



24<sup>th</sup> March 2024

## BITCOIN-RELATED



Japan's state pension fund GPIF, the world's largest pension fund at \$1.4 trillion in AUM, is exploring Bitcoin for portfolio diversification, signaling interest in crypto amid broad financial and technological shifts.

Argentina's 276% inflation drives Bitcoin buying frenzy, as 34,700 BTC were purchased in March's first week, the highest in 20 months (per Bloomberg).

MicroStrategy acquired 9,245 Bitcoins for \$623 million in cash, increasing its holdings to 214,246 BTC. The purchases were made between Mar. 11-18 at an average price of \$67,382 per Bitcoin. Funding for the acquisition included \$592.3 million from the proceeds of the company's most recent private offering of convertible senior notes, along with \$30.7 million in excess cash. MicroStrategy now holds over 1% of Bitcoin's total 21 million coin supply.

Research and brokerage firm Bernstein raised its 2024 Bitcoin price target to \$90,000, up from \$80,000, citing improved market conditions. Ultimately, the analysts expect Bitcoin to hit \$150,000 as the 2024-2025 cycle high.

Standard Chartered Bank increased its Bitcoin price forecast to \$150,000 by the end of the year, up from its previous \$100,000 target. The bank suggests Bitcoin could potentially reach \$250,000 at some point in 2025 if strong spot ETF inflows continue or forex reserve managers start buying Bitcoin this year.

According to ETC Group, the halving may not be priced in, as the firm said: "Our model suggests that Bitcoin's equilibrium price could increase to \$103,000 by the end of 2024, to \$172,000 by the end of 2025, and ultimately to \$215,000 by the end of the next Bitcoin epoch in 2028."

JPMorgan analysts said Bitcoin remains in 'overbought territory' despite the past week's correction. Last month, the analysts said the Bitcoin price would likely drop to around \$42,000 after the upcoming halving event.

Bitcoin Virtual Machine, a Layer-2 project, is set to launch Truly Open AI, a platform where users can launch AI models on the blockchain for use in crypto apps. Developed in partnership with Filecoin, Near,

Avail, Polygon, and Syscoin, this design allows for monetization when other people utilize their AI models.

The Bitcoin Company unveiled its new Remittances API, allowing individuals and financial institutions to send instant payments to any bank account in Mexico and Brazil in under 1 second. This API marks the company's expansion into international remittances, with plans to extend services to the USA, Canada, Europe, Asia, and Africa soon.

The Human Rights Foundation announced its most recent round of Bitcoin Development Fund grants, with \$500,000 going to 14 different projects around the world focusing on global education, Lightning Network development, decentralized communications, and providing nonprofits and human rights groups with an easier onramp to “financial freedom tools.”

## INDUSTRY ADVANCES



According to a December 2023 survey conducted by the Digital Assets Council of Financial Professionals and sponsored by Franklin Templeton Digital Assets, nearly three in five (59%) financial advisors say they recommend that clients allocate a portion of their assets to crypto. Among advisors who recommend an allocation to crypto, 7% have suggested it to all their clients and another 29% have recommended it to at least half. Overall, two-thirds of advisors who recommend crypto to clients (67%) recommend allocations of 1% to 3% of assets. (See the full survey results, [here](#).)

Goldman Sachs expressed interest in investing in crypto bankruptcy claims, exploring the market for opportunities amid the collapse of several major crypto firms.

BlackRock is launching a tokenized private equity fund in tandem with financial services firm Securitize as the company deepens its foray into digital assets. The world's largest asset manager filed a Form D with the SEC regarding its USD Institutional Digital Liquidity Fund. According to the filing, the pooled investment fund will require outside investors to put down a minimum of \$100,000. (A token called BlackRock USD Institutional Digital Liquidity Fund (BUIDL) was created on March 5 on the Ethereum blockchain, according to Etherscan.)

Tokenization platform Libre, which is working with Nomura's Laser Digital, Brevan Howard's WebN Group, and Hamilton Lane, went live. Libre has added a tokenized version of a BlackRock money-market fund so investors can earn yield while parking their capital.

Robinhood officially released its crypto wallet app for Android users worldwide. The move follows the company's successful debut of the wallet to iOS users last year.

Coinbase Derivatives announced the initiation of futures trading for Dogecoin, Litecoin, and Bitcoin Cash starting April 1, utilizing self-certification with CFTC for swift regulatory compliance.

Binance crypto exchange users' assets surpassed \$100 billion. (Binance claims to hold all user assets at a 1:1 ratio, plus additional reserves, verifiable using its proof-of-reserves (POR) system of 31 supported digital assets.)

Indonesia's crypto market experienced significant growth with transactions hitting \$1.92 billion in February, as the number of crypto investors surged to 19 million.

Southeast Asia superapp Grab introduced cryptocurrency payments in Singapore, enhancing user flexibility with digital asset topups.

Kalshi, the only regulated US prediction market platform, will list betting markets on five different crypto price outcomes on 3/25/24. Examples include when BTC will reach \$100,000 and how high ETH will climb in 2024. The bets will be placed and paid out in US dollars, and additional markets are set to launch the next day. (Kalshi operates under a “no action” letter from the CFTC but is fighting the agency in court.)

Google introduced a feature displaying Ethereum Name Service wallet balances in search results, enhancing user access to Ethereum wallet information via simple domain searches.

Blockworks Research further upgraded its platform, a move that comes nearly two years after launch in an effort to bring more tools and data to market. User experience upgrades include proposal notifications and new metrics that include ETH staking yield and decentralized exchange volume. Blockworks news stories and podcasts are now also integrated into the research platform.

Sygnum Bank tokenized \$50 million in assets for Matter Labs on Layer-2 blockchain zkSync.

