds is unsuccessful it said it will “liquidate and dissolve the trust within 180 days.”

69-year-old asset manager VanEck has high hopes for the role crypto will play in its European division. Today, roughly 10% of the business' AUM comes from crypto products and 90% from conventional investing through ETFs. Martijn Rozemuller, CEO of VanEck Europe, said: “I think that balance will shift. Crypto will become more important. And it will be closer to 50/50.”

In March 4 filings, the SEC announced that its decision on applications from BlackRock for its iShares Ethereum Trust and Fidelity for its Ethereum Fund will be delayed. The SEC first delayed its decision on BlackRock's and Fidelity's Ether ETF applications in January. The SEC can delay its decision up to three times before making a final decision. The SEC's delay didn't come as a surprise, May 23 – the final deadline for VanEck's spot ETH ETF application — is the “only date that matters” according to Bloomberg ETF analyst James Seyffart.

Grayscale and Coinbase held another round of talks with federal regulators, to make headway in the companies' plans to launch spot Ether ETFs.

Traders using the Polymarket prediction market say the chances of a May US spot Ethereum ETF are ~45%.

Grayscale announced the public launch of its first actively managed fund: Grayscale Dynamic Income Fund (GDIF). Grayscale created GDIF to offer investors exposure to a rewards-optimized portfolio of stakeable crypto assets. GDIF is available to US investors who are Qualified Clients, with an investment minimum of \$250,000. (View the fact sheet, [here](#).)

FUNDRAISING & OTHER FUNDING (\$5 MILLION OR MORE)

Pantera Capital is raising a new fund to buy up to \$250 million of SOL tokens from the FTX estate at a severely discounted price, according to a Bloomberg report. The Pantera Solana Fund would vest the tokens for at least four years and is apparently getting a 39% deal below SOL's 30-day average price of \$59.95.

Cryptography firm Zama raised \$73 million in a Series A, one of largest venture rounds in France's history, co-led by Multicoïn Capital and Protocol Labs.

The UK FCA-authorized crypto payments firm Baanx raised \$20 million in a Series A funding round, led by Tezos, Chiron, and British Business Bank.

Taiko, a blockchain project focused on scaling Ethereum, raised \$15 million in a Series A funding round, led by Lightspeed Faction.

Utila, an Israel-based crypto wallet service for institutions, raised \$11.5 million to enhance its capabilities for asset tokenization.

Sahara, a crypto startup co-founded by University of Southern California Professor Sean Ren, secured \$6 million in seed funding to pioneer a "decentralized AI network" aimed at compensating individuals and companies for their contributions to AI training and development.

Development platform Cosmology secured \$5 million in seed funding to provide a full-stack development environment focused on the Cosmos ecosystem.

IPOS, M&A, PARTNERSHIPS & DEALS



Digital investment platform Webull is set to go public in the US via a merger with SPAC SK Growth Opportunities in a deal valuing the combined company at \$7.3 billion.

Crypto infrastructure firm Bakkt sold \$37.6 million of shares and warrants on 3/4/2 to counteract the effects of a cash crunch it revealed last month. The transaction involved the issuance of more than 34 million shares of Bakkt's Class A common stock in a registered direct offering to a set of undisclosed institutional investors.

Crypto trading fund DWF Labs will purchase \$10 million of TokenFi's TOKEN over a two-year period as part of a planned move to develop a suite of products.

BitGo, a digital asset trust and security company, joined the Hedera Council to support innovation and invest in the future success of the Hedera network – the open-source proof-of-stake network.

Neobank Revolut joined forces with self-custodial wallet MetaMask to offer Revolut Ramp, a feature that will let users top up their MetaMask wallets with their Revolut account. The digital bank will enable users to make crypto purchases directly into MetaMask wallets in the UK and European Economic Area (EEA), an attempt to make adding crypto to self-custody wallets easier. Users can use their fiat currency balance in their Revolut account or pay with Visa or Mastercard cards.

Bitcoin Magazine announced Unchained, a leading Bitcoin financial services provider, as the Title Sponsor for "21 Days of Bitcoin" – Bitcoin Magazine's email-based course teaching participants the Bitcoin basics while rewarding them with Bitcoin along the way. 21 Days has educated over 120,000 course participants since its inception in 2020.

DEFI



On March 5, DeFi TVL reached \$101.36 billion, with lending accounting for \$32.62 billion (32.2%) of this total, with decentralized exchanges at \$19.97 billion (19.7%), collateralized debt positions at \$12.22 billion (12%), and restaking activities at \$10.06 billion (9.9%).

The TVL of restaking protocol EigenLayer surpassed that of popular DeFi protocol Aave, making it the second largest protocol by TVL. At the time, EigenLayer sat at \$11.24 billion, while the TVL for Aave was at \$10.7 billion, according to DeFiLlama.

Liquid restaking protocol Ether.Fi plans to commit \$600 million worth of ETH in a delegation deal to secure the Omni Network. Omni will then whitelist Ether.Fi's liquid token eETH and will select Ether.Fi's node operators to run its Actively Validated Service. The staked Ether will act as security that will protect against security breaches...asset depegs... and be restaked on EigenLayer.

CBDCS & STABLECOINS



Federal Reserve Chair Jerome Powell told lawmakers the central bank is “nowhere near recommending – or let alone adopting – a CBDC in any form,” in a Senate Banking Committee on 3/7/24.

At a meeting of the Association of Banks of Russia, both the central bank governor and deputy governor gave an update on the digital ruble. Trials for the CBDC started in August last year after the passage of legislation. It started with a dozen banks, 600 end users and 30 merchants across 11 cities. So far, there have been 25,000 transactions, with 19,000 for P2P payments. The balance involved consumers paying businesses. ~3,500 payments involved smart contracts. According to comments, initially, transactions were too slow, but have improved since. The plan is to begin to roll out the CBDC next year.

