



HYPERION DECIMUS

CRYPTO NEWSLETTER

POWERED BY WEEKLY CRYPTO BRIEF

20th October 2024

BITCOIN-RELATED



NYDIG: Bitcoin rallied 12.0% on the week, awakening from the lackluster price action seen in the past few weeks. All eyes are focused on the November 5th election as Bitcoin's favored candidate, Donald Trump, has seen a rise in recent polls, perhaps owing to the renewed enthusiasm for the asset. That early November time frame may prove critical for price action as we have economic data (non-farm payrolls), the election, and FOMC interest rate decisions all within rapid succession.

Bitcoin futures open interest on the CME hit a new all-time high of 172,430 BTC (\$11.6 billion). In the past five trading days, CME has seen open interest ramp up by 25,125 BTC – one of the highest levels recorded over a five-day period in recent years.

Metaplanet, Japan's version of MicroStrategy, executed a roll-up transaction of its Bitcoin put options, updating the strike price to \$66,000 from \$62,000. The company also bought an additional 106.976 Bitcoin worth about 1 billion yen (\$6.7 million) on Oct. 15, bringing its total holdings to 855.478 BTC, or ~\$57.4 million.

Tesla moved ~\$760 million in BTC to new addresses, possibly signaling preparations for further sales, after having last sold a large portion of its assets in 2022.

An ancient Bitcoin whale, who mined BTC 5 days after Bitcoin's first block (Jan. 13, 2009), moved another \$630,000 BTC to Kraken – totaling \$5.47 million in the past 2 months. This whale currently holds ~\$75.2 million BTC.

A recent survey revealed just 7.5% of Salvadorans use Bitcoin for transactions.

BlackRock's Larry Fink, in the company's Q3 earnings call, said: "We believe Bitcoin is asset class in itself, it is an alternative to other commodities like gold." He also predicted Bitcoin, Ethereum, and Crypto will "overlay" with artificial intelligence... and "digitizing the dollar" will be "under discussion."

Bernstein analysts attributed Bitcoin's recent price surge above \$66,000 to its correlation with rising odds of Donald Trump winning the 2024 US presidential election. Trump currently leads Kamala Harris by odds of 57.7% to 42% to win the election on Nov. 5, according to Polymarket. (However, national polling

averages paint a different picture, with Harris leading Trump by 49% to 46% as of Oct. 12.) The analysts predict Bitcoin could reach \$90,000 if Trump wins, but a Harris victory might see Bitcoin drop back to the \$40,000 range.

Dan Tapiero, founder of 1RoundTable Partners and 10T Holdings, expects BTC to hit between \$150,000 and \$180,000 in two years or so, noting BTC's similar rise in early 2021.

Pantera Capital CEO Dan Morehead projects BTC could hit \$117,000 by August 2025, based on previous post-halving price patterns.

The Mt. Gox trustee postponed the deadline to repay creditors by one year to Oct. 31, 2025. The delay "could assuage near-term concerns around supply overhangs," Coinbase analysts said.

Kraken launched its own version of Wrapped Bitcoin, kBTC, on Ethereum and OP Mainnet amid an increasingly competitive lineup of WBTC alternatives. Kraken described kBTC as a cross-network compatible ERC-20 token, backed 1:1 by an equivalent amount of Bitcoin custodied at Kraken Financial, a Wyoming-chartered Special Purpose Depository Institution.

INDUSTRY ADVANCES



The DTCC, which processes trillions of dollars in securities transactions daily, introduced a so-called sandbox to "clear the path to scalable adoption of digital assets." Dubbed DTCC Digital Launchpad, the new offering seeks to connect tech providers and others to collaborate on "pilots that have a clear path to production."

Deutsche Bank is set to provide multi-currency accounts and foreign exchange services to Brussels-based crypto market-making firm Keyrock. The move is part of Deutsche Bank's broader engagement with the digital asset sector and will enable Keyrock to reduce risks associated with counterparty dealings and settlements.

OKX is the latest digital asset firm to enter the Middle East and Northern Africa (MENA) region. On Oct. 10, OKX announced the launch of a new exchange regulated by the Virtual Assets Regulatory Authority (VARA) of the United Arab Emirates (UAE) to offer regulated spot and derivatives markets for digital assets.

Robinhood is expanding its reach into the futures market by adding Bitcoin and Ethereum alongside oil and the S&P 500 index. Its new futures offerings, including Bitcoin contracts, micro Bitcoin futures, Bitcoin Friday futures, Ethereum futures, and micro Ethereum futures, are expected in the "coming months."

Ripple announced the addition of new features and functionalities to Ripple Custody, enabling fintech and cryptocurrency companies to use its cutting-edge bank-grade custody technology. This latest upgrade offers pre-configured policy frameworks, enhanced hardware security module options, an XRPL connection for tokenizing RWAs, and enhancements to the platform's user interface and usability.

Fidelity plans to launch its first money market fund traded on the blockchain. Reportedly, Fidelity previously submitted relevant documents to US securities regulators on September 26, detailing its plans.

Singapore's largest bank, DBS, unveiled DBS Token Services, a suite of functionality powered by blockchain, tokenization, and smart contracts. The new service is available to institutions. To enable expanded functionality, including 24/7, real time payments, DBS integrated its core banking system with its permissioned Ethereum-compatible blockchain.

Base became the largest Ethereum Layer-2 rollup by total value locked, reaching \$2.5 billion across 366 protocols, surpassing Arbitrum. The Coinbase-incubated Layer 2 is now ranked among the top five blockchains by TVL overall, sitting behind Ethereum, Tron, Solana, and BNB Chain.

Paymaster now allows users to pay for gas with custom tokens in their app. This feature enables increased token utility, easier app engagement, and the ability for users to pay gas with USDC or custom tokens instead of ETH.

The dYdX Foundation launched Trump Prediction Market Perpetuals on its decentralized exchange dYdX. The latest move will enable traders to utilize advanced order types to speculate on Republican candidate Donald Trump's likelihood of winning the election.

EthOS' first phone model, the dGEN1, is available for preorder with a release in Spring 2025. The phone is about half the size of a typical iPhone. It has a second touchscreen for notifications and transaction metadata, a 3x3 LED grid for notifications and flair, and a laser. EthOS provides a light client, system-level wallet, and on-chain-native browser.

Identity project Worldcoin rebranded to 'World' and introduced a new set of features. The company announced a more powerful Orb to verify user identities and an alternate verification form using government-issued passports. It claims that World ID Deep Face has solved deepfakes and can be used on any video.

The Aura Blockchain Consortium welcomed the first two furniture firms to its community of luxury brands. On Oct. 15, the Switzerland-based group said Italian luxury furniture brands Poltrona Frau and Savio Firmino joined as associate members, as they seek to enhance authenticity, traceability, incorporate certifications and meet requirements laid out by new EU environmental regulations specific to the sector.

MINING



Bitcoin mining profitability dropped in September as the rising hashrate, which is up 11%, offset Bitcoin's 5% price increase. Investment bank Jefferies is predicting October could be even tougher for miners.

The blended hashrate of the fourteen US-listed Bitcoin mining stocks that JPMorgan tracks now accounts for a record 28.9% of the global network hashrate, according to a research report by the investment bank.

A crypto mining company, Colorado-based Revolve Labs, that has faced criticism for noise pollution is pursuing a possible \$40 million to \$60 million expansion of its facilities (AI data centers) in central Minnesota. In a recent meeting, the company said it sought a “potential site design and operation change” for its facility in Glencoe, about 50 miles southwest of the Twin Cities.