The Polymesh Association announced the launch of Polymesh Private: a new, complementary version of the public permissioned blockchain Polymesh. Polymesh Private will enable entities and organizations to run private instances of the Polymesh blockchain uniquely configurable per their business needs. Users concerned with public network visibility or publicly traded tokens can operate their own permissioned environment.

Gnosis Venture Studios, a branch of Gnosis known for developing on-chain finance solutions like Safe and Gnosis Pay, unveiled uRamp – a new platform that facilitates transactions between on-chain assets and traditional fiat currencies.

Egoras Technology, a Nigerian energy startup, unveiled blockchain-powered, electric vehicle (EV) charging stations in Rivers State, Nigeria.

Greenherald School is the first school in Bangladesh to adopt blockchain technology for certification. With help from Digiland, Greenherald will issue certificates that will be digitally recorded on the blockchain and accessible via QR codes.

Jumptuit, an AI Scenario Forecasting company focused on detecting probabilities of disruptive global events that impact regions and market sectors, announced that the US Patent and Trademark Office issued a Notice of Allowance broadening protection of Jumptuit's novel AI and Blockchain Technology.

## MINING



Luxor and Bitnomial announced the launch of the first US exchange-traded Hashrate Futures. Set to debut on Bitnomial's derivatives exchange by the end of this month, these futures contracts are specifically tailored to cater to Bitcoin miners and institutional investors alike.

## ETPS (EXCHANGE-TRADED PRODUCTS), FUNDS & INDEXES



Spot Bitcoin ETFs saw four consecutive days of aggregate outflows. On March 21, there was a net outflow of \$94 million from the ten newly launched spot Bitcoin ETFs. Although the figure is lower than the previous three days, it represents another day when funds have been pulled out of the institutional investment products. Fund outflows for March 18, 19, and 20 totaled \$154 million, \$326 million, and \$261 million, respectively. The net total outflow for this week is currently \$836 million, with Friday's figures yet to be included.

Fidelity's Wise Origin Bitcoin Fund (FBTC) has seen the fifth most inflows out of all ETFs so far this year. The fund has attracted ~\$9 billion since its launch. The fund is the second US spot Bitcoin ETF to make it into the top five, following BlackRock's iShares Bitcoin Trust (IBIT) that joined the ranks in February (currently in third place with ~\$16 billion in assets).

According to Bloomberg Intelligence senior ETF analyst Eric Balchunas, the iShares Bitcoin Trust (IBIT) is seeing an average of 250,000 trades in a day. The average trade size is 326 shares, or around \$13,000, suggesting that trades are being made by nonprofessional investors.

Grayscale's CEO Michael Sonnenshein told CNBC that fees on its flagship Bitcoin ETF will come down over time, softening an earlier stance defending costs above the market average. GBTC has logged outflows of more than \$12 billion since it was converted into an ETF in early January, due in no small part to its higher-than-average fees. (Grayscale also wants to introduce other ways of giving investors less costly ways of accessing its Bitcoin ETF, including a "mini" version of its flagship product.)

Bitwise CIO Matt Hougan anticipates the first major wirehouse to start supporting spot Bitcoin ETFs within the next few weeks. Hougan said: "We're probably a few weeks away from the first of those major warehouses approving it – maybe a week away." He added that major wirehouses supporting the spot Bitcoin ETFs could increase their availability by around four times.

CoinShares Head of Research James Butterfill thinks a lot more money could be headed into the spot Bitcoin ETFs. He said: "Given that the [registered investor advisory, or RIA] market represents about \$50 trillion in assets, the potential inflows could be significant. For instance, if 10% of RIAs chose to invest 1% of their portfolios, this could result in approximately \$50 billion in additional inflows."

The SEC postponed a decision on whether to approve Grayscale Ethereum Futures Trust's Ethereum ETF application, in a document filed on 3/22/24. Its new deadline is 5/30/24.

Fidelity revised its Ethereum ETF proposal to incorporate staking. Grayscale followed by adding the same provision shortly after.

In a note to investors, British banking giant Standard Chartered predicted that Ether could hit \$8,000 by the end of 2024 and rise as high as \$14,000 by 2025, boosted by the arrival of spot ETFs.

Grayscale is reopening subscriptions at NAV to accredited investors for several of its private placements, including Grayscale Livepeer Trust, Grayscale Decentraland Trust, and Grayscale Filecoin Trust.

Hashnote, the on-chain digital asset manager built with the support of Cumberland and DRW, along with CoinDesk Indices, introduced the Hashnote CoinDesk 20 Fund, designed to track the CoinDesk 20 Index (CD20), a highly traded, global digital asset benchmark.

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

Immutable, Polygon Labs, and King River Capital partnered to raise \$100 million for the Inevitable Games Fund, targeting early-stage Web3 gaming startups, with \$30 million already secured.

Figure Technologies garnered \$60 million for a new decentralized exchange, aiming to challenge major centralized players and offer a stablecoin alternative with its blockchain tech.

Zero-knowledge proofs startup Succinct Labs announced it raised \$55 million in a seed and Series A financing round, led by Paradigm.

Ethereum Layer-2 TEN raised \$30 million, led by Enterprise blockchain firm R3.

Espresso Systems, a blockchain scaling and privacy infrastructure company known for its shared sequencer solution, secured \$28 million in a Series B funding round – led by a16z.

Ethereum Layer-2 developer Morph secured \$20 million in funding led by Dragonfly, Pantera, and others to enhance its network focused on consumer applications.

MANTRA Chain secured \$11 million to develop a network focused on tokenizing real-world assets, aiming for regulatory approval in the Middle East.

An unexpected presale for a new Solana meme coin, initiated by NFT artist Kero, quickly raised over \$10 million in Solana tokens.

