



CRYPTO NEWSLETTER

POWERED BY WEEKLY CRYPTO BRIEF

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BITCOIN-RELATED



Professional crypto traders use the 200-day simple moving average (SMA) as a gauge of longer-term trends to predict how markets might behave in the future. As of April 23, Bitcoin's 200-day SMA was approaching \$48,000 – just shy of the all-time high of \$49,452 set in February 2022. According to CoinDesk: “Past data shows the most intense phase of the bull cycle unfolds after this average surpasses its previous peak.”

Standard Chartered confirmed its earlier prediction that Bitcoin is still on track to more than double its price by the end of the year. The firm's head of digital assets said Bitcoin could notch \$150,000 by the end of 2024. (The firm has also predicted Bitcoin could climb to \$250,000 in 2025.)

A group of Bitcoin advocates in Switzerland launched a campaign to convince the Swiss National Bank to add Bitcoin to its balance sheet. The nonprofit organization 2B4CH aims to hold a national referendum to amend Switzerland's constitution to require the central bank to hold Bitcoin. According to 2B4CH founder and chairman Yves Bennaïm, this move would help Switzerland maintain its political neutrality and sovereignty in an uncertain global environment.

Beck & Bulow, a national meat and seafood company based in Santa Fe, New Mexico, announced its decision to accept Bitcoin as payment online and in-store, as well as include it in their employee 401k program. The company has also committed to holding Bitcoin and revenue generated in Bitcoin in its reserves indefinitely.

Strike, the Bitcoin-focused payments app, launched in Europe, allowing customers to buy, sell and withdraw BTC in the region. The company recently expanded its services to Africa and has already rolled out in Asia, the Caribbean, and Latin America.

Multiple Mt. Gox creditors reported that the trustee's rehabilitation claims system has been updated with amounts of Bitcoin and Bitcoin Cash due and the completion date for repayment. Screenshots posted to the Mt. Gox insolvency subreddit show repayment statuses for fiat currencies in the claims system are already labeled as complete, with multiple creditors confirming receipt of these payments in their bank

accounts. (In September 2023, the trustee announced that 142,000 Bitcoin, 143,000 Bitcoin Cash and 69 billion Japanese yen would be distributed by October 2024.)

The Bitcoin community is considering the OP_CAT proposal for enabling smart contracts and secure bridges on the network, reflecting ongoing discussions about advanced scripting and covenants in Bitcoin.

INDUSTRY ADVANCES



The New York Stock Exchange is polling market participants on the merits of trading stocks around the clock as regulators scrutinize an application for the first 24/7 bourse. The survey by the NYSE, part of Intercontinental Exchange, was put out by its data analytics team rather than its management, but it highlights the growing interest in trading the likes of Nvidia or Apple overnight between 8pm and 4am Eastern time. The issue has become a hot topic in recent years, prompted in part by 24/7 cryptocurrency trading and rise in meme-stock retail trading.

São Paulo-based Nubank, a Latin American fintech giant, announced the launch of a new feature that allows withdrawals and deposits of Bitcoin and cryptocurrencies. Customers will now be able to send and receive Bitcoin, Ethereum, and Solana using the Nubank app.

Global payments company Stripe announced that it was going to start allowing crypto payments. The feature will be available later this summer.

Crypto-focused Anchorage Digital unveiled its new settlement network, called Atlas, in an April 25 announcement. The federally chartered bank is now offering settlement of US dollars and crypto assets for buy- and sell-side institutions. Atlas has already settled hundreds of millions of dollars in crypto since its “early access launch” earlier this year, the company said.

Ethereum Name Service (ENS) integrated .box domain names that work with standard web browsers. Domains registered under .box are fully functional with Web2 services such as email and website hosting, making them searchable and indexable on platforms like Google Chrome and Safari.

Binance is rolling out a spot copy trading tool in May that allows users to automatically mimic the trades of eligible “lead traders,” who benefit from a 10% profit share and a 10% commission rebate. Lead traders' spot copy trading portfolios must be between 500 USDT and 250,000 USDT, and the tool is set to start with more than a hundred spot pairs in select global markets.

Robinhood unveiled additional cryptocurrency options for New York residents: memecoin Shiba Inu (SHIB) and altcoins Avalanche (AVAX) and Compound (COMP).

Woo X claimed bragging rights for being the first crypto exchange to offer retail customers exposure to tokenized US Treasury bills. The yield-bearing product, unveiled on April 22, called RWA Earn Vaults, was built in partnership with London-based institutional tokenization platform OpenTrade.

TON, the decentralized blockchain network developed by the creators of the messaging app Telegram, launched a new initiative named Memelandia. This platform is dedicated to supporting and showcasing community tokens and memecoins, demonstrating their role in fostering community engagement,

loyalty, and creativity. Memelandia features “The Open League,” where selected communities can compete and showcase their tokens, aiming for rewards and recognition.

cLabs, the core developer of Celo, chose OP Stack – the primary toolkit for developing chains within the Optimism ecosystem – for its new Ethereum Layer-2 blockchain.

CIFDAQ, a new-age fintech company that offers integrated solutions spanning blockchain Layer 1, native coin, exchange services, MPC Wallet, DeFi, NFT, gaming, etc. launched its India operations.

Bitcoin advocate RFK Jr, a Democratic-turned-independent US presidential hopeful, raised eyebrows with a promise to put the US budget on a blockchain if he takes the White House this year. He said: “We’re going to put the entire US budget on the blockchain. So that every American can look at every budget item in the entire budget any time they want, 24 hours a day. We’re going to have 300 million eyeballs on our budget. And if someone is spending \$16,000 for a toilet seat, everybody’s going to know about it.”

In a first-of-its-kind transaction, the city of Quincy, Massachusetts, issued \$10 million of tax-exempt bonds using blockchain technology, taking the first step in what those involved in the transaction say could be a transformation of the municipal bond market.

MINING



Bitcoin miners generated a record \$107.75 million on April 20, earning around \$80 million just from transaction fees alone, compared to \$60 million to \$70 million in total daily rewards leading up to the halving, despite the block subsidy dropping from 6.25 BTC to 3.125 BTC. The activity was largely driven by the launch of a new token standard on Bitcoin called Runes, marking a “DeFi summer” moment akin to Ethereum's in 2020, according to analysts at Bernstein.

Bitcoin mining pool ViaBTC auctioned the first satoshi of the Bitcoin halving block it mined on April 20 for \$2.13 million.

Bitcoin mining difficulty rose 2% on April 24 to hit a new all-time high, marking the first time the metric has increased in the initial adjustment following a halving event.

