



BLOCKCHAIN INVESTMENT & ADVISORY

CRYPTO MARKET UPDATE

10 December 2018

▶ Bitcoin’s dominance rose from 53.5% to 55%. The total Crypto Market fell by almost 14% and overall volume is slightly up by 1.4%. Bitcoin is down by 11% Ethereum is down by 17.7%, XRP is down by 14.4%, and EOS is down by almost 27%. Best performers among top-40 crypto were Bitcoin SV (4%), NEM (-2.2%) and Dogecoin (-2.5%).

▶ 6 Southern Europe Countries Gather to Lead Blockchain Adoption

▶ FINMA Introduces Relaxed Fintech License

▶ US Congressmen Introduce Two Bills to Fight

Manipulation ▶ Bitcoin ETF Decision Expectedly Postponed Until Late

February 2019

▶ Leading Ethereum Classic Developers Shuts Down

▶ ConsenSys Lays off 13% of Employees

▶ Constantinople Hardfork Scheduled for January

▶ NKB Group’s Token Offering Monitor

▶ Leaders Gather to Scale Security Token Efforts

▶ Nexo Announces First Dividend Payouts

Date 10 December 2018

Crypto MktCap	\$112.7 bn
24H Volume	\$14 bn
BTC dominance	55%

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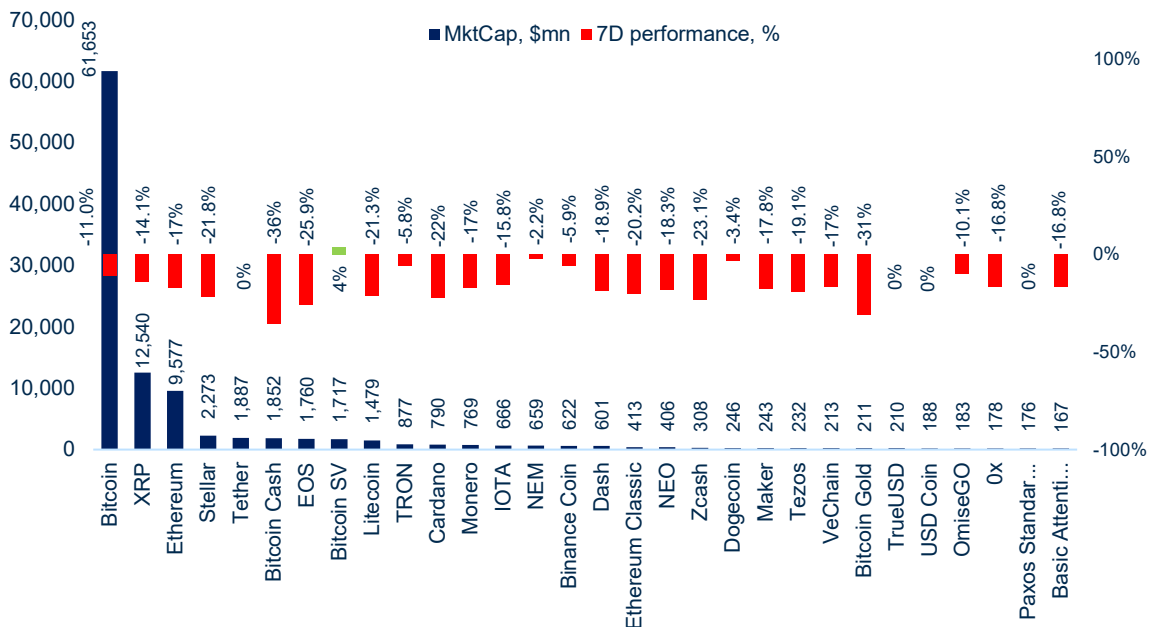
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*Pricing as of 10:00 AM BST 10/12/2018.

MARKET MOMENTUM

The digital assets sell off continues as the total market cap plunged to August 2017 levels below \$110 billion. Bitcoin has visited the \$3,210 price tag to shortly bounce to \$3,600 demonstrating that the \$3000 level seems to have a solid support. Last week saw an interesting battle among Bitcoin Cash forks where BCH SV has gained 32% to shortly dethrone BCH ABC. The vast majority of top-30 assets have lost more than 15%. Overall volume has fallen by more than 30% and we are apparently heading back towards yearly lows to re-test the bottom.

