



HYPERION DECIMUS

CRYPTO NEWSLETTER

POWERED BY WEEKLY CRYPTO BRIEF

4th August 2024

BITCOIN-RELATED



NYDIG (August 2): The price of Bitcoin fell 2.0% in another up and down week. Bitcoin rallied into the events of the Bitcoin 2024 conference in Nashville before bouncing off \$70,000 on July 29 as the US government moved \$2 billion worth of Bitcoins seized from Silk Road in 2013.

NYDIG: On July 30, the trustee for the Mt. Gox bankruptcy made what is likely the final distribution to the initial cohort of creditors, those that elected for early lump-sum and intermediate term repayments, ending a 10+ year overhang on Bitcoin. Mt. Gox made two transfers, of 33.1K BTC and 859 BTC, which are likely in the hands of BitGo. The Mt. Gox trustee still controls 46.2K BTC worth ~\$3 billion, a number underreported by on-chain analytics platforms. We expect these final coins to move to creditors who have opted to wait until the final resolution of the Mt. Gox bankruptcy case, which may still take several years. However, creditors who have opted for the early or intermediate payout have all received their Bitcoins, with the exception of BitGo, which has still yet to make those recently transferred Bitcoins available to its clients.

The US government moved \$2 billion worth of seized Bitcoin on July 29, sparking investor concerns of selling the assets. Arkham Intelligence reported that a wallet tagged as "US Government: Silk Road DOJ" transferred 29,800 BTC related to the Silk Road website to an unlabeled address with no prior history of transactions. Then, the address forwarded 19,800 BTC and 10,000 BTC to two different addresses. Arkham analysts suspected that the 10,000 BTC transfer worth \$670 million was a deposit to an institutional custody or service.

MicroStrategy said that since the beginning of Q2, it had acquired 12,222 Bitcoin for \$805.2 million. In July alone, MicroStrategy acquired 169 BTC for \$11.4 million. Its total Bitcoin holdings, 226,500, came at a cost of \$8.3 billion, or \$36,821 per Bitcoin, as of July 31. (Chief executive Phong Le announced a new metric the company will use as a KP called "Bitcoin yield," which is designed to measure the percentage change in the ratio of the company's Bitcoin holdings to its assumed diluted shares outstanding. Year-to-date, MicroStrategy said it's achieved a Bitcoin yield of 12.2%, targeting an annual yield of 4-8% from 2025-2027.)

It's now been 100 days since the Bitcoin halving cut rewards for Bitcoin miners in half. Research from ETC Group suggests that's the threshold after which post-halving Bitcoin gains accelerate: "The previous halvings paved the way for multi-fold price rallies, with most gains coming after the first 100 days."

Russian lawmakers passed a bill permitting businesses to use Bitcoin (and other cryptos) in international trade. This development is part of Russia's strategy to circumvent Western sanctions imposed following the invasion of Ukraine. The new law, expected to take effect in September, aims to address delays in international payments, particularly with key trading partners like China, India, and the UAE.

In a CNBC interview, Goldman Sachs CEO David Solomon said that Bitcoin "could be a store of value." The answer came in response to Joe Kernan's questions around the viability of Bitcoin as a reserve asset, similar to gold reserves. Solomon, however, acknowledged that Bitcoin could also be a "speculative investment" without a "real use case," though the underlying technology is "super interesting." He analogized Bitcoin to gold, as a non-productive asset which doesn't generate income.

Sriram Bhargav Karnati, a former product developer at Google and Robinhood, is now building Theya – a multisig Bitcoin vault. The mechanism will require multiple participants to sign off on a Bitcoin transaction, allowing users to conveniently manage it from their mobile devices.

Lightning Ventures launched Thunder Funder, a platform allowing retail investors to fund Bitcoin and open-source startups. The Reg CF portal democratizes early-stage investing previously restricted to accredited investors.

INDUSTRY ADVANCES



Hong Kong's Futu Securities launched Bitcoin and Ether trading in partnership with HashKey Exchange, also offering Alibaba and Nvidia shares as rewards for new accounts and deposits.

The Republic of Slovenia issued a sovereign digital bond on, becoming the first EU state to do so. The 30 million euro (\$32.5 million), 3.65% bond sale was a part of the European Central Bank's money settlement experimentation program.

BlackRock's tokenized fund on Ethereum paid out a record \$2.1 million in dividends in July, with total payouts exceeding \$7 million since its launch.

Ripple will allocate \$10 million to tokenized US Treasury bills on the XRP Ledger, marking the first issuance of such tokens on the platform.

Brevan Howard's crypto hedge fund launched a new unit targeting companies that have digital assets on their balance sheets. BH Digital Solutions aims to help blockchain firms, crypto miners, and big corporates generate more returns on their digital asset treasuries.

Telegram introduced an in-app browser supporting decentralized websites and a mini-app store in its latest update, enhancing its Web3 capabilities for nearly one billion users.

UQUID, a pioneer in Web3 shopping platforms, introduced a new feature allowing users to top up their SUBE cards using USDT on the TRON blockchain. This new functionality aims to streamline how Argentine commuters manage their public transportation expenses, leveraging cryptocurrency for

everyday transactions. (SUBE cards are pre-loadable wallets used for public transportation across Argentina.)

California's DMV digitized 42 million car titles on the Avalanche network as part of development to modernize the state's title transfer process with software development firm Oxhead Alpha. Users will soon be able to claim their digital titles via the DMV's application and track and manage them without getting to the office. The time to transfer vehicle titles drops to a few minutes (using blockchain rails) from two weeks via the traditional process.

Hospitality-tech company Blackbird Labs launched Blackbird Pay. Powered by Blackbird's innovative blockchain, the Blackbird Flynet, Blackbird Pay offers restaurants a solution to fight shrinking margins and diminishing cash reserves. Restaurants on the network pay an average of 2% per transaction, significantly lower than typical legacy processing fees. Additionally, Blackbird Pay enables automatic settlement, eliminating the need for diners to wait for the check. Diners also benefit from the option to pay with FLY, Blackbird's native rewards points.

The Philippines chose Venom for its national blockchain initiative. The Venom Foundation plans to digitize the Philippine government's accountable forms using blockchain technology, aiming to revolutionize financial operations and boost economic value significantly by 2030.



Bitcoin's 7-day average mining hashrate hit a new all-time high above 667 exahashes per second during the Bitcoin 2024 conference, reflecting greater security and fundamentals.

Bernstein analysts project a \$20 billion total addressable market in Bitcoin mining hardware over the next five years, driven by new US chip technology and Donald Trump's push to "Make Bitcoin" in America. Bernstein sees this as a tailwind particularly for large-scale US public Bitcoin miners, with the "potential to improve fleet efficiency, drive lower capex (from lower chip pricing) and spare power capacity for AI/HPC opportunities."

Marathon Digital Holdings reported a \$200 million loss for Q2 because of Bitcoin's halving event, increased global hash rates, equipment failures, and higher competition, which reduced Bitcoin production by 30% year-over-year. This is all despite a 78% revenue increase from higher Bitcoin prices and new hosting services.

Riot Platforms reported a widened net loss of \$84.4 million in Q2, up from losses of \$27.4 million in the same period last year. Riot produced much less bitcoin in the quarter, generating 844 BTC during Q2, down 52% year-over-year, despite nearly doubling its installed hash rate. The reduction was primarily due to the halving event in April that cut miners' block subsidy rewards and an overall increase in network difficulty, the firm said. Meanwhile, Riot purchased an additional 10.2 million Bitfarms shares in July, worth around \$26 million, taking its holdings in the Bitcoin mining rival to 15.9%, as an ongoing takeover attempt continues.

MicroBT, a leading innovator in the Bitcoin mining industry, unveiled its latest WhatsMiner M6XS+ series. The new series, featuring air-cooling, hydro-cooling, and immersion-cooling models – in a leap forward in renewable mining technology.

ETPS (EXCHANGE-TRADED PRODUCTS), FUNDS & INDEXES

Grayscale launched the Grayscale Bitcoin Mini Trust (BTC), which began trading on July 31. The new “BTC” came to market via a spin-off of Grayscale Bitcoin Trust (GBTC). It has an expense ratio of just 0.15%.

Morgan Stanley, on August 2, told its ~15,000 financial advisors that it will soon allow them to offer Bitcoin ETFs to some clients, a first among major Wall Street banks. Reportedly, they can solicit eligible clients to purchase shares of iShares Bitcoin Trust and Fidelity’s Wise Origin Bitcoin Fund starting August 7.

Franklin Templeton is optimistic about more cryptocurrency ETFs, including a Solana product. The firm posted: “Solana has shown major adoption and continues to mature, overcoming technological growing pains and highlighting the potential of high-throughput, monolithic architectures.”

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

According to PitchBook, crypto startups have already secured over \$5.5 billion, and investors will pour over \$12 billion into industry projects this year (outstripping the \$8.2 billion raised in 2023).

Italian company Alps Blockchain, a producer of computational power for blockchain and digital mining, has received €105 million (~\$114 million) debt financing from fintech Azimut.