A new project in Finland is turning energy from mining Bitcoin into energy to heat homes during the cold Finnish winter. Bitcoin mining infrastructure firm Hashlabs Mining introduced a pioneering project enabling heat generation using specially designed Bitcoin mining devices. The project combines heat production from the hydro-cooled ASIC mining device with the Finnish district heating system, where the heat is transferred from a centralized source through a network of insulated pipes to multiple buildings. The new project is designed to allow households to benefit from industrial BTC mining. (Read more, [here](#).)

An internal research team at PayPal proposed a new scheme to encourage greener Bitcoin mining by providing extra Bitcoin rewards in transactions for miners using low-carbon energy, aiming to incentivize environmentally friendly mining practices.

Jack Dorsey's company, Block, developed a three-nanometer Bitcoin mining chip and plans to offer its own mining systems, aiming to decentralize and innovate in the mining technology sector. Also, the company announced Square merchants will be able to automatically convert a portion of their sales to Bitcoin via a new service called Bitcoin Conversions.

Benchmark initiated coverage on Hut 8, giving the Bitcoin mining company a “buy” rating and setting a price target of \$12, significantly above its April 19 closing share price of \$8.05.

ETPS (EXCHANGE-TRADED PRODUCTS), FUNDS & INDEXES



New 13F filings with the SEC reveal that a major pension consultant, Global Retirement Partners (GRP) with over \$140 billion in assets under advisement, holds shares in 7 different Bitcoin ETFs and 1 Bitcoin mining ETF. (Earlier Q1 2024 filings showed that a diverse range of wealth funds, family offices, and banks, have allocated a portion of their portfolios to various Bitcoin ETFs. Notable examples include Park Avenue Securities (\$9.9 billion AUM), Inscription Capital (\$1.3 billion AUM), Wedmonth Private Capital (\$1 billion AUM), and American Nation Banks (\$637 million AUM).)

According to AdvisorHub: Morgan Stanley is exploring expanding sales of Bitcoin ETFs by allowing its ~15,000 brokers to solicit customer purchases, according to two senior executives familiar with the company's plans. Like many of its peers, the wirehouse has offered Bitcoin ETFs since their January regulatory approval but only on an unsolicited basis. Allowing advisors to recommend the products could widen demand but also expose the firm to additional liability. One executive said: “We’re going to make sure that we’re very careful about it. We are going to make sure everybody has access to it. We just want to do it in a controlled way.”

Morgan Creek Capital CEO Mark Yusko anticipates massive inflows into the crypto market as baby boomers' wealth, estimated at trillions of dollars, seeks entry into digital assets. He stated: “There’s going to be \$300 billion, I believe – that’s 1% of \$30 trillion – that comes into this space [within 12 months]. That’s actually more money than has ever [been] converted to Bitcoin in 15 years. That’s a pretty amazing thing.” Yusko also said: “We’re about three months into the ETFs, and we’ve gotten about 10% of what I believe is coming into this space from the registered investment advisers that control all the boomers’ cash,” – adding that the influx could potentially push the crypto market’s capitalization to \$6 trillion.

BlackRock's spot Bitcoin ETF reached 70 consecutive days of net inflows (total of \$19.7 million) on April 22, ranking it among the top ETFs. (According to data from Farside Investors, IBIT’s 71-day streak of net inflows ended on April 24, when it saw zero net flows.)

Fidelity's FBTC spot Bitcoin ETF witnessed its first daily net outflow on April 25, with \$22.6 million exiting the fund. Valkyrie's BRRR also recorded its first daily outflow of \$20.2 million, with negative flows from other U.S. spot Bitcoin ETFs, including those from Ark Invest, Bitwise, and Grayscale, contributing to a combined net outflow of \$217.6 million that day. Franklin Templeton's EZBC was the only spot Bitcoin ETF to report net inflows on April 25, attracting \$1.9 million. BlackRock's IBIT maintained zero flows for a second consecutive day after ending its 71-day streak of inflows on April 24.

Six Hong Kong has officially cleared the way for three spot Bitcoin ETFs and three spot Ethereum ETFs to begin trading on April 30, using an in-kind redemption mechanism. (Mainland Chinese investors are excluded from investing in these Hong Kong-regulated products.)

The SEC postponed a potential decision of an application for a spot Ether ETF from Franklin Templeton. In an April 23 notice, the SEC said it had designated a longer period to approve or disapprove a proposed rule change allowing the Cboe BZX Exchange to list and trade shares of the Franklin Ethereum Trust. The commission will have until June 11 to reassess its decision on the spot ETH ETF – an additional 45 days.

The SEC is seeking public comments on BlackRock's amended proposal for a spot Ethereum ETF, following a delay in decision and recent amendments focusing on the ETF's creation and redemption process.

Franklin Templeton's proposed spot Ethereum ETF appeared on the DTCC's new securities list with the ticker EZET. The report comes a day after reports of the SEC's probable rejection of spot Ethereum ETF applications. (The DTCC listing represents a preliminary step in the trading process, yet it does not ensure that the SEC will approve the Ether spot ETF.)

Grayscale filed a registration statement on Form S-3 with the SEC to register shares of Grayscale Ethereum Trust (ETHE) under the Securities Act of 1933, as amended (the "Securities Act"). ETHE is eligible to use Form S-3, a shorter filing that incorporates by reference its existing SEC disclosures and reports, because ETHE's shares have been registered voluntarily as an SEC reporting company under the Securities Exchange Act of 1934 since October 2020, among other requirements. Pending regulatory approval, Grayscale Ethereum Trust intends to list the shares on NYSE Arca under the ticker: ETHE, and issue shares on an ongoing basis. (Read more, [here](#).)

Grayscale filed a registration statement on Form S-1 for a new spot Ethereum ETF with the SEC called Grayscale Ethereum Mini Trust. Grayscale intends to list this product on NYSE Arca, subject to required regulatory approvals, under the proposed ticker "ETH." (Read more, [here](#).)

Asset manager Franklin Templeton enabled peer-to-peer token transfers for its \$380 million tokenized money market fund, a key step to make the offering more interconnected to the broader digital asset economy. The move allows investors of the Franklin OnChain US Government Money Fund (FOBXX) to transfer the fund's BENJI token without an intermediary. The token is live on the Stellar (XLM) and Polygon (MATIC) blockchains.

Rho Labs, the developer of the interest rate derivatives protocol, Rho, announced the upcoming availability of CESR – a benchmark rate for the Ethereum staking yield, comprising consensus rewards and priority transaction fees paid to active validators. CESR is computed and published seven days a week by CoinDesk Indices.