ETPS (EXCHANGE-TRADED PRODUCTS), FUNDS & INDEXES



On Oct. 14, CoinShares Head of Research James Butterfill reported that global crypto investment products saw \$407 million in net inflows the prior week, driven by a political shift toward Republicans ahead of the US election. Butterfill also stated: “This trend is evident in the fact that stronger-than-expected economic data had little impact on stemming outflows, whereas the recent US vice presidential debate and a subsequent shift in polling towards the Republicans, perceived as more supportive of digital assets, led to an immediate boost in inflows and prices.”

US spot Bitcoin ETFs saw net inflows of \$555.9 million on Oct. 14, the largest since June 4, with no net outflows reported by any fund. US Spot Bitcoin ETFs also surpass \$20 billion in inflows, now the fastest growing ETFs in history – according to Bitcoin Magazine.

The SEC approved stock exchange rule changes that permit the listing of options tied to spot Bitcoin ETFs. According to two memos from the SEC published Oct. 18, NYSE will be allowed to list and trade options on the Grayscale Bitcoin Trust (GBTC), the Grayscale Bitcoin Mini Trust (BTC), and the Bitwise Bitcoin ETF (BITB). Cboe Global Markets got approval to list and trade options on the Fidelity Wise Origin Bitcoin Fund (FBTC) and the ARK 21Shares Bitcoin ETF (ARKB).

The STKD Bitcoin & Gold ETF (BTGD) launched on Oct. 16. It “stacks” two investments on top of each other for the potential of excess returns and diversification. For every \$1 invested the Fund seeks to provide 100% of exposure to its Bitcoin strategy and 100% of exposure to its gold strategy.

Monochrome Asset Management launched Australia’s first spot Ethereum ETF. It will be accessible through most Australian brokerage platforms and will support transfers from crypto platforms as well as decentralized and cold storage wallets.

Canary Capital filed an S-1 registration statement with the SEC for a Litecoin ETF, days after doing the same for an XRP product.

Grayscale filed a request with the SEC to convert its \$520 million Digital Large Cap Fund (a multi-crypto fund) into an ETF.

Grayscale added numerous assets to its consideration list for future crypto investment products, including Dogecoin, Pendle, Arbitrum, and Optimism. (See the list, [here](#).)

Bitwise surpassed \$5 billion in AUM across its suite of ETPs, alpha solutions, SMA strategies, and private funds.

GCEX, a leading regulated digital prime brokerage renowned for providing brokers, funds, and professional traders with access to liquidity, announced the launch of its enhanced market data feed

solution. This expansive offering includes Equity Index CFDs, Energy CFDs, Commodity CFDs, Crypto CFDs, Spot Crypto, Spot FX, and Bullion.

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

Praxis raised \$525 million to build a crypto-friendly city, designed to support innovation in AI, crypto, and biotech, aiming to attract entrepreneurs to its future tech-forward hub.

Blockstream, a blockchain technology company, raised \$210 million to buy more Bitcoin for its treasury and fund its other initiatives.

Web3 gaming company Azra Games announced a \$42.7 million Series A funding raise – led by Pantera Capital, with participation from a16z and NFX ventures.

Yellow Card, an African stablecoin platform, secured \$33 million in a Series C funding round to enhance its infrastructure and expand access to digital financial services across Africa.

Bitnomial, a digital asset derivatives exchange company that operates CFTC-regulated exchange, clearinghouse, and brokerage subsidiaries, announced the upcoming launch of its new US perpetual futures trading platform, Botanical. The launch of Botanical follows Bitnomial's successful \$25 million funding round, led by Ripple.

Solv Protocol, a decentralized platform bridging liquidity across DeFi, CeFi, and TradFi, offering diverse asset classes and yield opportunities in a secure and transparent manner, raised \$22 million in a strategic funding – led by Laser Digital.

Gate Ventures (a global VC firm specializing in blockchain), Movement Labs (a leader in Move-based blockchain technology), and Boon Ventures (an emerging tech startup investor), announced the establishment of a \$20 million fund designed to transform the Web3 space.

Binance Labs invested in Lombard, the largest Bitcoin liquid staking platform, boosting the company's total funding to ~\$17 million.

zkPass raised \$12.5 million in Series A funding for its privacy-centric technology designed to verify sensitive data without compromising security.

Opacity Network closed \$12 million in seed funding, utilizing zero-knowledge proofs for data verification, with plans to enhance privacy and trust in digital transactions.

Solv Protocol closed \$11 million to expand its Bitcoin staking platform, which currently has over \$1.3 billion worth of Bitcoin staked across multiple blockchain networks.

Blockchain financial services application Predicate announced the completion of a \$7 million funding round, with participation from Tribe and 1kx.

IPOS, M&A, PARTNERSHIPS & DEALS



CoinDesk bolstered its information services by acquiring CCData and CryptoCompare.

Stripe is reportedly in advanced talks to acquire Bridge, a fintech platform that helps businesses manage stablecoin payments, as part of its push to integrate stablecoins for global transactions.

Avalanche Foundation reached a deal to repurchase ~2 million AVAX tokens from the bankrupt Luna Foundation Guard (LFG), pending court approval. Avalanche sold the tokens to LFG back in 2022 in a \$100 million deal. The tokens are now worth ~\$55 million.

Venmo partnered with MoonPay. So now, Venmo's 60 million users in the US can now buy crypto using MoonPay.

SingularityDAO will merge with Cogito Finance and SelfKey to form a combined project focused on tokenizing the AI economy. The new entity, Singularity Finance, will provide a Layer-2 network for tokenizing assets, like GPUs and offer AI-powered financial tools.

Murex, a leader in trading, risk management, and processing solutions for capital markets, announced a strategic partnership with leading crypto sector data provider Kaiko. This collaboration integrates Kaiko's comprehensive digital asset data into Murex's MX.3 platform and enhances Murex's real-time portfolio management capabilities.

Nonco, a leader in institutional digital asset trading, announced its partnership with TP ICAP's Fusion Digital Assets exchange. As part of this collaboration, Nonco will provide liquidity for the Bitcoin and Ethereum order books, strengthening the exchange through tighter spreads and offering deeper liquidity for its participants.

DEFI



World Liberty Financial, the DeFi project backed by Donald Trump and his sons, claims it has attracted 100,000+ whitelist signups ahead of its token launch. The initial sale aims to raise \$300 million by selling 20% of the token supply at a \$1.5 billion valuation. WLFI is only available to accredited US investors, qualified UK investors, and other investors outside those countries. After going live, ~2,900 investors reportedly bought over 344 million of the platform's WLFI tokens, despite the site suffering numerous outages during its first hour. It raised only ~\$11 million on its first day.

Kraken expanded staking options, allowing non-US customers to restake ETH on EigenLayer, providing users more opportunities to earn rewards.

Deribit introduced Hashnote's USYC as a new yield-bearing, cross-margin collateral option.

The newly formed Hyper Foundation, a decentralized perpetual swap platform that recently exceeded \$1 billion in daily trading volume, announced the upcoming launch of Hyperliquid's native HYPE token ahead of HyperEVM's mainnet. No airdrop date was revealed.

CBDCS & STABLECOINS



Siam Commercial Bank launched Thailand's first stablecoin-based cross-border payment service, improving transaction efficiency after passing regulatory testing.

Ripple named exchange and market maker partners for its upcoming dollar-pegged stablecoin, RLUSD. The exchange partners are Bitstamp, Bitso, Bullish, CoinMENA, Independent Reserve, MoonPay, and Uphold. In addition, B2C2 and fellow market maker Keyrock will provide liquidity support for RLUSD.

Stablecoin issuer Tether is reportedly considering a move into TradFi. One of the ways it plans to do that is by potentially lending billions of dollars of its profits to commodity traders. Per a Bloomberg report, Tether has been meeting with several commodity trading firms to discuss US dollar lending opportunities. One of Tether's big selling points was using USDT for more mainstream commodity trades.

OilChainUSDT, a decentralized digital currency designed for oil trade, is emerging as a solution for the oil market and global commodity trading. By pegging its value to oil prices, OilChainUSDT offers stability, while leveraging blockchain to bring transparency and efficiency.