Sonarverse secured \$7 million in funding, led by BlockTower Capital, for an on-chain data platform aimed at institutional investors.

Rails came out of stealth with \$6.2 million in seed funding this week for a self-custody-focused perpetuals exchange.

Keyring secured \$6 million in funding to offer institutional investors regulatory-compliant access to DeFi, recently testing a compliance solution with Nomura's crypto arm Laser Digital.

Institution-focused derivatives infrastructure startup Kemet announced \$5 million in funding, led by Further Ventures.

## IPOS, M&A, PARTNERSHIPS & DEALS



Dutch SME stock exchange and crowdfunding platform NPEX announced a partnership with DUSK, the permissionless blockchain network designed to support security tokens. Together they plan to launch a stock exchange powered by DUSK DLT.

## DEFI



Vitalik Buterin announced “Ethereum Rainbow Staking” – aiming to refine the network's economic framework by balancing the allocation between heavy and light services, thereby boosting network resilience and emphasizing the significance of solo stakers.

Bitcoin’s most prominent DeFi app is integrating with a yet-to-launch Bitcoin Layer-2 network known as Build on Bitcoin (BOB) in an effort to attract liquidity from Ethereum.

FalconX, through FalconX Solios, completed the first fixed-floating swap on the Ethereum staking rate, using CESR, the composite Ether staking rate. This innovative transaction enables institutional investors, staking providers, and Ethereum network users to manage risk around Ethereum staking yields and transaction costs and lock in fixed rates of return.

Gyroscope introduced high-yield liquidity pools, promising mid-double digit returns through a strategy including asset rehypothecation and loyalty points.

Hyperlane is launching Yield Routes, yield-generating bridges that enable L2-bridged assets to compound yields automatically. The move transforms traditional bridged assets, which are typically unproductive, into productive ones.

Sturdy Finance launched the Sturdy Subnet Bittensor subnetwork on testnet, as part of its efforts to build yield optimization infrastructure. Sturdy, backed by Pantera and Y Combinator, utilizes architecture that experts claim could cut risk while maintaining liquidity. The Sturdy Subnet opens up opportunities for DeFi protocols and off-chain funds to increase yields in a secure, decentralized manner.

## CBDCS & STABLECOINS



Fed Chair Jerome Powell told reporters that a CBDC isn't currently being worked on in secret by the bank.

Hong Kong’s Global Shipping Business Network finished a prototype of its first electronic bill of lading in collaboration with Ant’s ZAN blockchain unit. The product is part of Hong Kong’s wholesale CBDC project aiming to digitize a process that has been paper-based for centuries.

Conflux Network is collaborating with AnchorX to beta-test “AxHKD,” a Hong Kong dollar-pegged stablecoin, aiming for a launch in Q2 to facilitate seamless exchanges.

Frax Finance advanced a proposal to reactivate its protocol fee switch, aiming to support the full collateralization of its decentralized stablecoin, FRAX, while also proposing enhancements to its tokenomics and yield structures.

## NFTS, BLOCKCHAIN GAMING & METaverse



In late 2022, Starbucks dipped its toes into the world of Web3 with a beta launch of its new NFT rewards program, Starbucks Odyssey. It will never get out of its invite-only beta, as Starbucks is killing it. (Polygon Labs reportedly paid \$4 million to Starbucks in 2022 to help build it.)

Punk #7804, one of just nine Alien Punks in the influential Ethereum NFT collection, traded hands for 4,850 ETH or \$16.42 million at the time of the sale. That makes it the second-largest CryptoPunks sale ever whether measured in ETH and USD.

The iconic photo of Achi, the dog behind the Solana-based memecoin Dogwifhat, sold as an NFT for \$4.3 million.

With the first weekend of Coachella less than a month away, tickets for the three-day music festival are once again a hot commodity – except for those attached to NFTs. Since Coachella announced it more than two weeks ago, 1,000+ NFTs that double as VIP passes to this year's event have been offered for sale, packaged with exclusive access, the initiative has performed lousy. Only ~3% of the tokens on offer have been minted thus far.

Electric Capital has launched a new NFT dashboard called NFT Pulse to visualize market activity across Bitcoin, Ethereum, Solana, and Polygon at a glance. In addition to simple market-wide activity like user counts and volumes, this dashboard also shows overall market share across chains and revenue generated by each marketplace.

Gaming-centered blockchain Saga announced a new Web3 game publishing team. Titled Saga Origins, the division aims to build a portfolio of cutting-edge Web3 games that will reach the global mass market.

InfiniGods is teaming up with Arbitrum to integrate the blockchain with InfiniGods' King of Destiny Web3 mobile game.

ETHxCAT launched a new era of blockchain gaming for cat enthusiasts. Designed to captivate cat lovers and blockchain enthusiasts alike, ETHxCAT stands out with its extensive selection of thousands of distinctively charming cats. Each with their own unique traits and abilities. Players can customize their cats with different outfits, accessories, and skills. Players can also breed their cats to create new and rare ones.

## JOB MOVEMENT



A survey by Dragonfly Capital found that US crypto companies offer compensation packages significantly higher than those of international counterparts. On average, salaries in the US crypto sector are 13% higher. Meanwhile, equity and token incentive packages exceed those overseas by 30%.

Bakkt Holdings announced that Andy Main (a board member since 2021) was appointed President and CEO, effective March 26, 2024. He will succeed Gavin Michael, who is stepping down to pursue other opportunities. Michael will serve in an advisory role through March 2025.

Metallicus announces the addition of Pete Nohelty, Chief Technology Officer at Vibrant Credit Union, to the Metal Blockchain advisory council. His appointment brings expertise in tailoring blockchain solutions for Credit Unions, focusing on critical areas such as digital payments, stablecoins, digital identity, and private subnets.