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

Pantera Capital aims to raise \$1 billion for its new crypto fund, Pantera Fund V, focusing on startup equity, early-stage, and liquid tokens.

Movement Labs raised \$38 million in Series A funding – led by Polychain Capital – to bring Facebook's Move Virtual Machine to Ethereum.

Aligned Layer, an Ethereum verification protocol, secured \$20 million in a Series A round – led by Hack VC, with an aim to make zero-knowledge proofs faster and cheaper.

Turnkey, started by former Coinbase employees, secured \$15 million in Series A funding – led by Lightspeed Faction and Galaxy Ventures to enhance blockchain wallet infrastructure for developers.

Shiba Inu raised \$12 million by selling its unreleased token TREAT to investors including Polygon Ventures, Big Brain Holdings, Morningstar Ventures, and Shima Capital. TREAT will serve a “utility and governance token” for its new privacy-focused Layer-3 blockchain.

Carv raised \$10 million, led by Tribe Capital and IOSG Ventures for a modular data layer.

Pantera Capital fully funded InfiniGods' \$8 million Series A to enhance their blockchain gaming infrastructure and expand globally.

Prime Intellect, a decentralized artificial intelligence firm, garnered \$5.5 million in a seed round – led by CoinFund and Distributed Global to build a scalable decentralized AI development infrastructure.

Tevaera, a gaming firm on Ethereum's zkSync Era, raised \$5 million in seed and private funding, co-led by Laser Digital and Nomura Group, to develop a Layer-3 gaming chain and expand its team.

Canada-based VC firm Contango Digital Assets held the first close of its latest fund, the Contango Blockchain x AI Fund, at \$5 million.



IPOS, M&A, PARTNERSHIPS & DEALS

Bakkt Holdings (BKKT) announced that, following approval by the Company's stockholders and its Board of Directors, the company will effect a reverse stock split of Bakkt's Class A common stock and Class V common stock, at a ratio of 1-for-25 – effective as of the close of trading on the NYSE on April 26.

Peter Thiel's Founders Fund acquired a minority stake in the crypto accelerator Alliance, as a “strategic long-term investment.” The size of the investment and percentage stake remain undisclosed, although the transaction took place last October, with the partnership details finalized in January.

Crypto trading software provider Talos, which is backed by Citibank and a16z, acquired Cloudwall, a crypto risk management platform, to help improve its existing crypto portfolio management system.

Solana DEX aggregator Jupiter acquired self-custody wallet firm Ultimate Wallet, aiming to expand its mobile user base with a new app beta scheduled for May.

CoinMENA, a crypto asset platform licensed by the Central Bank of Bahrain, partnered with Zodia Markets, a UK headquartered digital asset trading business backed by Standard Chartered, to provide its users with enhanced liquidity and reduced slippage on high-volume trades for G10 and GCC currencies versus a list of vetted and well-researched stablecoins and crypto assets.

stc Bahrain, a digital enabler, announced its partnership with Aleph Zero, a privacy-enhancing Layer-1 blockchain, as part of its Web3 Launchpad program. This collaboration underpins stc Bahrain's commitment to fostering the growth and development of blockchain technologies across the Gulf region.

BlockFills, a leader in digital asset trading technology, announced their full integration with Centroid Bridge, an institutional-grade connectivity, execution, and reporting system.

Web3 data lake and query engine Subsquid announced its upcoming partnership with Solana-powered Neon EVM to provide dApp developers easier access to Neon EVM's on-chain data.

DEFI



The depeg of \$3 billion restaking token ezETH caused over \$60 million in DeFi liquidations. (Read more, [here.](#))

CBDCS & STABLECOINS



Giesecke+Devrient (G+D) announced a partnership with the Banque Centrale de Mauritanie (in West Africa) to design and explore a potential CBDC. (G+D formally participated in at least three other CBDC projects with its G+D Filia CBDC platform, including Thailand, Brazil, and fellow West African country Ghana.)

The total supply of USD-pegged stablecoins reached \$165 billion, marking the highest level in nearly two years.

Leading stablecoin issuer Tether has integrated with Telegram to bring USDT payments to one of the most popular messaging apps on the planet. Users will now be able to send USDT within Telegram for free and withdraw the stablecoin from the app without any costs.

Stablecoin issuer Tether said it will freeze wallets that are using USDT to evade sanctions on oil exports in Venezuela. The decision comes after Reuters reported that Venezuela's state-run oil company PDVSA increased its use of Tether after the US reimposed sanctions on oil exports.

NFTS, BLOCKCHAIN GAMING & METaverse



According to a new report published by the University of Chicago's Booth business school, 2.5% of NFT holders were "responsible for 50% of all transactions in secondary NFT markets" between March 2021 and 2022, These power traders typically "target[ed] collections that were likely to succeed by entering new mints relatively late, and only when the collection had already picked up substantial sales momentum."

NFT marketplace Magic Eden unveiled its latest innovation: the Bitcoin Runes Platform. This new platform allows users to engage with Bitcoin Runes, marking a significant evolution in digital assets. (Bitcoin Runes, an advancement from Bitcoin Ordinals, presents a novel approach to token creation on the Bitcoin network. These Runes facilitate more efficient and secure transactions, leveraging Bitcoin's security model for enhanced safety features and reduced vulnerabilities.)

Punk 635 sold for \$12 million. The sale marks the fourth-largest in dollar terms for a CryptoPunk, and it lands the transaction in sixth place in terms of ETH.

Louis Vuitton's latest Via NFT project product drop was a leather varsity jacket – which originally appeared on the Autumn/Winter 2024 men's runway in January – as it became available to 200 holders of Louis Vuitton's Via NFTs. The jacket – designed by Pharrell Williams and replete with suede buckskin, iridescent snaps, and an embroidered logo – costs €7,900 and is sold as both a physical garment and a digital 'collectible' NFT. Holders can buy the jacket via a token-gated website and will receive the physical version in November or December.

NFT project DeGods, which is most famous for migrating to Ethereum from Solana, may be planning to move back to its original blockchain, according to a cryptic post from its founder.

The launch of ZKasino, a decentralized gambling network, sparked outrage among investors after the developers unexpectedly changed plans, preventing users from redeeming their bridged Ether and instead automatically vesting it into ZKAS tokens over a 15-month period. Despite warning signs and allegations of mismanagement, the project had initially attracted over \$33 million from 10,000 participants. Following the controversial launch, the funds were sent to staking platform Lido, leading to widespread accusations of a rug pull and the cancellation of ZKasino's IDO and exchange listing.