NFTS, BLOCKCHAIN GAMING & METaverse



The collection of 1,935 generative images, "Elvis Side \$Btc," will be minted by Bitcoin-focused intellectual property project Royalty in partnership with inscription service OrdinalsBot, and is inspired by the artwork of Joe Petruccio, an artist licensed by the Elvis Presley Estate. The inscriptions will be among the first to mint when OrdinalsBot's marketplace goes live later in the year.

BlockCellar, the open-architecture platform for physical-backed NFTs, is teaming up with Bordeaux Index, a global leader in fine wine and spirits merchant services. This effort aims to tokenize investment-grade wines and spirits, leveraging blockchain technology to bridge the physical and digital worlds. With the initial drop, BlockCellar will tokenize ~17,000 cases of wine from 700+ world-class producers. Collectors can now seamlessly buy, sell, store, and trade these assets digitally, with the option to redeem the physical items at their convenience.

"Off the Grid," an Avalanche-based battle royale shooter game developed by Gunzilla Games, reached the top of the Epic Games Store's free-to-play games list. The game, which uses blockchain technology for trading in-game items as NFTs, is also seeing high viewership on Twitch.

Hamster Kombat's founders remain optimistic despite a significant decline in the value of the HMSTR token following last month's airdrop on TON blockchain, touting “high trading volume” and expansion plans for the Telegram-based tap-to-earn game as it gears up for a new season.

The AAA game Moonray announced its planned 2025 launch of the PlayStation 5 console. (Moonray is a player-versus-player battle arena blockchain-based game that previously launched a “play-to-airdrop” campaign in June, as well as NFT sales of in-game skins in 2022.).

The Gods Unchained Web3 trading card game just launched its latest Tower of Dread expansion.

JOB MOVEMENT



Crypto VC firm Paradigm announced that its CTO and GP, Georgios Konstantopoulos, will serve as CEO of its spinoff Ithaca to help build a Layer 2 “from the future.”

Rich Teo, co-founder of blockchain infrastructure company Paxos, will join World Liberty Financial as the project’s stablecoin and payments lead.

Copper.co, a leader in digital asset custody, collateral management, and prime services, appointed Amar Kuchinad as its new Global CEO.

Ripple added ex-FDIC chair, Sheila Bair, and David Puth, the former CEO of Centre, a consortium which set standards for USD Coin (USDC), to the advisory board for its stablecoin.

REGULATIONS, RULINGS & COMMENTARY



Vice President Kamala Harris has unveiled a plan to support a cryptocurrency regulatory framework to protect Black men who invest in crypto as part of her “Opportunity Agenda for Black Men.” The proposal also includes forgivable loans for Black entrepreneurs looking to start a business, a health initiative and the legalization of recreational marijuana. (The proposal was published ahead of Harris’s rally in Erie, PA, but Harris neglected to mention anything blockchain- or crypto-related in her speech.)

Ripple co-founder Chris Larsen donated \$1 million worth of XRP to a PAC supporting Kamala Harris’ presidential campaign – marking the first donation in crypto to Harris.

Ohio State Senator Niraj Antani introduced legislation aiming to legalize Bitcoin and other crypto payments for taxes and fees in the state of Ohio and its local political subdivisions. The bill would permit Ohioans to use digital assets, including Bitcoin, to fulfill their state and local tax obligations, pushing the state toward wider adoption of crypto in government transactions.

Representative Ro Khanna became the first Democrat to publicly support the idea of the US building a strategic reserve of Bitcoin.

In a Massachusetts Senate debate, Elizabeth Warren clashed with pro-crypto candidate John Deaton, who argued that digital assets can help marginalized communities.

Italy's Deputy Finance Minister, Maurizio Leo, said the government will raise taxes on capital gains on cryptocurrencies, such as Bitcoin, to 42% from 26%.

South Africa's tax authority issued a warning to crypto holders, urging them to declare their digital assets or face audits, as the country ramps up compliance efforts with help from local exchanges such as Luno and VALR.

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

TD Bank agreed to pay over \$3 billion in fines and accept growth limitations in the US, settling allegations of inadequate money laundering monitoring involving over \$1 billion in transactions linked to unnamed crypto firms in the UK and Colombia. FinCEN highlighted that these transactions predominantly involved crypto trading in high-risk jurisdictions.

A British man filed a legal claim against a local council in Wales in an attempt to retrieve a hard drive containing 8,000 BTC (worth ~\$527 million) that he accidentally threw out in 2013. (Read more about the story, [here](#).)

Layer-1 blockchain Sui denied insider trading accusations, refuting claims that foundation insiders sold \$400 million in tokens during a recent price surge, as its fully diluted valuation hit \$23 billion.

A crypto fraudster accused of running a \$150 million Ponzi scheme through his company USI Tech vanished from NYC while on a \$5 million bond, sparking a manhunt after his ankle monitor stopped working just before a court appearance.

Radiant Capital halts lending markets after a \$50 million exploit, with an attacker allegedly gaining control of the protocol's multisig wallet.

Hong Kong police shut down a group running a HK\$360 million (\$46.35 million) cryptocurrency investment scam out of an office in the Hung Hom area of the city. A total of 27 people between the ages of 21 and 34 were taken into custody suspected of conspiracy to defraud and possession of weapons. Several were graduates in digital media from local universities, while others are believed to have links to local triad groups.

Indian national Chirag Tomar, 31, was sentenced to 60 months in prison by a US judge for charges related to stealing more than \$20 million via a fake Coinbase crypto exchange.

Crypto wallets linked to Youtuber MrBeast reportedly made \$13 million by cashing in on token launches, which were later flagged as potential pump-and-dump schemes by analysts.

The FBI arrested Eric Council Jr., 25-year-old Alabama man, over his involvement in hacking the SEC's social media account and posting a false announcement regarding spot Bitcoin ETFs. Council was charged with conspiracy to commit aggravated identity theft and access device fraud, according to a statement by the US Attorney's Office in the District of Columbia.

The CFTC challenged a court decision allowing prediction market Kalshi to list election contracts, arguing that such political event contracts fall under the definition of gambling.

Coinbase, on Oct 15, filed a motion in its joint case (with consultancy firm History Associates Incorporated) against the SEC. The case, which Coinbase brought in June, deals with the SEC's alleged violations of the Freedom of Information Act. Coinbase is now asking the court to schedule a hearing to discuss the exchange's request for a partial summary judgment.

The SEC filed an appeal in its ongoing legal spat with Ripple Labs. The appeal is challenging parts of Judge Analisa Torres' 2023 summary judgment, which found that Ripple's sales of its XRP token to retail investors on crypto exchanges did not break US securities laws. One area the appeal is targeting is the court's determination that Ripple's offerings and sales of XRP on crypto platforms, as well as personal trades by the company's executives, including Brad Garlinghouse and Chris Larsen, did not breach securities laws.

US prosecutors called for a reduced five-year prison sentence for Ilya Lichtenstein over money laundering charges related to the 2016 Bitfinex hack, citing his cooperation in the case and assistance in other crypto-related criminal investigations. However, prosecutors are seeking a longer sentence for Lichtenstein than the 18 months they recommended for his wife and co-conspirator, Heather Morgan aka "Razzlekhan," as he was primarily responsible for the Bitfinex hack compared to her lesser role of helping him launder the funds.

Cosmos co-founder Jae Kwon raised concerns about the development and security of Cosmos Hub's liquid staking module amid links to North Korean agents. Kwon said: "For 16 months, the LSM was developed by individuals linked to North Korea, and their contributions were integrated into the Cosmos Hub without proper security vetting."