## REGULATIONS, RULINGS & COMMENTARY



Rep. Patrick McHenry and Sen. Cynthia Lummis said there's a potential path for a stablecoin bill in Congress this year. McHenry, the chairman of the House Financial Services Committee, said: "We have a workable frame. We just don't know when we're going to land the plane." McHenry has been working with his panel's top Democrat, Rep. Maxine Waters on the bill for nearly two years. Lummis said they are in "daily" communication with their House counterparts.

The Republican primary win of blockchain businessman Bernie Moreno in Ohio has set up the congressional race to watch for the crypto industry. Moreno will face off in the general election against crypto doubter Sen. Sherrod Brown, the chairman of the Senate Banking Committee who has been a legislative roadblock for digital assets regulation.

Two lawmaker committees in the European Parliament, on 3/19/24, adopted three major texts in a broad anti-money laundering legislative package that also applies to crypto. The vote follows a political agreement on the Anti-Money Laundering Regulation (AMLR) in January, which will require crypto service providers to comply with customer verification requirements and monitor cross-border transfers and transactions involving self-hosted wallets. The broader package also sets up an Anti-Money Laundering Authority (AMLA) based out of Frankfurt, Germany.

At the Blockworks Digital Asset Summit in London... Lord Chris Holmes, a member of the UK House of Lords, said: "We have such an opportunity in the UK because we've seen what's happening in the [EU]...and indeed to a large extent what isn't happening in the United States." Dr. Lisa Cameron, a member of the UK Parliament, added: "It's actually the digital revolution that we're on the cusp of, and we need to make sure that the UK is at the helm of it." (The comments come as the EU continues to implement its Markets in Crypto-Assets Regulation (MiCA) framework, which the European Parliament passed in 2023.)



Nigeria's Securities and Exchange Commission proposed a 400% increase in crypto firm registration fees amid efforts to strengthen oversight on the industry.

A Nigerian court mandated Binance to provide comprehensive user data to the country's anti-graft agency, escalating regulatory scrutiny.

Several organizations, including the Crypto Council for Innovation and Paradigm, filed amicus briefs supporting Coinbase's request for the SEC to create regulations specific to the crypto industry, citing unclear regulatory guidance and the inapplicability of current securities laws.

The New York State Department of Financial Services (DFS) cleared WisdomTree to offer its “blockchain-enabled” financial app to New York users via a charter expected to also extend its digital assets offerings more broadly. The charter allows the firm to custody digital assets, as well as issue, exchange and manage the reserves of DFS-approved stablecoins. The company is also set to make its WisdomTree Prime app available to New York customers in the coming weeks. The app, which launched in 21 states in July, offers Bitcoin and Ether, as well as dollar and gold tokens. It also allows users to access digital funds that have share ownership records kept on the Stellar or Ethereum blockchains.

Crypto exchange OKX discontinued USDT trading pair support for users in the European Economic Area. The decision comes as the EU prepares to adopt a comprehensive regulatory framework for cryptocurrencies, MiCA, set to fully take effect on Dec. 30 this year, limiting the use of certain stablecoins in the region. OKX also notified clients in India that they have until the end of April to wind up their positions because it is ending its service in the country as a result of local regulations.

Binance tightened KYC measures to exclude US nationals, reinforcing compliance efforts after its legal settlement.

As part of Coinbase's efforts to ingratiate crypto to the Washington DC elite ahead of the 2024 US presidential election, it's teamed up with DC-based coffee chain Compass Coffee to let customers pay with its USDC dollar-pegged stablecoin.

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

Two reports (one from Coinbase and the other from Fortune) on 3/20/24 ignited conversations about the potential investigation of the Ethereum Foundation by regulatory authorities, notably the SEC. (The Ethereum Foundation has removed a “Warrant Canary” from its website following a voluntary and confidential enquiry from an unspecified state authority, according to the Foundation's GitHub repository.)

42-year-old Jian Wen was found guilty by a London jury of laundering massive amounts of Bitcoin for a Chinese fugitive who is thought to have orchestrated a near \$6 billion investment fraud.

The UN reported that approximately half of North Korea's foreign currency earnings stem from cyberattacks on cryptocurrency firms, which has collectively resulted in losses of around \$3 billion from 2017 to 2023 for those firms.

Alexey Pertsev was accused of laundering \$1.2 billion at Tornado Cash, according to a Dutch indictment.

Slerf, a new Solana-based memecoin project, accidentally burned the entire \$10 million worth of funds it raised from presale investors. The project developer's accident means a major portion of the token supply is now permanently destroyed.

Super Sushi Samurai, a blockchain game on the Blast Layer 2, suffered a \$4.6 million exploit on 3/21/24, the day the game was supposed to launch. Afterwards, the hacker claimed it was part of a "white hat rescue" effort and offered to work with the protocol to reimburse users.

Krishna Okhandiar, the founder of Remilia and the Milady NFT collection, more commonly known by the pseudonym "Charlotte Fang" claimed that his wallet was drained by hackers after several popular NFTs and assets were transferred out and liquidated over the weekend. Onchain data shows that the drainer wallet received assets from Remilia-linked wallets, and then sold them for around 850 ETH, netting the drainer ~\$3 million.

Mozaic Finance, a DeFi platform, suffered a security breach leading to a loss of \$2.4 million.

A Hong Kong housewife was scammed for \$908,000. One of the fraudsters contacted the victim through Instagram in July 2022 and urged her to invest in cryptocurrencies through a link to a fraudulent trading platform. Along with another suspect, she was tricked into transferring over \$900,000 into 15 bank accounts for crypto investments from August 19, 2022, to March 4, 2023. She reported it to the police when she could not withdraw her assets or contact the fraudsters, posing as customer service representatives.