Decentralized lending developer Morpho Labs raised \$50 million in funding led by Ribbit Capital, with participation from major investors such as a16z crypto and Pantera Capital.

The Anoma Foundation, which provides blockchain infrastructure, is seeking to raise \$40 million in a new funding round.

Allium, a leading blockchain data platform for enterprises, raised a \$16.5 million Series A funding round led by Theory Ventures with participation from seed investors Kleiner Perkins and Amplify Partners.

DuelNow, a decentralized sports betting market built on Arbitrum, closed an \$11 million funding round led by GEM Digital Limited.

OKX Ventures and Aptos Foundation launched a \$10 million growth fund to accelerate the Aptos blockchain ecosystem, focusing on DeFi, Real World Assets, and GameFi.

Daylight, a decentralized energy infrastructure project, secured \$9 million in a Series A round, led by A16z Crypto, to build a distributed energy protocol on the Base blockchain.

Mezo, a Bitcoin scaling network built by venture studio Thesis, raised \$7.5 million in a strategic funding round, led by Ledger Cathay Fund.

Hyperbolic, a blockchain-based AI platform, secured \$7 million in seed funding, led by Polychain Capital and Lightspeed Faction to make AI more affordable amidst rising GPU prices.

IPOS, M&A, PARTNERSHIPS & DEALS



Circle, issuer of the USDC stablecoin, is trading at a \$5 billion valuation in the secondary market before its upcoming IPO. It previously attempted to go public via SPAC in 2022 at a \$9 billion valuation, but the deal fell through due to a lack of SEC approval. The exact date of the IPO remains unknown.

Mocaverse, an NFT collection from the blockchain gaming and VC firm Animoca Brands, formed a strategic partnership with Ton Blockchain. This collaboration aims to accelerate the adoption of Web3 technologies among the general public.

DEFI



According to The Block's Data Dashboard, the monthly trade volume of DEXs relative to CEXs is at its highest ever, at 14.22%. The previous record high occurred in May 2023 at 13.7%.

Solana's decentralized exchanges processed \$54 billion in trading volume in July, surpassing Ethereum's \$52 billion for the first time.

AAVE is revamping its staking mechanism and safety module to increase the appeal and sustainability of the AAVE token. The team is considering eliminating slashing risks, using borrowing activity revenue for rewards, and shifting from using staked AAVE for bad debts to using aTokens for added yields.

Rocket Pool, the second-largest protocol in Ethereum's \$44 billion liquid staking business, is eyeing a dramatic change to its design and governance token RPL amid increasing pressure from arch-rival Lido and a new class of competitors.

Nomura subsidiary Laser Digital and Dinero are launching an institutional liquid staking token fully backed by Dinero's pxETH called lpxETH. This product is designed for institutional investors seeking exposure to Ethereum staking yields.

CBDOS & STABLECOINS



The Bank of England and BIS unveiled Pyxtrial, a project for real-time monitoring of stablecoins' liabilities and backing assets, aiming to enhance financial oversight and transparency.

PayPal's Solana-based PYUSD stablecoin reached nearly \$240 million in supply since its May launch, closing in on its Ethereum's PYUSD, which has about \$348 million.

Tether has released its most recent attestation, which claims record profits of \$5.2 billion for the first half of 2024. However, a close review of the attestations shows that Tether's purchases of Bitcoin seem to have been paused.

Wenia, a digital asset company under the Bancolombia Group, integrated Chainlink's Proof of Reserve (PoR) to enhance transparency for its Colombian Peso-backed stablecoin (COPW). COPW is fully backed 1:1 by the Colombian Peso.

NFTS, BLOCKCHAIN GAMING & METAVERSE



Jonathan 'Song-A-Day' Mann and law professor Brian Frye have sued the SEC to help provide regulatory clarity for digital artists who use blockchain technology and NFTs.

Notcoin launched a new Telegram game called "Lost Dogs," integrating NFTs, NOT tokens and a new in-game currency, WOOF. The game is a collaborative effort with TON social projects team Lost Dogs Co. and the NFT trading platform Getgems.

Radix launched RadQuest, a mobile-ready, gamified onboarding platform designed to make Web3 accessible to all. RadQuest features interactive "quests," which give users gain hands-on experience with human-readable transactions, network staking, and DEXs.

The developer of the Illuvium blockchain gaming franchise released three interconnected sci-fi fantasy games – Overworld, Arena, and Zero – onto the Epic Games Store.

Telegram tap-to-earn game Hamster Kombat's new whitepaper revealed that 60% of its TON blockchain-based token airdrop will be allocated to its players.

JOB MOVEMENT



The dYdX Foundation tapped Chris Grundy to lead its marketing strategy. Grundy previously served as a former vice president of marketing at Glassnode.

Bitcoin-focused venture studio Thesis added Kathy Zhu to lead the company's efforts in the Asia Pacific region. Zhu previously worked at crypto exchange giant Binance.

Coinbase named Chris Lehane, Paul Clement, and Christa Davies to its board of directors.

Digital Asset, a blockchain software provider for global financial institutions, market infrastructures, and technology providers, announced Matthew Hoffmann joined as its Director of Regulatory and Government Affairs.

REGULATIONS, RULINGS & COMMENTARY



Following her announcement to supercharge the US dollar and pay down the national debt by establishing a strategic Bitcoin reserve, on July 31 Senator Cynthia Lummis (R-WY) officially introduced the Boosting Innovation, Technology and Competitiveness through Optimized Investment Nationwide (BITCOIN) Act in the US Senate. She said: “As families across Wyoming struggle to keep up with soaring inflation rates and our national debt reaches new and unprecedented heights, it is time for us to take bold steps to create a brighter future for generations to come by creating a strategic Bitcoin reserve. Bitcoin is transforming not only our country but the world and becoming the first developed nation to use Bitcoin as a savings technology secures our position as a global leader in financial innovation. This is our Louisiana Purchase moment that will help us reach the next financial frontier.”

Various Democratic House and Congress members wrote a public letter to the chair of the DNC urging them to “take a forward-looking approach to digital assets and blockchain technology.” They call on the party to add pro-crypto language to the party platform, select a VP candidate with crypto knowledge, a pro-innovation SEC Chair, and lean on industry experts to create better policy.

Plans to vote on a US Senate bill to regulate crypto this week have reportedly been tossed, but it could be picked up again when lawmakers return to Washington in September. (Senate Agriculture Committee Chair Debbie Stabenow, D-Mich., has been working on that bill and planned to hold a markup hearing on July 31 but wasn't able to get support from the top Republican on that committee, Sen. John Boozman, R-Ark.

Johnny Ng, a member of Hong Kong's Legislative Council, announced plans to discuss including Bitcoin in the region's financial reserves.

Justin Sun, founder of Tron, urged China to re-evaluate its strict crypto policies and compete with the US in the cryptocurrency sector following Trump's pro-Bitcoin speech, arguing that such competition would benefit the entire industry.

Fairshake PAC has raised more funds than any other Super PAC for the 2024 cycle, according to Federal Election Commission data compiled by OpenSecrets (reported on July 29). The Fairshake PAC has raised nearly \$203 million, edging out the Make America Great Again Super-PAC, which has raised approximately \$201 million.

The SEC appears to be backing off its charge that some major cryptocurrencies are unregistered securities in an update to its legal challenge against the Binance crypto exchange. According to a July 30 court filing, the SEC: “Intends to seek leave to amend its complaint, including with respect to the ‘third party crypto asset securities’... obviating the need for the court to issue a ruling as to the sufficiency of the allegations as to those tokens at this time.” The 10 cryptocurrencies named in the complaint are Solana, Cardano, Matic, Filecoin, Atom, Sandbox's Sand, Decentraland's Mana, Algorand, Axie Infinity, and Coti.

Ripple executives criticized the SEC's plan to amend its complaint against Binance, calling it hypocritical and adding to the regulatory confusion in the crypto industry.

Crypto firm One Trading exchange secured a regulatory approval from the Dutch Authority for the Financial Markets to operate as a regulated derivatives exchange.

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

The crypto industry has clocked up over \$1.19 billion in losses due to 149 hacks and scams year-to-date following a further \$269.4 million worth of exploits in July, according to Web3 bug bounty and security services platform Immunefi. The year-to-date tally represents a 16.3% increase compared to the same period in 2023, which saw \$1.02 billion in losses.

A Fortune 50 company paid a record-breaking \$75 million ransom payment to the Dark Angels ransomware gang, according to a report by Zscaler ThreatLabz and confirmed by Chainalysis. It was the largest ransomware payment ever.

DeFi lending protocol Compound Finance appeared to be the unlikely victim of a governance attack. A proposal to allocate \$24 million worth of COMP, or 5% of the protocol treasury, to a yield bearing strategy run by a group called the Golden Boys passed. The problem is that the same group had tried and failed to pass the proposal twice before, with Compound governance members raising security concerns over transferring the tokens to a multi-sig wallet outside the DAO's control. (The Compound governance attackers agreed to cancel the proposal in exchange for a staking product.)

BitCloud founder Nader Al-Naji was charged with wire fraud and selling unregistered securities, allegedly misusing \$7 million of investor funds for personal expenses.

