



HYPERION DECIMUS

CRYPTO NEWSLETTER

POWERED BY WEEKLY CRYPTO BRIEF

22nd September 2024

BITCOIN-RELATED



NYDIG: Bitcoin screamed higher this week, much of it on the heels of the FOMC's 50 bps cut. Most major asset classes benefitted as well, with long-term US Treasuries being the one exception.

Standard Chartered's Geoff Kendrick is expecting a sustained rally for Bitcoin and other digital assets since the Fed Reserve's rate cut, attributing the expected growth more to favorable macroeconomic conditions than to the outcome of the US presidential election.

Bhutan's government, through its investment arm Druk Holdings, has accumulated over \$750 million in Bitcoin from mining operations. Bhutan is the 4th largest government with Bitcoin holdings on Arkham's platform.

MicroStrategy announced it plans to sell \$700 million in convertible senior notes to buy back debt and purchase more Bitcoin, continuing its aggressive investment strategy. The company also announced it acquired an additional 7,420 BTC for \$458.2 million between Sept. 13 and Sept. 19, averaging \$61,750 per Bitcoin.

Cathedral Bitcoin (TSX-V: CBIT; OTC: CBTF), a Bitcoin company that develops and operates digital infrastructure assets with the goal of maximizing its per-share Bitcoin holdings, announced a non-brokered private placement financing (the "LIFE Offering") of 25,000,000 units of the Company at a price of C\$0.10 per Unit, for aggregate gross proceeds of C\$2,500,000, with an option to upsize the offering by an additional C\$2,500,000 on the same terms. The Company intends to use the net proceeds of the Offering for infrastructure expansion, Bitcoin acquisitions, and general corporate purposes.

Former US President Donald Trump continued his overtures to the cryptocurrency industry on September 18 when he sent a Bitcoin transaction during a stop at PubKey, a crypto-themed bar in New York. A [Fox News video](#) shows the Republican nominee entering the pub and then, with PubKey staff's assistance, completing a transaction for burgers, becoming the first US president, sitting or former, to publicly use the Bitcoin network.

Hundreds of Bitcoin acquired by mining them during the network's early stages were moved on September 20 – joining the rare instances where Bitcoin from the so-termed "Satoshi era" have been

active. Over 250 BTC from that period, worth ~\$16 million at current prices, were moved within an hour during the European morning hours, on-chain tracker Whale Alerts flagged on X. Each transaction was a batch of 50 BTC with the tokens being moved to new wallets.

Commerzbank (Germany's second-largest bank by branches), together with Crypto Finance, will offer Bitcoin (and Ether) trading services to its corporate clients in Germany, with Commerzbank providing custody and Deutsche Boerse enabling trading.

Singapore's largest bank, DBS, will begin offering OTC Bitcoin (and crypto) options trading for institutional clients in Q4 2024. DBS is the first major Asian bank providing sophisticated Bitcoin derivatives amid rising allocation demand.

River, a leading US Bitcoin exchange, launched River Proof of Reserves to provide clients with verifiable proof that their Bitcoin holdings are fully reserved. Its new transparency tool proved it holds over \$800 million worth of Bitcoin in full reserve custody.

Louisiana State Treasurer, John Fleming, MD, announced that the state government will now accept Bitcoin, Bitcoin Lightning Network, and USD Coin, as a valid form of payment for state services. The first cryptocurrency payment was made to the Louisiana Department of Wildlife and Fisheries on September 18.

The Human Rights Foundation announced its most recent round of Bitcoin Development Fund grants. 10 BTC, worth ~\$590,000, is being granted across 20 different projects around the world focusing on technical education for people living under authoritarian regimes. The main areas of focus for these grants center around Latin America, Asia, and Africa.

The Santa Monica-based non-profit Proof of Workforce Foundation, Bitcoin financial services company Fold and Pickle Pop organized a Bitcoin-themed Pickleball tournament, offering a \$5,000 prize pool (paid in BTC) for entrants and winners. The tournament is slated to be held on October 18 in Santa Monica, California during the Peer to Pier Bitcoin Festival. Entrants will also have the opportunity to win Bitcoin hardware wallet devices provided by CoinKite.

INDUSTRY ADVANCES



BNY Mellon, America's largest custodian bank, was identified during public testimony in Wyoming's Select Committee on Blockchain, Financial Technology, and Digital Innovation Technology as having received a "variance" from following the SEC's SAB 121 accounting guidelines for its institutional crypto custody business. As part of a broader federal update on Monday, Chris Land, general counsel for US Senator Cynthia Lummis (R-WY), testified that the SEC, and thus likely other regulators, have cleared the way for BNY to provide institutional custody of digital assets.

JPMorgan Chase, the largest bank in the US by total assets, is setting its sights on expanding its corporate banking presence in Switzerland. The bank plans to utilize blockchain technology to attract new clients and gain market share in the competitive Swiss financial landscape.

Janus Henderson, a TradFi asset manager with \$360 billion in AUM, is entering the tokenized fund space. The firm is set to run Anemoy Limited's Liquid Treasury Fund – a tokenized fund on Centrifuge's public blockchain that gives exposure to short-term US Treasury bills.

WisdomTree is making another push into real-world asset (RWA) tokenization with the introduction of WisdomTree Connect for businesses and institutions. The platform will complement the New York-based company's recently launched retail-facing digital app, WisdomTree Prime, to “offer complementary digital assets solutions across the entire customer spectrum.” Users will be able to hold WisdomTree tokenized funds in their own digital wallets, which can be self-hosted or kept at a third-party custodian.

Six Swiss Exchange is exploring the creation of a venue in Europe for trading cryptocurrencies, in a bid to muscle in on a market dominated by long-standing digital assets firms such as Binance, OKX and Coinbase. SIX is considering using its reputation and Switzerland's advanced crypto laws as a hook for large traditional investors who are growing interested in trading digital assets.

Coinbase's Layer-2 network Base set a new record with over 4.5 million transactions in a single day (September 14), solidifying its lead in the Layer-2 scaling race.

Google Cloud launched an Ethereum-compatible remote procedure call service, enabling developers to access blockchain data and functionality via API calls.

Solana Labs's phone designing subsidiary is slated to ship its second crypto phone in 2025, Solana Mobile announced. Called Seeker, the upcoming handheld will be a major hardware improvement over Solana's first mobile phone, with better battery, a stronger camera and a lighter design than the Saga. It will also ship with a specially-built crypto wallet that ties into the device's partitioned seed vault key storage. Users of the wallet will be able to execute crypto transactions more easily on Seeker than they could on Saga.

Perpetuals-focused decentralized cryptocurrency exchange dYdX will soon enter the prediction markets sector, allowing users to place leveraged bets on the outcome of binary events, as it looks to divert attention from centralized trading venues. CEO Charles d'Haussey said: “The prediction market could offer DeFi a unique opportunity to regain attention.”

Wintermute is set to launch OutcomeMarket, a multi-chain predictions market beginning with TRUMP and HARRIS tokens, leveraging tamper-proof data from Chaos Labs' oracle.

Proof-of-personhood crypto project Worldcoin is set to begin testing facial recognition technology for its World App users. The feature is a “private 1:1 face comparison” that ensures only the person who verified their World ID can access the app, designed to increase the security of transactions.

Chaos Labs unveiled the Edge Oracle Network, a risk-aware, decentralized oracle protocol that is the primary oracle for Solana's Jupiter Exchange. Edge integrates risk management, security, and real-time market context earlier in the data pipeline, allowing for precision during black swan events where traditional oracles often falter.

Frankendancer, a validator client and a prototype of the eagerly-anticipated Firedancer software, launched on Solana's mainnet. Firedancer, Frankendancer's full validator client, is now running on testnet. Its mainnet launch date is yet to be confirmed.

Hyperlane expanded to the Solana and Eclipse blockchains, improving cross-VM interoperability within the Solana Virtual Machine ecosystem. This includes live routes for token transfers between Solana, Eclipse, and Ethereum, positioning Hyperlane to facilitate the growth of multi-chain applications.