Meta's Reality Labs, its metaverse division, has lost \$37 billion during its 2.5-year existence, and the reminder that it is still burning cash rankled investors – per Forbes.

JOB MOVEMENT



Kathryn Haun is stepping down from Coinbase's board after seven years to focus on her venture firm, Haun Ventures. She is committed to investing further in the crypto sector.

Yuga Labs, under the new leadership of co-founder Greg Solano, initiated a restructuring on April 26, cutting staff to focus on a smaller, crypto-native team. As part of the restructuring strategy, the Yuga Labs CEO said it will prioritize the development of 3D games for its Otherside project. (The news came hours after media veteran Won Kim joined the firm as its head of brand partnerships.)

REGULATIONS, RULINGS & COMMENTARY



The IRS previewed what crypto investors' future tax form might look like after it decides on how crypto transactions should be reported to the federal government. The IRS offered a draft of the 1099-DA form

that would be meant to figure out the taxable gains or losses when brokered digital assets change hands. The form reveals the agency will likely have an array of individual token codes that can be filled in, and it includes spaces for wallet addresses and where to find transactions on the relevant blockchain. (See the draft, [here](#).)

Representative Maxine Waters said that a stablecoin bill might soon be finalized, hinting at possible US regulation before the upcoming elections, despite previously criticizing an earlier version as problematic. S&P Global Ratings said the new stablecoin-focused bill introduced to the US Senate could “encourage” US banks to step into the stablecoin market and potentially spells trouble for large non-US entities that issue stablecoins, such as Tether.)

US Sen. Elizabeth Warren is calling upon authorities to crackdown on the use of digital assets to perpetrate child sexual exploitation, in a letter sent to top US law-enforcement official Attorney General Merrick Garland and Department of Homeland Security Secretary Alejandro Mayorkas. Warren and co-author Sen. Bill Cassidy said, crypto has become “the payment of choice” for such crimes, citing recent reports from FinCEN and Chainalysis. The letter asked the agencies to detail the “additional resources” needed to combat what Chainalysis calls a “growing problem.”

The IMF said Bitcoin has become a necessary financial tool for preserving wealth amid financial instability. According to the IMF, residents of countries with restrictive financial regulations are turning to Bitcoin to move capital across borders more freely. In the report, called “A Primer on Bitcoin Cross-Border Flows,” the IMF sheds light on how the decentralized nature of Bitcoin is being leveraged to bypass traditional banking systems, especially in regions experiencing economic distress or strict capital controls.

The Anti-Money Laundering Regulation passed a final vote in the European Parliament. The bill will force crypto firms to collect more data on users and their transactions, enforce stronger monitoring of non-custodial wallets, and ban tools bolstering anonymity such as crypto mixers and privacy tokens.

Authorities in Thailand are blocking “unauthorized” crypto platforms to increase the efficiency of law enforcement in solving the problem of online crime. The country’s SEC is asking users to “quickly” withdraw their funds.

The Philippines' SEC ordered Google and Apple to delist the Binance app from the Filipino app store, following a push to restrict access to unlicensed crypto trading platforms and protect the local economy and investors.

Consensus, the company behind MetaMask, filed a lawsuit against the SEC in a Texas court on April 25. The complaint alleges regulatory overreach by the SEC. Consensus wrote in the filing: “The US Securities and Exchange Commission seeks to regulate ETH as a security, even though ETH bears none of the attributes of a security – and even though the SEC has previously told the world that ETH is not a security, and not within the SEC’s statutory jurisdiction.” The SEC, under Chair Gary Gensler, is allegedly attempting to make a power grab, the company argued.

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

US prosecutors charged Samurai Wallet founders Keonne Rodriguez and William Loneragan Hill with conspiracy to commit money laundering – the latest prosecution against a privacy platform, like Tornado Cash. The pair allegedly developed, marketed, and operated the mixer, which facilitated around \$2 billion in "unlawful transactions" since 2015. The money laundering and money transmission related charges carry a maximum sentence of 20 years and five years, respectively. The Samurai Wallet website, hosted in Iceland, was seized.

Another person involved in OneCoin was arrested, according to court documents filed in the Southern District of New York. Prosecutors said William Morro was involved in a scheme to hide the source of funds connected to OneCoin by lying to banks about the origin of those funds. Morro participated \$35 million in funds connected to OneCoin to be transferred to an account in Hong Kong and also transferred about \$6 million to an account in the US.

After months of hibernation, the JPEX case in Hong Kong has come back to life. On April 18, Hong Kong police officials said they froze assets worth more than US\$29 million connected to JPEX, a crypto exchange that collapsed in September. Police officials also made more arrests, bringing the total number of employees and social media influencers connected to JPEX to 72. 2,600+ people lost an estimated US\$206 million in JPEX.

The SEC charged Texas-based mining firm Geosyn and its founders with defrauding investors out of \$5.6 million, alleging misuse of funds for personal expenses.

Thailand's SEC is expected to restrict access to unapproved crypto platforms to prevent illegal activities like money laundering.

Ripple Labs advocated for a maximum \$10 million penalty, countering the SEC's request for a near \$2 billion fine following a court ruling that found Ripple in violation of federal securities laws with certain institutional XRP sales.

The FBI warned Americans against using unregistered crypto money transmitting services. Americans should avoid crypto services from firms that are not registered as Money Services Businesses (MSBs) under federal law and do not follow anti-money laundering rules, according to a April 25 statement from the FBI's Internet Crime Complaint Center.

Following harsh criticism from a Utah judge for "gross abuse of power," two SEC lawyers involved in the mismanaged DEBT Box case resigned.

The Blockchain Association is suing the SEC over the recently finalized Dealer Rule expansion, which redefined the term to require more crypto organizations to register with the SEC and comply with securities laws.

The Chivo Wallet, El Salvador's government-backed crypto wallet, suffered a security breach with the release of part of its source code by cybercrime group CiberInteligenciaSV. This leak, disclosed on a notorious black hat hacking forum, also included VPN credentials tied to the Chivo Bitcoin ATM network.

Yao Qian, former head of China's digital yuan project, is under investigation for “violations of discipline and law.”

A critical vulnerability in the IBC protocol could have allowed exploiters to replay a bug to redeem infinite IBC tokens, potentially impacting multiple chains including Osmosis. A patch has since been released and the vulnerability was resolved without any malicious exploitation.