The Terra blockchain halted block production for around four hours on July 30 to patch an exploit that resulted in the theft of tokens worth around \$4 million.

Hong Kong police arrested four individuals, including a 14-year-old, involved in a HK\$11 million (~\$1.4 million) crypto fraud using counterfeit banknotes.

Convergence, a Curve-based DeFi protocol, was hacked – causing its CVG token to plunge 99% after the attacker minted 58 million tokens and swapped them for roughly \$200,000 worth of wrapped ETH and crvFRAX.

A 29-year-old Bitcoiner was kidnapped and murdered in Kyiv on July 29 by four male alleged assailants who stole ~\$200,000 worth of Bitcoin from the victim.

Casper Network temporarily halted all operations following a security breach, collaborating with validators to address and contain the issue, ensuring transactions are suspended until the vulnerability is resolved.

MakeNowMeme's X account was briefly suspended but is now back online with minting and replies resumed.

MISCELLANEOUS



Coinbase reported 2024 Q2 revenue of \$1.4 billion, edging out analyst estimates and marking the exchange's third straight quarter in the black. Revenue fell 11% compared to Q1 results of \$1.6 billion but was still 47% higher than the \$954 million generated by the company in Q4 2024. (Cathie Wood's investment company ARK Invest sold \$14.8 million worth of crypto exchange Coinbase shares on August 1, the biggest single-day divestment since May 7, ahead of the exchange's Q2 earnings announcement.)

Decentralized prediction platform Polymarket surpassed \$1 billion in cumulative trading volume since its launch. (Its largest market, the bet on who will be the next US president, has seen over \$474 million in trading, comprising over 45% of the platform's overall volume to date.)

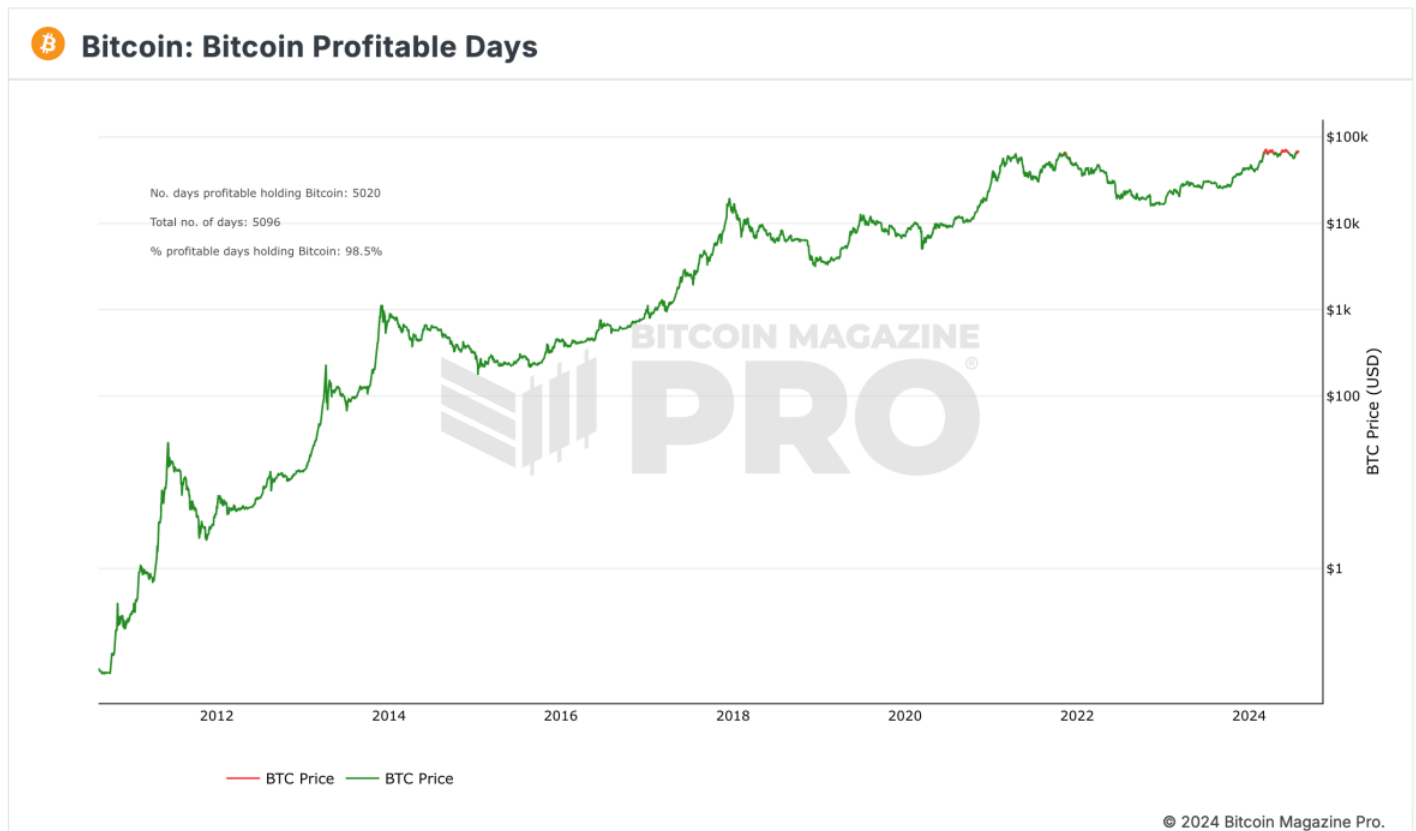
Crypto exchange Bybit is set to cease offering all its products and services in France. (It's not the first time Bybit has left a European country, exiting the UK market last September amid new crypto marketing rules.)

The Jupiter community began voting to reduce the JUP token supply by 30% to address high inflation and community concerns.

ZKX, a social perpetual trading platform built on Starknet, ceased operations as of July 30 and asked users to withdraw funds until the conclusion of the sunset period at the end of the month. Founder Eduard Jubany Tur said: "With much regret, we have to announce the discontinuation of the ZKX protocol. Despite our best efforts, we have been unable to find an economically viable path for the protocol."

CHARTS, TABLES, QUOTES, COMMENTARY & OTHER IMAGES

Bitcoin Magazine: Holding Bitcoin has been profitable for 98.5% of its existence. The data reveals that out of the last 5,096 days since Bitcoin trading began, holding BTC has been profitable for 5,020 days relative to the current price of ~\$66,500 per BTC.



Anthony Pompliano: “My Takeaways from The Bitcoin Conference Speakers.”

The Bitcoin Conference did not disappoint. There is way too much to cover in one letter, so I am going to focus on the four speeches that I believe are most noteworthy.

First, Microstrategy’s Michael Saylor gave a presentation on Bitcoin, including his vision on how the asset can improve financial markets and his bull and bear case for the future asset price.

Saylor used annual rates of return between 21% and 37% for the next 21 years to determine his three potential price outcomes.

Bitcoin 21-Year Price Forecast				
	2024	2045		
		Bear	Base	Bull
				
₿ Price	\$65K	\$3M	\$13M	\$49M
₿ % of Assets	0.1%	2%	7%	22%
₿ Market Cap	\$1.3T	\$68T	\$280T	\$1,030T
₿ ARR		21%	29%	37%

It may surprise some to see Saylor’s bear case of \$3 million per Bitcoin but remember this is over the next two decades.

That would put Bitcoin’s annual return at approximately 2x the S&P 500 each year. The annualized return for the last 5 years is over 40%.

