



BLOCKCHAIN INVESTMENT & ADVISORY

CRYPTO MARKET UPDATE

17 December 2018

- ▶ Bitcoin’s dominance remains at 55%. The total Crypto Market fell by almost 8% and overall volume plunged by 30% from the levels of the past week. Bitcoin is down by 6.6%, Ethereum by 5.6%, XRP by 5%, and EOS is slightly up by 0.2%. Best performers among the top-40 crypto were Waves (58.3%), Litecoin (10%) and Qtum (8%).
- ▶ CFTC Seeks More Information on Ethereum
- ▶ Japanese Lawmaker Proposes Changes to Ease Crypto Taxes
- ▶ French Government Intends to Spend €500 Million on Blockchain
- ▶ \$133 Million Basis Confirms Shutdown
- ▶ Progressive Week for US Crypto Exchanges
- ▶ Gazprom Bank to Launch Crypto Services in 2019
- ▶ Stuttgart Boerse to Launch Crypto Trading Platform
- ▶ Bitmain Closing R&D Department in Israel
- ▶ TokenSoft Acquires Stake in Regulated Broker-Dealer
- ▶ First African Security Token Framework on Horizon

Date	17 December 2018
Crypto MktCap	\$104 bn
24H Volume	\$10 bn
BTC dominance	55%

Research Analysts:

Marina Alekseenkova
Marina.Alekseenkova@nkbgroup.io
 David Arvay
David.Arvey@nkbgroup.io

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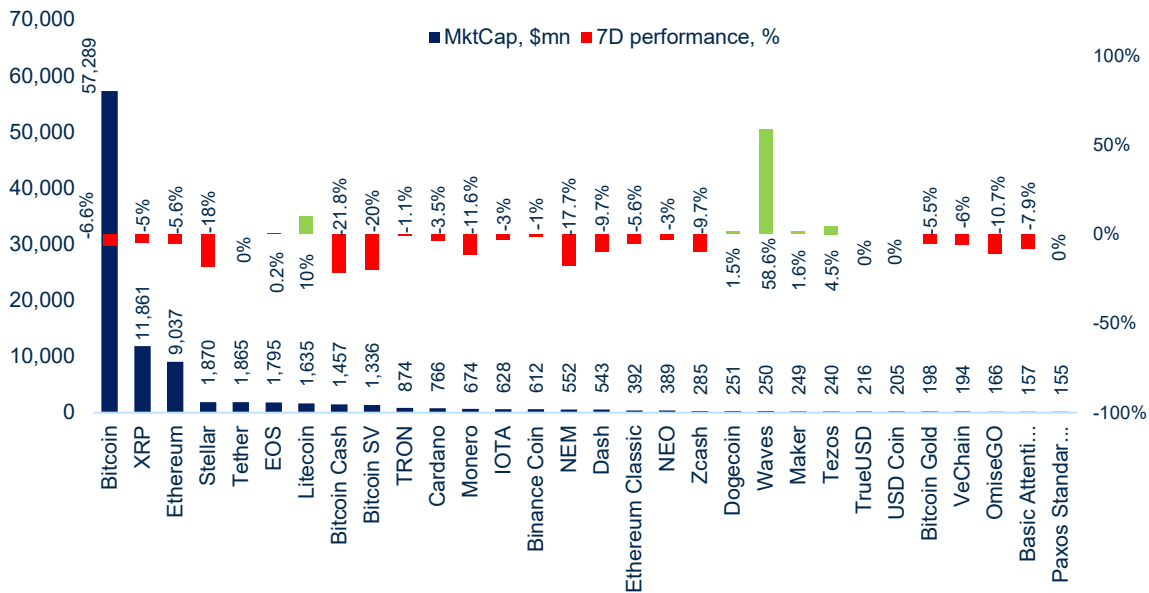
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*Pricing as of 10:00 AM GMT 17/12/2018.