MISCELLANEOUS



Exchange operator Cboe is shutting down its spot crypto trading business, telling institutional clients in a note on April 25 that “regulatory uncertainty and headwinds in the US” played a role in the decision. Exchange representatives said that the plan is to wind down the spot trading division, Cboe Digital Spot Market, by Q3.

Arkham Intelligence reports that significant amounts of cryptocurrency, including holdings linked to Vitalik Buterin, remain unclaimed on various blockchain bridges, urging whales and firms to check their bridge transactions and asset management.

The Injective community approved a proposal to significantly increase the deflation of its native token, INJ, aiming to enhance its economic model by reducing minting and increasing deflationary measures.

Justin Sun drops a Hans Zimmer track amid getting chased by the SEC. The three-minute “song for the Web3 generation” is “a groundbreaking collaboration between legendary composer Hans Zimmer and blockchain visionary [Justin Sun],” according to a YouTube video uploaded by TRON. (Watch it, [here.](#))

CHARTS, TABLES, QUOTES, COMMENTARY & OTHER IMAGES



Matrixport: “A Deeper Bitcoin Correction is Likely.”

Calling the Bitcoin rally since October 2022 has been relatively easy. It was almost a straight line up with less than a handful of pitfalls along the way. We called for corrections in August 2023 and January 2024, which both materialized. Bitcoin also moved according to our cycle analysis and quantitative models. Our October 28, 2022, report called for a Bitcoin rally into the halving with a price projection of \$63,160. The actual Bitcoin price at the halving was \$63,491.

Similarly, on February 1, 2023, we called for Bitcoin to reach \$45,000 by Christmas based on our January effect model. Although Bitcoin traded at around \$22,500 when we revealed our prediction with a +100% upside target, by Christmas, Bitcoin traded at \$43,613.

In late January 2024, when Bitcoin traded near \$42,000, we called for a rally to \$70,000, which has also become pivotal despite being marginally higher than the previous all-time high. While Bitcoin had many tailwinds since early February, several of these support drivers have either become less impactful or have started to become headwinds.

Since Bitcoin made a new all-time high on March 5, the cryptocurrency has attempted to break higher three times, all of which failed. Two attempts (1) and (3) failed because of higher-than-expected inflation data. Attempt (2) failed as US bond yields rallied due to stronger-than-expected manufacturing data, which caused the expectations for rate cuts to decline.

There is ample evidence that Bitcoin mainly trades based on macroeconomic data points. Unless macro data becomes more favorable, such as lower inflation or weaker growth, Bitcoin will likely struggle.

This is precisely why ‘Matrix on Target’ has continued to spend sufficient time predicting and analyzing macro data. Not only was the top in November 2021 formed when the Federal Reserve was expected to become more hawkish and hike interest rates, but the bull market started after inflation data came in lower than most economists expected in January 2023.

Coinbase: New projects that are transforming Bitcoin...

For years now, the prevailing Bitcoin narrative has centered around how well it functions as “digital gold,” or a secure, inflation-resistant store of value. And while more people than ever have access to BTC via innovations like ETFs, developers are increasingly finding ways to innovate on the original cryptocurrency.

Runes

Runes Protocol is a project that allows for the creation of tokens on top of the Bitcoin blockchain – a common practice on networks like Ethereum, Base, and Solana.

It’s the creation of Casey Rodarmor, the developer behind the similar Bitcoin Ordinals NFT project, which makes it possible to “inscribe” data on the smallest units of Bitcoin.

Unlike the non-fungible (or unique) tokens created by Ordinals, Runes users are able to “etch” data onto the blockchain and mint regular interchangeable tokens.

Besides helping send Bitcoin transaction fees to a record high, Runes tokens are catching on with traders. Four days after launching, the most popular Rune had nearly 20,000 holders and a market cap around \$227 million.

DeFi is on the horizon for Bitcoin

Unlike Ethereum, Bitcoin’s code was never designed to run smart contracts. But now that projects like Ordinals and Runes have illuminated possibilities for BTC beyond its traditional “store of value” role, developers are racing to build ways for users to bridge their Bitcoin into protocols that are smart-contract compatible.

Startups including Stacks (see the next item), CoreDao, Lorenzo Protocol, and LeverFi are building solutions that would allow users to stake their Bitcoin on other blockchains or use Bitcoin in DeFi protocols.

One of the biggest Bitcoin Layer-2 networks is making major changes

Because of the way it was designed, Bitcoin has much slower transaction speeds than many newer cryptocurrencies. In an effort to speed things up, a variety of “layer 2” blockchains like Stacks and the Lightning Network have been developed to move some of the traffic off of the main network and onto speedier parallel chains.

Currently, Stacks transactions can only be settled when miners add a new block to the Bitcoin blockchain – approximately every 10 minutes – which is way too slow for fast-moving applications like DeFi.

But the new “Nakamoto” upgrade, which is being rolled out over the next month, will introduce parallel transaction processing, allowing Stacks miners to produce multiple Stacks blocks in between each Bitcoin block. In addition to faster transactions, users will be able to bridge their BTC to Stacks and receive a new token, stBTC, that’s compatible with smart contracts.

“What I'm feeling the most proud of is this may be a massive improvement to Bitcoin UX for normal people,” said Stacks creator Muneeb Ali. “People want a way to use their BTC.”

Matt Hougan's (CIO – Bitwise) Weekly CIO Memo: Five Things To Expect by the Next Halving in 2028...

It's hard to maintain perspective when you follow Bitcoin closely. There is so much that happens day to day that it can distract from the bigger picture.

But events like last Friday's halving offer a good excuse to zoom out. After all, halvings occur only once every four years. We can ask: How much progress have we made since the last one?

The answer is: a lot.

Take price. Bitcoin has gone through four halvings, with its price rising significantly from one to the next:

- 2012: \$13
- 2016: \$639
- 2020: \$8,475
- 2024: \$68,982

Remarkable, no? Zooming out has a way of clarifying things.

The same is true of news. On a daily basis, crypto media is awash in worrying headlines. But pull back and crypto's progress becomes clear. Consider some of the key events from the past four years:

- Bitcoin ETFs were approved in multiple markets, including the U.S.
- BlackRock and other major TradFi firms entered the market
- Coinbase went public
- Starbucks, Nike, Dolce & Gabbana, and hundreds of other global brands launched crypto initiatives
- Stablecoins became a \$150B market
- AML/KYC compliance standards were applied at all major brokerages

Of course there have been setbacks—think FTX, Genesis, BlockFi, and so on. But from any perspective, we are a much larger, more mature, and more institutional industry today than we were in 2020. That's why the price is up more than 700% in four years.