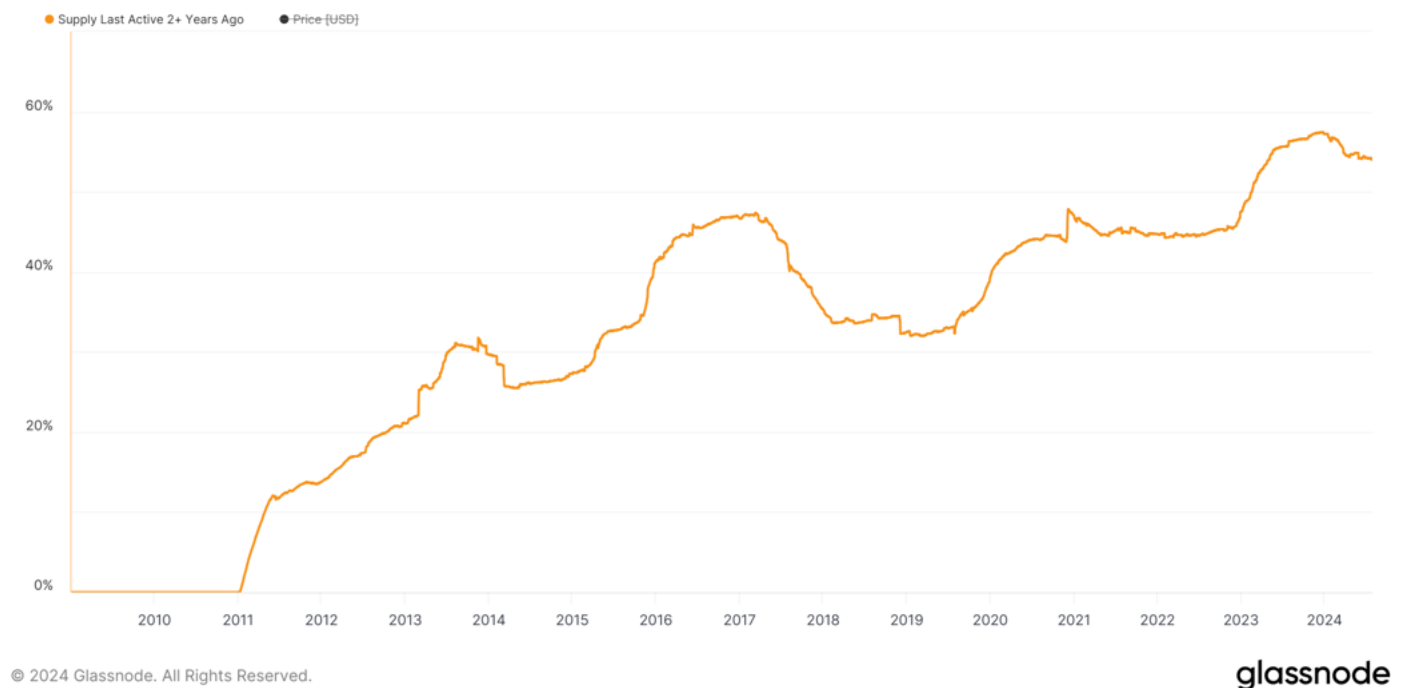
Period	Average annualised return	Total return
Last year	105.7%	105.7%
Last 5 years	42.3%	482.5%
Last 10 years	58.1%	9,676.2%

Given the asset has a fixed supply, and the dollar continues to be debased at a healthy rate, it doesn’t seem crazy for Bitcoin to increase in price by 21% a year for the next two decades.

Next, Presidential candidate Robert F. Kennedy Jr. gave a rousing speech that called for the United States to purchase 4 million Bitcoin as a strategic reserve asset. His plan would be for the country to purchase 550 Bitcoin per day until the full 4 million are purchased.

This sounds like a great idea on the surface, but I highly doubt it is mathematically possible. You can see that more than 50% of Bitcoin's circulating supply has not moved in over 2 years and the general trend is that Bitcoin is becoming more illiquid over time.

BTC: Percent of Supply Last Active 2+ Years Ago



This means it is hard to see a world where one country will be able to acquire ~ 20% of the Bitcoin total supply. Again, the general strategy and idea are compelling, but it is more likely that the United States could acquire 1 million Bitcoin, which would still make them one of the largest Bitcoin holders in the world.

On Saturday, former President Donald Trump gave his highly anticipated speech. He hit almost every major talking point that the audience wanted to hear, including comments saying the cardinal sin of Bitcoin was selling your Bitcoin and professing that “Bitcoin is going to the moon.”

Here is a summary from Reflexivity Research's Will Clemente of the main talking points:



Notably, Trump did not call for purchasing more Bitcoin at the national level. He chose to advocate for the US government to hold on to the approximately 200,000 Bitcoin that is already in the government's possession.

Instead of calling this Bitcoin a "strategic reserve," Trump chose to call it a "strategic stockpile." Although that may sound like semantics, it suggests that Trump is not planning to back the US dollar with Bitcoin or any other type of reserve activity.

This idea of a strategic stockpile from the leading Presidential candidate immediately makes me think other Presidents and countries around the world are going to be creating their Bitcoin strategy this week. They can't allow the game theory to leave them on the wrong side of history.

Another interesting point during Trump's speech was the reaction to Trump's promise to fire SEC Chairman Gary Gensler. You can see the Presidential candidate was shocked by the crowd's support, so he chose to repeat the line with a degree of showmanship. This was another sign that Trump is quickly ramping up his pro-Bitcoin support in an effort to court the growing voter cohort.

Speaking of political support for the industry, it is important to remember that everything we are hearing so far is talk. It is ultimately action that matters. Promises sound great. We won't know till after the election whether any political candidate will actually do what they say they are going to do.

Lastly, Senator Cynthia Lummis followed Trump's speech with a major announcement – proposed legislation that would require the US government to buy 1 million Bitcoin (worth ~\$68 billion). Her thought process is that these Bitcoin would be held for a minimum of 20 years and could help bring down the US debt.

Lummis stated: "This is our Louisiana purchase moment," which refers to the prescient investment of \$15 million the US made to purchase 530 million acres of land from France in the early 1800s.

Overall, the Bitcoin Conference was filled with many amazing speakers and lots of announcements. The Bitcoin Magazine team did a fantastic job from the various talks. You can watch them all online by [clicking here](#).

Matt Hougan's (Bitwise) Weekly CIO Memo: "We're Not Bullish Enough: The Big Takeaway From the 2024 Bitcoin Conference."

I just returned from the annual Bitcoin Conference in Nashville. If I'm being honest, I'm struggling a bit to process what I saw there.

Here are some highlights:

- GOP presidential nominee Donald Trump announced plans for the US to build a strategic national Bitcoin stockpile, saying he wants to make America the "crypto capital of the world."
- Sen. Cynthia Lummis (R-WY) introduced a bill calling for the US Treasury to acquire 1 million Bitcoin in the open market.
- Rep. Ro Khanna (D-CA) called on Democrats to "reject the hostile policies of the past" and embrace Bitcoin as a key part of America's financial future.
- Robert F. Kennedy Jr. – the independent candidate for president – called on the US Treasury to acquire 4 million Bitcoin. That sounded crazy until he provided an explanation: The US currently holds 19% of global gold reserves, and 4 million BTC would represent an equal share of Bitcoin.
- Sen. Roy Haggerty (R-TN) said loving Bitcoin was "in his DNA," equating it with freedom and liberty. His colleague Sen. Marsha Blackburn (R-TN) had trucks roaming the conference area promoting her support of Bitcoin.
- Presumptive Democratic presidential nominee Kamala Harris didn't attend the conference but felt enough political pressure to leak plans for a Democratic "reset" with crypto companies.

This is crazy.

Less than two years ago, FTX was collapsing in a historic fraud, Bitcoin was trading at \$17,000, and skeptics were dancing on crypto's grave. Now politicians are openly talking about building a "Bitcoin Fort Knox."

Of course, it's easy to look at Washington's embrace of crypto as shameless opportunism. Crypto is a political force: More than 80 million Americans own crypto, and the industry has one of the largest super PACs in Washington. Most politicians don't truly love Bitcoin; they are just genuflecting to its rising popularity.

But I'm not sure that matters. When you say "opportunism," I say, "That's how politics works." Politicians are embracing crypto because Americans are embracing crypto.

Regardless, the fact remains: The sense of what's possible in Washington on crypto has shifted. A year ago, the SEC sued Coinbase for operating an illegal securities exchange. Now the US Department of Justice is partnering with Coinbase to secure its crypto – and we're talking about the US holding Bitcoin as a reserve asset.

For investors, these developments mean you need to reevaluate the scale of Bitcoin's potential near-term upside.

As crypto investors, we spend a lot of time focused on downside risk. We're all acutely aware that, at any moment, an event might occur that will drive prices sharply lower. It's fairly common for people to say that Bitcoin "could go to zero."

I think we have to accept that there is now an equal risk to the upside. Could we wake up tomorrow and find out that a G20 country has added Bitcoin to its balance sheet, looking to front-run the US? Could comprehensive crypto legislation get passed more quickly than expected in the US as bipartisan support strengthens? Could Wall Street massively embrace crypto, at a scale much larger than most expect? (Just today, Goldman Sachs CEO David Solomon told CNBC that Bitcoin could be a store of value.)

These ideas would have been the stuff of daydreams a year ago. But after what I witnessed last week, they look more likely than not.

If the 2024 Bitcoin Conference conveyed anything, it was this: It's time to rethink what's possible for Bitcoin.

Travis Kling's (CIO – Ikigai Asset Management) monthly commentary included: “What Is to Come of Bitcoin?”

Bitcoin has been doing more or less the same thing since January 3, 2009 – making new blocks every 10 minutes. The world around Bitcoin has changed a LOT since then, and the world around Bitcoin changed a lot in July 2024. So, I think it's worthwhile to check in on Bitcoin's outlook and investment case in light of these recent changes.

A Refresher

To set the stage, let me restate my investment case for Bitcoin. Bitcoin is a non-sovereign, hard capped supply, global, immutable, decentralized, digital store of value. It is an insurance policy against monetary and fiscal policy irresponsibility from central banks and governments globally. If you've been reading these for a while, that catchphrase should come as no surprise – I have said it many times here over the last five years.

Bitcoin seems to be purpose-built to capture an outsized share of M2 money supply growth and central bank balance sheet growth. So, if you're bullish M2 and central bank balance sheet growth, you should be bullish Bitcoin because it should give you a multiplier on fiat debasement.