Crypto neobank Banq's bankruptcy filing was dismissed by a US judge who deemed it a bad-faith move to "gain an advantage in pending litigation," highlighting accusations against Banq's founder chair, Jon Jiles, for prioritizing Prime Trust's interests over Banq's.

MISCELLANEOUS

Google removed live price charts for Bitcoin and other cryptocurrencies from its search results, with users noticed that queries like "Bitcoin price" or "Ethereum price" no longer display these charts, a feature that has been available since 2018. With the change effective for several days, it's unclear whether it's a temporary glitch or a permanent decision.

Vitalik Buterin's address reportedly sold a series of memecoins to receive ~257.1 ETH, worth around \$636,000, from various transactions.

Sonic Labs, the developer of the blockchain formerly known as Fantom, released a lite paper detailing its FTM token migration, tech stack, and plans for a points-based airdrop for its governance token.

CHARTS, TABLES, QUOTES, COMMENTARY & OTHER IMAGES

The Block: Relative search volume on Google for the term “Bitcoin” has hit the lowest weekly levels in a year – despite a 142% increase in its price during the period. However, low search volume doesn't necessarily signal bearish price action, according to Bitget Research chief analyst Ryan Lee, as such periods have presented opportunities to build positions for market rallies historically.

Relative weekly search volume for Bitcoin:

Interest over time ?



Image: [Google Trends](#).

Dan Held: Bitcoin price from cycle low. Black line is this cycle. What do you think happens next?

Bitcoin: Price Appreciation from Cycle Low

Source: Galaxy Research

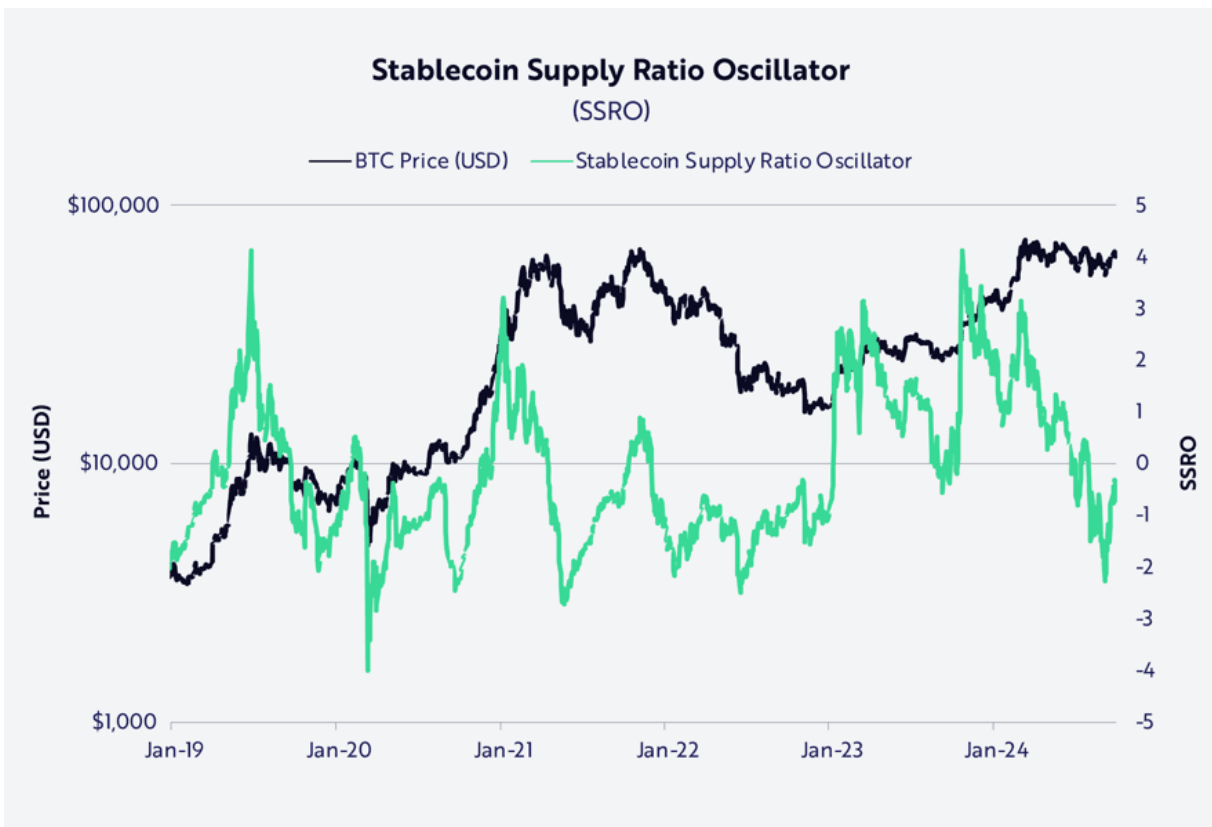


Data: Coin Metrics, Galaxy Research

as of Oct. 6, 2024

ARK Invest: The Stablecoin Supply Ratio Oscillator Is “Oversold.”

In early September, the stablecoin supply ratio oscillator (SSRO), a metric used to assess Bitcoin’s potential purchasing power, became extremely “oversold” (-2.27), hitting lows last seen near the bottom of the bear market in 2022, as shown below.



Note: The Stablecoin supply includes USDT, TUSD, USDC, USDP, GUSD, DAI, SAI, and BUSD. Source: ARK Invest. Chart data from Glassnode. Information as of September 30, 2024.

The Stablecoin Supply Ratio Oscillator is calculated in three steps. First, divide supply of Bitcoin by the supply of all major stablecoins (denominated in BTC). Second, trace the ratio’s 200-day moving average, plus 2 standard deviations above and below. The SSRO tracks how the ratio moves between those two standard deviation bands (a.k.a., Bollinger bands).

We believe these oversold conditions give good reason for optimism in Bitcoin’s price, after the establishment of two higher local lows seen at \$52,530 on September 6th and at \$58,863 on October 10 – potentially indicating that an uptrend is developing in the asset’s market structure.

ARK Invest released “The Bitcoin Monthly – September 2024.” (Download the 22-page report, [here.](#))



NYDIG: Bitcoin is still largely idle capital, but other options (for yield) are available...

Yield Options for Bitcoin Investors

Avenue	Method	Risks	Yields	Service	Notes
CeFi	Options Overwriting	Market Price	10% - 15%	OTC Desks	Yields are risk dependent
CeFi	Lending	Credit	1% - 3%	OTC Desks	Largely uncollateralized
DeFi	Lending	Legal, Technical, Credit	0.01% - 0.04%	Aave, Compound	WBTC required first
DeFi	Liquidity Providing	Legal, Technical, FX, Impermanent Loss	0.35% - 16.33%	Uniswap	WBTC required first, pool dependent
DeFi	Staking	Legal, Technical, Credit, FX	4.7% - 7.24%	Babylon	No staking yet, points rewards, can LP with LST for add'l yield



Source: NYDIG, Uniswap, Aave, Compound, Pendle

As Bitcoin’s price surged back toward its all-time highs, spot Bitcoin ETF inflows picked up in a big way.



Nate Geraci

@NateGeraci

So nearly \$1bil into spot btc ETFs in last 2 days...

For context, only 8 out of 560+ ETFs launched in 2024 have taken in more than \$1bil for the *year* ...