For this week's CIO Memo, I'm going to zoom four years ahead to the next halving and call out five things I think we'll see. Of course, the usual disclaimers apply: These are predictions, not guarantees, and they should not be considered investment advice. Still, it's fun to think long-term for a minute.

Prediction 1: Bitcoin's Volatility Will Decline 50%

Bitcoin's volatility has been declining for years, but I think that decline will accelerate going forward. There are many reasons, but the primary one I'd highlight is the ETFs.

ETFs bring new types of investors into the Bitcoin market—financial advisors, family offices, institutions, etc. These investors act differently than the retail investors who have dominated Bitcoin to this point. On

average, institutional investors are more likely than retail investors to rebalance their portfolios (selling high, buying low) and to make steady drip investments into the market (monthly, quarterly, etc.). This introduces countercyclical flows which could dampen volatility.

Prediction 2: 5% Allocations to Bitcoin Will Become Common in Target-Date Portfolios

One of the reasons I'm so bullish on Bitcoin over the next few years is that the market is reflexive. If I am right that investment professionals will enter the market and help drive down volatility, that will make Bitcoin more attractive to those same investors. As a result, I suspect we'll see the "typical" portfolio allocation rise to the point where it is considered normal to have 5% or more of your portfolio in Bitcoin.

It's hard to qualify what makes a "typical" allocation, so I'd suggest looking more closely at target-date and target-allocation portfolios in the U.S. Bitcoin hardly exists in these wrappers today, but I think this will change in the next few years across ETFs, 529 plans, and 401k plans. And I suspect the more aggressive versions of these portfolios will target 5% allocations or more.

If that sounds unlikely, consider that we're already seeing target-allocation funds pick up Bitcoin allocations in certain markets like Canada, where Fidelity Canada's All-in-One Growth ETF has a 4.1% allocation to Bitcoin today.

Prediction 3: Bitcoin ETFs Will Gather \$200+ Billion in Flows

In the U.S. Bitcoin ETFs have pulled in ~\$12.5 billion in net flows since launching three months ago. That makes them the fastest-growing new ETF category of all time.

I think they're just getting started. One reason why: ETFs are still not broadly available at national wirehouses like Morgan Stanley or Merrill Lynch. Institutions, meanwhile, are still beginning their due diligence. Both of these areas could represent major long-term sources of demand.

ETF history also supports the view that flows are just beginning. Net flows into gold ETFs rose year after year for seven straight years after the first one debuted in the U.S. in 2004. Watch for something similar in Bitcoin ETFs.

Prediction 4: Central Banks Will Begin Allocating to Bitcoin

Central banks are big investors in gold, holding roughly 20% of all the gold that's ever been mined. They've also been big buyers recently, accumulating more than 2,000 tonnes of gold in the past two years. That's more than \$100 billion in purchases.

I think they'll start buying Bitcoin before the next halving. Like gold, Bitcoin is non-debt money—an asset whose supply can't be expanded through borrowing. It also cannot be seized by a foreign government the way sovereign bonds can be (and have been recently). Bitcoin is also more functional than gold from a payments and settlement perspective. Those characteristics are increasingly attractive to governments in our increasingly fractious, multi-polar world, where countries like the U.S. are increasingly using financial tools as levers for foreign policy.

I'd note: There is also an element of game theory here. A major central bank adopting Bitcoin as a reserve asset would be a game-changer for Bitcoin and, I believe, would contribute to a dramatic increase in prices. Will one central bank try to front-run the others?

Prediction 5: Bitcoin's Price Will Trade Above \$250k

While there are a number of factors behind Bitcoin's more than 100x return over the last two halvings, I'd argue the biggest reason has been Bitcoin's movement from a largely speculative asset to one with actual real-world utility. (For more on this, check out this recent CIO Memo.) What utility, exactly? Declining historical volatility, more sophisticated custody options, low correlations to stocks, ease of access through ETFs, and greater institutional adoption.

Over the next four years, I expect that progress will continue.

With the ETFs launched and gathering assets—and major Wall Street firms lining up behind Bitcoin—I suspect the asset will continue to move further into the mainstream. At \$250,000, Bitcoin would be a \$5 trillion asset. Could it go higher? Of course. But \$250,000 would represent solid progress between halvings, and I think we'll see at least that.

A yellow legal pad with “Buy Bitcoin” scribbled on it – the type that will cost you \$8.99 for a three-pack on Amazon – sold for \$1.027 million during an auction. The hastily produced sign was flashed by an intern back in 2017 during televised Congressional testimony of then-Federal Reserve Chair Janet Yellen.



If you use Bitcoin to buy this flame-throwing robot dog, it saves you 10%. (Watch a video, [here.](#))