The Central Bank of Nigeria enlisted the help of blockchain infrastructure firm Gluwa to promote the adoption of the country's digital currency, eNaira

There is now \$100 billion worth of Tether's USDT in circulation after the British Virgin Island-based company printed \$2 billion worth of the dollar-pegged stablecoin to meet demand for increased crypto trading liquidity. Paolo Ardoino, Tether's chief executive, said: “Surpassing the \$100 billion market cap is not just a numerical achievement; it's a testament to Tether's pivotal role in reshaping the landscape of digital finance.”

NFTS, BLOCKCHAIN GAMING & METaverse



On 3/3/24, the trading volume in the Bitcoin Ordinals market hit \$51.14 million, marking its highest point since 12/18/23.

CryptoPunk #3100, one of nine so-called “Alien Punks,” sold for 4,500 ETH (~\$16 million) – the second highest ever for the NFT collection in both US dollar and Ether terms.

Coachella is giving NFTs a second try, after partnering with FTX the first time. The festival will be letting some fans purchase NFTs and gain access to VIP areas and exclusive merchandise at this year’s rendition of the Indio, CA week of concerts.

Spirit Blockchain Capital, an investment firm in the blockchain and digital asset sectors, announced its strategic investment in CryptoSlam, the leading aggregator of NFT data across multiple blockchain ecosystems.

JOB MOVEMENT



Binance.US is struggling with a loss of trust, severe revenue declines, and layoffs following the SEC's attempt to freeze its operations via a Temporary Restraining Order. Binance.US executive Christopher Blodgett disclosed in a recent court deposition that the TRO resulted in a \$1 billion asset withdrawal, a 75% revenue drop, and laying off two-thirds of its workforce.

Crypto.com appointed Ryan Fennelly as the head of OTC trading. Fennelly most recently held a position leading the OTC EMEA desk at the centralized exchange Kraken.

Fireblocks tapped Michal Ferguson as its chief marketing officer. Ferguson previously worked at cybersecurity platform Sync, holding the title of head of global demand.

Albert Meo, most recently the executive director of regulatory policy at Morgan Stanley, was named chief financial officer of Prometheus.

Ethereum Layer-2 Optimism hired Amanda Tyler as head of marketing.

Ignacio Corral, former Senior Associate at the FCA, joined GCEX as the digital prime brokerage’s dedicated UK Compliance Officer.

REGULATIONS, RULINGS & COMMENTARY



Investment bank TD Cowen predicts SEC Chair Gary Gensler will continue to pursue crypto cases following its recent win in a Coinbase insider trading lawsuit. Analysts wrote that Gensler, “wants to bring litigation to clarify the law in advance of Congress establishing a regulatory regime for crypto.” Despite criticism of the SEC's enforcement approach, analysts expect Gensler to continue litigating for the next two years until his term ends in June 2026.

A group of crypto experts from the private sector want to align US crypto laws with the standards set in the rest of the world. To do so, the Global Markets Advisory Committee is recommending that the US CFTC adopt a new way of classifying digital assets.

Crypto political action committees (PACs), like Fairshake, have demonstrated some clout in recent congressional primaries, particularly targeting and contributing to the defeat of US Rep. Katie Porter in California. Their strategic spending, exceeding \$13 million across several key races, underscores the crypto industry's intent to shape political landscapes.

Starting this summer, Wyoming will have a new system for managing and incorporating decentralized autonomous organizations as nonprofits (DAOs). Wyoming Governor Mark Gordon signed the Decentralized Unincorporated Nonprofit Association Act on 3/7/24. This provides a framework for DAOs of at least 100 members to become unincorporated nonprofit associations. The new law will go into effect 7/1/24.

Nigeria's securities regulator updated guidelines designed to license, register, and screen digital and virtual assets service providers (VASPs). The guidelines are undergoing final review and will be made available for comment before being finalized.

As Prometheus, the first and only company to secure a special purpose broker dealer license from the SEC, gears up to launch its trading operation, CFTC Chair Rostin Behnam said rules across agencies could become conflicting. Behnam told the House Committee on Agriculture during testimony on 3/6/24 that Bitcoin and Ether are commodities. He believes that any claim that Prometheus may be making to the contrary is not reflective of the SEC's stance. “From my understanding, essentially reading the press and talking to my staff, who have reached out to the SEC, this was an independent decision by Prometheus... to signal to the market that it is their intent to custody either,” Behnam said when asked about how the CFTC views Ether.

Binance announced on 3/5/24 that it will discontinue all Nigerian naira services, amid an ongoing legal dispute with Africa's most populous country. Starting on 3/8/24, Binance said that any remaining naira balances in user accounts will be automatically converted to Tether.

The FCA registered Switzerland-based market-making liquidity provider Portofino Technologies, enabling the company to serve institutional crypto clients in the UK.

BUGS, OUTAGES, HACKS, SCAMS, ALLEGATIONS, INVESTIGATIONS, ENFORCEMENTS & WRONGDOINGS

The FBI published a report claiming nearly \$4 billion was lost to crypto investment scams in the US in 2023, an increase of 53% compared to \$2.57 billion in 2022.

DeFi platform WOOFi reported an \$8.75 million exploit on its Arbitrum-based swap service earlier – offering a 10% white hat bounty for the funds' return.

The CEO of a Las Vegas Internet firm, Martin Mizrahi, is facing up to 127 years in prison after being convicted of using Bitcoin to launder over \$4 million in funds linked to Mexican cartels and a charity targeted by hackers, the DOJ announced.

The team behind cross-chain bridging protocol OrdiZK appears to have stolen \$1.4 million worth of Ether from users, after allegedly draining tokens from the project contract and deleting its website and social media accounts.

The SEC and ShapeShift settled charges for operating an unregistered exchange and listing cryptocurrencies the SEC deemed securities.