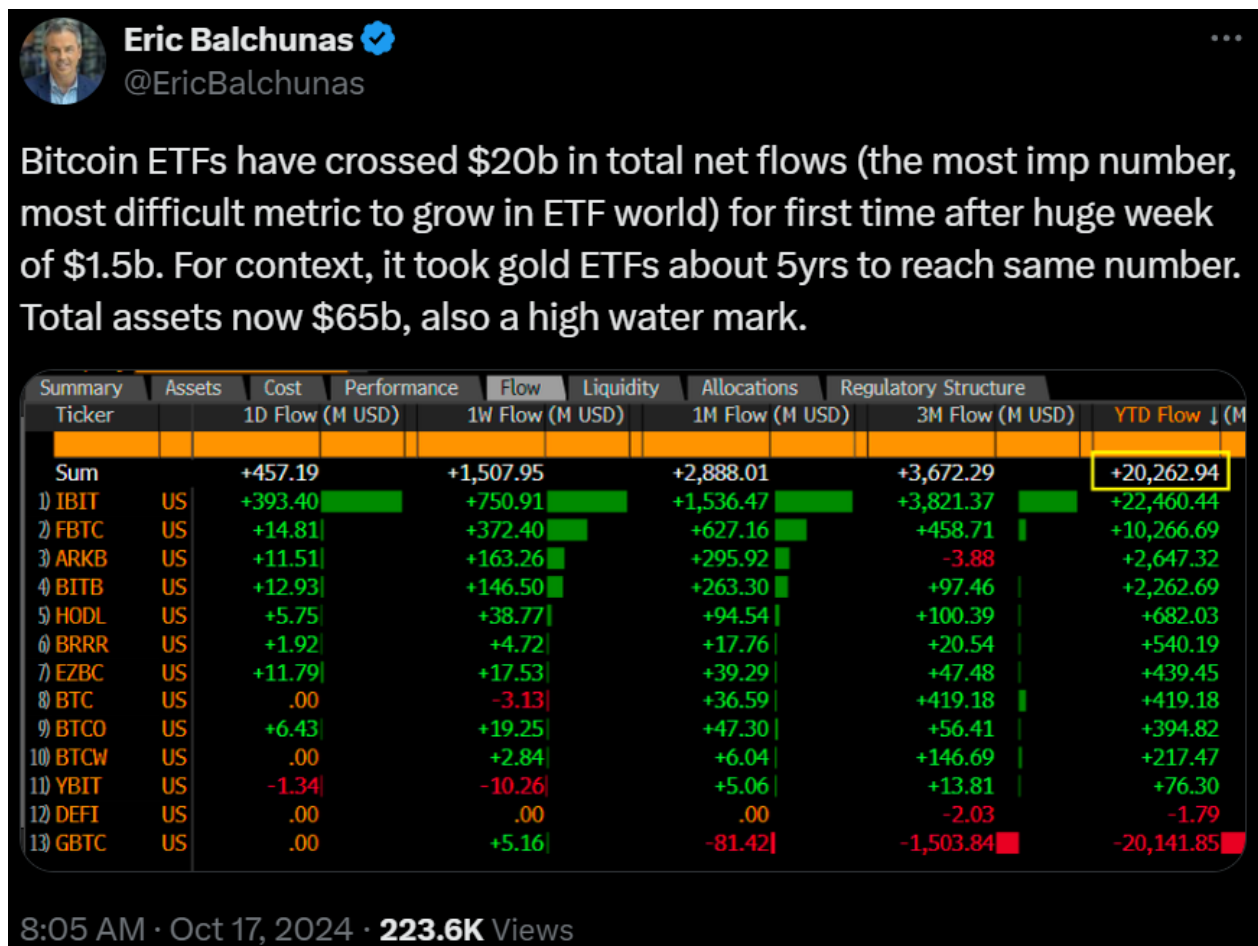
Tree News

@News_Of_Alpha · Oct 15

[🌲] BlackRock (IBIT) Daily BTC Flows: +291.1m: BBG

9:48 PM · Oct 15, 2024 · 132K Views

The 11 spot Bitcoin ETFs in the US collectively surpassed \$20 billion in inflows.



Summary and conclusion from Glassnode’s “The Week On-Chain” from 10/15/24. (Read the full report, [here](#).)

A notable divergence between supply and demand forces continues to grow. The demand side of the market has declined markedly since the March ATH, while several measures of the ‘active supply’ continue to compress and constrict. With respect to historical precedence, prior examples of acute tightness across the Bitcoin supply side have been a precursor for a regime of heightened volatility.

Conclusion from Coin Metrics’ “State of The Network” weekly report from 10/15/24. (Read the full report, [here](#).)

Flow’s distinctive multi-role architecture, capabilities of the Cadence programming language and EVM compatibility position it uniquely within the Layer-1 landscape, addressing the complex tradeoffs of scalability and interoperability. With the Crescendo upgrade bringing EVM equivalence to Flow, its existing features and ecosystem of applications can be complemented by the EVM ecosystem, growing developer flexibility, user-experience and ultimately, its user-base. The network data metrics highlighted in this report will continue to provide transparency into the usage, adoption and economics of the Flow blockchain.

Blockworks updated key metrics...

Total Crypto Market Cap	\$2.44 T
Bitcoin Market Cap	\$1.34 T
Ethereum Market Cap	\$318.19 B
ETH/BTC Ratio	0.04
Ethereum Gas Price	24.32 gwei
DeFi TVL	\$152.49 B
Fear and Greed Index	72 (Greed)

Blockware Intelligence released its “Q4 2024 Market Update.” (Download it, [here](#).)



Coinbase Institutional and Glassnode published their “Guide to Crypto Markets – Q4 2024.” (View the 47-page report, [here](#).)



Andreessen Horowitz (a16z) released in its annual “State of Crypto” report on Oct. 16. (See 7 key takeaways below. View the full report, [here](#).)

- Crypto activity and usage hit all-time highs .
- Crypto has become a key political issue ahead of the US election.
- Stablecoins have found product-market fit.
- Infrastructure improvements have increased capacity and drastically reduced transaction costs.
- DeFi remains popular – and it’s growing.
- Crypto could solve some of AI’s most pressing challenges.
- More scalable infrastructure has unlocked new on-chain applications.

According to a report by digital asset technology platform Aspen Digital, Asian wealth is pouring into crypto (See highlights, based on a survey of 80+ family offices and HNWIs conducted in the second half of this year).

- Digital assets have emerged as an alternative investment class for private wealth in Asia, with 76% of family offices and high-net-worth individuals investing in cryptocurrencies and 16% planning to do so in the future. (A notable improvement from the previous study in 2022, when 58% had exposure to digital assets and 34% planned to invest.) Most respondents cited higher returns as a primary driver, with an increasing number of respondents citing diversification and inflation hedge appeal as key motivations to invest in digital assets.
- 67% of respondents are interested in DeFi development.
- 61% are interested in artificial intelligence and decentralized physical infrastructure network (DePin).
- 50% are interested in blockchain infrastructure.
- 47% are interested in RWA tokenization.

Matt Hougan's (Bitwise) Weekly CIO Memo: "Crypto Is Not Going to Wait for the Election – Lessons From Monday's Rally."

As I write this memo on Monday afternoon, crypto markets are rallying sharply. Bitcoin is up more than 5% in the past 24 hours and Ethereum is up more than 7%. Altcoins are following along.

It's the biggest positive one-day move in crypto in nearly two months. Adding to the fun, investors plowed \$555 million into Bitcoin ETFs on Monday, the biggest one-day haul in four months.

The rally was caused in part by a plan Democratic presidential candidate Kamala Harris unveiled on Monday, which—among other things—espoused a smart regulatory framework for crypto.

Reading the national media coverage of the proposal, you would think Harris had embraced crypto with both arms.

"Kamala Harris Highlights Capital Access, Crypto in Bid to Woo Black Men," wrote Bloomberg.

In reality, however, the statement didn't say much. Here is the full text of her agenda:

Enabling Black men who hold digital assets to benefit from financial innovation. More than 20% of Black Americans own or have owned cryptocurrency assets. Vice President Harris appreciates the ways in which new technologies can broaden access to banking and financial services. She will make sure owners of and investors in digital assets benefit from a regulatory framework so that Black men and others who participate in the market are protected.

That's it. That created \$5 billion in Bitcoin market cap.