A US District Court has sanctioned the SEC for misleading the court in relation to its lawsuit against crypto firm Debt Box, with the judge concluding that the securities regulator's actions constituted a "gross abuse of power entrusted to it by Congress."

BitMEX says it is investigating unusual trading activity – and "potential misconduct" – on its BTC/USDT spot market after large sell orders saw the price of Bitcoin momentarily fall to \$8,900.

Coinbase faced operational disruptions due to congestion on its Ethereum scaling solution, Base, prompting customer advisories to expect transaction delays and to resubmit transactions.

Security researchers discovered a vulnerability in Apple's latest computer chips – its M1, M2, and M3 series, which powers all of its latest devices (including Apple Macs) – that could let hackers steal cryptographic keys designed to protect data from disclosure. That includes the keys to software crypto wallets installed on vulnerable Apple devices.

## MISCELLANEOUS



Fred Wilson of AVC: Crypto holders/advocates should be a potent voting bloc in the US and hopefully we will see that in this election cycle. The non-profit StandWithCrypto.org is all about activating the crypto voter. Almost 400,000 individuals have joined StandWithCrypto, including yours truly, and I want to encourage all pro-crypto readers to join me in doing that. You can do that by going [here](#) and click on "joint the fight."

Almost \$100 million are staked on Polymarket for the US presidential election, showing a preference for Trump over Biden as well as optimism for Ether hitting an all-time high in 2024.

Ethereum developers plan to increase the maximum validator stake from 32 ETH to 2,048 ETH during the network's next upgrade Pectra, expected by the end of the year.

Daily trading volume on the Ethereum Layer-2 Base jumped to a record \$356 million on 3/19/24. The Coinbase-incubated network has also reached an all-time high total value locked of \$745.3 million, according to DeFiLlama data.

The memecoin frenzy brewing on Solana has boosted on-chain volumes to new records, exceeding \$3.79 billion in volume per day. The success of coins like dogwifhat and the Book of Meme presale helped drive these volumes to new heights. This trend has helped Solana pass Ethereum in on-chain DEX volumes and has pushed the price of Solana to over \$200.

Controversial eyeball-scanning project Worldcoin announced that it will offer users the option to maintain control over their personal information. Dubbed Personal Custody, the implementation means that any data generated on the silver orb will remain on a person's mobile device. That includes images, metadata, and derived data, empowering users to delete the information if they wish.

# CHARTS, TABLES, QUOTES, COMMENTARY & OTHER IMAGES

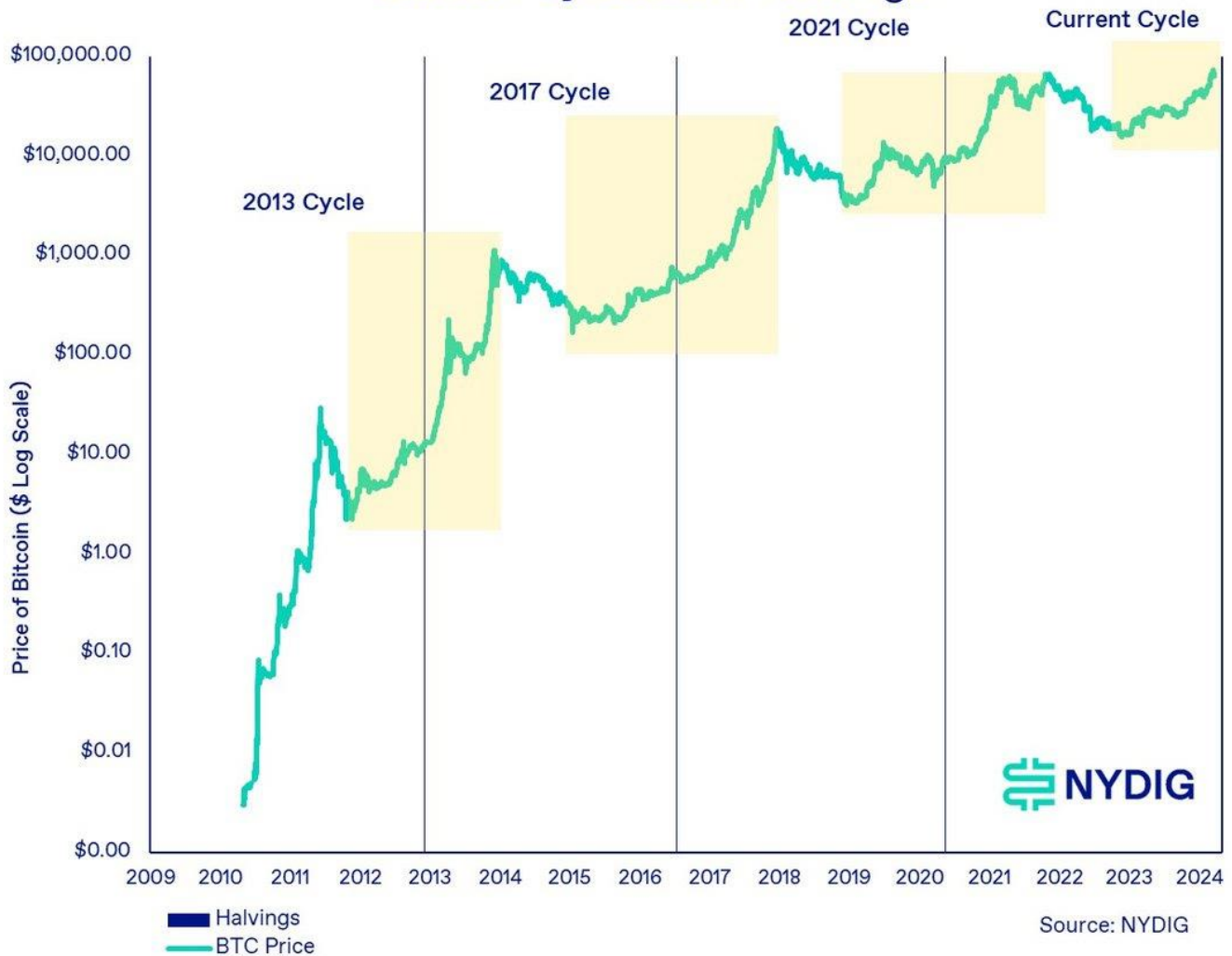
**Anthony Pompliano: Bitcoin holders that previously showed strong hands are starting to sell their Bitcoin. This shouldn't be a surprise – as the price of Bitcoin rises, some percentage of holders are willing to sell their assets to take profit off the table. We can see the number of Bitcoin in the circulating supply that had not moved in at least 1-year topped out at just over 70% from November 2023 to late January 2024. Most of the Bitcoin holders, especially those who have been holding for at least 1 year, are not yet convinced that Bitcoin's price is high enough to part with their digital currency. But in order to find out where that clearing price is, Bitcoin's price will have to continue to appreciate.**