Over the last couple years, I have taken to characterizing the expected future returns of Bitcoin price appreciation as “levered NASDAQ with a call option on being the next world reserve currency”. That still makes sense to me. It's been generally trading like that for years and I think it will continue to trade like that.

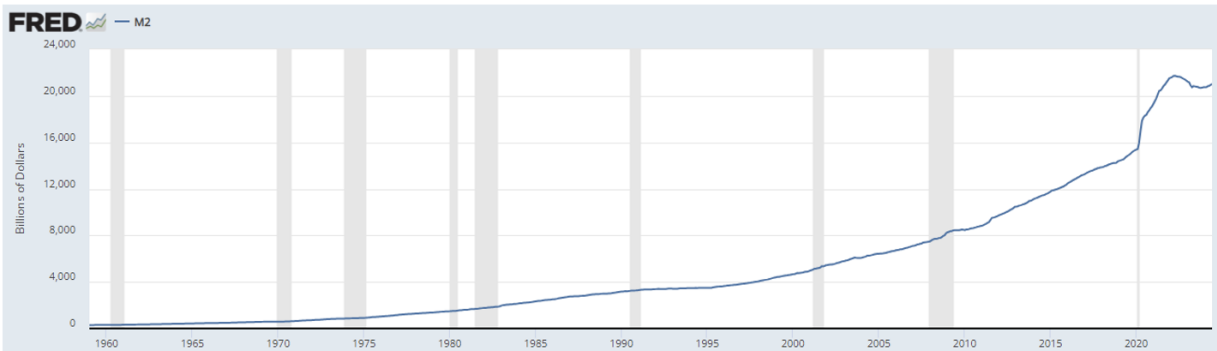
Asset Class	YTD	2023	2022	2021	2020
Bitcoin	53%	155%	-64%	60%	303%
NASDAQ	15%	54%	-33%	27%	48%

Now you can drill down into what exactly I mean by “a call option on being the next world reserve currency.” And I use that phrase somewhat colloquially. What I mean is, if one or more major world currencies collapse, there will likely be a meaningful price response in Bitcoin. My guess is that in a major currency collapse (e.g., Yen) price response in Bitcoin would be sharply down, but then very quickly it may be sharply up, and up more than it went down. And that would be very noteworthy and could accelerate a price response in Bitcoin as the world collectively readjusts its view of Bitcoin's value proposition. Fast forward another decade and maybe the Euro collapses and you do that again, with BTC eventually rerating much higher. Eventually, by the time Millennials turn into Boomers, the chickens might come home to roost for many decades of dollar recklessness, and BTC might have a shot. That's what I mean by “a call option on being the next world reserve currency.”

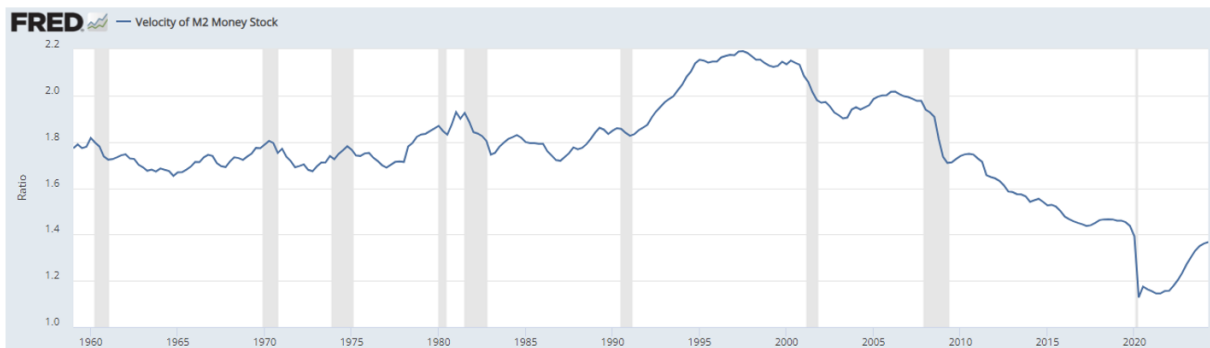
The other moniker I've used to describe Bitcoin's long-term value proposition over the last few years is “pristine collateral”. Bitcoin as pristine collateral. What I mean by that is – we live in a debt-laden global financial system. There are turns and turns of debt everywhere you look – from real estate to high frequency trading. And the USD is the world reserve currency in the sense that contracts and assets are most typically priced in USD. It is the most widely accepted and most widely desired. But with this much debt in the world, US Treasuries are actually the collateral **foundation of the global financial system**.

The interest rate on Treasuries sets the interest rate for every other yield bearing instrument on planet Earth, and in turn the price of every asset on planet Earth.

USD M2 money supply is ~\$21tn:



But the velocity of M2 has collapsed, not ideal for a well-functioning collateral:



When it comes to Treasuries, the aggregate market value is \$28tn:

And trading volume has increased a ton, currently running ~\$320tn a year, that's a liquid collateral foundation!



Source: SIFMA, as of 6/30/24

So that's why Treasuries are the collateral foundation of the global financial system. Objectively, the investment outlook for US Treasuries is challenged over a multi-decade period, which is the period of time you consider when buying 10 and 30-year instruments. Debt-to-GDP, deficit-to-GDP, entitlement spending-to-GDP. These are worrisome metrics for a debt-laden global financial system relying on US Treasuries as the collateral foundation. The only issue is, when you look around for alternatives to US Treasuries as the collateral foundation of the global financial system, your traditional options are all worse. JGB's a joke. ECB debt a joke. China a joke. Eventually you come to Bitcoin and you can squint a little bit and actually put together a cogent argument that Bitcoin would be a better collateral foundation than Treasuries.

It's not like I expect it to get there tomorrow. BTC needs to get a lot bigger, less volatile and more liquid. But I suspect it will do all three of those things over the course of this decade and the next. You wake up in 2034 and BTC is \$10tn market cap, trading \$100tn a year, and that may very well be better collateral than a US Treasury at that point. Bitcoin as pristine collateral.

So, I think all of the above is relevant regardless of who wins in November. That's basically the pitch for Bitcoin either way. But the election will matter.

If Harris Wins

With the information we have currently, a Harris win is unequivocally worse for Bitcoin and crypto than a Trump win. You can hate that or love that, but you'd be foolish to think otherwise. What we don't know is exactly how much worse a Harris administration would be than a Trump administration.

- We still don't know what, if any, official stance the Harris campaign will take on crypto and Bitcoin. Supposedly she is looking to "reset" with crypto companies, but we don't really know what, if anything, that means or will lead to. Stay tuned there.
- On the margin, a Harris executive branch will be less supportive of crypto than Trump, but we don't yet know to what degree. Treasury Secretary, CFTC Chair, Comptroller of the Currency, and a plethora of appointees one level down in seniority. These matter a lot for how crypto and Bitcoin are treated in the coming years, and it's safe to say all of that will be at least somewhat less supportive of crypto under Harris. I would expect some meaningful portion of appointees to stay in their current roles, because a Harris administration is a lot like the current Biden administration. And obviously the current Biden administration has not been supportive of crypto.
- Gensler may soon be gone either way, but if Harris wins and he ends up staying, that is a bad outcome for crypto. If he stays and is empowered by a Harris administration to keep treating crypto so unfairly (not my base case but certainly possible), that would be even worse.
- Which party controls the House and the Senate will matter a lot for crypto as it relates to passing sensible legislation to regulate crypto. But a blue wave would be less likely to pass sensible legislation and may even pass damaging legislation. A red wave would be much more likely to pass sensible legislation. If it's split, it's a toss-up and could go either way.
- A Harris administration would likely be more adversarial towards self-custody and DeFi, based on the demonstrated stances of Elizabeth Warren, Sherrod Brown and the Biden White House. But it's hard to know exactly how that would play out.

- I think at this point, stablecoins are pretty safe either way. I think they probably have bipartisan support as both sides realize stablecoins are strongly pro-dollar.
- A Harris administration will likely sell seized BTC but would likely do so periodically in relatively small sizes so as not to disrupt the market. There's a chance Harris tries to curry favor with crypto folks by announcing she would not sell seized BTC either (like Trump's announcement), but I'm not sure how to weight that likelihood.
- A Harris administration or a blue wave will both likely result in a lot of fiscal spending, deep deficits and M2 money supply growth. It's hard to say whether a Harris or a Trump administration would spend more, but I think it's safe to say both will spend a lot.
- A Harris administration will likely result in generally loose monetary policy although I'm not sure if they would be more or less loose than a Trump administration. Powell will likely be Fed chair until his term expires in May 2026 regardless of who wins in October, and he will be executing monetary policy in response to the business cycle using inflation and labor market signals as a guidepost.

If Trump Wins

As of last Saturday in Nashville, Trump has now promised a lot to Bitcoin and crypto. Additionally, we now have some new insights into Trump's administration that are also relevant.