I hate to rain on everyone's parade, but that's ... not much! No mention of ensuring fair access to banking services for crypto companies; no mention of a change in regulatory leadership; not even mild commentary about "embracing innovation in the digital asset space" or "America leading in blockchain."

In reality, Harris's words were more Rorschach test than policy. If you're anti-crypto, you can see Harris pushing for tough regulation of crypto in the name of "protecting" investors; if you're pro-crypto, you can see Harris pushing for regulatory clarity and a pathway forward for the industry.

I'm not close enough to the campaign to know what she meant exactly. I've seen folks who claim to have the inside track argue both sides. From my seat, you can only know one thing for sure: The statement shows Harris recognizes that crypto matters enough to an important demographic that she'll take the time to call it out.

That's good news. She knows crypto exists, it matters, and it isn't going away. But it's not the full-hearted embrace that crypto advocates have been hoping for.

Still, here's the thing: That little sliver of good news was enough to send Bitcoin up 5%. Enough to push more than \$500 million into Bitcoin ETFs. Enough for people to start wondering if crypto is finally going to make an assault on all-time highs.

And that, to me, is the most interesting thing of all about today.

Regardless of what Harris actually said, today's price action tells me that there is a lot of capital on the sidelines waiting for the all-clear to enter the market.

In last week's memo, I talked about what was needed to push crypto to new all-time highs and Bitcoin above \$80,000. In terms of the election, I mentioned that either a GOP victory or a split government would do. My comments implied that we would have to wait until the election before we made the next run on \$80K.

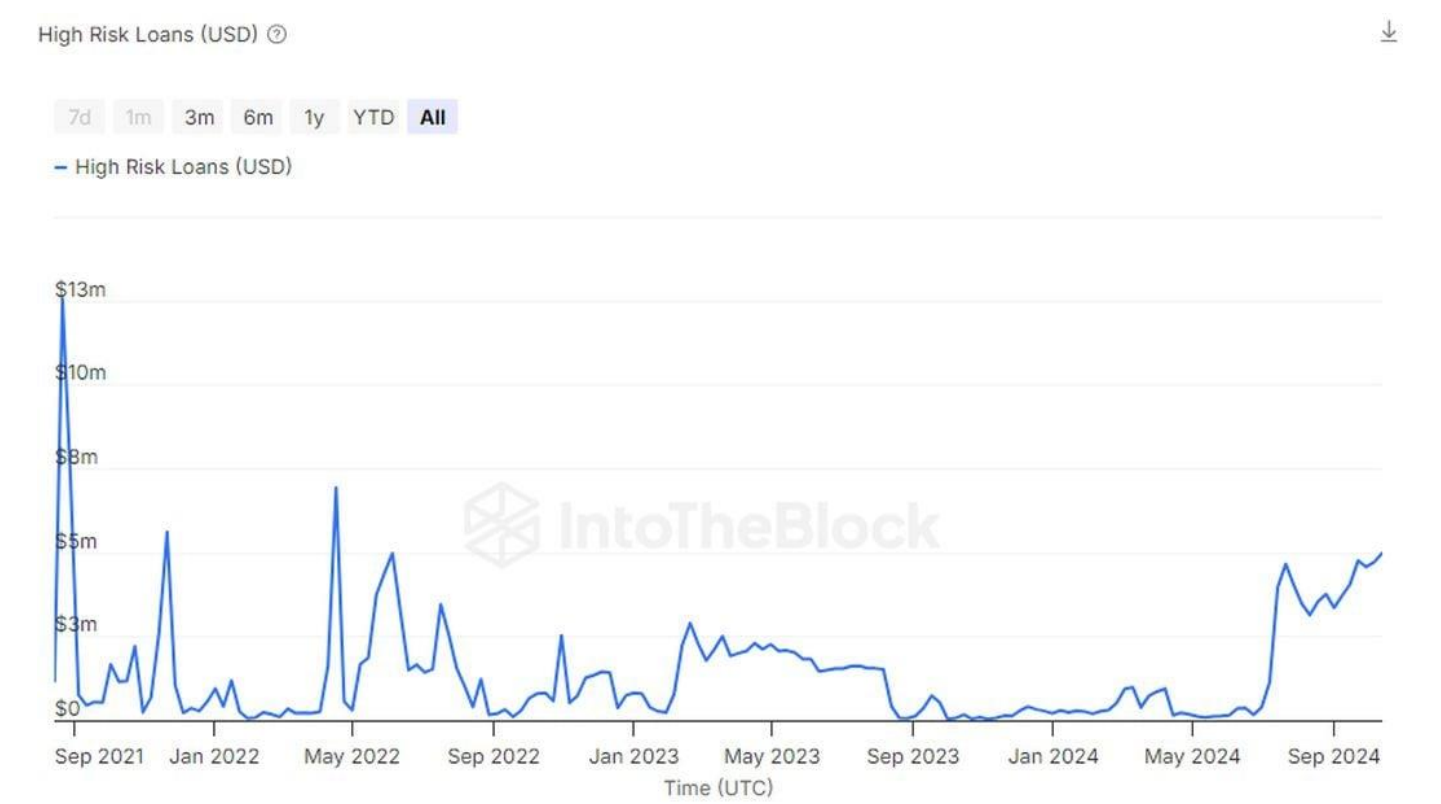
After today, I'm not so sure. Monday's rally tells me people don't want to be left behind if and when crypto takes off. There is a lot of dry powder on the sidelines. As soon as we get any whiff of clarity, I think we go higher fast.

The RWA tokenization sector could see a more than 50-fold increase by 2030, according to predictions from some of the largest financial institutions and business consulting firms compiled in a Tren Finance research report.

Organization	Bear / Base	Bull	Source
	\$2 trillion	\$4 trillion	Report
	\$3.5 trillion	\$10 trillion	Report
	\$4 trillion	\$4 trillion	Report
	\$10.9 trillion	\$10.9 trillion	Report
	\$16 trillion	\$16 trillion	Report
	\$30.1 trillion	\$30.1 trillion	Report

RWA tokenization, market size predictions by 2030. Source: Tren Finance

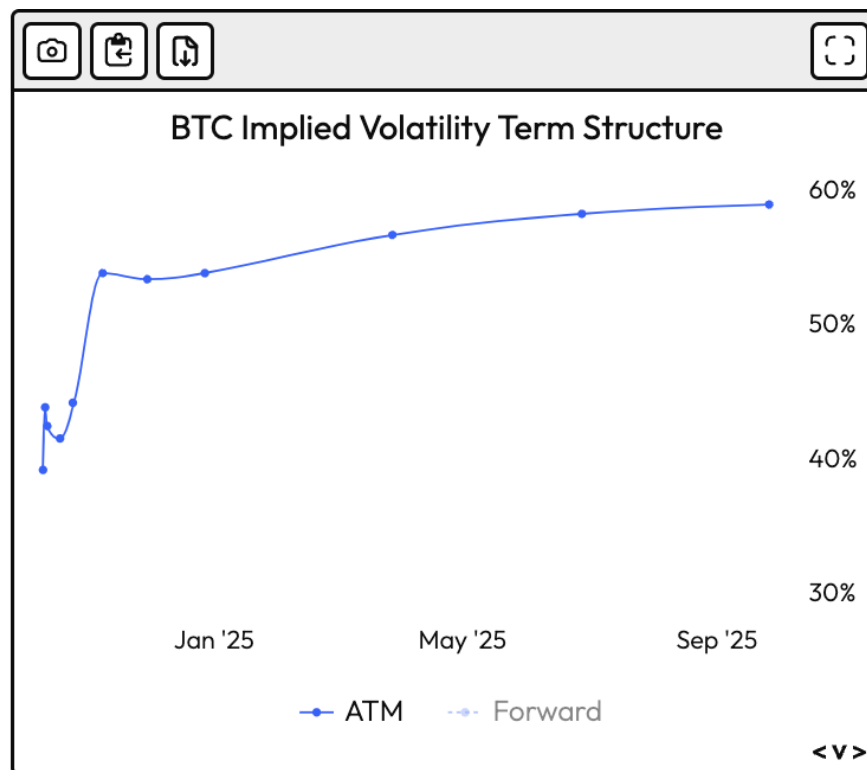
High-risk crypto-backed loans have reached a two-year peak, raising fears of a potential liquidation chain reaction and heightened market volatility.