In a default judgment involving one of three defendants charged in a Coinbase insider trading case, a judge found that secondary market transactions are securities transactions. In May 2023, the SEC settled charges with ex-Coinbase product manager Ishan Wahi and his brother Nikhil in the “first-ever insider trading case involving crypto,” however their friend Sameer Ramani, also charged, “appears to have fled the country to avoid criminal prosecution,” a recent court filing said. Because Ramani failed to show, the judge agreed to the SEC’s terms, including that Coinbase is listing securities.

A Hong Kong regulator issued a public warning about BitForex for suspected fraud.

In testimony in his ongoing case with the Crypto Open Patent Alliance, Craig Wright accused critics of bugging his house and spoofing emails to bring him back to court. Closing arguments begin next week.

Worldcoin reportedly plans to take legal action against Spain after a Spanish data protection agency moved to block data collection from the Sam Altman-backed company.

Coinbase suffered another technical glitch that caused users' balances to display as zero, just a week after the company was heavily criticized for the same problem. Also, on 3/5/24, Bitcoin plunged 23.7% to €48,529 from €60,000 on Coinbase. The reason for the flash crash remains unclear and took 10 minutes to rebound to parity with other exchanges.

MISCELLANEOUS



Ether crossed \$4,000 for the first time since December 2021.

Coinbase re-entered the US Apple App Store top 100 for the first time since February 2022. Starting the year ranked 489th, Coinbase jumped from 163rd on Sunday to 98th on 3/4/24 to 49th on 3/5/24, as Bitcoin's price hit all-time highs.

Misspelled celebrity memecoins like “Jeo Boden,” “Danold Tromp,” and “Olen Mosk” on the Solana blockchain have been surging in price, marking the emergence of a new memecoin class.

Chloë Grace Moretz (*The Peripheral*), Lewis Pullman (*Top Gun: Maverick*), and Academy Award winner Ariana DeBose (*West Side Story*) signed on to star in “Dutch & Razzlekhan,” a film based on a true story of a \$4 billion crypto heist. It will go into production this summer under the direction of BAFTA nominee Jon S. Baird (*Tetris*).

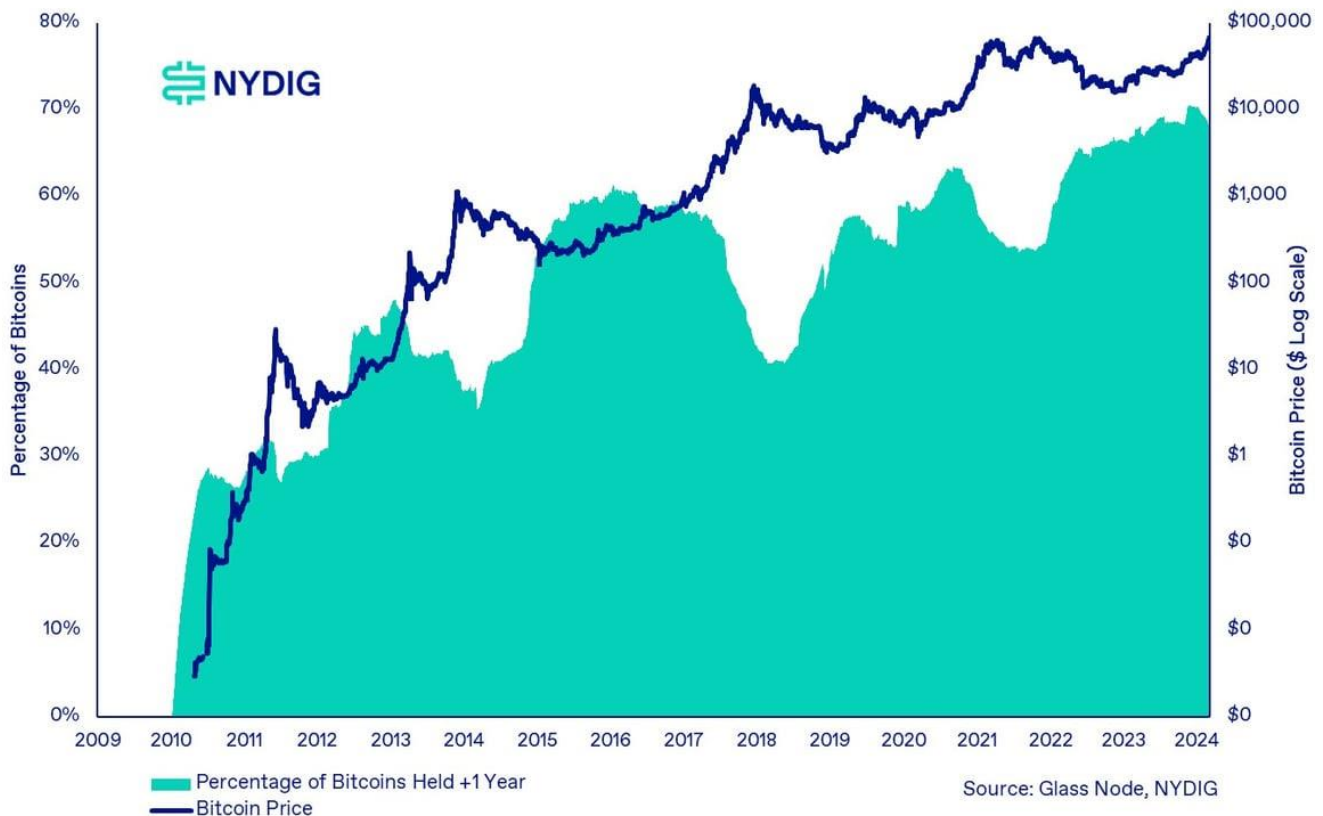
CHARTS, TABLES, QUOTES, COMMENTARY & OTHER IMAGES

Read Grayscale's Market Byte: "Bitcoin's Price Reaches New All-Time High," [here](#).