WalletConnect, a Web3 communications protocol that connects crypto wallets to decentralized applications, is launching its native Connect Token (WCT) on Optimism's OP Mainnet, with plans to airdrop 185 million tokens. Users can register for the airdrop from September 24, with allocations based on interactions with WalletConnect or contributions to open-source projects.

JPMorgan Chase CEO Jamie Dimon, reiterated his skepticism of cryptocurrencies but highlighted that JPMorgan is probably one of the bigger users of blockchain, calling it an efficient way to share data. Dimon emphasized that the bank's Onyx blockchain network has processed over \$700 billion in transactions since 2020.

Researchers led by Concordia University developed a blockchain-based framework that aims to democratize complex AI tasks, making advanced deep reinforcement learning more accessible and transparent for small businesses and individuals through crowdsourcing and smart contracts.

Probolinggo has become the focal point of technological advancement in Indonesia with the establishment of the country's first Indonesia Blockchain Center (IBC).

MINING



Mining giant Marathon Digital Holdings made some aggressive acquisitions of Bitcoin in August. In a single month, Marathon added more than 5,000 BTC to bring its total Bitcoin holdings to 26,200 BTC, which is currently valued at ~\$1.5 billion. This growth makes the company the second-largest public holder of Bitcoin, behind only MicroStrategy.

Hut 8, a leading Bitcoin mining company, expanded its partnership with BITMAIN Technologies, the world's largest producer of Bitcoin mining servers, to launch the U3S21EXPH, a next-generation ASIC miner. This model will be the first mass-commercialized miner to feature direct liquid-to-chip (DLC) cooling within a U form factor.

Residents of Stokmarknes, a Norwegian town in the north of the country, have been trying to get rid of a local Bitcoin mining facility for three years amid complaints of noise from its air-cooling fans. Last week, they reportedly celebrated as the KryptoVault-managed site ceased operations, according to local media outlet NRK. What the Stokmarknes residents perhaps didn't foresee is a more than 20% hike in their energy bills, as local power company Noranett now seeks to recover from a loss in revenue due to the sites' closure.

ETPS (EXCHANGE-TRADED PRODUCTS), FUNDS & INDEXES



BlackRock's IBIT saw its first positive flows since August 26 on September 16, totaling \$15.8 million. (In

its longest daily run without positive flows since the US spot Bitcoin ETFs began trading in January, the three-week streak had produced 11 trading days of zero flows and two days of net outflows.)

The SEC, on September 20, approved the listing and trading of options on BlackRock's spot Bitcoin ETF. In a statement, the SEC said: "Options on IBIT would provide investors with a hedging and risk management tool to manage exposure to the price of bitcoin and bitcoin-related products and positions." Eric Balchunas, senior ETF analyst for Bloomberg, said: "Huge win for the Bitcoin ETFs, as it will attract more liquidity which will in turn attract more big fish." (Note: This is just one stage of approval, as the OCC and CFTC has to approve as well before they officially list.)

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

Dragonfly aims to raise \$500 million for its fourth venture fund, Bloomberg reported. The crypto VC firm has reportedly already raised \$250 million and is targeting a close by the end of Q1 2025.

Borderless Capital launched a \$100 million fund to support DePIN, backed by investors including Peaq, the Solana Foundation, and Jump Crypto.

Hack VC, a prominent crypto venture fund founded by blockchain veterans Alex Pack and Ed Roman, raised \$77 million toward its third fund, with additional commitments over its initial goal of \$80 million, according to SEC filings, internal documents, and a Forbes' source.

CertiK's new venture arm, CertiK Ventures, announced a \$45 million investment plan which will invest in startups and fund two in-house security products, Token Scan and Wallet Scan, aimed at protecting users from malicious tokens and wallet codes.

Crypto exchange Bitget and Foresight Ventures announced a \$30 million strategic investment in The Open Network (TON) blockchain. The investment aims to support Telegram-based projects, with a focus on tap-to-earn games like Hamster Kombat and Notcoin, allocated through the acquisition of TON coins.

DeFi platform Drift raised \$25 million in Series B funding to expand Solana exchange and become the 'Robinhood of crypto.' Multicoi Capital led the round.

Helius, which provides a suite of tools for developers on Solana, raised \$21.75 million to expand its app developer services. The round was led by Haun Ventures and Founders Fund.

Hemi Labs secured \$15 million to launch its modular blockchain network, Hemi Network, which integrates Bitcoin and Ethereum for building smart contracts and Bitcoin-native applications.

LogX, a DeFi SuperApp, offering leveraged prediction markets and exotic perps, raised \$10.1 million – led by HashedEM.

Permissionless Labs, supported by Multicoi Capital and Solana Ventures, secured \$10 million in Series A funding to develop a decentralized content delivery network on Solana, aiming to challenge centralized models.

Yellow Network, a DeFi protocol, raised \$10 million in a round – led by Ripple co-founder Chris Larsen, with other participants including Consensys and GSR.

DeFi abstraction protocol Infnit raised \$6 million in a funding round involving Electric Capital, Mirana Ventures, Hashed, and Arthur Hayes' family office, Maelstrom.

IN1, a fintech startup which focuses on both fiat and crypto, raised \$6 million in a seed round.

Vana, a Web3 startup focused on building decentralized data pools for AI training, secured an additional \$5 million led by Coinbase Ventures, bringing its total funding to \$25 million.

IPOS, M&A, PARTNERSHIPS & DEALS



Animoca Brands is hoping to go public soon, but the final decision on the timeline is dependent on the “market’s status, amongst other” aspects, according to chairman Yat Siu. Siu added: “We are midway through the audit, which is a critical piece of the IPO puzzle.”

Circle is relocating its headquarters to New York’s 1 World Trade Center ahead of its planned IPO, signaling its growing importance in the global financial system.

A Nigerian government think tank, Nigerian Institute of Social and Economic Research (NISER), partnered with Japanese enterprise blockchain firm Soramitsu to expand blockchain research in the West African nation.

BlockFills announced a new integration with New Change FX (NCFX) to enhance the quality and reliability of its services for institutional clients. This partnership introduces NCFX's benchmark data into BlockFills' offerings, setting a new benchmark for data-driven insights in the crypto market.

Sui – a cutting-edge, Layer-1 blockchain – announced it will be the official partner of ONE Championship, the world's largest martial arts organization.

XTCC, a firm specializing in creating tradable financial instruments tied to high-integrity carbon credits announces a strategic partnership with Carbonmark, a global climate, blockchain-based platform for buying, selling and retiring carbon credits. The partnership aims to democratize and scale the carbon credit market.

DEFI



Bernstein analysts said DeFi yields are set for a comeback amid the likely US rate cuts and could rise above 5% to beat money market funds.

DeFi lender Sky, formerly known as MakerDAO, decided to offboard Wrapped Bitcoin (WBTC) as collateral after a community vote, effecting \$200 million in loans tied to the token.

CBDCS & STABLECOINS



40+ financial firms joined the Bank for International Settlements' Project Agorá to explore how tokenization, through integrating commercial bank deposits with CBDCs, can improve cross-border payments.

After several years of exploring the possibility of introducing a digital currency in Canada, the central bank is shelving the idea. The Bank of Canada confirmed it has shifted its focus away from the idea of introducing a digital Canadian dollar, which could be used for online purchases and money transfers.

Tether's USDT is cementing its dominant position and now accounts for almost 75% of stablecoin market value, up from 55% two years ago – per Token Terminal.

MiCA-compliant fintech firm Monerium launched EURE on the Noble blockchain, making it the first euro-backed native stablecoin within the Cosmos ecosystem.

BitGo plans to launch a new stablecoin, USDS, in January 2025, which will reward institutions providing liquidity, aiming to create a more open and equitable ecosystem for stablecoins.

Fintech giant Revolut is reportedly developing its own stablecoin, aiming to expand its crypto offerings and compete with major players such as Tether and Circle.

Two former high level Coinbase employees are launching a stablecoin-focused crypto platform called TrueX that will use PayPal's stablecoin as its preferred token for transactions.