Bitcoin: Percent of Supply Last Active 1+ Years Ago



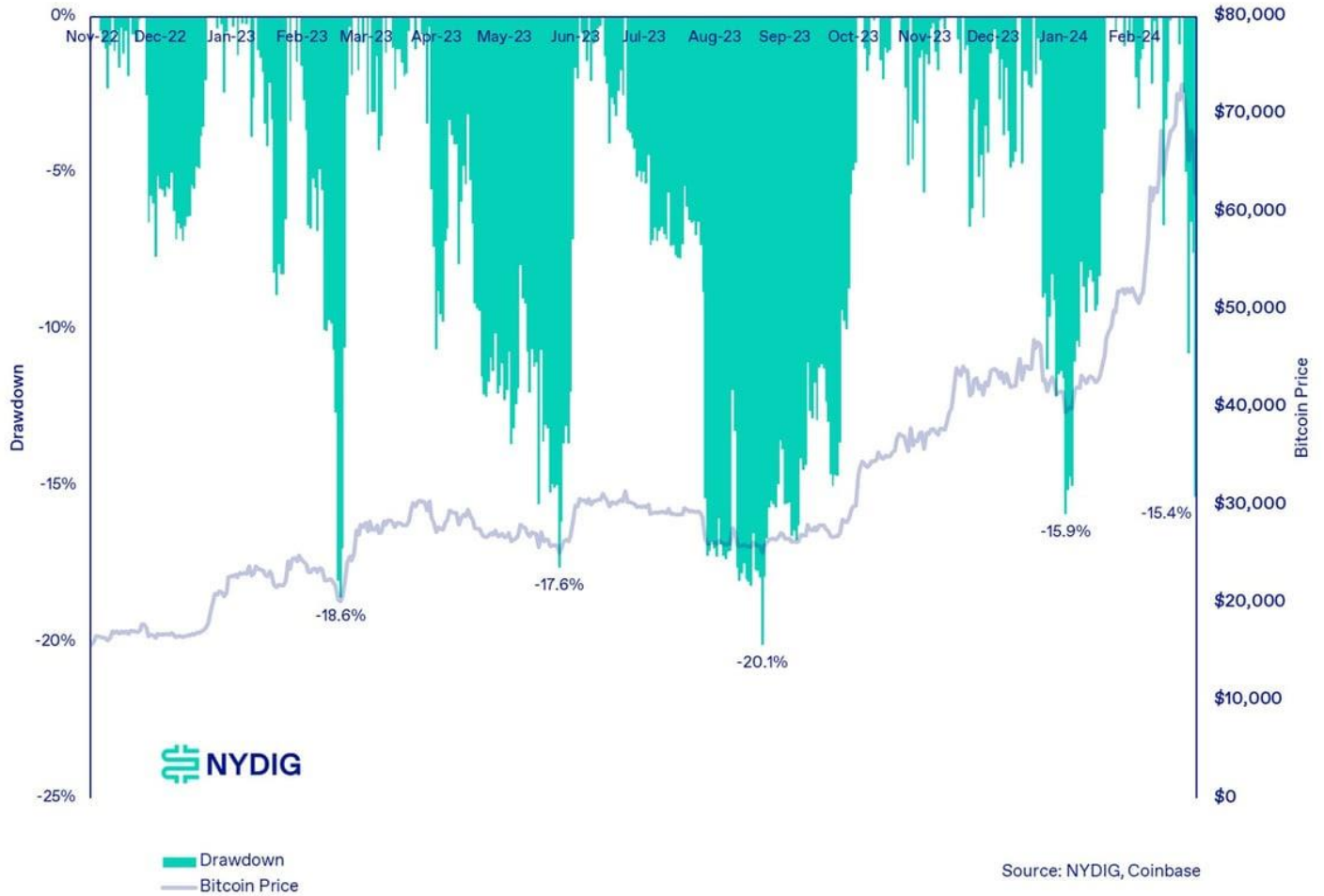
**NYDIG: Bitcoin has experienced 4 significant price cycles in its history, peaking in 2011, 2013, 2017, and 2021, with these peaks centered about reward halvings. Following these peaks, there were extended and sharp drawdowns of 75% or more from peak to trough. While there is ongoing debate about the reasons behind these cycles (and whether they truly exist), the presence of recurring price patterns challenges even the weakest form of the efficient market hypothesis (EMH). Despite this, we can use these cycles to identify the “up” phase, starting from Bitcoin's low point, its trough, to its peak. We currently find ourselves in this stage of the cycle, from the trough to perhaps an eventual peak (with timing and price uncertain). After hitting a low of \$15,460 on 11/21/22 amidst FTX's collapse, Bitcoin has since entered the “up” phase of a new cycle, reclaiming previous losses and reaching a new all-time high on March 4th.**