Figure 1. The performance and market capitalisation of top-30 cryptocurrencies (by MktCap)



Source: coinmarketcap.co, as of 10th of December 2018 as of 12:00 AM BST

Figure 2. Worst performing digital assets* (7 days)

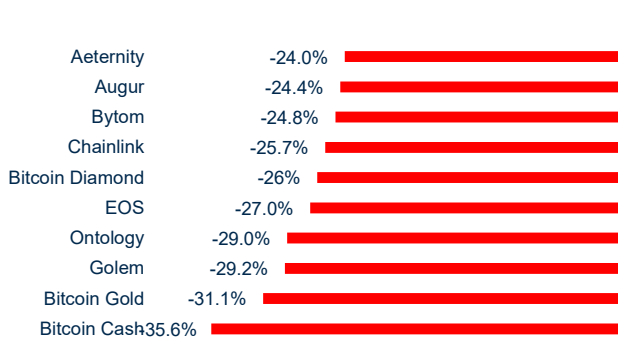
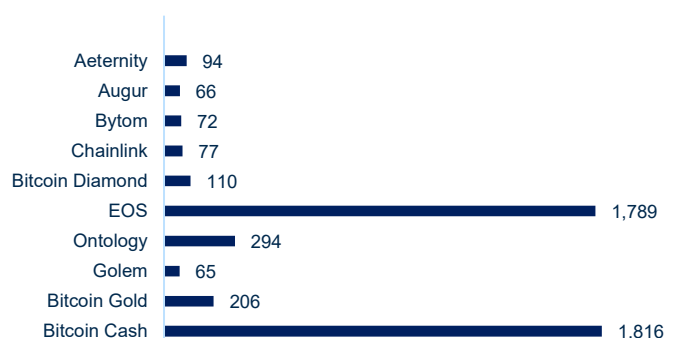


Figure 3. MktCap of worst performing digital assets*

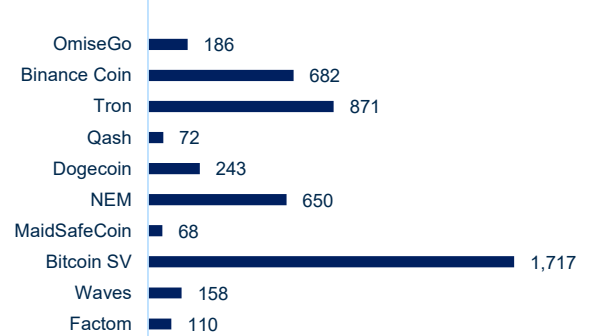
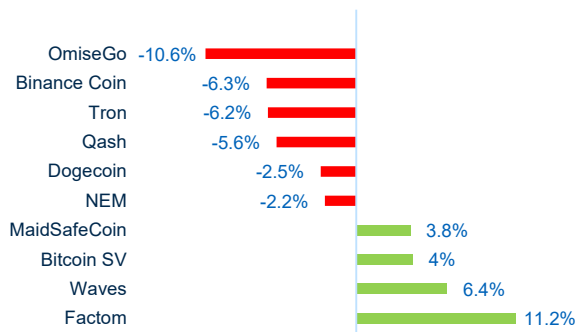


Source: coinmarketcap.com, *) MktCap>=\$50m

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Figure 4. Best performing digital assets (7 days)

Figure 5. MktCap of best performing digital assets



Source: coinmarketcap.com, Mkt Cap >=\$50m

Source: coinmarketcap.com, Mkt Cap >=\$50m

Figure 6. Top-30 digital assets by MktCap valuation

Asset	Ticker	Sector	Price,\$	Network value, \$mn	24H volume, \$mn	Network value to Transactions volume (24H)	Network value to Github commits	Consensus	%7d	Price, % of ATH
Bitcoin	BTC	Currency	3509,49	61122	4890	12,5	3,8	POW	-10,6%	17,5%
Ethereum	ETH	Platform	91,48	9488	1713	5,5	3,0	POW	-16,6%	6,4%
XRP	XRP	Currency	0,3021	12363	392	31,5	2,1	FBA	-14,4%	7,9%
Bitcoin Cash	BCH	Currency	106,51	1864	79	23,5	54,3	POW	-33,9%	2,5%
EOS	EOS	Platform	1,98	1794	850	2,1	0,2	DPOS	-25,5%	8,7%
Stellar	XLM	Platform	0,12	2240	162	13,8	2,3	FBA	-22,7%	12,5%
Litecoin	LTC	Currency	24,76	1474	431	3,4	5,3	POW	-20,9%	6,6%
Tether	USDT	Stable coin	1,02	1894	3155	0,6	0,1	POR	2,1%	96,2%
Cardano	ADA	Platform	0,0302	784	13	59,1	10,1	POS	-22,7%	2,3%
Monero	XMR	Privacy coin	44,77	745	13	59,5	0,9	POW	-19,1%	9,0%
TRON	TRX	Platform	0,0132	875	57	15,2	0,6	DPOS	-5,5%	4,4%
IOTA	MIOTA	Platform	0,23	642	6	100,4	2,7	DAG/POW	-16,6%	4,1%
Dash	DASH	Privacy coin	69,48	590	147	4,0	0,0	POW	-18,8%	4,2%
Binance Coin	BNB	Exchange	4,73	619	16	39,3	58,5	POW	-6,6%	21,0%
NEO	NEO	Platform	6,10	397	119	3,3	0,0	dBFT	-18,2%	3,1%
Ethereum Classic	ETC	Platform	3,87	413	106	3,9	76,6	POW	-17,8%	8,1%
NEM	XEM	Platform	0,0724	651	10	66,1	2,0	POI	-2,1%	3,5%
Tezos	XTZ	Platform	0,37	223	2	140,3	25,2	dPOS	-18,9%	3,3%

