



BLOCKCHAIN INVESTMENT & ADVISORY

# CRYPTO MARKET UPDATE

## 7 January 2019

- ▶ Bitcoin's dominance fell by 3.5% to 51.5%. The total Crypto Market grew by almost 33% and overall volume has spiked by 80% since the 17th December 2018. Bitcoin is up by 7.6%, Ethereum is up by 14.9%, XRP is up by 4.9%, and EOS is up by 10%. The best performers among top-40 crypto were Litecoin (26%), Tron (20%) and Cardano (18.7%).
- ▶ 2018 SEC Recap
- ▶ New York Forms Crypto Task Force
- ▶ Facebook Works on Stablecoin
- ▶ Chinese Miners in Delay with IPO
- ▶ GMO Quits Manufacturing of Miners
- ▶ Italy Forms Blockchain Group
- ▶ Tether has Sufficient Accounts According to Bloomberg
- ▶ DX.Exchange to Digitize US Stocks Market
- ▶ Tokenized Securities on EOS Blockchain
- ▶ Tokensoft Partners with Coinbase for Security Token Custody

Date	7 January 2019
Crypto MktCap	\$138 bn
24H Volume	\$18 bn
BTC dominance	51.5%

### Research Analysts:

Marina Alekseenkova  
[Marina.Alekseenkova@nkbgroup.io](mailto:Marina.Alekseenkova@nkbgroup.io)  
David Arvay  
[David.Arvey@nkbgroup.io](mailto:David.Arvey@nkbgroup.io)

*This report is for informational purposes only. It is not intended as an offer or solicitation for the purchase or sale of any financial instrument or as an official confirmation of any transaction. All market prices, data and other information contained in this document has been prepared from sources believed to be reliable, but we give no representation or warranty that the information is complete, accurate or current. Past performance is not a reliable indicator of future performance. Not for further distribution. **Investments in cryptocurrencies associated with essential risks, including risk of losing 100% of value. Not for the distribution in countries where digital assets are recognized as illegal.***

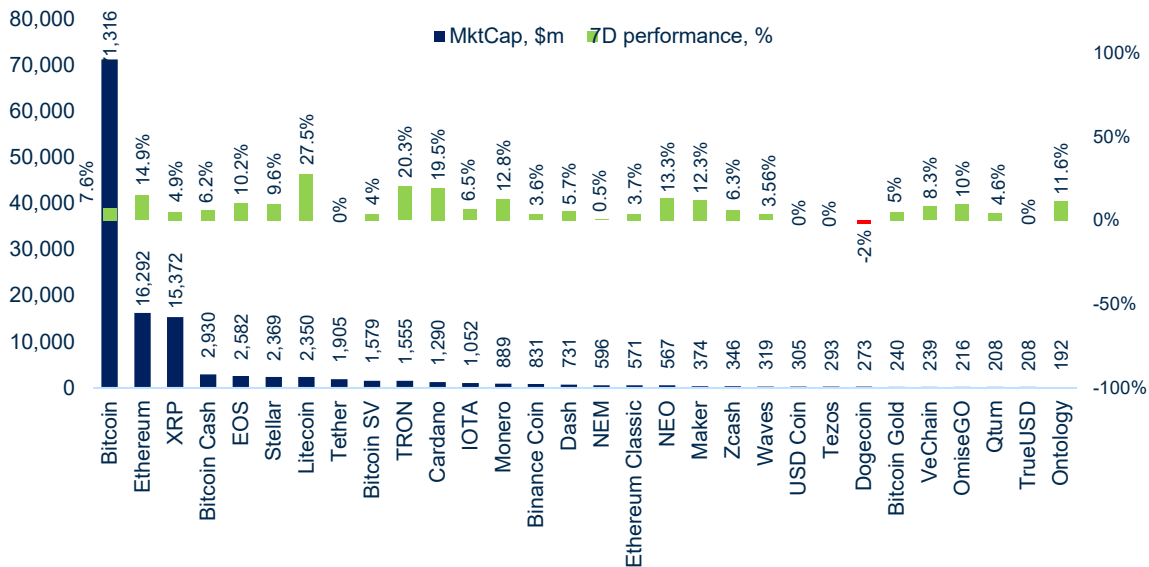
*NKB Group AG. Registered No 486551t. NKB Advisory Limited is an Appointed Representative (Reference Number 827169) of Met Facilities LLP which is authorised and regulated by the Financial Conduct Authority (FRN 587084). NKB Advisory Limited is registered in England and Wales with registered number 11313961 whose registered office is at 1 Connaught Place, London, W2 2ET.*