## Bitcoin Cycles and Halvings



**NYDIG: The ongoing cycle, started at the low point in November 2022, has experienced 5 significant downturns exceeding 10%, including the current one we find ourselves in. The present decline has already hit 15.4% based on closing prices, or 17.7% when considering intraday highs and lows.**

### Current Cycle



**NYDIG:** Looking at all of the greater than 10% drawdowns across all the previous cycles, we see that they are a regular feature of up cycles. And the current drawdown, while possibly not over, has thus far been more shallow than prior drawdowns. Our analysis includes drawdowns both as measured by close prices as well as measured by intraday highs and lows, which are more severe.

## Drawdowns During Cycle Troughs to Peaks

Cycle	Number	Close Prices			Intraday Highs and Lows		
		Average	Median	Min	Average	Median	Min
2013	5	-36.2%	-40.6%	-70.3%	-47.4%	-46.1%	-79.2%
2017	13	-25.6%	-27.2%	-36.3%	-34.5%	-32.7%	-41.4%
2021	10	-24.1%	-16.8%	-62.4%	-29.2%	-20.5%	-72.2%
Current	5	-17.5%	-17.6%	-20.1%	-20.2%	-20.3%	-22.6%



Source: NYDIG

Guess the price of Bitcoin at the halving and win 1 BTC in prizes. (Enter, [here.](#))

\*Void where prohibited by law. No purchase necessary.

# BITCOIN HALVING CHALLENGE

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

Short-Term Holder Realized Price: The cost basis of short-term holders continues to rise as newer market participants accumulate at higher prices. The short-term holder realized price currently sits around ~\$57,000. The closer this metric gets to touching price, the more likely it is that we get another wick-up. Should BTC continue to trade range-bound, a test of this level will occur in the next few weeks.

HODL Waves: The 1 & 2 year cohorts have begun to trickle down. This is occurring as those who bought the top in the previous cycle (2-3 years ago) are taking their ball and going home now that BTC has hit breakeven levels from their entry point. The eldest coins on the network are not moving. In fact, we're seeing a continued rise in the 3+ year cohort. The 3 & 5 year old coins are the primary metrics to watch that indicate coins that have essentially been held through an entire cycle (or most of a cycle). In the previous Bitcoin bull markets, we haven't seen the 3+ year cohort of coins diminish in size until near the market top. Until we see that happen, we'll know that supply illiquidity is still intact. Think for a minute about everything that has been endured by someone who has held their coins for 3 or more years (March 2021 or sooner): Elon FUD... China mining ban... \$69k top in 2021... Terra/Celsius/Voyager/BlockFi contagion... FTX collapse → \$16k bottom... Coinbase & Binance Lawsuit... ETF approval and surge to new all-time highs... Despite all of these, these coins have not moved. It's going to take much higher prices to incentivize those who endured this rollercoaster to part with some of their coins.

Bitcoin Mining Stocks: After starting the year off on the wrong foot, BTC mining stocks had a fantastic week. WGMI, the miner ETF, posted 21% returns over the past five days. Mining stocks are facing serious competition from MSTR when it comes to a higher-beta play on spot BTC. Moreover, the drop in revenue induced by the halving is no doubt pricing itself into mining stocks, as evidenced by negative YTD performance. The halving could be a "buy the news" event for mining stocks. Yes, revenues for these businesses will drop. However, most are at no risk of becoming unprofitable. They have low energy costs, efficient ASICs, and BTC is ripping.

WGMI/BTC: Last week we observed the cyclical nature of WGMI/BTC (mining stocks priced in terms of BTC) and forecasted that a rebound was likely; it did just that. The dominant theme of this chart is volatility with lower highs. This is indicative of the cyclical nature of Bitcoin mining, and the importance of timing the market accurately. Long-term growth in hashrate/mining difficulty is a downward force on mining profitability. However, bull markets remain highly profitable for miners as the rapid monetization of BTC far outpaces increasing mining difficulty. It is critical to properly time your entry into the mining market, whether you are entering via public equities or buying ASICs yourself. Getting in before the bull market is where the most success is found. In other words, now is a great time to stack ASICs.

Price Growth vs. Difficulty Growth: Over the past 90 days, price has grown at a faster pace than mining difficulty; which is net-positive for Bitcoin mining profitability. These regimes do not come often as mining difficulty is in a state of near-perpetual growth. However, these regimes, as sparingly as they may be, are potent for mining profitability when they occur. BTC price appreciation during bull markets significantly outpaces growth in mining difficulty; which blows miner profit margins through the roof.

Energy Gravity: At a typical hosting rate today, new-gen Bitcoin ASICs require ~\$26,281 worth of energy to produce 1 BTC.

**Summary and conclusion from Glassnode's "The Week On-Chain" from 3/19/24. (Read the full report, [here.](#))**



The Dencun Upgrade introduces significant enhancements to the Ethereum network, by creating additional data storage capacity via blob transactions. This upgrade effectively reduces fee costs for its various scaling solutions, which improves user experience, and potentially increases aggregate transaction throughput by encouraging the use of roll-ups.

The upgrade could also impact Ethereum's monetary policy by capping new validator entry, which acts to slow the growth of the validator set and, consequently, the rate of new ETH issuance. While reduced issuance suggests a potential decrease in supply, the new blob structure may also lead to fewer transactions on the execution layer, reducing ETH burned, and possibly mitigating the effect of reduced issuance.