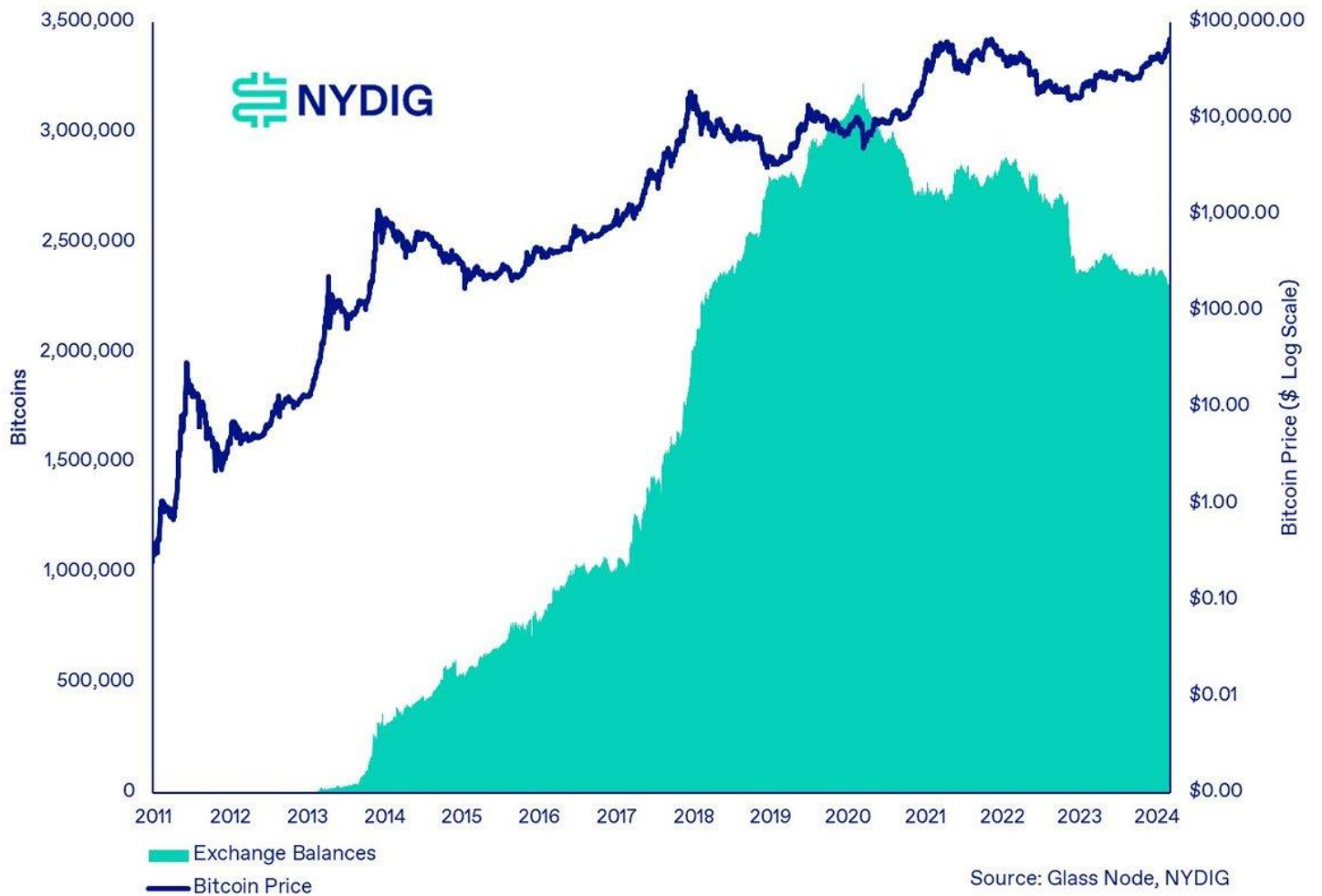
NYDIG: Long-term holders, identified by the percentage of Bitcoins that have remained stationary on the blockchain for over a year, have not made significant adjustments to their positions based on blockchain data. Historically, the percentage of coins that have stayed untouched for a year tends to move in opposition to Bitcoin's price trends. Typically, as price increases, long-term holders have sold their Bitcoin. However, this expected behavior has not materialized yet, suggesting that long-term holders are currently maintaining their positions.