*\*Pricing as of 10:00 AM GMT 07/01/2019.*

# MARKET MOMENTUM

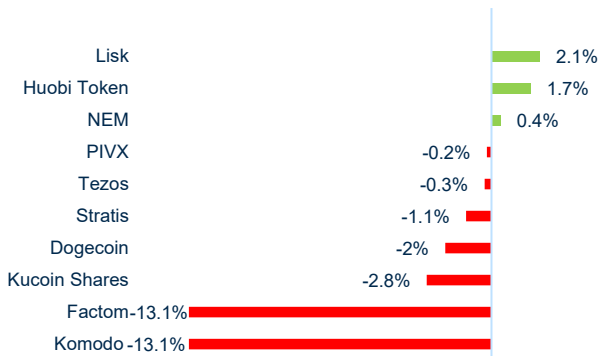
Since our latest edition (17th Dec), digital assets have bounced from the yearly lows of \$104 billion back up to \$146 billion on 24th Dec, representing a 40% spike in the total crypto market cap. From the beginning of 2019, digital assets were ranging around the \$130 billion mark, until yesterday's break out from an ascending triangle which resulted in a 5% gain, pushing the total crypto market price towards \$138 billion. Volume has been bouncing in the \$10 to \$24 billion range, with almost \$18 billion recorded this morning. Bitcoin dominance has fallen by 3.5% to 51.5%, with the price tag back above the \$4,000 level, a 25% increase since the level seen 3 weeks ago. Ether is back as the second largest asset with an 80% gain since our last update, and is currently sitting at \$156. XRP, the third largest asset is up 27.5% at \$0.37.

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

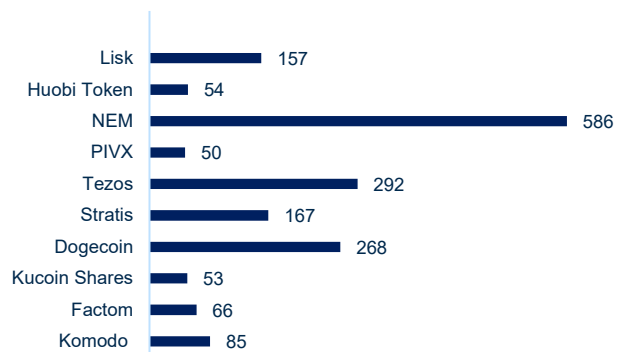


Source: coinmarketcap.com, as of 7th January 2019, 09:00 AM GMT

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



**Figure 3. MktCap of worst performing digital assets\***

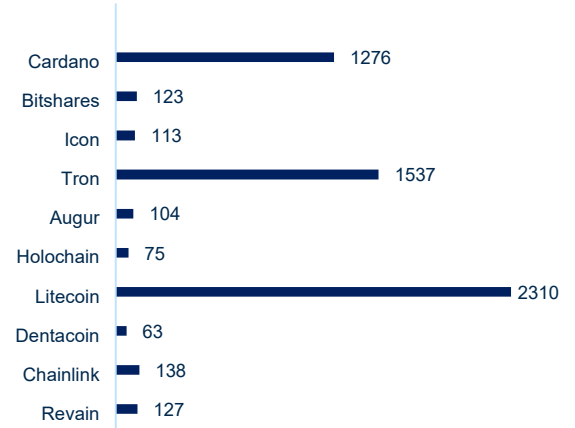
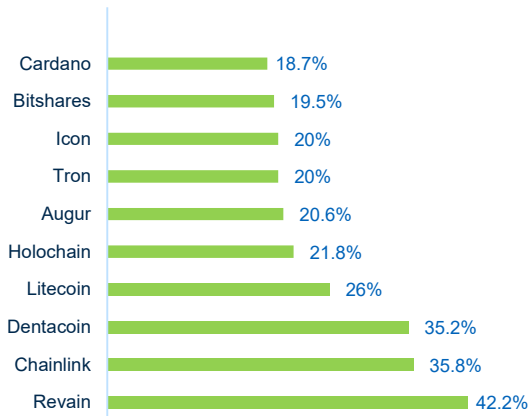


Source: coinmarketcap.com, \*) MktCap>=\$50m

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, \$m	24H volume, \$m	Network value to Transactions volume (24H)	Network value to Github commits	Consensus	%7d	Price, % of ATH
Bitcoin	BTC	Currency	4082	71316	5670	12.6	38.9	POW	7.6%	20%
Ethereum	ETH	Platform	156	16292	2960	5.5	16.3	POW	14.9%	11%
XRP	XRP	Currency	0,37	15372	547	28.1	56.7	FBA	4.9%	10%
Bitcoin Cash	BCH	Currency	166	2930	233	12.6	3.7	POW	6.2%	4%
EOS	EOS	Platform	2.85	2582	851	3	0.5	DPOS	10.2%	12%
Stellar	XLM	Platform	0,12	2369	93	25.5	4.8	FBA	9.6%	13%
Litecoin	LTC	Currency	39	2350	801	2.9	11.1	POW	27.5%	10%
Tether	USDT	Stable coin	1	1905	4274	0.4		POR	0%	100%
Cardano	ADA	Platform	0.049	1290	54	23.9	0.5	POS	19.5%	4%
Monero	XMR	Privacy coin	53	889	18	49.4	0.8	POW	12.8%	11%
TRON	TRX	Platform	0.023	1555	137	11.4	0.3	DPOS	20.3%	8%
IOTA	MIOTA	Platform	0,37	1052	10	105.2	2.2	DAG/POW	6.5%	6%
Dash	DASH	Privacy coin	85	731	114	6.4	2.4	POW	5.7%	5%