All in all, this development continues Ethereum's trend toward slowing the growth of its supply, and executing on the roll-up-centric roadmap. It can be seen that the last four upgrades resulted in a deceleration and even a slight reduction in the ETH supply since the Merge.

**Conclusion from Coin Metrics' "State of The Network" weekly report from 3/19/24. (Read the full report, [here](#).)**

The digital asset market has experienced significant growth and a notable shift in sentiment since the introduction of the Bitcoin ETFs. While Bitcoin remains a dominant force, the increasing market share of altcoins and the surge in activity across various sectors of the datonomy classification suggest a more risk-on and dynamic market landscape. As institutional interest continues to grow, as evidenced by the record ETF volumes and skyrocketing open interest in Bitcoin futures on the CME, the market is likely to see increased liquidity and maturity. However, it is crucial to monitor the sustainability of these trends and assess whether they represent fundamental shifts in investor preferences or temporary market cycles.

**Blockworks updated key metrics...**

Total Crypto Market Cap	\$2.65 T
Bitcoin Market Cap	\$1.32 T
Ethereum Market Cap	\$421.48 B
ETH/BTC Ratio	0.05
Ethereum Gas Price	18 gwei
DeFi TVL	\$158.49 B
Fear and Greed Index	73 (Greed)

**CCData released its “Stablecoins & CBDCs Report – March 2024.” See key findings below. Download the full report, [here.](#))**

- The trading volume of stablecoins on centralized exchanges rose by 5.17% to \$1.09tn in February, marking the highest stablecoin volume on centralized exchanges since December 2021. USDT remains the largest stablecoin in terms of trading activity on these exchanges, holding a 77.4% market share. FDUSD was the second largest stablecoin by trading volume on centralized exchanges with a market share of 14.7%, followed by USDC.
- In March, the market capitalization of USDT rose 4.71% to \$103.3bn, recording the first time a stablecoin has surpassed \$100bn in market capitalization. The market cap dominance of USDT is currently at 70.4%, up from 70.1% in February. The stablecoin added \$4.64bn to its market capitalization in March (as of the 15th), recording the largest monthly increase in market cap since November.
- In March, Ethena Labs's USDe emerged as the standout performer in market capitalization, soaring by 105% to reach \$1.07bn and breaking into the top 10 stablecoins for the first time. USD Coin (USDC) experienced its fourth consecutive month of growth, with its market capitalization increasing by 6.14% to \$29.0bn, the highest since April 2023. On the other hand, the market capitalizations of First Digital USD (FDUSD) and MakerDAO's DAI stablecoin experienced declines, dropping 9.79% and 7.71% to \$2.63bn and \$4.53bn, respectively.
- In February, the total market capitalization of stablecoins experienced a notable increase of 4.24%, reaching \$147bn. This growth marked the sixth consecutive monthly rise, culminating in the highest market capitalization level observed since September 2022. Despite this upward trajectory in market capitalization, the dominance of stablecoins within the broader market witnessed a decline.

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

- US prosecutors pushing for a sentence of up to 50 years for jailed FTX founder Sam Bankman-Fried published a document that shows the former crypto mogul wrote a list of “random probably bad ideas” in an attempt to burnish his image before his trial. (See the document, [here](#).)
- The US DoJ filed dozens of victim impact statements from FTX creditors on 3/18/24 as the court prepares for SBF’s sentencing hearing next week. The victim statements came from people and companies all around the world impacted by FTX’s collapse. Prosecutors are advocating for the former exchange CEO to spend up to 50 years in prison (while SBF’s lawyers asked for a lighter sentence of no more than 6.5 years).
- FTX is reportedly facing claims totaling \$3-5 billion from the US government in addition to its customer claims. Payouts to customers, lenders for Alameda Research, administrative expenses, and non-government creditors will be prioritized before governmental or tax claims.
- FTX CEO John Ray labeled SBF's claim of “zero harm” to customers as “reckless” and “false,” ahead of his sentencing.
- A luxury jet that was intended to ferry SBF and other FTX executives to-and-from the Bahamas before the crypto platform went bankrupt is being turned over to US authorities. The jet, an Embraer Legacy EMB-135BJ, is being flown from the Bahamas to Florida where it will be surrendered to law enforcement. US Marshals have already seized a second jet that also was meant to be used by FTX. Authorities are seeking court permission to sell each aircraft.
- FTX claim holder Attestor Capital sued a creditor for reneging on a deal to sell two FTX accounts after the value of claims surged.
- Silvergate Bank must face a class-action lawsuit from FTX users who claim the now-defunct bank aided fraud at the exchange and its connected trading firm, Alameda Research. In a March 20 order, San Diego federal court Judge Ruth Bermudez Montenegro denied Silvergate’s June dismissal motion, finding the class group adequately alleged Silvergate knew of FTX’s fraud but benefited from it and unjustly enriched itself at the expense of FTX users.
- Montenegro's Appellate Court dismissed Terra co-founder Do Kwon's appeal against his extradition to South Korea, based on the country's precedence in extradition requests.
- Just days before 3AC's collapse, Kyle Davies reportedly attempted to persuade LayerZero to invest its entire treasury with 3AC, a move that CEO Bryan Pellegrino alleges was deceitful and exploitative.
- Genesis Global Capital agreed to a \$21 million settlement with the SEC over its involvement with the Gemini Earn program, ending a legal drama that has unfolded over the course of more than a year.

- Binance cofounder and former CEO Changpeng Zhao, who is currently awaiting sentencing for a series of anti-money laundering violations, announced that he would be launching a new Giggle Academy – aiming to provide free education to underprivileged children.