Percentage of Bitcoins Held 1+ Year



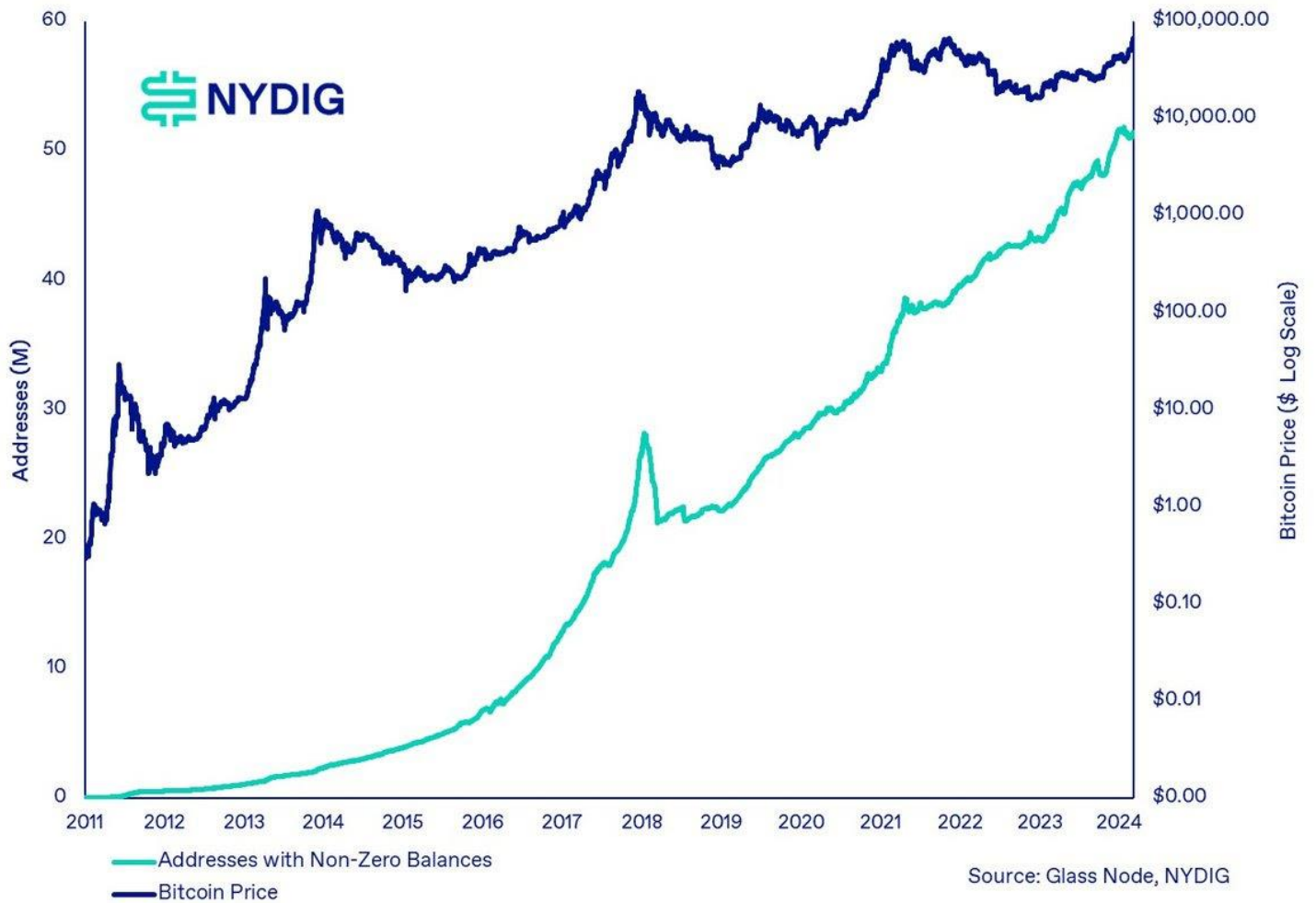
NYDIG: Balances leaving exchanges was a dominant narrative last cycle that hasn't shown any signs of changing, with investors continuing to purchase Bitcoin on exchanges and then withdrawing them to custodial services and self-storage. Investors continue to reduce the number of coins held on exchange, which given the counterparty and platform risks that characterized a disastrous 2022, is ultimately a good thing long term.

Coins Continue to Come off Exchanges





NYDIG: The number of addresses that have non-zero balances, a proxy for the size of the network, recently broke 50 million addresses.

Number of Addresses Continue to Grow




Onchain data from CryptoQuant shows that 1,000 Bitcoin, worth ~\$69 million, was sent to crypto exchange Coinbase by an address that has been around since 2010, right before Bitcoin reached its new record. When a large amount of coins are sent to a crypto exchange, it is typically an indication that the sender intends to sell them and take profits. A CryptoQuant analyst attributed this activity to miners, implying that those who mined some of the first Bitcoins in existence could finally be cashing out the block rewards they earned 10 years ago.

 **Jason A. Williams** 
@GoingParabolic · [Follow](#)

NEW: It appears that a large amount of #Bitcoin mined in 2010 was dumped following the ATH, partially contributing to today's price correction 🙄🙄

2024-03-05 06:52:16.252	13EEUaSeYAH7nge5ApenIbUgYf58CvHDDF	created 27.10.2010	🔥🔥	-50,00001641	block:833219
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Bloomberg Intelligence analysts have said Bitcoin ETF AUM could pass gold ETF assets within two years.

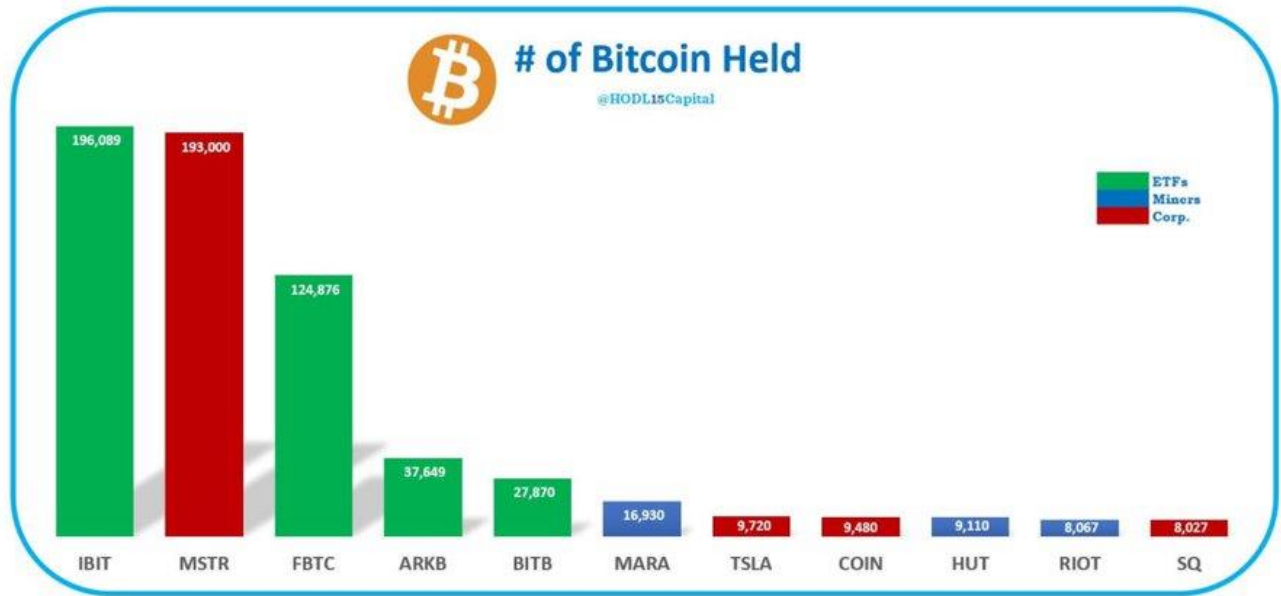




How, in 7 Weeks, Bitcoin ETFs Reached Inflows That Took Gold ETFs 3 Years
- Ep. 616

Eric Balchunas

HODL15Capital: After 40 trading days (3/8/24), BlackRock's Bitcoin ETF, IBIT, holds more Bitcoin than MSTR...