Arca: Breakdown of Republicans' and Democrats' Views on Crypto Issues...

Election Year Volatility Looms in Crypto Markets

As we approach the 2024 US presidential election, Bitcoin's past behavior offers insight into what may lie ahead. Historically, BTC has been relatively calm pre-election, only to experience heightened volatility post-election. This time, the options market is already hinting at turbulence, with a pronounced kink in the volatility curve that peaks post-November, indicating that the market is bracing for action. Political outcomes often shape broader macroeconomic policies, which could trigger liquidity shifts and regulatory changes that impact crypto markets directly.

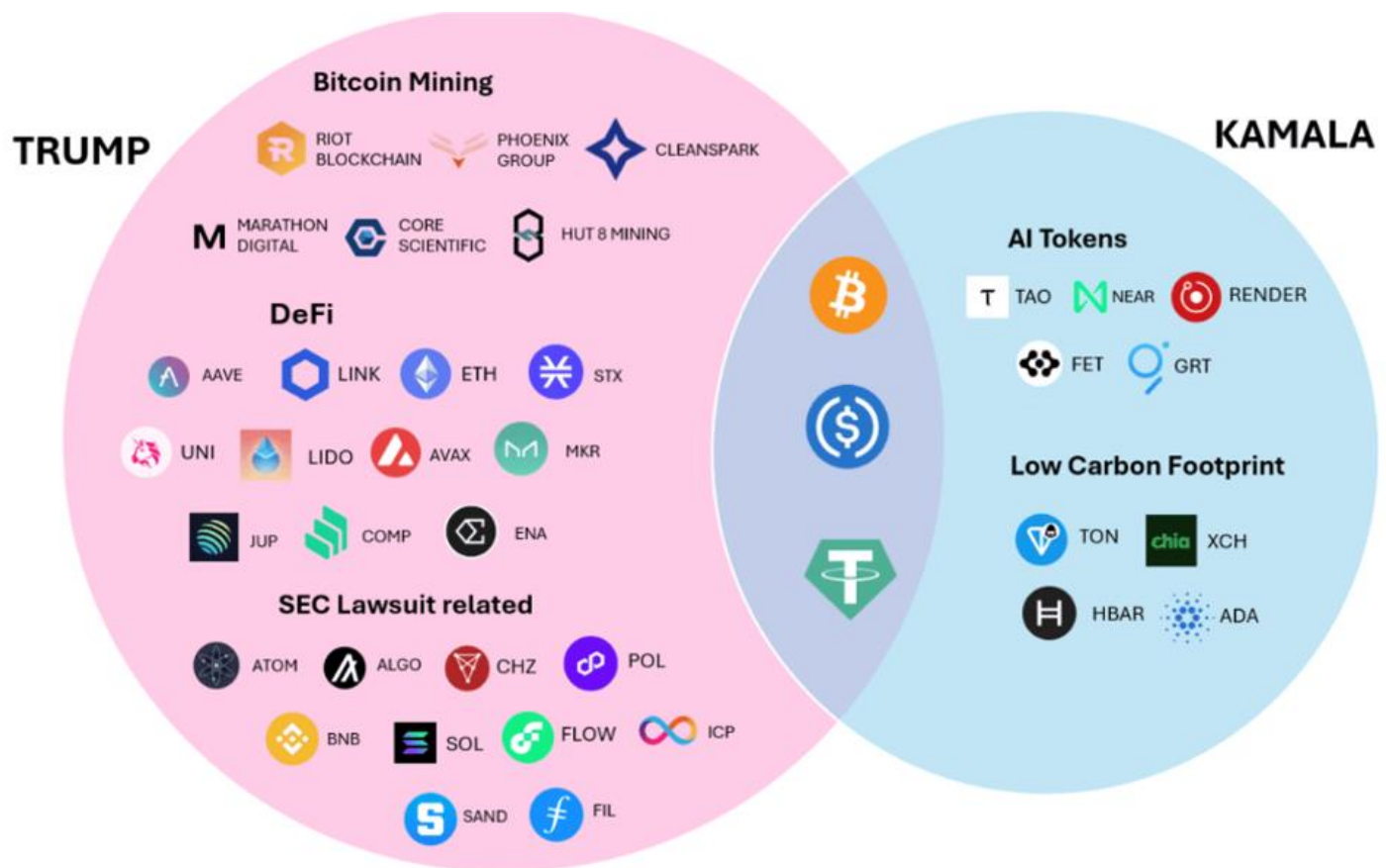


Source: Velo.xyz

In the past, crypto prices have reacted to policy signals from new administrations – typically driven by expectations around inflation, financial regulation, and digital asset policies. As in previous cycles, uncertainty around potential government changes is creating anticipation. Historically, digital assets perform well after elections, especially when economic policies favor looser monetary conditions.

We're likely heading towards something similar. Markets hate uncertainty more than bad outcomes, so even though roughly 50% of people will be disappointed with the outcome on election night, just about all investors will be happy that the uncertainty goes away (assuming a peaceful transfer of power).

That said, the candidates are quite different in their public support regarding digital assets. We found this chart from Galaxy Digital very helpful as it pertains to the key comparisons of crypto policy of a Trump/Vance administration versus that of a Harris/Walz administration:



Source: Galaxy Trading

Overall, Trump seems to be the most favorable candidate for the majority of the issues and legislations but Harris' administration is expected to be much more accommodative/constructive relative to the current Biden administration as well. More specifically:

- 1. IRS/Tax issues** – Distinct differences between the two candidates: Trump has raised a desire to reduce the IRS workforce, while Harris' major emphasis is on 'rolling back Trump tax cuts for the wealthiest Americans' and would likely increase capital gains tax. Taxing crypto has been seen as an easy target for Democrats to raise revenue as well.
- 2. Bitcoin Mining** – Trump made headlines on multiple media channels for supporting 'made in America' Bitcoin and characterizing Bitcoin mining as domestic manufacturing. Trump has also raised money from Bitcoin miners. While not specific to Bitcoin mining, Harris has made "climate justice" as a key pillar of her platform and has co-sponsored the "Green New Deal" while in the Senate... unlikely to be supportive.
- 3. SEC** – Trump is extremely supportive and has promised to 'fire Gary Gensler'. Harris also seems broadly constructive and has said her administration would "encourage innovative technologies like AI and digital assets while protecting our consumers and investors. However, tokens and firms (mentioned below in Trump custom basket) sued by the SEC will likely see outsized benefits from Trump's victory.
- 4. FIT21** – Both Trump and Harris' teams will likely support positive market structure reforms. However, JD Vance stands out the most as his office has expressed significant issues in advancing market structure legislation.