MARKET MOMENTUM

Digital assets recorded another yearly low when the total crypto market cap fell from \$113 billion to a little over \$100 billion on Saturday. Overall volume is down by 30%, below the \$10 billion mark. Market leader Bitcoin (55% dominance) set a new low for 2018 of \$3,150, down by 12.5% from last week's high of \$3,600. Ethereum was down by more than 10% as of last Monday. In a similar fashion, across the general market, Ether has been seen at its lowest levels of 2018, around \$83. Ripple, the second largest coin, is holding slightly above its 2018 low from September, and is still down 7% intra-week.

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



Source: coinmarketcap.co, as of 17th of December 2018 as of 09:00 AM BST

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

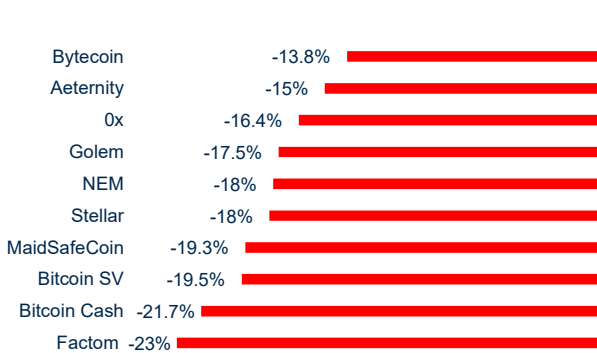
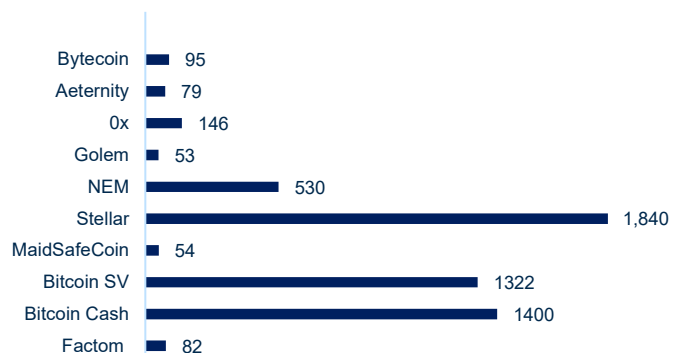


Figure 3. MktCap of worst performing digital assets*

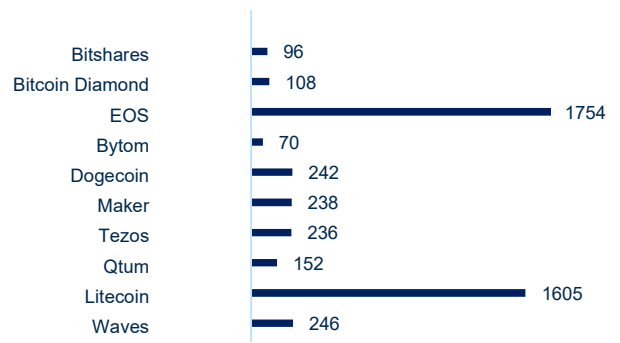
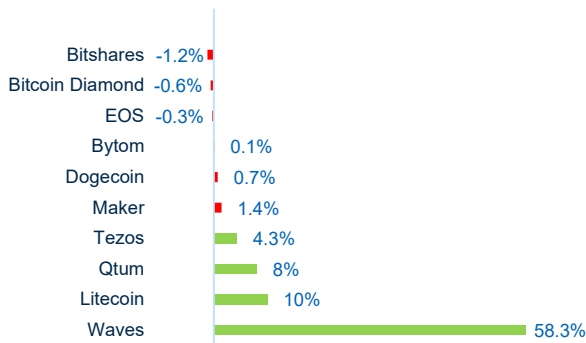