Binance											
Coin	BNB	Exchange	6.35	831	44	18.9	0.8	POW	3.6%	28%	
NEO	NEO	Platform	8.7	567	160	3.5	3.3	dBFT	13.3%	4%	
Ethereum											
Classic	ETC	Platform	5.3	571	145	3.9	1	POW	3.7%	11%	
NEM	XEM	Platform	0,66	596	12	49.7	596.0	POI	0.5%	3%	
Tezos	XTZ	Platform	0.48	293	3.5	83.7	293.0	dPOS	0%	4%	
VeChain	VET	Platform	0.004	239	6	39.8	0.9	POA	8.3%	5%	
Privacy											
Zcash	ZEC	coin	61.6	346	255	1.4	0.5	POW	6.3%	6%	
Stable											
Dogecoin	DOGE	Currency	0.002	273	17	16.1	136.5	POW	-2%	12%	
coin/Dapp											
Maker	MKR	coin/Dapp	514	374	0.3	1246.7	0.7	POW	12.3%	29%	
Exchange											
0x	ZRX	Exchange	0.33	186	7	26.6	0.03	POW	7.6%	13%	
Dapp											
OmiseGO	OMG	Dapp	1,4	216	34	6.4	1.0	POW	10%	5%	
Bitcoin											
Gold	BTG	Currency	13.8	240	4.5	53.3	6.2	POW	5%	3%	
Qtum	QTUM	Platform	2.34	208	156	1.3	0.4	POS	4.6%	2%	
Ontology	ONT	Platform	0.66	192	15	12.8	0.15	POS/BFT	11.6%	6%	
Decred	DCR	Currency	19.35	176	1	176	0.4	POS/POW	10.4%	15%	
Lisk	LSK	Platform	1.43	161	3	53.7	0.04	POS	1.3%	3%	
Aeternity	AE	Platform	0.43	91	5	18.2	0.04	POW/POS	5.2%	7%	

Source: Coinmarketcap.com, NKB Research \*as of 7th January 2019, 10:30 GMT

## REGULATORY NEWS

### Two Congressmen Want to Exclude Crypto from Securities Law

The Token Taxonomy Act, proposed by congressmen Darren Soto and Warren Davidson, would look to exclude cryptocurrencies from securities laws.

### SEC Brought 90 Crypto Cases over The Past 2 Years

According to a report from the WSJ, the SEC and state regulators brought more than 90 crypto-related cases over the past 2 years, which resulted in the recovery of \$36 million of investor money.

### FCA Opened 67 Inquiries into Cryptocurrency Projects

As of 12th November, the UK's Financial Conduct Authority has opened inquiries into 67 crypto firms of which 49 have been closed, leaving 18 businesses under investigation.

### New York Forms Crypto Task Force

New York State is creating a task force to study cryptocurrencies and blockchain technology in order to provide proposals on how the state may best regulate, define and utilize cryptocurrencies as well as providing general overviews of the space.

## 2018 SEC Recap

Law firm Perkins Coie have created a comprehensive recap of the busy year at the SEC.

# CRYPTO MARKET NEWS

## NKB 2018 Recap

A quick rundown of the key events we saw in 2018 as well as our expectations and outlook for 2019, by Ben Sebley and Jamie Farquhar from the NKB team.

## Facebook Works on Stablecoin for WhatsApp Transfers

Facebook is developing a stablecoin which will let users transfer money on its WhatsApp messaging app, initially focusing on the remittance market in India, according to Bloomberg.

## Chinese Miners in Delay with IPO

Due to the general market conditions in 2018, the Hong Kong Stock Exchange is reluctant to approve the IPO applications of Chinese mining equipment manufacturers.

## Tether has Sufficient Accounts According to Bloomberg

According to a report conducted by Bloomberg, controversial stable coin Tether is most likely backed by equivalent USD deposits.

## Over 4,800 Pump & Dump Schemes Identified

Researchers from the University of New Mexico have identified over 4,800 pump and dump schemes from Telegram and Discord channels over a six month period in 2018.