Circle teamed up with Sony Block Solutions Labs to integrate Bridged USDC on the Soneium blockchain, enhancing its use as a primary token for secure, borderless transactions. Circle also announced the launch of its USDC stablecoin on the Sui blockchain. Plus, Circle expanded its USDC stablecoin services to Brazil and Mexico, enabling instant conversions between local currencies and USDC via the PIX and SPEI payment systems.

NFTS, BLOCKCHAIN GAMING & METAVERSE



DeGods switched to a “404” hybrid token model. This model combines the closedness of NFTs and NFT communities with the accessibility of fungible tokens, enabling broader participation in the community, while maintaining the prestige and emotional value of owning unique NFTs. The innovation aims to narrow the current valuation gap between NFTs and memecoins.

DappRadar: Blockchain gaming set a new record with 4.2 million daily active users in August. The Web3 gaming industry saw a 5% increase in daily unique active wallets last month, despite falling to second place in terms of the most active crypto sector amid the AI boom.

Catizen's TON blockchain-based CATI token went live for trading on September 20 via centralized exchanges, including Binance, Bybit, and Bitget, following a two-month launch delay. The Telegram

clicker game airdropped 150 million CATI tokens, representing 15% of the total supply, to eligible players based on their game activity as part of its Season 1 distribution.

Flappy Bird, a 2014 viral app game that was pulled by its developer due to the scale of its success, is coming back with a crypto-powered “flap-to-earn” mode. Ironically, its creator Dong Nguyen said: “No, I have no [relation] with their game. I did not sell anything. I also don't support crypto.”

Ronin, an EVM-based blockchain, is boasting multiple new studios on its blockchain, per Sky Mavis. These studios – including Cambria, Infomon, Kuroro Beasts, Last Odyssey, Party Icons, Pixel Heroes Adventure, and Xtremeverse – are part of an initiative to use the Ronin blockchain for brand new Web3 games.

Basebet.io, the leading blockchain-powered casino and sportsbook, is excited to introduce the BBT token. The token provides players with access to staking opportunities, VIP program acceleration, and enhanced jackpot features, creating new avenues for engagement.

Pluto Studio faces backlash after unexpectedly altering Catizen game airdrop criteria, leaving many players disappointed with their token allocation.

JOB MOVEMENT



The Crypto Recruiters: A quick LinkedIn search for profiles containing the keyword “blockchain” on their resumes produces 152,000 results while “crypto” shows 119,000. This is a decline from the peak employment in crypto at about 211,000 mid-2021 due to bear markets, inflation, and layoffs. But, as professional recruiters, we think the market for hiring is as strong as it’s ever been, especially for experienced candidates (in crypto 3+ years).

Platonic, a company empowering global financial institutions through decentralized common market infrastructure, appointed Altin Hoxha as its Chief Technology Officer.

REGULATIONS, RULINGS & COMMENTARY



Former US president Donald Trump appeared in a live X Spaces broadcast to promote and launch his family's new crypto business, World Liberty Financial. While the two-hour live stream was scant on details, Corey Caplan (cofounder of the decentralized lending platform Dolomite), who is working as an adviser for the Trump crypto project, eventually revealed World Liberty Financial would “sell and otherwise distribute governance tokens called WLFI.” WLFI, which will be used by holders to vote on the project's direction, will not be transferable and will not earn yield. WLFI will be divided up between the project's founding team, who will receive 20%, with 17% put aside for user rewards and the remaining 63% of the coins available for the public to purchase.

Donald Trump is the so-called crypto candidate, but VanEck analysts have made a case for a Kamala Harris win being a bigger boost for Bitcoin. (Read their reasoning, [here](#).)

With 50 days left until the US election, the crypto-backed Protect Progress Super PAC has poured \$7.8 million into Senate races in Arizona and Michigan to support Democratic candidates.

Crypto interests are set to spend \$32 million on TV ads promoting Bernie Moreno, Ohio Sen. Sherrod Brown's Republican opponent, by the end of September, according to Democratic media buyers. The spending began on August 22 – meaning, the crypto interests are spending more than \$800,000 per day to flip the Ohio Senate seat, and potentially control of the Senate.

Two Republican Congressional Representatives, Tom Emmer and Patrick McHenry, are demanding clarity from the SEC about how regulators view airdrops. They penned a letter to SEC Chair Gary Gensler, expressing concern that regulators have “misapplied” securities laws to airdrops, a technology, they say, that plays a “crucial role in the development of a decentralized blockchain system.”

Lawmakers from both sides of the aisle, on September 18, expressed frustration with the SEC's current approach to digital assets. The hearing, entitled “Dazed and Confused: Breaking Down the SEC's Politicized Approach to Digital Assets,” featured legal experts and market participants as witnesses. (Read more about it, [here](#).)

The CFTC urged an appeals court to block election betting on Kalshi's prediction market, arguing it undermines election integrity, while Kalshi defended its contracts and compliance with regulations.

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

Two men were arrested for allegedly stealing \$230 million in Bitcoin from a creditor of bankrupt crypto lender Genesis through a social engineering scheme, using a crypto mixer to hide the funds.

Hacking group Dark Angels pulled off the largest known ransomware attack, receiving \$75 million in Bitcoin, after targeting drug distributor Cencora earlier this year.

Crypto exchange BingX was hacked for nearly \$43 million in multiple tranches, with \$13.25 million ether, \$2.3 million BNB, \$4.4 million USDT, among other being drained. The firm's chief product officer said the exchange plans to compensate users for any loss.

The hackers behind last month's cyberattack on Seattle-Tacoma International Airport are demanding a 100-Bitcoin ransom (~\$6 million) for stolen data. The airport's aviation managing director, Lance Lyttle, said an internal investigation of the cyberattack remains ongoing, but that officials have confirmed that ransomware gang Rhysida was behind the hack. Lyttle also stated: “With regards to paying the ransom, that was contrary to our values and we don't think it's the best use of public funds.”

Delta Prime, a crypto broker, lost \$6 million worth of crypto assets after a hacker exploited an admin's compromised private key. The team said: “The risk is contained, we're working on asset-retrieval and the insurance pool will cover any potential losses where possible/necessary.”

Stablecoin issuers froze nearly \$5 million linked to North Korea's Lazarus Group after a blockchain investigation revealed the group laundered millions in stolen crypto.

Wallets connected with the Telegram bot Banana Gun were compromised on September 19, according to several community reports, with at least some users' funds being drained. At least \$1.4 million worth

of Ether was stolen, according to yannickcrypto.eth. Banana Gun's Telegram bot was taken offline as a result.

Flyfish Club, the company behind the members-only club scheduled to open in Manhattan this month, settled with the SEC over alleged violations. Per the settlement agreement, Flyfish has until September 26 to destroy all Flyfish NFTs in its possession, cease accepting royalty payments from secondary market trading platforms on Flyfish NFT sales, and pay a civil penalty of \$750,000.

The lawsuit launched by Consensys against the SEC and Chair Gary Gensler was dismissed in a Texas court on September 19. (The suit was originally filed in April and contained some bombshells including the allegation that the SEC had opened an investigation into Ethereum and that the regulator had issued the company behind MetaMask a Wells notice.)

The SEC intensified its scrutiny of Binance's token listing and trading practices, filing an amended complaint that addresses previous legal concerns and strengthens the case against the exchange.

Binance blacklisted attacker addresses linked to the rise of Clipper malware attacks, which alters crypto withdrawal addresses. Several users have experienced financial losses, according to the exchange, and its advising users to verify wallet addresses and scan for malware before making transactions.

German authorities shut down 47 crypto exchanges allegedly involved in illegal activities such as money laundering, citing failure to meet KYC requirements.

The YouTube channel of India's Supreme Court was compromised in a first such incident for the judicial body. The channel, which otherwise streams court cases for viewers and the press, showed videos promoting XRP tokens. Its name was changed to "Ripple.live24." The video and the channel were taken down shortly afterward.

The SEC charged DeFi platform Rari Capital and its co-founders for misleading investors and conducting unregistered broker activity, settling the case without admission of guilt from the defendants.