Source: coinmarketcap.com, *) MktCap>=\$50m

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

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	3286,53	57275	3746	15,3	3,5	POW	-7,7%	16,4%
Ethereum	ETH	Platform	86,70	9004	1505	6,0	2,9	POW	-6,7%	6,1%
XRP	XRP	Currency	0,2904	11886	285	41,7	2,0	FBA	-5,5%	7,6%
Bitcoin Cash	BCH	Currency	83,39	1461	67	21,7	42,5	POW	-22,0%	1,9%
EOS	EOS	Platform	1,97	1785	586	3,0	0,2	DPOS	-1,0%	8,6%
Stellar	XLM	Platform	0,10	1872	68	27,6	1,9	FBA	-18,5%	10,4%
Litecoin	LTC	Currency	27,37	1631	461	3,5	5,9	POW	8,6%	7,3%
Tether	USDT	Stable coin	1,01	1875	2314	0,8	0,1	POR	-1,1%	95,3%
Cardano	ADA	Platform	0,0294	762	9	85,1	9,8	POS	-4,9%	2,2%
Monero	XMR	Privacy coin	40,67	677	9	74,2	0,8	POW	-12,9%	8,2%
TRON	TRX	Platform	0,0132	875	44	19,9	0,6	DPOS	-1,6%	4,4%
IOTA	MIOTA	Platform	0,23	627	6	113,5	2,6	DAG/POW	-6,6%	4,0%
Dash	DASH	Privacy coin	64,29	547	106	5,2	0,0	POW	-10,4%	3,9%
Binance Coin	BNB	Exchange	4,70	615	14	44,9	58,2	POW	-1,9%	20,9%
NEO	NEO	Platform	5,99	389	78	5,0	0,0	dBFT	-4,4%	3,1%
Ethereum Classic	ETC	Platform	3,68	393	72	5,5	72,9	POW	-6,1%	7,7%
NEM	XEM	Platform	0,0613	552	8	65,6	1,7	POI	-16,4%	2,9%

Tezos	XTZ	Platform	0,40	242	1	213,6	27,3	dPOS	3,8%	3,6%
VeChain	VET	Platform	0,0035	197	4	46,5	87,1	POA	-9,0%	3,9%
Zcash	ZEC	Privacy coin	52,77	289	116	2,5	2,3	POW	-9,6%	5,5%
Dogecoin	DOGE	Currency	0	251	16	15,8	5,6	POW	1,6%	11,2%
Maker	MKR	Stable coin/Dapp	331	241	2	117,9	0,1	POW	-0,7%	19,6%
0x	ZRX	Exchange	0	149	6	23,2	0,0	POW	-16,7%	10,8%
OmiseGO	OMG	Dapp	1	165	32	5,1	17,4	POW	-11,6%	4,2%
Bitcoin Gold	BTG	Currency	12	201	4	51,4	41,2	POW	-5,4%	2,4%
Qtum	QTUM	Platform	2	154	68	2,3	5,8	POS	6,0%	1,6%
Ontology	ONT	Platform	0	142	7	19,8	0,2	POS/BFT	-12,0%	4,4%
Decred	DCR	Currency	15	136	1	167,2	5,2	POS/POW	-10,9%	11,9%
Lisk	LSK	Platform	1	131	2	61,1	2,5	POS	-5,8%	3,0%
Aeternity	AE	Platform	0	81	3	28,8	2,6	POW/POS	-15,6%	5,9%

Source: Coinmarketcap.com, NKB Research *as of 17th of December, 10:30 BST

REGULATORY NEWS

CFTC Seeks More Information on Ethereum

The US Commodity and Futures Trading Commission has asked the general public for feedback on different questions on Ethereum in its Request for Input (RFI) published on Friday.

“The input from this request will advance the CFTC’s mission of ensuring the integrity of the derivatives markets as well as monitoring and reducing systemic risk by enhancing legal certainty in the markets. The RFI seeks to understand similarities and distinctions between certain virtual currencies, including here ether and bitcoin, as well as ether-specific opportunities, challenges, and risks.”

Revolut App Wins EU Banking License

Mobile finance app Revolut, which offers crypto trading services, has been granted a banking license from the European Central Bank. Revolut currently offers trading of 5 cryptocurrencies.

Japanese Lawmaker Proposes Changes to Ease Crypto Taxes

A Japanese lawmaker Takeshi Fujimaki, has proposed 4 changes to the current taxation regime in order to ease the burden for cryptocurrency users and encourage adoption of cryptocurrencies in the country. Fujimaki is proposing to 1) exempt all payments made in crypto from sales-tax, to 2) tax exempt all profits made by trading two digital assets, 3) allow past losses to be deducted from profits in subsequent year, 4) allow a 20% instead of 55% tax rate from crypto gains.