VeChain	VET	Platform	0,0038	212	6	34,8	93,7	POA	-16,9%	4,2%
Zcash	ZEC	Privacy coin	56,93	309	116	2,7	2,5	POW	-21,2%	6,0%
Dogecoin	DOGE	Currency	0	246	16	14,9	5,5	POW	-7,1%	11,0%
Maker	MKR	Stable coin/Dapp	326	238	0	671,8	0,1	POW	-16,6%	19,3%
0x	ZRX	Exchange	0	175	7	25,6	0,0	POW	-16,9%	12,7%
OmiseGO	OMG	Dapp	1	188	24	8,0	19,7	POW	-9,0%	4,7%
Bitcoin Gold	BTG	Currency	12	207	4	58,9	42,4	POW	-31,0%	2,5%
Qtum	QTUM	Platform	2	143	92	1,6	5,4	POS	-18,3%	1,5%
Ontology	ONT	Platform	1	158	10	15,4	0,2	POS/BFT	-28,7%	4,9%
Decred	DCR	Currency	16	144	1	153,4	5,5	POS/POW	-17,6%	12,7%
Lisk	LSK	Platform	1	135	3	53,1	2,6	POS	-12,1%	3,1%
Aeternity	AE	Platform	0	92	6	15,5	3,0	POW/POS	-26,2%	6,7%

Source: Coinmarketcap.com, NKB Research *as of 10th of December, 10:30 BST

REGULATORY NEWS

G20 Leaders Pledge Crypto Regulation in Lines with FATF

Released after last week's G20 summit in Buenos Aires, "[Building consensus for fair and sustainable development](#)" declaration, point 25 in particular highlights that cryptocurrencies are in need of greater regulation.

"We will step up efforts to ensure that the potential benefits of technology in the financial sector can be realized while risks are mitigated. We will regulate crypto-assets for anti-money laundering and countering the financing of terrorism in line with FATF standards and we will consider other responses as needed".

FINMA Introduces Relaxed Fintech License

Switzerland's Financial Market Supervisory Authority (FINMA) has [introduced](#) a new fintech license with "relaxed" requirements that are applicable to blockchain and cryptocurrency-based firms. This license will allow approved "innovative financial companies" to accept public deposits of up to 100 million Swiss francs, provided the funds are not invested and no interest is paid on them.

6 South European Countries Gather to Lead Blockchain Adoption

France, Spain, Malta, Cyprus, Portugal and Italy [signed](#) a joint declaration to promote the adoption of blockchain technology in order to transform the economy in the region of South Europe and to become a leading region in the sector.

"We believe that any legislation on Distributed Ledger Technologies should take into account the decentralized nature of such technology and should be based on European fundamental principles and technological neutrality. It should also allow innovation and experimentation in order for the public and private sector to better understand the Distributed Ledger Technologies and to develop use cases"

US Congressmen Introduce Two Bills to Fight Crypto Manipulation

Bipartisan congressmen Darren Setto (Democrat) and Ted Budd (Republican) have jointly introduced two bills in order to prevent price manipulation and boost acceptance of the technology. The first bill is calling for appropriate research on how manipulation takes place and how to stop it and the second asks regulators to carry out research on crypto regulations in jurisdictions across the globe and recommend any legislative changes to promote the growth of adoption of cryptocurrencies in the U.S.

US Government Seeks Ways of Forensic Analysis to Track Privacy Coins

Department of Homeland Security is exploring the ways to utilize forensic analysis for proven-oriented coins like Monero or Zcash. According to the proposal, while privacy features are certainly desirable, “there is similarly a compelling interest in tracing and understanding transactions and actions on the blockchain of an illegal nature.”

CRYPTO MARKET NEWS

Leading Ethereum Classic Developers Shuts Down

Ethereum Classic’s leading development team has announced that they won’t be contributing code to a network due to financial struggles. “Unfortunately ETCDV cannot continue to work in the current situation and has to announce shutdown of our current activities.”