Rumors that Coinbase issued "paper Bitcoin" IOUs to BlackRock were denied by CEO Brian Armstrong and industry experts, dispelling fears of market manipulation.

Coinbase reported delays in Polygon transfers following a recent network upgrade, though buys, sells, and fiat transactions remained unaffected. The platform later issued an update stating the problem had been identified and a fix was being implemented, assuring users that their funds were safe.

Ethena Labs temporarily shut down its frontend website after its domain registrar account was compromised, warning users to avoid interactions with any potentially malicious sites.

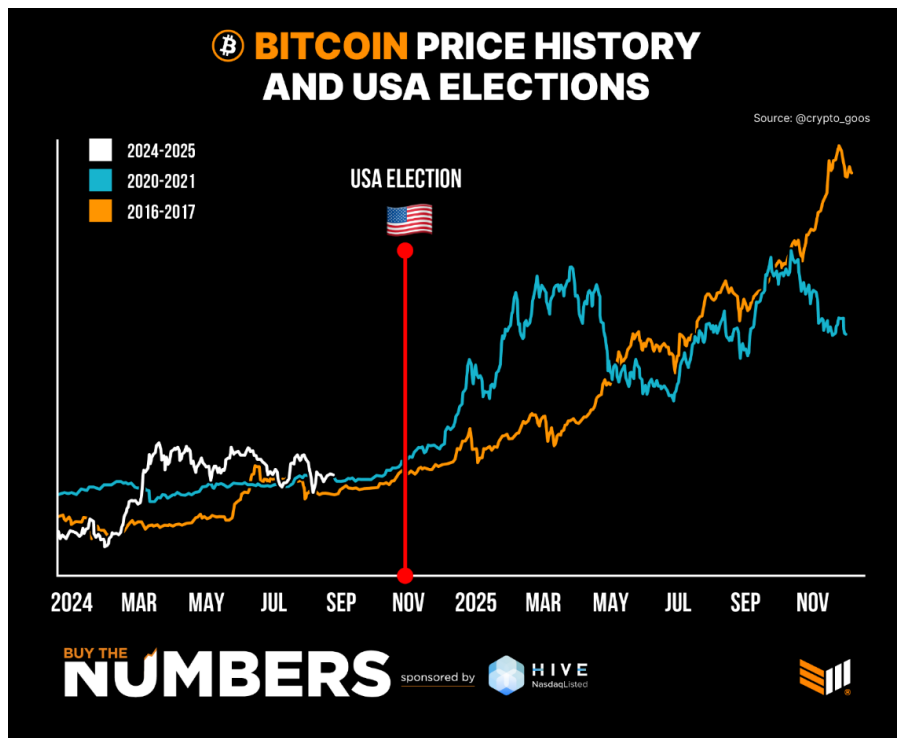
MISCELLANEOUS

Ethereum developers confirmed that the "Pectra" upgrade will be split into two phases, reducing complexity and maintaining the planned release date of early 2025 for the first part.

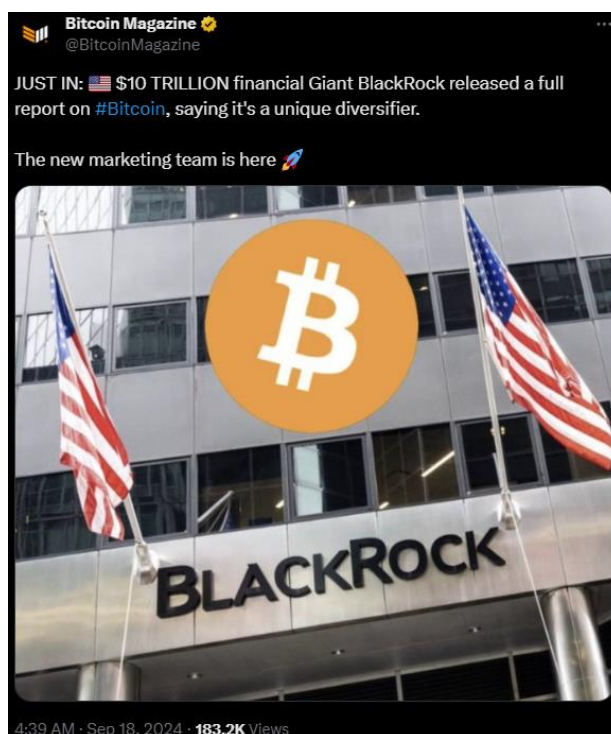
“Vitalik: An Ethereum Story” is a documentary chronicling Buterin and Ethereum’s community of builders as they fight for an open internet. The film will be available to stream through a token-gated website at ethereumfilm.xyz for 30 days and aims to be on major streaming platforms in 2025.

CHARTS, TABLES, QUOTES, COMMENTARY & OTHER IMAGES

HIVE Digital Technologies: Bitcoin's Historic Performance Following US Elections...



BlackRock released a new report: “Bitcoin: A Unique Diversifier.” (See the 9-page report, [here](#).)



Matt Hougan's (Bitwise) Weekly CIO Memo: "A Contrarian Bet on Ethereum – It's Cool to Hate Ethereum Right Now. I Bet This Ends Up Looking Silly."

No one likes Ethereum right now.

The ETH/BTC ratio—a comparison of the price of Ethereum versus the price of Bitcoin—recently hit its lowest level in three years. On a year-to-date basis Ethereum is flat while Bitcoin is up 38%, and Ethereum's top competitor, Solana, is up 31%.

The vibes in the community are tough.

There are many reasons for Ethereum's doldrums:

1. Election Risk: Ethereum faces material risk in the November election. While Bitcoin has largely passed regulatory scrutiny – even SEC Chair Gary Gensler admits it's not a security – Ethereum has not. The SEC appears to think that staked ETH is a security, and the agency has significant worries about the broader DeFi ecosystem that drives much of Ethereum's value. If Harris wins and continues the Biden administration's skeptical posture towards crypto, Ethereum could face challenges.
2. Rising Competition from Solana and Others: Ethereum faces rising challenges from newer blockchains that offer higher throughput and lower costs. Solana is the leading example of this, but others – both existing and soon-to-launch – are starting to crowd the space. It's somewhat cool in crypto circles to be bullish on Solana and other new chains and bearish on Ethereum because of its older, costlier tech.
3. Challenged Tokenomics: Over the past few years, the Ethereum community has made the decision to focus on growing transaction volume on "Layer 2" networks that surround Ethereum rather than on the core (or "Layer 1") Ethereum blockchain itself. This has been wildly successful – transaction activity on Layer 2s like Base, Arbitrum, and Optimism is soaring. But the rise of Layer 2s has shifted so much volume away from Ethereum that its revenues are down to a four-year low. Many wonder if Ethereum has shot itself in the foot by scaling away from the foundational Layer-1 blockchain.
4. Mixed ETF Results: Ethereum ETFs have not had the same overwhelming success as Bitcoin ETFs. While newly launched ETFs have gathered billions, they've been more than offset by \$2.7 billion in outflows from the Grayscale Ethereum Trust (ETHE).

These are good reasons to be concerned. But I think they miss the broader point.

From 30,000 feet, it's true that blockchains like Ethereum and Solana are both trying to create a "public computer" – global databases that other people can use for building applications. But when you look at which applications are seeing breakthrough success, they're almost all dominated by Ethereum:

- Stablecoins: More than half of all stablecoins are issued on Ethereum.
- Decentralized Finance (DeFi): Over 60% of all DeFi assets are locked on Ethereum.
- Polymarket: The breakthrough prediction market ultimately settles on Ethereum.

There are many more examples.

When BlackRock wanted to build a tokenized money market fund this year, it built on Ethereum; that fund now has more than \$500 million in assets under management. When Nike launched a Web 3 gear platform called .Swoosh, it launched on Ethereum. When the next large traditional company wants to do a blockchain product, I bet they'll choose Ethereum too.

Ethereum has the most active developers, the most active users, and a market cap that is 5x bigger than its closest competitor. It's the only programmable blockchain that has a modicum of regulatory support in the US, with a booming regulated futures market and a multi-billion-dollar ETF market.