- The biggest swing factor for a Trump presidency is the potential creation of a Bitcoin reserve fund by the Treasury. Not selling the BTC the US government already has is likely easy to do and I think highly likely to be done if he wins. Buying more BTC through the Treasury is a tougher lift and I don't know how to weight the likelihood it actually happens – feels like maybe 30% chance it happens. My guess is, this could probably get done via executive order, but it may require legislation (which was why Lummis announced a bill to do just that).
- The second biggest swing factor if Trump wins is regulatory clarity for crypto. My guess is, if Trump wins, you get a crypto bull as SEC chair, a crypto bull as CFTC chair and at least a somewhat crypto supportive Treasury Secretary. Not too long after appointment and confirmation, I would guess you would see a series of settlements and no action letters from the SEC and CFTC, along with executive orders out of the White House that would, in aggregate, act as a de facto regulatory framework for crypto, even without legislation.
- If Trump wins, we likely get more crypto ETFs in 2025.
- As mentioned in the Harris Wins paragraph, getting sensible crypto legislation passed will be more likely in a red wave, but I think still possible under a Trump administration with a split congress (although less likely than a red wave). Legislation would take longer than the de facto regulatory framework and may not actually be necessary.
- Trump said he would put an end (at least for four years) to a CBDC. I think that will happen.
- One specific angle on a Trump administration that I haven't seen talked about much is the potential for an explicit strategy of dollar devaluation. JD Vance, from the rust belt, wants to bring

manufacturing back to the United States. The dollar must be weaker or that simply doesn't work – the maths don't math. I'm not sure what the most likely avenues of action would be for a White House trying to devalue the dollar, I'll dig more into it and get back to you.

In the broadest sense, a Trump administration would have: 1) a president who just gave the speech he gave in Nashville last Saturday; 2) a vice president who owns Bitcoin, understands the value proposition of Bitcoin, and despises Gensler; 3) And a senior advisor (at the least) in Vivek that has been a vocal proponent of Bitcoin.

One last point I want to touch on. There has been some commentary along these lines:



Which granted, is fair. Bitcoiners (mostly) rail against the government and (mostly) warn of the eventual collapse of the dollar and other fiat currencies. But yet, here we are, begging on our knees for Trump to have the US government buy a bunch of Bitcoin. A large part of that, undoubtedly, is just number go up in fiat terms. Pump my bags, Orange Man. You can be as principled as you want to be, but if you have a bag of Bitcoin and Trump says he's gonna have the US government buy a ton of it, it's hard not to open a Zillow tab, ya know? Another valid point is that the US buying BTC is good for America and Americans. If you're a true believer in Bitcoin, it's a major step in the right direction of keeping America as the leader of the free world. And the last thing I'll say is – if Bitcoin is going to get much bigger, much more valuable, much more widely adopted, its either going to happen by becoming more institutionalized or its going to happen because of some sort of Mad Max dystopia – and I don't want that and I don't think that's going to happen. So BTC will succeed by becoming more institutionalized. The entire concept of "BTC as pristine collateral" is a deeply institutional outcome. "BTC as pristine collateral" means Bitcoin taking market share from US Treasuries – it doesn't get any more institutional than that. Granted, I do worry about price manipulation of Bitcoin in the coming years in the same vein as gold's price manipulation. Cash collateralized and cash settled derivatives alongside ETFs are the perfect instruments to manipulate Bitcoin's price and neutralize its inherent scarcity. You'd be fooling yourself at this point to think that can't happen or that the powers that be would never do such a thing. It doesn't mean Bitcoin price won't go up a lot in the coming years and decades – it can and I think it will – even more so if we get Trump come November.

Grayscale Research published: “July 2024: Bitcoin Goes to Washington.” (See key points below. Read the full piece, [here](#).)

- Crypto became a more prominent topic in the U.S. presidential election debate in July as the Republican candidate spoke to a major Bitcoin conference, and it was reported that Democrats are considering a “reset” with the industry. The Harris Poll conducted on behalf of Grayscale earlier this year highlighted the importance of the crypto voting bloc, and Grayscale Research is encouraged to see a bipartisan focus on crypto policy issues.
- The election campaigns also brought attention to former President Trump’s views on the US Dollar (he may favor weakness to support manufacturing).
- Separately, spot Ethereum ETPs launched in the US market; the products collectively saw about \$6bn in volume over the first seven trading days.
- Although crypto returns were mixed in July, we see current macro trends as increasingly favorable for the crypto asset class.

A poll via Reddit asked Mt. Gox creditors that are part of the settlement what percentage of their coins they expected to sell immediately after receiving the funds.

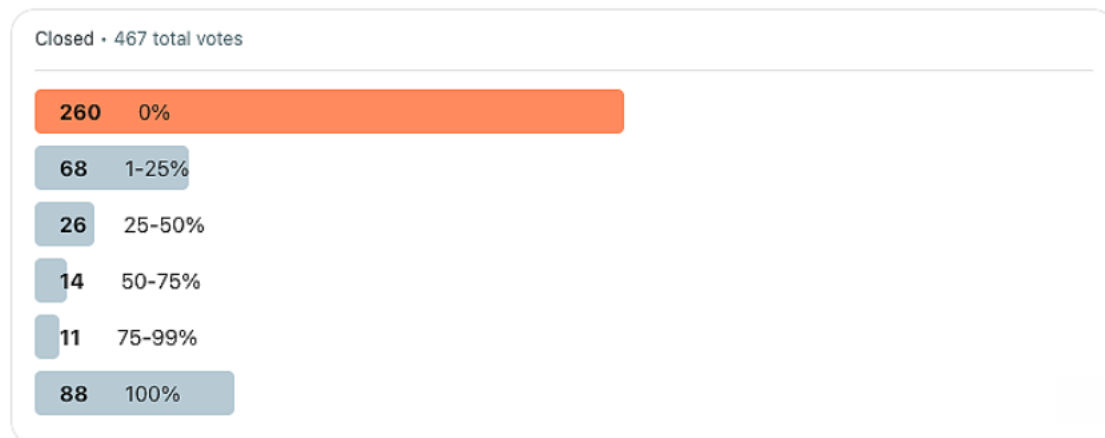
Mt. Gox Creditor Poll

What percentage of your Bitcoins will you sell immediately after receiving them?

// I made another poll, more accurate, please vote on the other one \

Hi guys, this poll aims to understand how much of your Bitcoins you will sell immediately after receiving them.

Please answer to help us holders get a better idea of the overall selling pressure that's potentially coming.



It didn't take long for Bitcoin Magazine to hop on this opportunity. (See hat and flag merchandise available, [here](#).)



Shop "Make Bitcoin Great Again" Merch

Donald Trump is selling "Bitcoin Sneakers" after his keynote speech at Bitcoin 2024. (Only 1,000 pairs, at \$499/piece, were available. They sold out quickly.)

← Truth Details

Trending



Donald J. Trump
@realDonaldTrump

Just spoke at the Bitcoin Conference in Nashville, Tennessee on Saturday. It was GREAT! Get your Bitcoin Sneakers now. These are Limited Edition, they are each numbered, and you can now pay with Bitcoin or your favorite Crypto. Have fun — Go to gettrumpsneakers.com/ before they are gone!



1.78k ReTruths 6.55k Likes



Jul 31, 2024, 10:27 AM

NYDIG: Spot Ethereum ETFs have not generated net inflows, as the outflows from the Grayscale Ethereum Trust (ETHE) have overwhelmed the inflows into the new challenger funds.

Ethereum ETF Comparisons

As of 8/1/24, in millions of USD

Fund	Ticker	Cumulative Fund Flows	Current AUM (\$)
Grayscale Ethereum Trust	ETHE	(2,055.0)	6,274.3
Grayscale Ethereum Mini Trust	ETH	200.9	1,107.5
iShares Ethereum Trust	ETHA	712.9	679.4
Fidelity Ethereum Fund	FETH	291.0	276.9
Bitwise Ethereum ETF	ETHW	288.0	264.7
VanEck Ethereum ETF	ETHV	51.2	57.0
Franklin Ethereum ETF	EZET	29.5	29.6
Invesco Galaxy Ethereum ETF	QETH	14.3	14.6
21Shares Core Ethereum ETF	CETH	10.8	11.8
Total US Spot ETH ETFs		(456.4)	8,715.9
Challenger Funds (ex ETHE)		1,598.6	2,441.6



Source: Bloomberg

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

ETF Flows: The total holdings for US Spot Bitcoin ETFs is up to ~887,000 BTC, a ~22,000 net-gain since the start of June. Prior to this week, total holdings were north of 900,000 BTC. That is until the largest single day of net-outflows, which were almost exclusively out of GBTC. Much of the capital leaving GBTC has done so simply because of their excessively high fees and is ultimately rotated into other Bitcoin ETFs or BTC proxies.

Difficulty: The story of the week for Bitcoin miners is the mind-boggling 10% difficulty increase. Combine this with a recent drop in the price of Bitcoin, and it's unsurprising that miner profit margins have been crunched. Unless the price of BTC makes a move up in the near term, we could be headed towards yet another miner capitulation. We'll discuss this more in Monday's newsletter.

Energy Gravity: At a typical hosting rate today, new-gen Bitcoin ASICs require ~\$60,625 worth of energy to produce 1 BTC.

Summary and conclusion from Glassnode's "The Week On-Chain" from 7/29/24. (Read the full report, [here](#).)