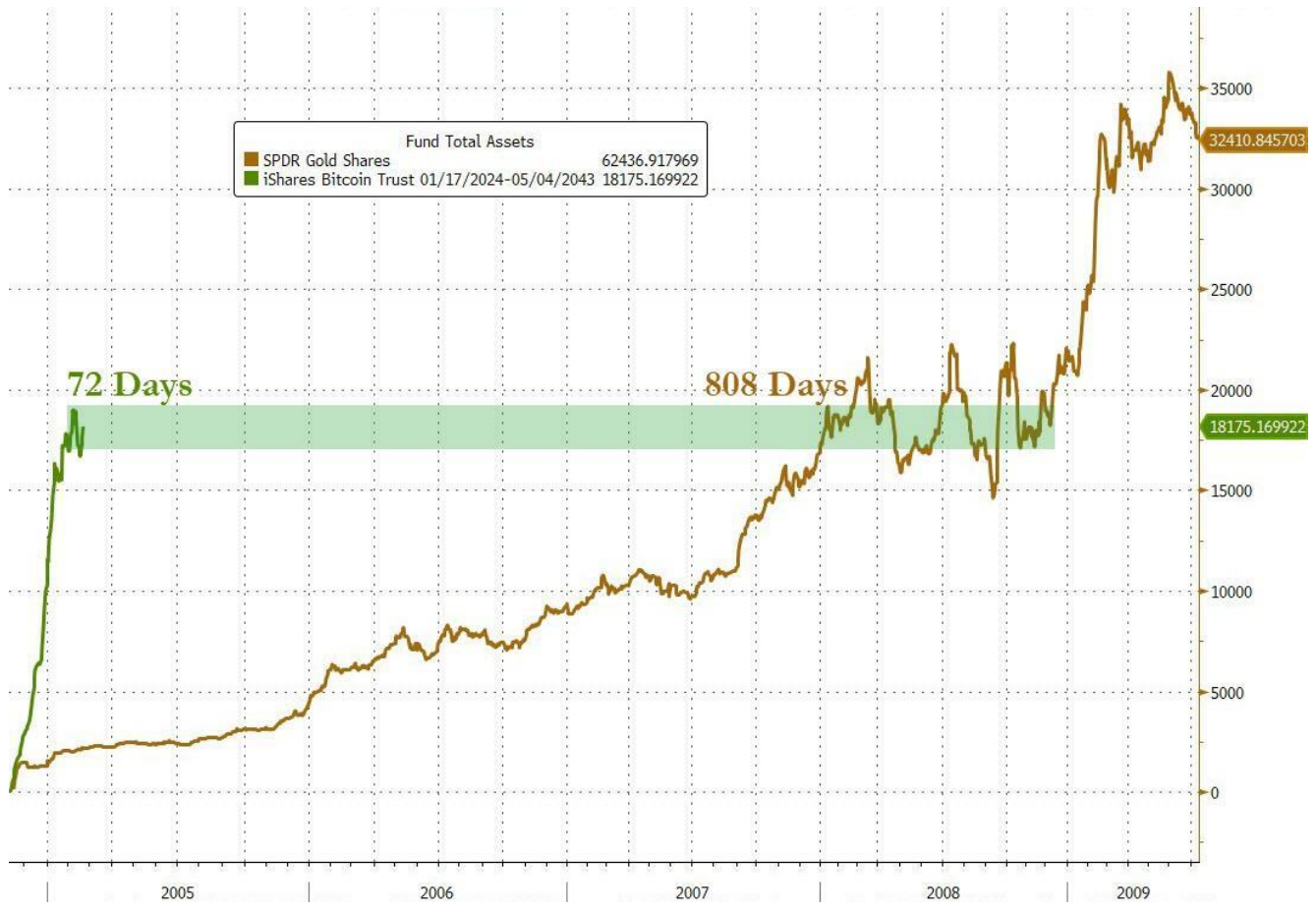
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2:31 PM · Apr 19, 2024

@NateGeraci: SPDR Gold ETF (GLD) took 800+ days since inception to achieve same AUM as iShares Bitcoin ETF (IBIT) has in just 70+ days...



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

Bitcoin Shows Resilience in the face of Hostility: All things considered, BTC has held up incredibly well given the flurry of negative headlines this week (which we'll dive into). BTC is essentially flat over the past five days, sitting at ~\$64,800. It's now been about two months of choppy, sideways price action since BTC breached its previous all-time high in early March. Over the past year and a half, prolonged sideways price action has always been followed by a violent move up. It's unlikely that this time will be any different; sit tight.

Bull Market Drawdowns: Bitcoin, which has held up incredibly well this week given the hostility from regulators and the underwhelming macroeconomic data, sits ~12% beneath its all-time high. The chart below provides perspective on just how insignificant this drawdown is in the grand scheme of things. Bull market drawdowns of this size are more than common. The adoption of a new monetary system will not happen without volatility.

Supply Last Active 1+ Years Ago: We look at this chart frequently, and that's for good reason. Price is found at the intersection of supply and demand, and examining the behavior of old coins gives us good insight into the supply-side of the equation. Most of the circulating bitcoin supply belongs to long-term holders; the only way for supply to meet demand (not counting new supply getting mined, which we'll get into) is for the price to bid high enough to incentivize holders to part with some of their coins. When bitcoin rallied back to its previous all-time high, we saw some of those older coins begin to move, presumably to be sold. However, this "bleed" from long-term holders has stopped; 65% of the supply has not moved in a year or longer, and this level is holding. Those who had any interest in selling at current prices appear to have been exhausted. The next leg up shouldn't be too much longer.

Post-Halving Transaction Surge Brings Mining Revenue to New All-Time High: The halving, a once in every four years event that cuts the bitcoin block subsidy in half, brought a storm of on-chain demand, with daily mining revenue actually reaching new all-time highs on the back of elevated transaction fees, despite the block subsidy dropping from 6.25 to 3.125. Now that ~450 BTC are mined per day, rather than ~900, the amount of persistent sell-side pressure from miners looking to cover their operating expenses is cut in half. This can't be priced in.

Post-Halving Breakeven Prices for Bitcoin Miners: The surge in on-chain transaction fees has since calmed down, and miner revenue has come back to earth. Miners are now earning less than 6 cent per terahash per day, which is approximately the same amount of revenue they were earning at the bottom of the bear market, when bitcoin was at \$16,000. Miners seemingly don't care, the first-difficulty adjustment post-halving was +2%. And difficulty is expected to increase again at the next adjustment; albeit, we're still in the early stages of this difficulty epoch. Despite the crunch in mining revenue, miners with low electricity costs and efficient machines have remained more than profitable; and they're uniquely positioned to experience outsized benefits when the bitcoin bull market resumes. When hashprice reaches the highs it made during the last bull cycle, incumbent miners will profit greatly.

Energy Gravity: At a typical hosting rate today, new-gen Bitcoin ASICs require ~\$49,852 worth of energy to produce 1 BTC.

Summary and conclusion from Glassnode’s “The Week On-Chain” from 4/23/24. (Read the full report, [here.](#))

With the highly anticipated Halving complete, the issuance emission per block has been halved and the scarcity of the asset hardened, with the Bitcoin asset decisively overtaking gold in terms of issuance scarcity.

Comparing across Epochs, a contraction in growth can be noted across Hashrate, Network Settlement, Liquidity, and Miner Revenue. However, the absolute value of these metrics has increased by an order of magnitude, an incredibly impressive feat when observed in relation to the size of the market.

Of note, network profitability across all walks of market investors has largely improved in relation to previous Halvings. This includes the fundamental Miner class, who have entered the Halving with an ATH in Hashrate, suggesting a sufficient security budget to stimulate OpEx and CapEx requirements.

Conclusion from Coin Metrics’ “State of The Network” weekly report from 4/23/24. (Read the full report, [here.](#))

The landscape of Layer-1 blockchain networks has significant implications for the broader crypto ecosystem. As we have seen, L1 networks can be categorized based on their specialization (transaction settlement vs. general-purpose platforms) and their architectural approaches (monolithic vs. modular). These differences lead to variations in network performance, fee structures, and adoption metrics.

As the crypto ecosystem continues to evolve, understanding the nuances and trade-offs between different L1 networks will be crucial for comprehending the broader dynamics and potential of the decentralized ecosystem. The emergence of new L1s and the evolution of existing networks highlight the ongoing innovation and competition in the space, ultimately benefiting users and driving the growth of the decentralized economy.