It's like the Microsoft of blockchains. Everyone wants to talk about Google and Slack and Zoom, and with good reason: Each of them has brought game-changing technology to the market. But Microsoft is still larger than all of them put together.

None of this means I'm bearish on Solana or other chains. They are having significant impact, and there is a lot to be excited about. But I think people are too quick to look past Ethereum and the real-world success we're already seeing in its ecosystem.

From my seat, none of Ethereum's challenges seem existential, and its opportunities are brimming. I suspect the market may reevaluate Ethereum as we get closer to the November elections and any regulatory clarity that emerges. For now, it looks like a potential contrarian bet through the end of the year.

Dennis Porter: Peer-reviewed paper highlights Bitcoin mining's ability to enhance green energy, biomass generation. (Read a summary, [here](#). Download the full paper, [here](#).)



Perspective

The Potential Relationship between Biomass, Biorefineries, and Bitcoin

Georgeio Semaan *, Guizhou Wang , Quoc Si Vo and Gopalakrishnan Kumar

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

Bitcoin Making a Move: Bitcoin has responded well to the rate cuts and is back above short-term holder realized price, with its sights set on surpassing the 200-day moving average (~\$64k). If we get a convincing breakout above these levels then we are likely off to the races. Moreover, going above the 200-day moving average would simultaneously result in a higher-high, which is bullish for near-term price action. The past six months of choppy, sideways price action is likely coming to an end here shortly. Our near-term lens is focused on the November Fed meeting (day after the election) as where things may really start to take off. At this point the one thing keeping the lid on this market is uncertainty. This week's decision by the Fed helped greatly with alleviating that, and between now and then we will get even more points of uncertainty cleared: Additional data into employment & inflation, another Fed policy decision, and knowledge of next US President (relieve geopolitical uncertainty).

Bitcoin Mining Difficulty: After the difficult past few weeks, Bitcoin miners are about to earn a much-appreciated negative difficulty adjustment. Combined with this week's price and miners will be looking at a much higher hashprice in the interim. So far post-halving, \$0.04 has been a solid floor for hashprice. Miners that have remained profitable with hashprice at 4-cent are poised to read tremendous benefits over the next 12 months.

Lagging Hashrate Growth: The bull phase of the Bitcoin cycle is right around the corner. Once six-figure Bitcoin prices are the standard, many of you will wish you had ASICs plugged in as, due to the inherent lag in difficulty growth, the margins for Bitcoin miners will be enormous.

Energy Gravity: At a typical hosting rate today, new-gen Bitcoin ASICs require ~\$61,500 worth of energy to produce 1 BTC.

Summary and conclusion from Glassnode’s “The Week On-Chain” from 9/17/24. (Read the full report, [here](#).)

The current state of the Bitcoin market is one of equilibrium and reduced activity. On the demand side, capital flows have slowed significantly, and the Realized Cap remained effectively unchanged over the last two months.

Simultaneously, the supply side is tightening, and there is a notable decline in readily available coins. However, the uptick in stablecoin supplies carries more future purchasing power, creating tension between current inactivity and potential future demand. This creates a sort of coiled-spring effect in the market and alludes to a regime of higher volatility on the road ahead.

Conclusion from Coin Metrics’ “State of The Network” weekly report from 9/17/24. (Read the full report, [here](#).)

What once was a single application has now flourished into a multi-faceted industry encompassing smart contract platforms, scalability and interoperability solutions, on-chain financial, information technology and media infrastructure as well as a plethora of tokenized assets, from stablecoins to off-chain financial instruments. As the building blocks of the digital asset ecosystem continue to develop, it is likely that the ecosystem will increase in breadth and complexity, owing to the need for standardized classification frameworks such as datonomy.

Blockworks updated key metrics...

Total Crypto Market Cap	\$2.29 T
Bitcoin Market Cap	\$1.24 T
Ethereum Market Cap	\$310.88 B
ETH/BTC Ratio	0.04
Ethereum Gas Price	16.31 gwei
DeFi TVL	\$142.74 B
Fear and Greed Index	52 (Neutral)

Arca: How to Describe Digital Assets to Our Friends...

Despite calls for a “bull cycle”, it’s been pretty clear for months that digital assets are not serving as great investments so far this year. Often, price leads the narrative rather than the other way around, and the price has been nothing but down recently. When that happens, sentiment sours fast, participants in this industry tend to get REALLY negative, infighting between communities becomes prevalent, and many start to lose hope. It’s not uncommon for people to forget how far digital assets have come in just a short 5-10 year span, focusing instead on how little has been accomplished in recent weeks/months. As Bill Gates once said (paraphrasing), “people tend to overestimate what can be achieved in a year and underestimate what can be achieved in 10 years.”

As Chief Investment Officer for a crypto-native fund for the past seven years, I’ve had thousands of meetings with investors, trying many different analogies and descriptions to best educate newbies and help them understand this new technology. Below are some of the explanations I’ve used that have resonated the most with new investors and helped me see the forest through the trees.

Valuing Bitcoin

Bitcoin is hard, if not impossible, to value. It most certainly has value, but quantifying that value is difficult. However, businesses that derive value from Bitcoin, like Bitcoin miners and exchanges, can be easily valued as long as you operate under the assumption that Bitcoin does indeed exist (which it does). Bitcoin itself has always been a call option on anarchy if citizens begin to lose faith in their banks and local governments. It is either worth \$0 if Bitcoin ultimately fails, or it is worth tens if not hundreds of trillions of dollars, and any price in between simply reflects a probability-weighted outcome of achieving one of these two extremes. At a current market cap of just over \$1 trillion, the market is pricing in a roughly 5-10% chance of achieving success in the future.

Perhaps the best way to value Bitcoin under this model is by treating it like a credit-default swap (CDS) contract on global government debt. If you just look at the US by itself, by buying Bitcoin, you are buying default insurance on the USA for a significant discount to fair value as indicated by the cost of Bitcoin compared to the cost to insure against all US liabilities. But equally important, buying Bitcoin as insurance also covers you against defaults on ALL other government obligations.

There is roughly \$100 trillion of combined global government debt, plus trillions more if you include off-balance sheet and unfunded long-term liabilities. Add in global bank debt, which is essentially backed by governments anyway, and the numbers become staggering. Suddenly, paying a 1-time fee of just under \$60,000 for Bitcoin doesn’t seem that expensive. Perhaps we should stop looking at Bitcoin as an inflation hedge or store of value and start valuing it as wealth and livelihood protection.

Layer-1 Smart Contract Platforms Are Just App Stores

The Apple app store opened in July 2008 with 552 apps. Before its launch, Apple laid out the roadmap for iOS development. It included a software development kit (SDK) for programmers to write apps, and Apple announced it would provide a storefront through which developers could sell their software. As a result, the App Store has made some developers fabulously wealthy, given many a new and stable career, and seen others fade away with broken dreams and disappointments. Today, the app store has well over 2 million apps.

Similarly, before the Ethereum smart contract protocol launched in July 2015, the whitepaper was released (November 2013) and the ETH token was sold (summer 2014). Like the Apple app store, blockchain developers were given a roadmap to build dApps, and many developers made fortunes while others crashed and burned. Some apps were ready to go upon launch (MakerDao was one of

the first Ethereum dApps), while most others were built years later. Today, over 4,000 dApps are built on Ethereum.

Both iOS and Ethereum started as blank canvases reliant on the creativity of outside developers to find success. At the same time, both Apple stock and the ETH token had speculative value in anticipation of future success. Today, both are thriving ecosystems where the growth of apps, users, downloads, and transactions create revenue (Apple) and fees (Ethereum) that accrue to AAPL shareholders and ETH token holders, respectively.

Newer Layer-1 apps (like Solana and TON Network) are like the Apple iOS competitors, such as Android. Don't get too caught up in which is which (I know Android is bigger than iOS, and maybe Solana is iOS and Ethereum is Android...whatever). The point is there are multiple "app stores" via the iOS and Android ecosystems, much like multiple blockchain app stores across different blockchain platforms.