ConsenSys Lays off 13% of Employees

A company which is working to build an internet of dapps (decentralize applications) purely on Ethereum is letting go of 13% of its staff. After 4 years in existence, ConsenSys has grown to more than 1000 employees, has 50 ventures and its estimated annual cash burn is around \$100 million.

6 Venture Funds with Accelerator Plan to Invest \$100 Million in Ohio Blockchain Startups

Ohio-based accelerator JumpStart, together with 6 other venture funds plans to invest \$100 million into Ohio’s blockchain startups with an additional \$100 million ready to deploy over the next 3 to 4 years. The news has arrived just one week after Ohio announced that businesses can now pay their taxes with Bitcoin.

Huobi Receives Gibraltar DLT License

Th world’s 3rd biggest exchange Huobi, has gained a Distributed Ledger Tech (DLT) license from Gibraltar regulators to launch an international platform for either institutional or retail investors. Huobi can also officially act as a custodian of its clients’ assets.

Bitcoin ETF Decision Expected to Be Postponed until Late February 2019

The Securities and Exchange Commission delayed making a decision on VanEck’s bitcoin ETF application until February 27th, 2019. This is the final possible date by which time the future of VanEck’s ETF will have to be resolved.

“The Commission finds it appropriate to designate a longer period within which to issue an order approving or disapproving the proposed rule change so that it has sufficient time to consider this proposed rule change,”

Poloniex Launches Institutional Trading Services

Goldman Sachs-backed crypto exchange Poloniex is opening trading services for institutional clients. Support of different trading pairs, API interfaces, no BTC/USDC fees, and OTC trading are among the benefits.

Last Week in Funding

Crypto trading platform ErisX has raised \$27.5 million via Series B from Bitmain, ConsenSys, Fidelity, Nasdaq Ventures, Pantera and others. UK crypto custodian startup Trustology has received \$8 million and again struggling ConsenSys is one of the backers. A team led by a Turing award winner which aims to build a DAG-based smart contract platform has raised \$35 million from Sequoia China, Baidu Ventures, and Huobi.

Coinbase Lists 4 Coins and Considers 30 More Listings

The largest US-based crypto exchange Coinbase has announced 4 new additions to its trading platform Coinbase Pro. Civic, District0x, Loom Network and Decentraland. A couple of hours post announcement, Coinbase revealed that there 30 more assets which are under consideration right now.

Constantinople Hard Fork Scheduled for Block 7,080,000

Speaking at a bi-weekly core developer meeting Friday, the developers assembled agreed on block 7,080,000 (Jan 14th-18th) on the Ethereum blockchain as an activation point at which users will be able to elect to upgrade to the new code. Originally planned for November, Constantinople aims to install 5 backwards-incompatible changes like cutting the block reward from 3 ETH to 2 ETH or delaying the so-called “difficulty bomb”.

NKB Group’s Token Offerings Monitor

Token offerings raised ~\$300 million in November, \$544 million in October and \$390 million in September. A complete overview of Q3 token offerings can be found here.

SECURITY TOKEN NEWS

Ledger Partners with Neufund

Crypto Hardware wallet producer Ledger and equity and fundraising platform Neufund are partnering to create a security token framework and let users store and manage asset-backed tokens issued on the Neufund platform via Ledger’s desktop app.

Tokeny and Security Token Network Partnership

Luxemburg based security token issuance platform Tokeny is partnering with news and analysis medium Security Token Network to help deliver security token offerings

(STOs) and promote broader industry adoption. Tokeny will provide its clients with token issuance solutions including token management, deployment, and governance, while Security Token Network's mandate is to accelerate the mass adoption of security tokens via its network.

Nexo Announces First Dividend Payouts

Crypto-backed loans startup Nexo will be sharing 30% its profits since they launched a product 6 months ago. In total more than \$912,000 (4.8% dividend yield) will be distributed in the form of dividends among owners of almost 310 million tokens.

Leaders Gather to Scale Security Token Efforts

GSX Group, tZero, SharesPost, GSX, NEM and others have announced the launch of a common framework to facilitate market interoperability of security tokens called Millbrook Accord (MA). MA is creating Verified Token Framework (VTF) which aims to put forward practical solutions in order to facilitate a more seamless process for verifying identities, navigating jurisdictions, and ensuring compliance among token holders, exchanges, and platforms.

HyperLink Capital Introduces SFT Protocol

Secured Financial Transaction Protocol is a set of open sourced compliance smart contracts, written in Solidity for the Ethereum blockchain, which will allow the tokenization of debt and equity based securities.

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