Who's buying Bitcoin ETFs now and who will be in the future? (Bitwise CIO Matt Hougan said that institutions "representing trillions of dollars in assets" are expected to start investing in spot Bitcoin ETFs by Q2.)



Investors who are buying bitcoin ETFs today:

- * Retail investors
- * Registered Investment Advisors
- * Family offices
- * Hedge funds
- * Venture capital funds
- * Asset managers

Investors who I think will be buying bitcoin ETFs soon:

- * Wirehouse advisors
- * Corporations
- * Institutional consultants

Investors who I expect to buy bitcoin ETFs in the future:

- * Endowments
- * Pension funds
- * Sovereigns
- * Supranationals

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Blockware Intelligence summarized last week from a mostly on-chain perspective...

Assets by Market Capitalization: After recently usurping META for the 10th largest asset by market cap, Bitcoin is now breathing down Silver's metaphorical neck; temporarily eclipsing it during Tuesday's breach of all-time highs. There are many dominoes left to fall as Bitcoin sets its sights on market cap parity with gold; a key milestone expected by many for this cycle.

BTC vs Other Asset Classes: Bitcoin is more than just a unique asset, it's an entirely unique asset class. As such, visualizing its potential path of monetization requires juxtaposition next to the entirety of other asset classes. Here's where BTC is in comparison to gold, base money, equities, debt, and real estate. BTC: \$1.3T... Gold: \$12T... Base Money: \$30.4T... Equities: \$108T... Debt: \$303T... Real Estate: \$326T. As you can see, we are still incredibly early. BTC grabbing merely 5% of these assets market caps will push BTC well north of \$1,000,000 per coin.

Market Cap vs Realized Cap: While Market Cap measures the price of each coin multiplied by the circulating supply; Realized Cap does the same thing except it uses the price of each coin based on the time it was last moved, not the current market price. This allows us to view the total inflows into BTC; which currently is at a record high of ~\$496 billion. Bull markets in Realized Cap are effectively synonymous with bull markets in price; as new inflows push the market higher. Don't fade this move in Realized Cap.

MVRV Ratio: Extreme separation between Market Cap and Realized Cap shows a discrepancy between price and inflows; and may signal frothiness in the market. The MVRV Ratio is catching some steam. However, the bullish tailwinds that have propelled price up 208% year-over-year are not anywhere close to subsiding. We'll continue to analyze this metric during the bull market to gauge whether or not BTC is getting overheated.

Futures Liquidations: Tuesday's volatility, expectedly, induced a wave of liquidations, both shorts and longs. However, total liquidations amounted to insignificant numbers relative to the mania of last cycle's bull market. Clearly, degenerate retail is sidelined at the moment, and more sophisticated and disciplined market participants are behind this rally.

Old Coins on the Move: Some coins mined in 2010 were moved to an exchange address this week; presumably to be sold. This is price discovery in action. Given that the production of BTC cannot increase in response to demand, the only way for new buyers to find supply is to bid the price higher. Further price appreciation will be necessary to incentivize HODL'd supply to sell.

Summary and conclusion from Glassnode's "The Week On-Chain" from 3/5/24. (Read the full report, [here](#).)

Once again, Bitcoin has surprised investors by rallying to the last ATH before the halving event, being the first such time this has occurred. The new US Spot ETFs have introduced a significant new source of demand into the market, offsetting the daily issuance and recent sell-side pressure deposited to exchanges by some margin.

Long-Term Holders are spinning up their distribution cycle, which is a trend we have seen in all prior cycles as the ATH is challenged. This allows us to compare these new demand vectors via the ETFs, with the distribution pressure from existing holders and explains Bitcoin's meteoric rise back to all-time highs.

Conclusion from Coin Metrics’ “State of The Network” weekly report from 3/5/24. (Read the full report, [here](#).)

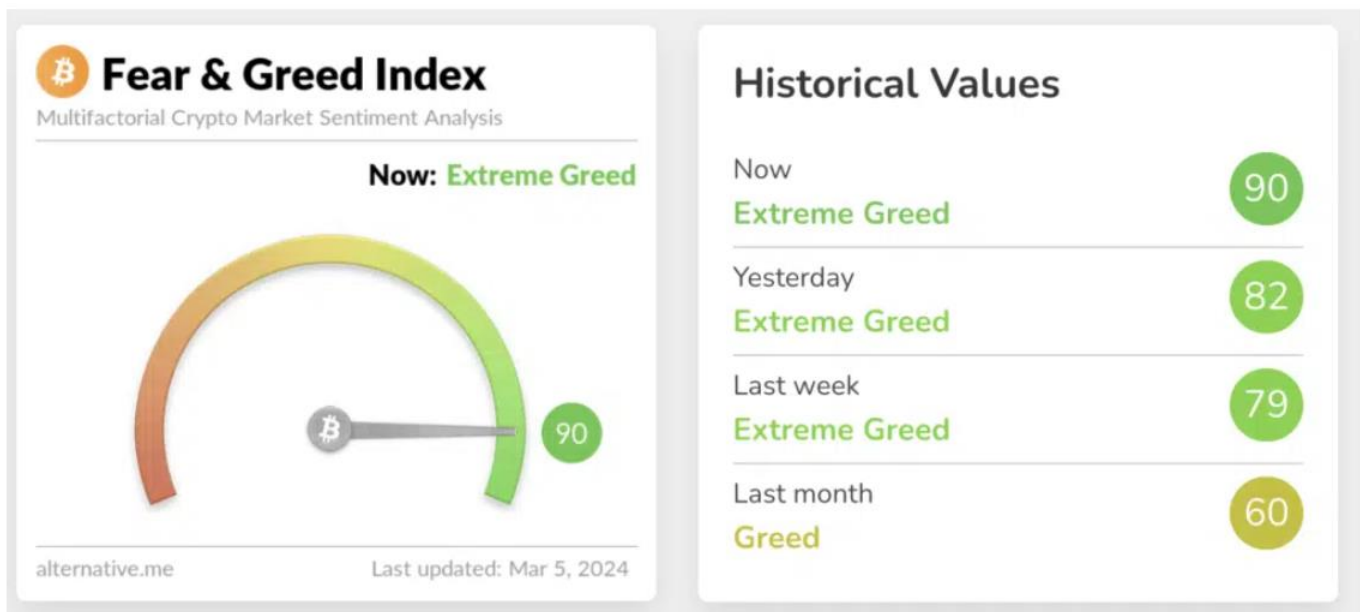
We've examined several instances of overlap between pool transactions, from shared 0-hop addresses to common-input pool payouts. Some cross-pool payments can be explained away as byproducts of a shared software stack. Others provide clear evidence that mining pools are coordinating more closely than it appears on the surface.