Layer-2 Side-Chains Are To Ethereum as Automobiles Are To Oil

This one was not my own, but I have found it useful to explain to new investors. The most recent hatred for Ethereum stems from the growth of Layer-2 side-chains, like Base and Arbitrum. When analyzing ETH as an investor, the most important thing to pay attention to is the network effect of ETH, the asset.

Layer-2 side chains drive demand for ETH, the asset, because you need ETH to transact on them. The growth of L2s simply adds to Ethereum's usage, similar to how the growth in automobiles leads to increased oil/gas usage.

Now, if one were to analyze an oil producer as an investor, the rising demand for electric cars would negatively affect oil usage. Similarly, if L2s start to use their own native tokens for gas, then ETH becomes less useful as the oil.

Ultimately, Choosing a Layer-1 Blockchain Is Like Choosing Gmail vs Yahoo – It Doesn't Matter

Because digital assets are still relatively young and because you can make (or lose money) by betting on the right blockchains, there is a lot of tribalism in the crypto markets: ETH vs. SOL, AVAX vs. TON, BNB vs. TRX, etc.

But ultimately, none of this matters. By the time non-crypto consumers start using blockchain regularly, no one will even know what chain they are using. Interoperability standards will make moving between blockchains seamless. Consider how we use email today. One standard protocol (SMTP) exists, but consumers can use different interfaces (Gmail, Yahoo, Hotmail, Protonmail, etc). The same applies to internet protocols (http) and the various browsers you use to access this protocol (Safari, Chrome, etc). Imagine a world where a Gmail user couldn't interact with a Yahoo mail user or where picking one email provider actually dictated what you could do online. It would be ridiculous. But that's where the blockchain world is today – where a Solana user can't easily interact with an Ethereum user. This will soon change through operability, and most know this, yet they still think the chain itself matters.

Moreover, much of the debate over which blockchain to use stems from the fact that the apps themselves aren't that popular yet. Could you imagine if your Citi, Paypal, or Venmo app was only built on iOS or Android, but not both? These are popular banking apps, so of course, there are different versions for different operating systems so that these companies can access as many consumers as possible. Maybe a company chose to build on iOS first or on Android first. Still,

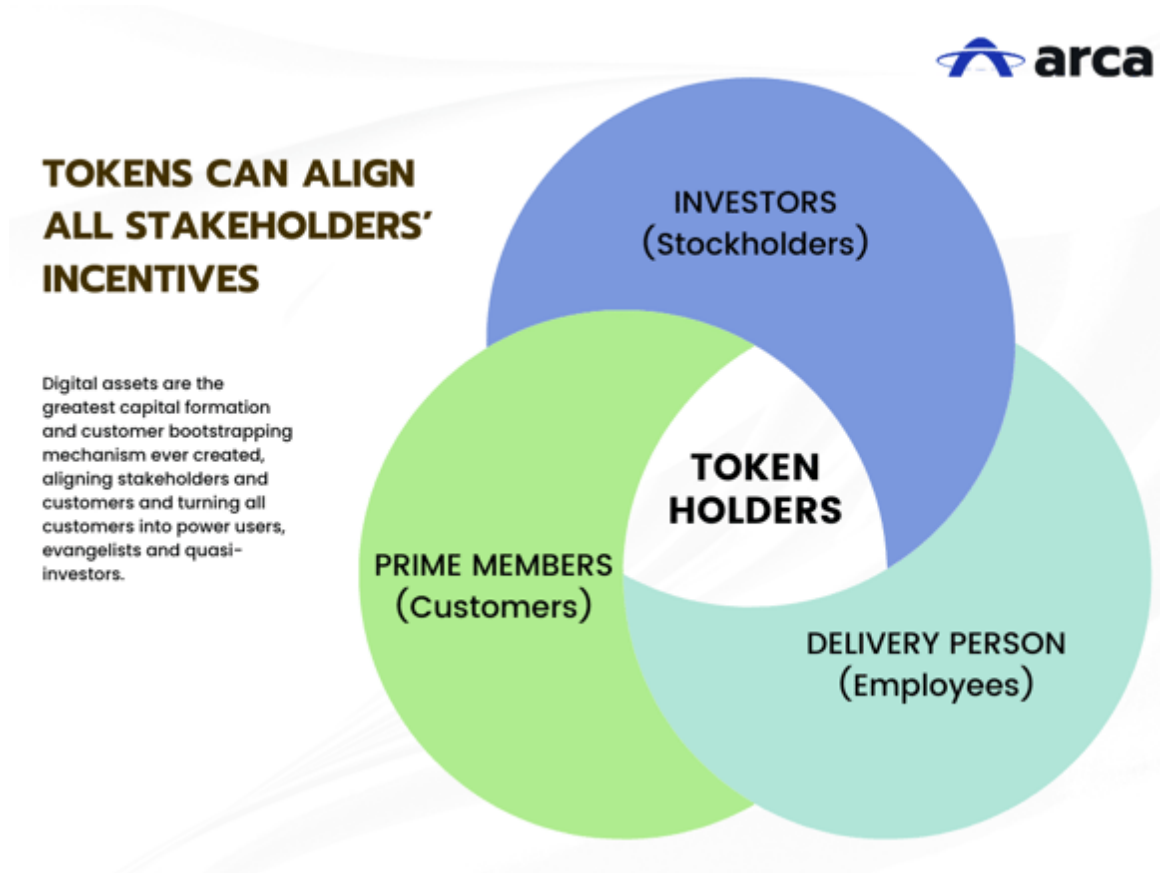
ultimately, if it is a successful business, it will build multiple versions rather than risk alienating and ignoring a huge consumer base on another OS. Similarly, once a crypto app becomes popular, it will move on to other chains, regardless of how it started.

- Uniswap is the most popular decentralized trading platform. While it was originally built on Ethereum, it is now accessible on multiple chains.
- Tether (USDT) is the most popular stablecoin, now with a \$118 billion market cap. Of course, Tether is now multi-chain as well, with Tron and the TON network challenging Ethereum usage.

So, let's not get too caught up in which chain will win. Ultimately, apps need to win, and once they do, they will use every chain that has customers.

Crypto is the Greatest Capital Formation and Customer Bootstrapping Mechanism Ever

Digital assets are the greatest capital formation and customer bootstrapping mechanism we've ever seen, fully aligning all stakeholders, from customers to founders to passive token holders, and turning customers into power users and evangelists.



Customers and shareholders are often mutually exclusive in the traditional debt and equity world. For example, McDonald's (MCD) customers are rarely MCD shareholders, and MCD shareholders are not McDonald's target demographic. However, in the digital assets world, this gap is bridged. All customers are encouraged and incentivized to be token holders, thereby sparking motivation to help the company grow because they are being paid (via quasi-equity – the token) for their efforts. This creates full stakeholder alignment, sticky customers, and evangelists.

DoorDash, Uber and Airbnb are examples of places where this is NOT the case. DoorDash only exists because people cook, eat, and deliver food every day, but only a handful of venture capital investors share in DoorDash's financial success. Similarly, Uber only exists because people drive cars and ride in cars, but none of these participants made money on the Uber IPO. Airbnb only exists because people own houses and like to vacation. Yet, none of the people who have made Airbnb, Uber, and DoorDash successful have any economic incentive to see these companies succeed. Had these companies been recapitalized with tokens sold or given away to early customers, their success may have been even faster and more remarkable; it certainly would have resulted in more wealth equality.

When you get past all of the misconceptions about "cryptocurrency," "store of value," and "internet money," tokens really are a new form of equity transfer, where those building and growing a valuable company share in its financial success.

Abra CEO Bill Barhydt: Three ways DeFi will revolutionize financial services...

It's widely accepted that our current banking system has significant flaws. Beyond systemic and geopolitical risks – like restricted borders, time zone barriers, and central bank dependencies – there are challenges with bank wires, international settlements, and the inconsistent availability of credit. A fundamental issue lies in the mismatch between banks' balance sheets and their leverage. When a bank faces liquidity or insolvency issues, as seen with First Republic and Silicon Valley Bank in March 2023, depositors risk becoming creditors in a bankruptcy unless the government intervenes – leaving taxpayers to cover the fallout.