Finally, the long-awaited Mt. Gox distribution is occurring, a substantial victory for the creditors who fought tooth and nail for reimbursement in BTC and not fiat. Albeit, due to the rampant price increase across the decade, a non-trivial degree of sell-side pressure from the recipients can be assumed.

Nevertheless, the profile of the creditors appears to represent one of a HODLer or long-term investor, potentially dampening the magnitude of sell-side pressure across the coming weeks.

Alongside this, the balance sheet of Long-Term Holders continues to grow, while their proportion of network wealth held remains substantially high compared to prior macro topping events. This suggests

that the predominant market mechanic has transitioned to one of HODLing, as mature investors wait for higher prices to part with their coins.

Conclusion from Coin Metrics’ “State of The Network” weekly report from 7/30/24. (Read the full report, [here](#).)

Ethereum’s staking ecosystem has come a long way since “The Merge” and its future direction hinges on a multitude of converging factors.

In light of Ethereum’s staking ratio exceeding 25% of total supply and the number of validators crossing the one millionth mark, researchers and the community alike are considering altering Ethereum’s issuance curve and increasing validators' max effective balance. These proposals stem from the concerns around ETH’s growing staking ratio and centralization tendencies around staking pools, with incentives favoring liquid staking tokens over plain ETH. Additionally, increasing the validators max effective balance from 32 ETH to 2048 ETH is being considered to control the exponential growth of the validator set, reducing overhead for the consensus layer.

The growth of liquid staking & restaking, the arrival of spot Ether ETFs, regulatory developments around staking and potential changes to validator & issuance dynamics present a complex, interconnected landscape that will steer Ethereum’s PoS system for the years to come.

Blockworks updated key metrics...

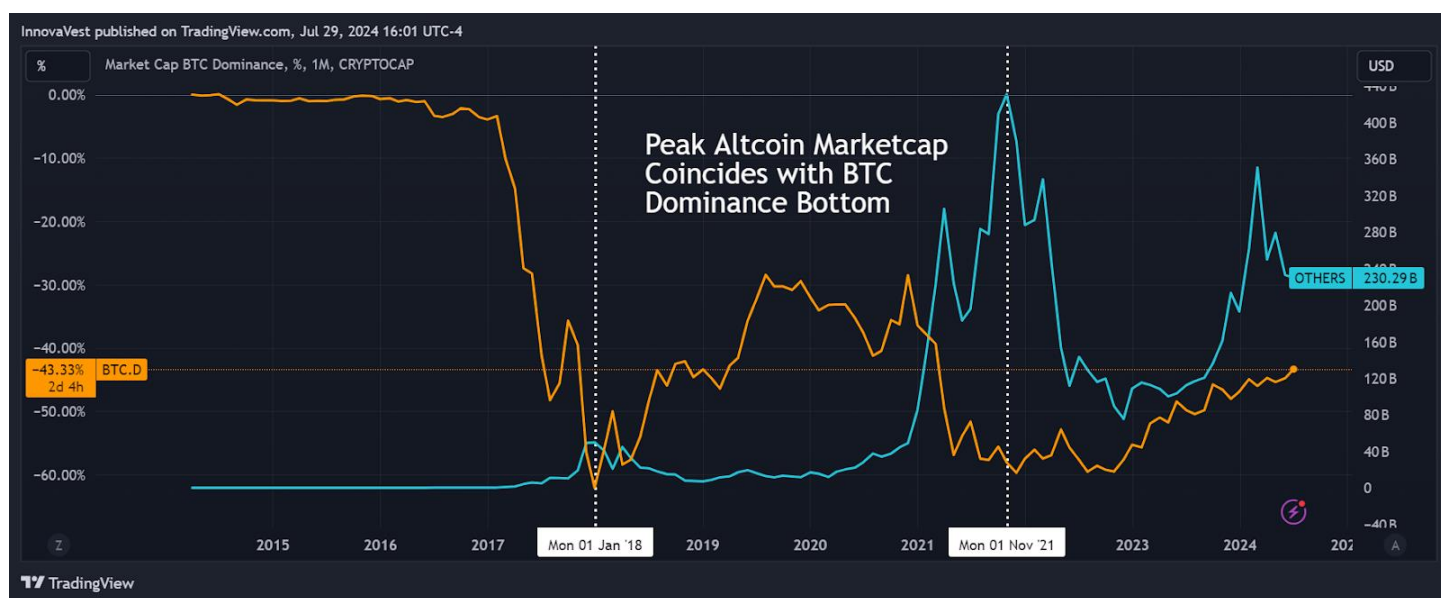
Total Crypto Market Cap	\$2.65 T
Bitcoin Market Cap	\$1.32 T
Ethereum Market Cap	\$421.48 B
ETH/BTC Ratio	0.05
Ethereum Gas Price	2 gwei
DeFi TVL	\$178.72 B
Fear and Greed Index	34 (Fear)

Kelly Ye (Head of Research/PM – Decentral Park Capital): “The Anatomy of a Crypto Bull Market.”

Although crypto history is short, with Bitcoin celebrating its 15th birthday this year, we have already experienced three major cycles: 2011-2013, 2015-2017, and 2019-2021. The short cycle time is not surprising given the crypto market trades 24/7, about five times more than the equity market. The 2011-2013 cycle was predominantly about BTC, as ETH launched in 2015. Analyzing the past two cycles reveals patterns that help us understand the anatomy of a crypto bull market. With the market warming up to the U.S. election and improved liquidity outlook, history might rhyme again.

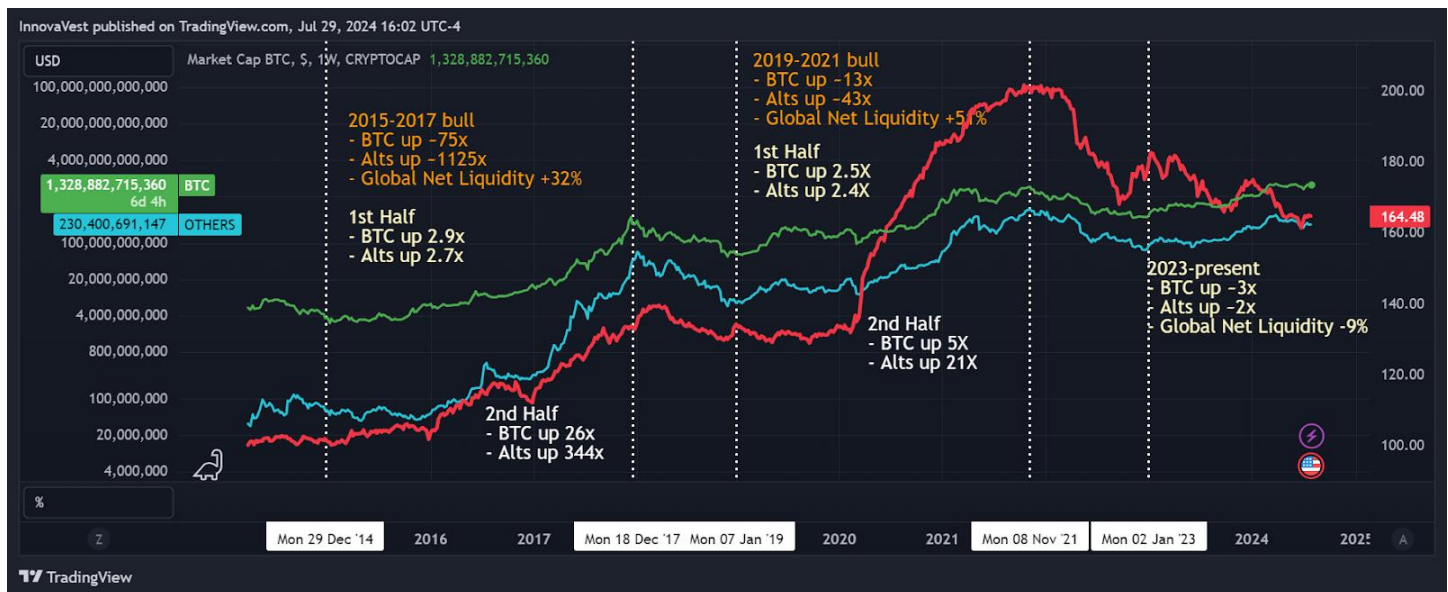
BTC leads Altcoins into the Rally

In both the 2015-2017 and 2019-2021 cycles, Bitcoin initially led the market surge, establishing confidence and setting the stage for a broader rally. As investor optimism grew, capital flowed into altcoins, driving a broad-based market rally. Altcoins' market cap peaks often coincided with BTC's market cap dominance bottom, indicating capital rotation from BTC to alts. Currently, BTC dominance is still climbing from the post-FTX low, suggesting more room for BTC to run before alts catch up.