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 | 5 gwei |
| DeFi TVL | \$172.87 B |
| Fear and Greed Index | 67 (Greed) |


Coinbase’s recent report states that the future direction of digital asset markets, particularly following the Bitcoin halving, is likely to be influenced more by macroeconomic factors than by crypto fundamentals alone. These factors include geopolitical tensions, persistently high interest rates, reflation, and rising national debts. Although previous halvings historically triggered bull markets, the report notes that these cycles were also supported by other ecosystem catalysts. The report highlights Bitcoin's evolving role as a macro asset, with its growing investor base increasingly viewing it as a hedge against geopolitical risks, a shift that has contributed to the reduced severity of market pullbacks. (See the report, [here.](#))

Monthly Outlook: Searching for the (Next) Crypto Catalysts

Markets are searching for catalysts post halving to sustain the 1Q24 rally.

April 18, 2024

[Monthly Outlook](#) 9 min



Chainalysis released “The 2024” Crypto Spring Report.” (Download it, [here.](#))



The 2024 Crypto Spring Report

Assessing the crypto comeback: Recovery
insights and growth opportunities



KPMG Report: Institutional Interest in Crypto Assets Surges in Canada...

- The consulting group's bi-annual survey, "Institutional Adoption of Cryptoassets," received 65 responses, including 31 institutional investors managing over \$500 million in assets and 34 financial services organizations.
- 39% of institutional investors reported having direct or indirect exposure to crypto assets in 2023, marking an increase from 31% in the firm's 2021 study. (Additionally, the survey found that one-third of institutional investors had allocated 10% or more of their portfolios to crypto assets, an increase from a fifth reported two years ago.)
- Half of the financial services respondents stated that they offered crypto asset services in 2023, up from 41% in 2021.
- Half of the institutional investors surveyed have exposure to crypto assets through Canadian ETFs, close-ended trusts, or other regulated products. (Additionally, 58% have exposure through the stock market, such as Galaxy Digital on the Toronto Stock Exchange, an increase from 36% in 2021.)
- More institutional investors are gaining exposure through derivatives markets, which now stand at 42% compared to 14% in 2021. The only decline observed was in venture capital or hedge fund firms, which fell to 25% from 29% in 2021.

Grayscale published a research piece titled "Public Blockchains and the Tokenization Revolution." (See some highlights below. Read the full piece, [here](#).)

- Tokenization refers to the registration of asset ownership on blockchain infrastructure. In tokenized form, assets can potentially benefit from a blockchain's functionality, including more efficient settlement and the ability to interact with smart contracts.
- For the most part, the modern financial system is already fairly efficient, and tokenization itself may not lead to immediate efficiency gains. Rather, the main benefits we believe could come from bringing together users, assets, and applications onto a common global platform.
- From a crypto markets perspective, while a variety of assets may benefit from the tokenization trend, the one with the most potential will likely be the protocol that can provide that common global platform. At the moment, Grayscale Research believes the Ethereum blockchain has the best chance of serving this purpose in the future.

CCData published its “Stablecoin & CBDCs Report – April 2024.” (See key findings below. View the analysis from the report, [here](#).)

- **Stablecoins Trading Volume Reaches All-time Highs.** Owing to the increased volatility and positive market sentiment following Bitcoin surpassing its previous all-time high in March, the stablecoins trading volume on CEXs surged by 98.9% to \$2.18tn in March. This recorded an all-time high for the stablecoins trading volume on CEXs, with USDT accounting for 77.8% of the volume.
- **FDUSD Market Cap Surges to New All-time High.** In April, the market capitalization of FDUSD rose 77.6% to \$3.89bn, recording a new all-time high for the fourth-largest stablecoin. FDUSD trading pairs traded nearly \$388bn in March, with the stablecoin continuing to be the second most popular stablecoin for those trading on centralized exchanges.
- **Gold Stablecoins Trades At Premium.** In April, the market capitalization of major gold-pegged stablecoins, Tether Gold (XAUT) and Pax Gold (PAXG), increased by 4.20% and 4.77%, reaching \$573 million and \$425 million respectively, as gold prices hit an all-time high due to geopolitical tensions in the Middle East. This surge in demand caused the stablecoins to trade at a premium on centralized exchanges (CEXs), with PAXG peaking at \$3014 on April 13th.

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

- SBF signed a settlement agreement with a group of FTX customers who have agreed to drop their class action lawsuit in exchange for his help going after celebrity promoters like Tom Brady and Steph Curry of the collapsed exchange. If approved by a Miami court judge, the settlement would release SBF from current and future civil liability tied to the collapse of FTX – and see him hand over relevant info. Caroline Ellison, Nishad Singh, and Gary Wang, as well as FTX lawyer Dan Friedberg, have made similar arrangements.
- Pantera Capital, which maintains \$5.2 billion in AUM, won the bid for another trove of Solana tokens from the FTX bankruptcy estate, according to Bloomberg.
- Mango Markets, reinvigorated by Avi Eisenberg's market manipulation conviction, passed a governance proposal for a buyback benefiting active governance participants. The largest voter in favor of the proposal was someone who received a high proportion of MNGO tokens from the FTX estate.
- The SEC is ordering Do Kwon and Terraform Labs to pay a cumulative \$5.3 billion in disgorgement and civil penalties after a jury returned a guilty verdict on all counts earlier this month. (Kwon is contesting a Montenegrin high court decision that potentially allows his extradition to the US or South Korea, labeling the interpretation as “unfounded and illegal.”)
- The US Department of Justice is seeking a three-year prison sentence and \$50 million fine for Binance founder Changpeng Zhao following his November guilty plea on charges of anti-money laundering and violating sanctions. “CZ” apologized for his “poor decisions” ahead of his sentencing over anti-money laundering and sanctions violations on April 30. 161 letters of support from family, friends, and crypto industry professionals were filed on behalf of CZ on 4/23/24.
- A Nigerian court adjourned the bail hearing for Binance financial crimes compliance head Tigran Gambaryan until May 17, which is after his trial on money laundering charges is set to begin. A separate trial on tax evasion charges was also adjourned to May 17. Gambaryan has been detained since late February, initially without any charges.
- Nigerian media outlets reported that Nadeem Anjarwalla, the Binance executive who fled the country while in authorities' custody, has been arrested in Kenya. Although the Nigerian government said they expect Anjarwalla's extradition within a week, the Binance executive's wife has denied that he was arrested.
- Celsius Loan creditors are planning to appeal the reorganization plan, citing unsatisfactory recovery terms and considering legal options to amend the agreement.