This fragility has led to growing interest in decentralized solutions from both retail investors and institutions. By removing human error and poor decision-making from the equation, DeFi offers a compelling alternative. We believe DeFi has the potential to fundamentally transform how we transact, bank, borrow, and invest.

Here are three emerging ways in which DeFi is poised to create a future where financial services are digital, open, always-on, and borderless.

1. Tokenization of Real-World Assets

The tokenization of real-world assets, such as real estate, fiat currencies, or bonds, is becoming a key trend. These tokenized assets can act as collateral in next-generation DeFi lending markets. Bitcoin and Ethereum, for instance, are considered pristine collateral because their use can be automatically governed by smart contracts without needing a third party, like a court, to adjudicate disputes.

Tokenizing physical assets like real estate or government bonds creates similar opportunities, although it requires oracles to provide real-world pricing and cash flow data. As this ecosystem evolves, individuals and institutions will increasingly use a broad range of tokenized assets to access lending services, unlocking liquidity and expanding borrowing options across global markets.

2. Always-On Lending Marketplaces

DeFi protocols are creating 24/7 marketplaces for lending, borrowing, and asset swapping. These platforms operate continuously, allowing users to lend assets like Bitcoin, Ethereum, and USDC, and earn yield in return. In the future, we expect to see tokenized assets such as government bonds and real estate added to these pools.

Unlike traditional markets, where hidden leverage and rehypothecation, the risky banking practice of lending out your assets multiple times, can create systemic risks, DeFi's transparent smart contracts ensure that collateral is clearly managed, reducing counterparty risks. A growing number of Bitcoin holders are utilizing technologies like wBTC (wrapped Bitcoin) to borrow stablecoins on markets like Aave without selling their Bitcoin, maintaining exposure to its price appreciation.

In this setup, loans are secured by digital collateral, and if the value of the collateral decreases, the borrower either adds more collateral or risks liquidation – ensuring a healthier lending environment without the opaque risks present in traditional finance.

3. Becoming Your Own Bank

Perhaps the most revolutionary aspect of DeFi is the ability for individuals to become their own banks. Throughout history, we've seen multiple banking crises – from the savings and loan crisis to the 2008

financial meltdown, and most recently, the 2023 crisis caused by rising interest rates. Historically, during times of instability, savers moved their wealth into physical cash outside the banking system.

Today, DeFi offers a modern solution. Advanced multi-party computation (MPC) wallets allow users to store and manage their assets securely, with on-chain verification ensuring they retain control. Individuals can now store value in stablecoins, invest in digital assets, and access decentralized lending and borrowing services – all without relying on traditional banks.

With tools like separately managed accounts (SMAs), users can hold their assets in their own digital vaults, free from the balance sheet risks of banks. This level of autonomy mirrors traditional financial strategies but extends them to the realm of crypto, giving people unprecedented control over their financial future.

Conclusion: A Decentralized Future

In the coming decades, DeFi will become the backbone of financial services. The term "DeFi-based banks" may fade away as it becomes the standard infrastructure for financial services. In this world, tokenized real-world assets will unlock new possibilities for borrowing and lending, decentralized platforms will provide always-on banking services, and individuals will have the power to be their own banks – maintaining full ownership and control over their assets.

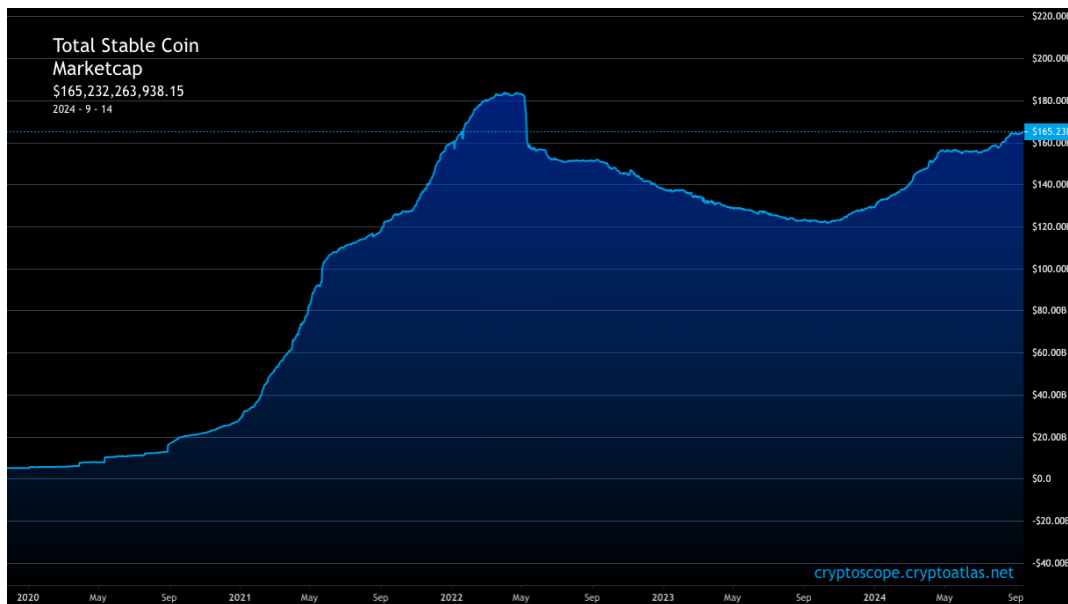
If we want a future where financial services are transparent, secure, and democratized, we must pay attention to the innovations taking place in DeFi today.

Blockforce Capital: Stablecoins are digitizing financial infrastructure...

Stablecoins have emerged as one of the most transformative innovations in the cryptoasset space, arguably second only to Bitcoin in adoption. While often viewed as a bridge between fiat currency and cryptoassets, stablecoins represent a fundamental shift toward the digitalization of the financial system, offering a new paradigm for global finance that combines the stability of traditional currencies with the efficiency, accessibility, and lower costs of blockchain technology.

Stablecoins are blockchain-based digital assets designed to maintain a stable value, often pegged to a reserve of fiat currency such as the US dollar. The most prevalent model ensures stability by backing each stablecoin 1:1 with a corresponding dollar held in reserve. For every stablecoin issued, an equivalent amount of US dollars is deposited into a bank, and when the user converts the stablecoin back into fiat currency, the stablecoin is destroyed, and the corresponding fiat is returned. This straightforward mechanism has made stablecoins highly effective at preserving value while offering the benefits of digital currencies.

Like other cryptoassets, stablecoins are open, global, and accessible to anyone with an internet connection, eliminating the need for a traditional bank account. However, they offer a distinct advantage over volatile cryptocurrencies like BTC and ETH by maintaining price stability. This has fueled the rapid rise in their adoption. In 2020, the total market capitalization of stablecoins stood at just \$5 billion; today, it is nearing \$170 billion. This explosive growth highlights not only the rise in crypto trading but also the expanding use of stablecoins in the broader economy. Monthly stablecoin transfers have surged, now exceeding \$1 trillion – on par with global payment giants like Visa. Over 120 million blockchain addresses hold stablecoins, with 20 million addresses actively transacting each month.



Source: <https://cryptoscope.cryptoatlas.net/total-stablecoin-marketcap-chart.php>

Critics often argue that stablecoins are primarily used for speculative activities within the crypto ecosystem, such as converting fiat to crypto for NFT purchases or trading memecoins. However, the data tells a different story. The remarkable growth of stablecoins is increasingly driven by their utility outside of crypto-native applications. Stablecoins are proving to be valuable digital alternatives to traditional fiat currencies, offering speed, low transaction fees, and accessibility that legacy financial systems cannot match. Consequently, stablecoins are gaining traction in industries far removed from the world of crypto speculation.