Mining pool centralization remains a top-of-mind concern in the Bitcoin community. Even at face value, the overwhelming majority of mining rewards being funneled to just two pools (Foundry & AntPool) elevates risk factors like censorship and network disruption. Though the remaining allocation of hashrate is relatively well-distributed among smaller pools, on-chain links between pool addresses warrant concern, pointing towards a hidden consolidation of power in the mining ecosystem.

Blockworks updated key metrics...

Total Crypto Market Cap	\$2.77 T
Bitcoin Market Cap	\$1.37 T
Ethereum Market Cap	\$472.00 B
ETH/BTC Ratio	0.06
Ethereum Gas Price	45 gwei
DeFi TVL	\$158.49 B
Fear and Greed Index	79 (Extreme Greed)

The Crypto Fear & Greed Index hit 90 on 3/5/24, for the first time since 2021, and is firmly in the “extreme greed” zone.



Research by London-based Nickel Digital showed that institutional investors and wealth managers with crypto holdings plan to boost their crypto investments in the year ahead.

Institutional investor group	Percentage increasing crypto/digital investment over the next three years	Percentage where crypto/digital investment stays the same over the next three years	Percentage decreasing crypto/digital investment over the next three years	Don't know
Sovereign wealth funds	74%	23%	2%	1%
Pension funds	71%	25%	3%	1%
Family offices	66%	26%	5%	3%
Wealth managers	63%	29%	7%	1%
Hedge funds	60%	27%	12%	1%

CCData released its “Digital Asset Management Review – February 2024.” See key findings below. Download the full report, [here.](#))

- In February, the digital asset sector experienced a 27% increase in total assets under management (AUM), reaching \$65.67 billion. Trading volumes also rose, with average daily aggregate volumes increasing 14.85% to \$1.86 billion. This rise, while more modest compared to January's surge, underscores a consistent upward trend and robust investor engagement, largely attributed to the enthusiastic market response to ETFs in the US.
- The U.S. solidified its lead in digital asset management with a 27.7% increase in AUM to \$49.1 billion in February, holding 74.7% of the global market. Canada and Switzerland also saw significant growth, with AUMs rising to \$4.62 billion and \$4.13 billion, up 23.9% and 42.6% respectively. Notable AUM gains in Sweden, Jersey, and Brazil, along with Hong Kong's 139% surge, highlight expanding global interest in digital assets.
- The growth of US spot Bitcoin ETFs continued in February, with inflows reaching \$6.03 billion by the 26th, with Grayscale's outflows reaching a new low of \$22.4 million on the same day. BlackRock's iShares and Fidelity's FBTC, which are among the top 10 ETFs, secured inflows of \$6.02 billion and \$4.23 billion, respectively, demonstrating strong investor confidence and market momentum.
- ETF trading volumes in the US also experienced a significant upsurge. BlackRock's iShares led with an impressive trading volume of \$7.89 billion, a 569% rise month-over-month. Conversely, Grayscale saw a reduction in its trading volumes, which fell 59% to \$6.75 billion. Notably,

VanEck's HODL ETF saw the highest growth rate in February, with its trading volumes skyrocketing by 2000% to reach \$584 million.

Arca reported on its trip to ETHDenver...

The mood was electrifying, and the prevalent optimism was noticeable among industry vets and newcomers alike. Welcome newcomers with a noticeable presence were BTC-focused builders and investors, who had their parallel track pointing to a renaissance of activity on top of the asset that started it all.

AI Craze

It's been just over a year since the public launch of Chat-GPT, and the intersection of crypto and AI (artificial intelligence) was on full display at ETH Denver. The sheer number of AI-specific events and workshops dwarfed other big themes. The convergence of crypto and AI holds a great number of promising use cases:

- Smart contract audit automation for spotting and patching security holes
- Cryptographically establishing data provenance and keeping deep fakes at bay
- Securing data privacy ingested by large language models

But many projects combine AI and crypto superficially or are simply opportunistic pivots to appeal to an undiscerning investor. Some of the most ambitious use cases that caught our attention were those integrating AI inside the crypto tech stack. Smart contract developers will access truly open and permissionless AI models on-chain, paving the way for a wide-ranging innovation we haven't seen to date and already being pioneered by projects like Bittensor (TAO). In the more immediate future, AI integrations are already improving the speed and security of coding smart contracts and we see them as important innovation enablers. Similarly, crypto has a lot to offer AI from incentivizing data collection and training of AI models to scaling encryption in a privacy-preserving manner. The scarcity of AI talent in crypto remains one of the biggest hurdles.