Altcoins Significantly Outperform in Later Half of the Cycle

In both major cycles, altcoins significantly outperformed Bitcoin after an initial phase where their returns were comparable. This trend reflects investors' increased risk appetite and how reflexive the alts market can be with increased risk capital. In the second half of the 2015-2017 cycle, alts returned 344x versus BTC's 26x. Similarly, in the second half of the 2019-2021 cycle, alts returned 16x versus BTC's 5x. We are about halfway through the current cycle post-FTX, with alts slightly lagging behind BTC. This trend suggests a potential altcoin outperformance in the second half.



Macro Economic Influence

Crypto, like other risky assets, is highly correlated with global net liquidity conditions. In the past two cycles, global net liquidity increased by 30-50%. The recent Q2 selloff was partially driven by tightened liquidity conditions. However, as Q2 data confirmed a slowdown in inflation and growth, the trajectory for a Fed rate cut looks favorable.

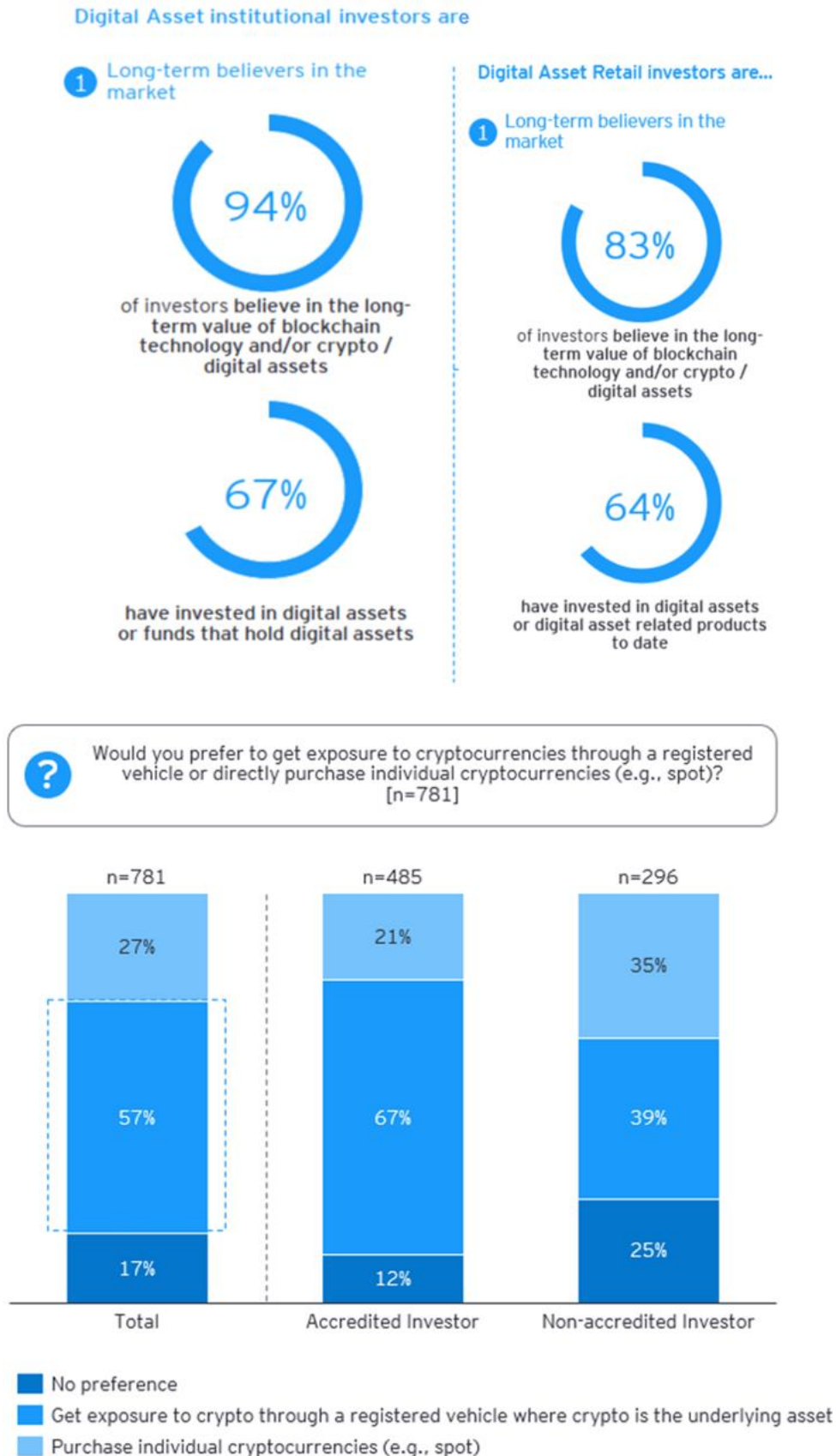
The market now prices in a more than 95% chance of a rate cut in September, up from 50% at the beginning of Q3. Additionally, crypto policy is becoming central in the US election, with Trump endorsing crypto, which may influence the new Democratic candidate. The past two cycles also overlapped with US elections and BTC halving events, adding to the rally potential.

Could This Time Be Different?

While history doesn't repeat exactly, the rhyming nature of past cycles – initial Bitcoin dominance, subsequent altcoin outperformance, and macroeconomic influences – sets up for an altcoin rally. However, this time could be different. On the positive side, BTC and ETH have reached mainstream adoption through ETFs, with record inflows from retail investors and institutions.

On the cautious side, a larger and more diverse set of altcoins competes for investor capital, and many new projects have limited circulating supply due to airdrops, leading to future dilution. Only ecosystems with solid technology and the ability to attract builders and users may thrive in this cycle.

A recent survey conducted by an EY-Parthenon team revealed strong interest in digital assets and a demand for more services and more options.



Grayscale Research published: “How Staking Secures the Ethereum Blockchain.” (See key points below. Read the full piece, [here](#).)

- One of the defining features of public blockchains is their ability to operate without any central authorities. To accomplish this – while also governing how their networks function – they incorporate a set of algorithms and economic incentives, together known as consensus mechanisms.
- The Bitcoin network is secured by miners through a PoW consensus mechanism, while Ethereum is secured by stakers through a PoS consensus mechanism. Unlike PoW, where miners secure the network through computational power, PoS involves stakers demonstrating “skin in the game” by putting their token capital at risk.
- Stakers earn rewards for the service they provide in maintaining the blockchain. Token holders who stake their assets and validate transactions can generate income. However, staking rewards are typically modest relative to token price volatility, and price variability should be considered the primary source of risk and potential return for most crypto asset investments.

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

Stablecoins Volumes On Trend to Record First Increase in Three Months: In July, trading volume for stablecoin pairs on centralized exchanges fell by 8.35% to \$795bn (as of the 25th), marking the fourth consecutive monthly decline. However, volumes are on track to record a higher end-of-month figure, with the increased volatility following the launch of spot Ethereum ETFs. USDT continues to dominate the trading, with 73.5% market share among the top 10 stablecoins by market capitalization.

USDC Market Capitalization & Trading Volumes Surge: USD Coin (USDC) experienced its ninth consecutive month of market cap growth, increasing by 5.36% to reach \$33.6bn. This represents the highest market cap for USDC since February 2023 and its first monthly increase since April. Volumes for USDC trading pairs on CEXs surged by 48.1% to \$135 billion, bolstered by the stablecoin's compliance with the newly effective European MiCA regulations.

Tether Reaches New ATH Market Capitalization of \$114bn: In July, the market cap of TetherUSD (USDT) rose by 1.61% to \$114bn, continuing to record a new all-time high for the stablecoin with its eleventh consecutive monthly increase in market capitalization. The market dominance of USDT is currently at 69.6%. PayPal USD continued to be the largest gainer among the top ten stablecoins, rising 17.9% to \$589mn, a new all-time high for the stablecoin.

On-chain Transfer Volumes Surged in July, Led by DAI: In July, on-chain transfer volumes of stablecoins rose 18.3% to \$999bn. This is the highest recorded volume since the peak in April. Total volumes have risen 69.4% from the previous year, indicating strong momentum following the approval of spot-ETFs in the U.S. Among the top 5 stablecoins on Ethereum, DAI leads the group for on-chain transfer volume with \$599bn exchanged in July, accounting for 59.95% of the market share.

SEC Concludes Inquiry into Binance & Paxos: Following regulatory scrutiny, including a lawsuit threat and an SEC investigation into Binance’s partner Paxos, the market cap of the stablecoin BUSD plummeted by 97.27% since February 2023, and the monthly trading volume on centralized exchanges

dropped by 99.99%. The regulatory pressure culminated with the New York State ordering Paxos to cease issuing BUSD. However, in June, a U.S. judge declared that BUSD was not a security, and in July, the SEC concluded its 18-month inquiry into Paxos without finding any infringements, leading to no penalties for Binance and Paxos.

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

- Former FTX executive Ryan Salame's lawyers requested a New York court to delay his prison sentence to October 13 for urgent surgery, after he was mauled by a dog while visiting a friend's home.
- In an August 1 ruling, the Court of Appeal of Montenegro found that Do Kwon (former CEO and co-founder of Terraform Labs) should be extradited to his native country of South Korea. In doing so, the court rejected an extradition request for Kwon from the US, saying that preference would be granted to South Korea because it was the first country to request his extradition.