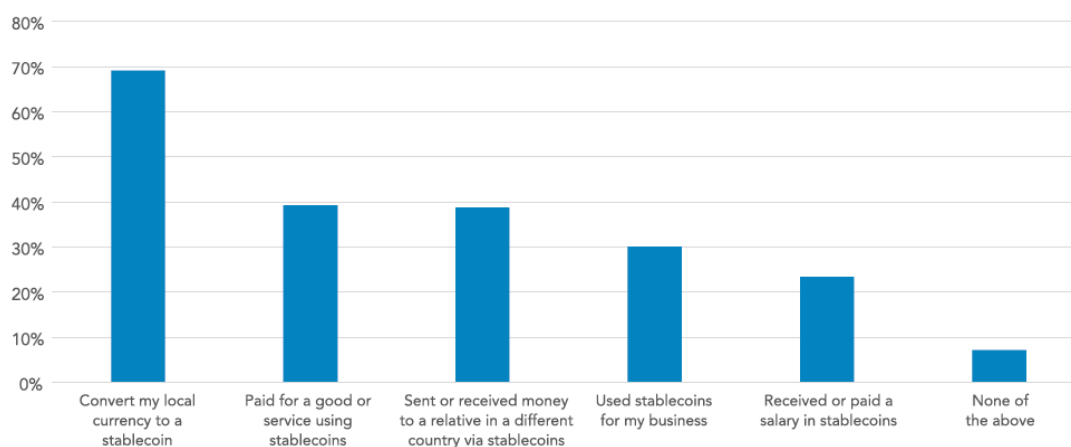
One of the most transformative applications of stablecoins is in the realm of cross-border payments and remittances. Traditionally, these transactions have been plagued by slow processing times, high fees, and cumbersome intermediary systems. According to the World Bank, the average global remittance fee stands at 6.4%, leading to an astounding \$54 billion in fees annually. Stablecoins, in contrast, enable 24/7 transfers of funds (outside of traditional finance business hours), can be transferred across borders nearly instantaneously and at a fraction of the cost, bypassing traditional banking systems entirely. Payment giants like PayPal and Stripe have integrated stablecoins such as USD Coin (USDC) into their services, facilitating cross-border payments in over 160 countries without transaction fees.

In the e-commerce sector, stablecoins offer merchants a way to accept payments without incurring the 2-3% fees typically charged by credit card companies. This is particularly attractive to small businesses and those operating in regions with underdeveloped banking infrastructure. Stablecoins settle almost instantaneously, allowing merchants to receive payments faster and avoid the delays and fees associated with credit card processing. The transparency and auditability of blockchain technology further enhance this value proposition by providing businesses greater control over their finances. In response to this growing demand, major payment networks like Visa and Mastercard have launched their own stablecoin initiatives to streamline their systems and reduce transaction costs.

Innovative stablecoin issuers are further enhancing the value proposition by experimenting with yield-sharing models, either programmatically on-chain or through third-party arrangements. These models allow stablecoin holders to earn returns, often by passing along the yields from US Treasury bills. This has made stablecoins an attractive option for individuals and institutions that lack easy access to traditional dollar-based money market funds. Institutional-grade offerings, such as BlackRock's BUIDL tokenized money market fund, even provide 24/7 liquidity through stablecoins, underscoring the growing role of these assets in mainstream financial markets.

Stablecoins are especially valuable in countries experiencing high inflation or with limited access to stable banking systems. A recent study focusing on Brazil, India, Indonesia, Nigeria, and Turkey revealed that stablecoins are increasingly used as alternatives to volatile local currencies and as substitutes for dollar-based bank accounts. Stablecoins offer individuals a way to preserve their wealth in more stable currencies, protect savings from inflation, and bypass government-imposed capital controls. Self-custody of these digital dollars also offers a form of property rights protection, reducing the risk of confiscation or devaluation by local governments.

Which of these things have you done at least once? Select all that apply.



Source: Castle Island Ventures, Stablecoins: The Emerging Market Story

Stablecoins not only benefit individuals and businesses but also serve critical US government interests. The first benefit lies in their impact on the US Treasury bond demand. With rising debt and deficits, the US Treasury has faced challenges in finding sufficient buyers for its debt. Stablecoin issuers like Tether (USDT) and Circle (USDC) have stepped in, purchasing US Treasuries to back their stablecoins. Today, stablecoin issuers are the 18th largest holders of US debt, holding more Treasury bonds than countries like Germany, Australia, and South Korea. This growing demand for US debt provides the Treasury with a new, consistent buyer at a time when global appetite for US Treasuries is waning.

The second benefit is the role stablecoins play in bolstering the global dominance of the US dollar. With de-dollarization trends emerging globally, the US dollar's share of global central bank reserves has fallen from 73% in 2000 to around 59% today. We are starting to see large countries including Brazil and Argentina enter into bilateral agreements with China to use the yuan and their local currencies for trade settlement. Last year, Saudi Arabia is open to settling oil trades in currencies other than dollars and BRIC nations have openly announced their intention to settle trades in their local currencies in the near future. The asset freeze on dollar holdings in Russia's central bank imposed after Russia invaded Ukraine, while understandable politically, sent a clear message to the rest of the world who realized for the first time that the dollar may not be the safe store of value it once was. The bottom line is that there is a global push to "de-dollarization" which could threaten the dollar's reserve currency status.

However, over 99% of stablecoins are currently pegged to the US dollar, meaning the global adoption of stablecoins inherently boosts the demand for dollars. This is particularly important in regions where access to physical dollars is difficult due to capital controls or underdeveloped banking systems. In countries like Venezuela, Argentina, Turkey, and Nigeria, stablecoins have become a vital tool for bypassing local restrictions, offering an accessible and digital way to transact in dollars and offering a form of financial independence. Stablecoins have the potential to give billions of citizens globally direct access to digital dollars that they may not have had before independent of (and perhaps contrary to) their governments' political decisions. The more stablecoins become a critical part of the global economy, the more entrenched the dollar becomes as the world reserve currency.

By enabling open, global, and instantaneous transfers of value in a fully sovereign manner, stablecoins are driving the modernization of the financial system. Whether it's remittances, cross-border trade, payroll, e-commerce, or access to US Treasuries, stablecoins are being deployed for a wide range of use cases that have nothing to do with cryptocurrency speculation. Instead, they are reshaping how money moves around the world, making financial services more accessible, efficient, and transparent especially in regions where access to banking is limited or unreliable. With their rapid rise in transaction volumes, user adoption, and integration into traditional payment systems, stablecoins are poised to become a cornerstone of the future financial system, driving the digitalization of global finance.

The Block: During the first week of September 2024, the number of sales of Cryptokitties NFTs experienced a notable surge, up over 800% compared to the previous week's sales figures of just 112 NFTs. This spike in sales was likely caused by the open mint of Eggs, a sub-project by Cryptokitties. This mint was open for 24 hours, limited to 1 NFT mint 1 per wallet at a price of 0.008 ETH per mint. In this 24-hour period, a total of 3134 NFTs were minted. While info surrounding the utility of these eggs is currently sparse, hints indicate that the Eggs might be related to a Cryptokitties-related Telegram-based game.



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

- Sam Bankman-Fried appealed his fraud conviction, alleging judicial bias and claiming the court favored prosecutors, compromising his defense in the FTX case.
- Prager Metis, FTX's former auditor, agreed to pay \$1.95 million to settle SEC allegations of negligence and violating auditor independence rules.
- Terraform Labs received approval from a US bankruptcy judge to begin winding down its operations, with plans to pay up to \$442.2 million to stakeholders as part of its closure.
- Binance founder "CZ" is set to be released from custody on September 29, after serving a four-month sentence for failing to implement adequate KYC procedures at the exchange.
- Former Celsius CEO Alex Mashinsky is seeking testimony from six former employees at the defunct crypto lender, including top executives, amid a possible 115-year prison sentence.
- Silvergate Capital, the parent company of crypto-focused Silvergate Bank, filed for bankruptcy to wind down its operations after the bank's 2023 shutdown. Silvergate, which primarily served

clients in the cryptocurrency industry, ceased operations in March 2023 and returned deposits to customers after turmoil in the broader digital asset market caused a run on the bank.