Talk DePIN to Me

Decentralized physical infrastructure (DePIN) made its thematic debut at ETH Denver, with a full day's worth of talks and workshops. Many projects graduated to a full exhibit with live demos during the main show later in the week. It was one of the fan-favorite categories discussed among builders and investors alike. Leveraging existing physical infrastructure makes these products much more tangible and the value proposition less elusive. Whether it's incentivizing users to set up mobile hotspots (Helium - HNT), mapping your neighborhood while driving (Hivemapper - HONEY), or sharing your spare computing power (Render - RNDR), many of the projects revisit the peer-to-peer ethos of the space while often giving new purpose to otherwise idle resources. Some of the early projects in this category will likely lead the charge for raising consumer awareness of what new types of services can be enabled by crypto primitives.

The swell in investor interest in DePIN has also reinvigorated some of the incumbents at the infrastructure layer, most notably decentralized storage projects like Filecoin (FIL) and Arweave (AR). The latter timed their announcement of AO during the conference and teased their aspirations of going beyond pure permanent storage provision to a more programmable operating system. Naturally, AR was one of the best-performing tokens last week, with a +90% week-over-week gain.

One subcategory of DePIN we'll be tracking very closely this year after seeing some product demos are decentralized compute projects that have an opportunity to scale significantly should they be able to support the power-hungry workloads of AI-model training.

DeSci Experiments

Denver also explored the pillars of decentralized science - from community and culture, to novel funding mechanisms. While not as popular of a theme among investors, judging by the attendance, we were inspired by the wide-ranging participation from academia, biotech, and pharmaceutical industries, who were engaged in a five-day marathon of panels and workshops. Some more thought-provoking discussions examined how decentralization empowers new models for data access, compute resources, and open science publishing. We heard about the first fully funded DeSci DAO study and learned of recent R&D breakthroughs made possible by novel economic mechanisms. Some up-and-coming areas of development are uniquely suited to the decentralized approach that DAOs enable, such as treatments for conditions that do not require FDA approval (i.e. hair loss). The ability of a DAO to bring individuals with a vested interest in finding the cure could unlock a new model for funding, testing, and development. Big pharma is already taking note of the potential of decentralized research as the vast majority of funding earmarked for R&D is tied up in development alone. One of the areas where researchers and DAO contributors had big hopes was a convergence of DeSci (funding) x DePIN (storage) & ZK (privacy) in solving the medical data bottlenecks. That's a multi-billion-dollar opportunity that crypto primitives are uniquely positioned to unlock.

Miscellaneous

Elsewhere, our team noted that DeFi might be hated as an investment, but it's still alive and well as a product suite. We were encouraged to realize how many people are still working on DeFi projects and are excited about DeFi solutions, considering the market has been pretty barren for new projects and new money. Liquid staking/restaking is obviously a big beneficiary of this. Real World Assets (RWAs) projects seem to be trying to move away from tokenized T-bills, as there's still a lot of appetite in this realm to bring off-chain assets online. It seems like we'll see more of this shift, and we should welcome it as a positive innovation to bring more dollars into the space.

Regulation was not as talked about as it was in 2023, and instead, a focus on UX. Although we haven't seen any tangible solutions in action yet, projects and investors we spoke to seem to realize the UX in the space is a problem and something that needs to be tackled ASAP. Anecdotally, we spoke to 4 people who just left their jobs to start a crypto fund from scratch. While perhaps naive as to how much work it is to do this, it is clear that there is an appetite to fund new ventures. Many funds are scrambling to put money to work before the market moves too much higher, while those just launched are praying for a flushout.

All told the Arca team found the conference constructive, more than "fun." It's worth noting that people seemed to be fully engaged in the conference since it marks the beginning of a bullish market, and everyone was eager to generate alpha and outperform their 2021 profit and loss targets.

Continued fallout from the various crypto liquidity issues, regulatory problems, and 2022 'crypto winter' in the space...

- FTX issued a public warning about unauthorized entities soliciting bids for its digital assets, which are exclusively managed by Galaxy Asset Management as per the bankruptcy court's mandate.
- Bankrupt crypto lender BlockFi reached an "in principle" agreement to settle with the estates of FTX and Alameda Research for \$874.5 million, with FTX also forfeiting its right to potentially "clawback" capital from BlockFi. The settlement sets aside \$250 million as a secured claim, which will prioritize payment to BlockFi after the FTX bankruptcy plan is approved by creditors.
- Infamous 3AC founders Kyle Davies and Su Zhu have returned to X, claiming once again that the "Supercycle" is here and that they were right about it, despite their fund collapse being one of the catalysts for the overall market crash in 2022.
- The Montenegro High Court has ruled to extradite Terraform Labs co-founder Do Kwon to South Korea, overturning its previous decision to extradite him to the US. The move follows the cancellation of Do Kwon's extradition to the US on 3/5/24, with the country's Appeals Court accepting the appeal of the Terraform Labs co-founder's defense attorneys, citing issues in the legal process surrounding the order of the extradition requests.
- The US government filed to modify former Binance CEO Changpeng Zhao's bond ahead of his sentencing. "The original bond conditions were based on the expectation that Zhao would be living in the [UAE], and so they did not address matters such as custody of his passports and notifications to Pretrial Services related to his travel plans and residence," per a government filing. The US government wants Zhao and his defense team to inform the government of his travel plans. Zhao's team pushed back on the modification, arguing that it hasn't yet been an issue for the former CEO to travel throughout the US. However, the government is concerned about him going to the US-Canada border. Zhao is also a Canadian citizen.
- Digital Currency Group and its CEO Barry Silbert have sought to dismiss a lawsuit from New York's Attorney General, Letitia James. The legal action alleges DCG and its subsidiary Genesis Global Capital defrauded investors connected to Gemini's Earn product and Genesis following the collapse of crypto entities 3AC and FTX. The move follows DCG's opposition to a proposed settlement deal from Genesis with the NYAG last month. (Also, an email from DCG CEO Barry Silbert in 2022 revealed details of a lunch date with Gemini's Cameron Winklevoss, where the two discussed joining forces to become a "juggernaut" that would compete with Coinbase and FTX.)