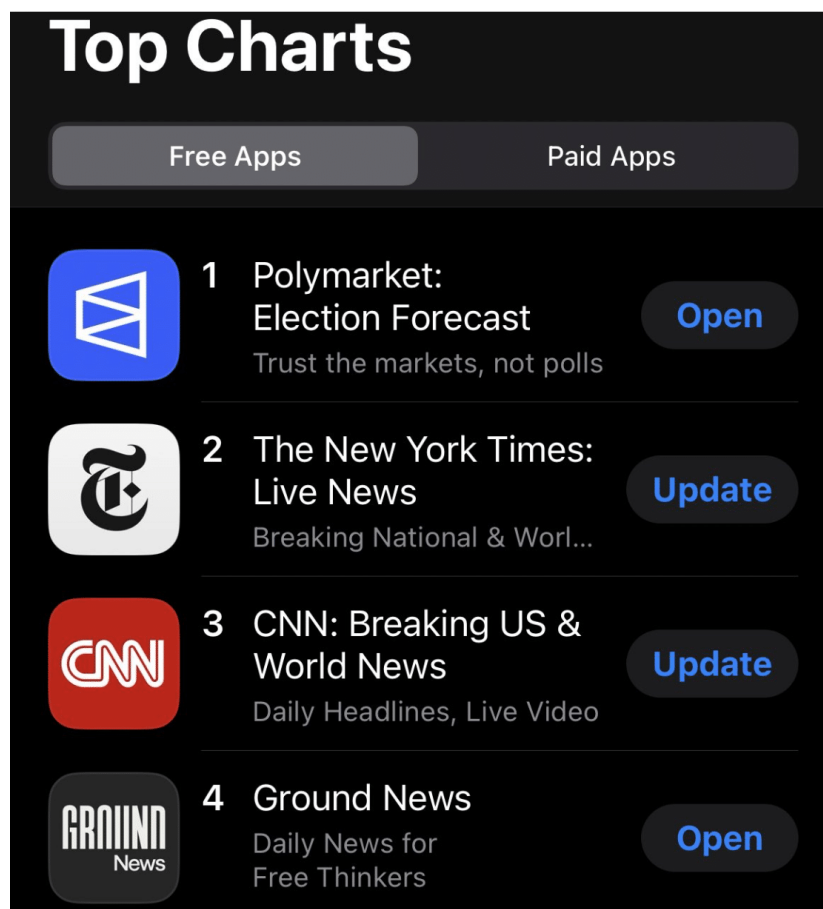
5. **Treasury: BSA/Sanctions** – While less stringent than the current administration, Trump and Harris are expected to maintain tight control on KYC/AML rules and sanction enforcements.
6. **Banking Regulators** – Trump has pledged to 'end Operation Chokepoint 2.0' while Harris might also ease Operation Chokepoint 2.0 based on behind-the-scenes conversations. Trump's OCC allowed national banks to touch blockchain as well.
7. **Stablecoin Legislation** – Republicans, in general, have supported the formalization of stablecoins. Democrats have been opening up to the idea and have rallied behind Maxine Waters' approach to stablecoin policy, which is a net positive.

Decentralized Finance - Trump said that he'll unveil plans to ensure that the US will be the 'crypto capital of the planet' during a speech at the Nashville Bitcoin Conference. Trump's family has recently launched a DeFi project, "World Liberty Financial," as well. Trump has shown much more concrete support for the industry vs Harris. However, some analysts say there is a risk that his family's new project could complicate the passage of pro-crypto legislation due to a conflict of interest.

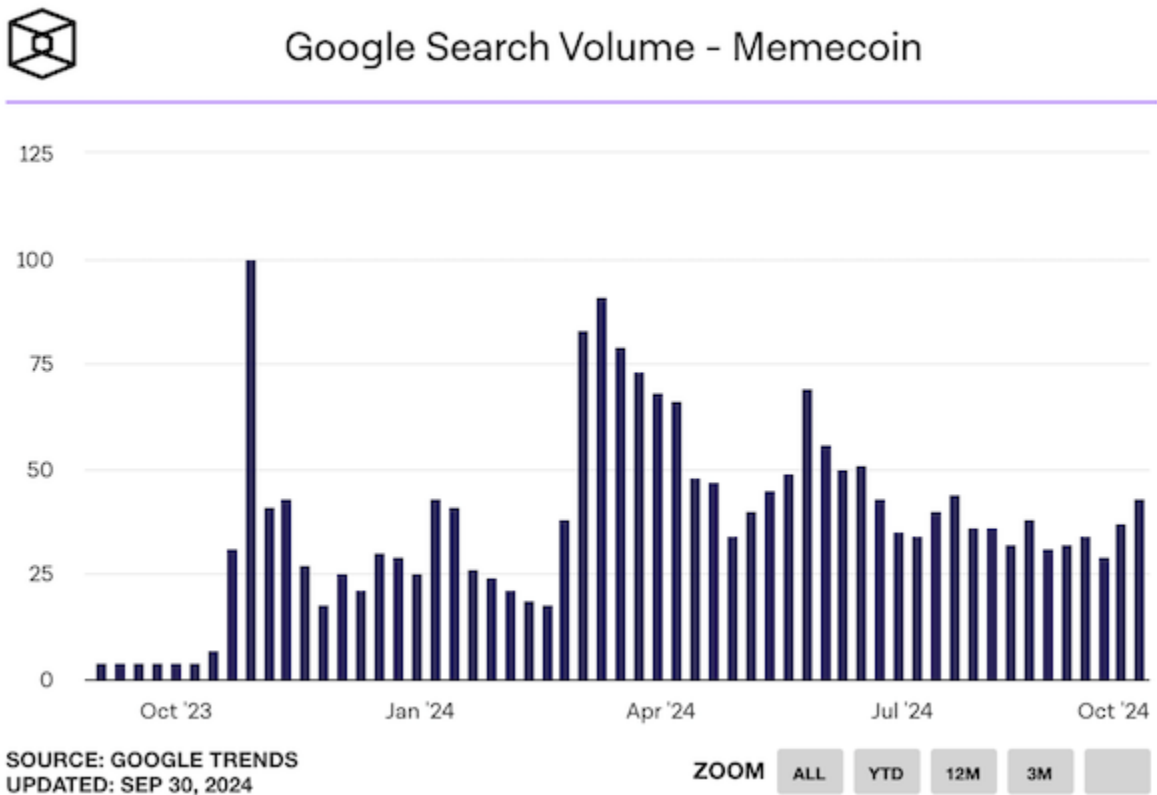
Grayscale Research released “Potential Implications of US Election Outcomes on Digital Asset Markets.” (See highlights below. Download the full piece, [here](#).)

- The outcome of the US elections will likely have significant implications for the digital assets industry. The next president and Congress may take up crypto-specific legislation and could make changes to tax and spending policies that affect broader financial markets.
- Current polling data and the implied odds from prediction markets like Polymarket suggest a tight race. However, as of October 15, these data suggest that Republican control of the Senate appears likely. Grayscale Research believes a change in control of the Senate could be particularly relevant for crypto, given the Senate’s role in confirming presidential appointments of key regulators, like the SEC and CFTC Chairs.
- At the constituent level, however, data show that crypto is a bipartisan issue, with slightly higher levels of Bitcoin ownership among Democrats than Republicans. Moreover, specific candidates from both parties have expressed support for crypto innovation.
- Regardless of which party is in control, Grayscale Research believes that comprehensive bipartisan legislation could be the best long-term solution for the digital assets industry in the United States.

Polymarket became the top free news app in Apple’s US App Store. (Polymarket is required to block US users from making trades on the platform as a result of a 2022 settlement with the CFTC, though Polymarket has continued to allow American users to visit the website and download the app.)



The Block Pro Research: Google search volumes for the term “memecoin” recently reached a new 2-month high, climbing to a search index value of 43.



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

- Former FTX executive Salame, who started his 7.5-year prison sentence on Oct. 11, accused prosecutors of lying to his lawyers, said Caroline Ellison is as culpable as Sam Bankman-Fried, and claimed he wasn’t guilty of the charges to which he pleaded guilty.
- Former FTX engineering director Nishad Singh's lawyers requested no jail time for his limited role in the FTX collapse, highlighting his cooperation and regret in the case.
- A former FTX customer is suing hedge fund Olympus Peak, claiming they underpaid him for his bankruptcy claim and are now set to make over \$1 million in profit following a court-approved reorganization plan.