French Government Intends to Spend €500 Million on Blockchain

Members of the French Government are pushing for a €500 million injection to develop the country's blockchain ecosystem over a 3 year period. The investment will come from France's National Research Agency and French investment bank BPI France.

CRYPTO MARKET NEWS

Coinbase Adds Cash Withdrawals to PayPal

The largest US-based crypto exchange Coinbase has announced free of charge cash withdrawals to PayPal for Coinbase's American customers. Other countries will be rolled out over 2019.

Kraken is Gathering Investors for Its Private Offering

American crypto exchange Kraken has spread the word about its upcoming private offering valued at \$4 billion. According to the company, "fundraising is not a necessity", but in the current situation "building a war chest for acquisitions in the bear market presents a win-win opportunity":

Gemini Launches New Mobile App

A big week for US exchanges indeed, as another US-based exchange, Gemini, has launched its crypto app for customers. Founder Tyler Winklevoss writes:

"We spent the last three years building the world's most trusted cryptocurrency platform and today we are excited to extend it into your hands and allow you to engage with cryptocurrency wherever you are and whenever you want,"

Basis Stablecoin Confirms Shutdown

\$133 million stablecoin startup Basis is shutting down and will be refunding all of its investors, due to the shaping regulatory landscape in the United States. CEO of Basis, Nader Al-Naji:

"As regulatory guidance started to trickle out over time, our lawyers came to a consensus that there would be no way to avoid securities status for bond and share tokens (though Basis would likely be free of this characterization)."

Al-Naji added:

"Although this isn't the outcome any of us wanted, we knew going into this that we were fundamentally making a binary bet on a favorable regulatory landscape".

Basis was backed by Andreessen Horowitz, Google Ventures, Polychain Capital and Metastable Capital.

Gazprom Bank to Launch Crypto Services in 2019

Swiss Gazprombank (\$3.2 billion AUM/owned by Russian Gazprombank) in partnership with fintech company Avaloq and crypto firm Metaco, has announced the launch of an "integrated crypto asset solution" by mid-2019.

“The system is meant “for the management of client portfolios across all asset classes, including cryptocurrencies.”

Bitmain Closing R&D Department in Israel

The largest crypto mining company Bitmain is closing down its Israel-based R&D branch. 23 employees, including the project lead, have been laid off due to general market conditions.

Second Largest Stock Exchange to Launch Crypto Trading Platform

Stuttgart Börse is partnering with German fintech company SolarisBank to create a cryptocurrency trading platform in the first half of 2019. SolarisBank will be responsible for technical infrastructure and will also act as a banking partner for the venture.

Last Week in Funding

Digital banking platform Good Money raised \$30 million in a Series A round led by Galaxy Digital. Crypto loan startup BlockFi has raised \$4 million in convertible debt investments, led by Akuna Capital. Orbs raised ~\$15 million in crypto, with help from Kakao, and plans to spend the funds on further R&D.

SECURITY TOKEN NEWS

TokenSoft Acquires Stake in Regulated Broker-Dealer

Token launching platform TokenSoft has acquired a 20% stake in registered broker-dealer firm Marpine Securities LLC, as part of a push to offer broader services to its clients.

OpenFinance is Live

OpenFinance has become a fully operational regulated security token trading platform after Thursday’s switch from beta. The OFN platform is available to accredited and non-accredited investors both in the U.S. and abroad. Its Investor Passport Application serves as a one-time verification process allowing participants to invest, based on their eligibility.

First Security Token Framework in Africa on the Horizon

Bahamian-Kenyan technology startup Raise, has joined forces with Kenyan corporate law firm ALN Kenya-Anjarwalla & Khanna (A&K) to launch Africa’s first security token framework.

Tokenizing Debt by Jesus Rodriguez

Security token Evangelist Jesus Rodriguez unpacks the benefits of tokenizing debt in his 2-part medium blogs, [part 1](#) / [part 2](#)

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NKB Group

Offices: London, Vienna, Bratislava

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