## Bitfinex Launches Margin Trading for Tether

Cryptocurrency exchange Bitfinex has launched margin trading for the USDT/USD pair, which will enable its users to hedge the exposure taken on stablecoins.

## Additional 2 Million Tokens were Found in BTCP

Crypto analytics platform CoinMetrics, has revealed an additional 2 million tokens (\$3.9 million) were secretly minted to claim a total supply of 20.4 million. The Bitcoin Private team has confirmed this and is currently investigating whether additional coins were transferred to an exchange or used elsewhere.

## GMO Quits Manufacturing of Miners

Japanese internet company GMO will no longer develop, manufacture and sell cryptocurrency mining machines after extraordinary losses of \$218 million in Q4 2018.

## Ledger and Trezor Weak Spots Exploited

Researchers from wallet.fail demonstrated a series of attacks against hardware wallets Trezor and Ledger, showing that even hardware can be compromised.

### Italy Forms Blockchain Group

The Italian Ministry of Economic Development has brought together 30 experts to develop the nation's blockchain strategy.

### WSJ Reports ICO Plagiarism

The Wall Street Journal has analyzed 3,300 ICOs and found that 16% of them showed signs of plagiarism.

### Past Weeks in Funding

Lightning payments platform OpenNode raised \$1.25m from Draper Associates; DCG and Peter Thiel are backing Layer1 crypto fund with \$2.1m; STO issuance operator Abacus raises \$2m from YC and Coinbase; Nomics, crypto trading data firm, raised \$3m from DCG, Coinbase and others in Series A round; \$182.5m raise for Bakkt; and Waves raised \$120m to roll-out a private version of its blockchain.

## SECURITY TOKEN NEWS

### Tokensoft Partners with Coinbase to Offer Security Token Custody

Security Token Offering platform Tokensoft announced a partnership with Coinbase to provide a custodial solution for its clients.

### Tokeny Launches T-REX Standard

Tokenization platform Tokeny officially released open source security token standard T-Rex, a token for regulated exchanges designed to allow issuance and trading in a compliant manner.

### Medici Ventures Buys 29% Stake Using Blockchain for Transfer

A subsidiary of overstock.com, Medici Ventures, has acquired a 29% stake in Chainstone Labs via a \$3.6 million security token transfer on Ravencoin blockchain. Chainstone Labs is focusing on custodial and management services in the security token space.

### Issuance and Primetrust Partnership

Another security token issuer, Issuance, has announced a new partnership with crypto custodial firm Prime Trust.

### STO Global-X Releases STGX

Singapore-based STO Global-X is launching an end-to-end security token platform, STGX, designed for the issuance, management and trading of security tokens.

### Tokenized Securities on EOS Blockchain

The first tokenized securities protocol called Financial Securities Protocol is coming to the EOS blockchain in order to "realize high throughput scalable financial applications".

### DX.Exchange to Digitize US Stocks Market

---

Estonian-based crypto startup DX.Exchange, is launching a trading platform allowing its clients to purchase 1:1 backed real world stocks, entitling them to the dividends that the stocks are worth. The EU regulated platform is initially offering tokenized shares of Google, Apple, Amazon, Facebook, Microsoft, Tesla and other tech companies.

## ANALYSTS CERTIFICATION AND DISCLAIMER

This report has been prepared and issued by Hypothesis Research Limited (“Hypothesis”) in accordance with Hypothesis policies for managing conflicts of interest arising as a result of publication and distribution of investment research. Hypothesis is authorised and regulated by the Financial Conduct Authority (“FCA”). This report has been prepared by the analyst whose name appears on the front page of this report.

The information contained within the report is intended for use by professional clients and eligible counterparties as defined in section 3 of the FCA Conduct of Business rules. Our research must not be acted on or relied upon by persons in the UK who would be categorised as retail clients.

The report must not be distributed in any other jurisdictions where its distribution may be restricted by law. Persons into whose possession this report comes into should inform themselves about, and observe, any such restrictions.

All information used in the publication of this report has been compiled from publicly available sources that are believed to be reliable, however we do not guarantee the accuracy or completeness of this report. Opinions contained in this report represent those of Hypothesis and the analyst at the time of publication.

Hypothesis does not offer or provide personalised advice. The information provided is not intended to be, and should not be construed in any manner whatsoever as, personalised advice as it does not have regard to the specific investment objectives, financial situation and particular needs of any specific person who may receive this report. The information provided by us should not be construed by any subscriber or prospective subscriber as Hypothesis’ solicitation or inducement to buy, sell, subscribe, or underwrite any securities mentioned in this report. Investors should make their own investment decisions based upon their own financial objective and resources.

Hypothesis has a restrictive policy relating to personal dealing. Hypothesis, its respective directors, officers, employees and contractors do not hold any positions in the securities mentioned in this report. Hypothesis may perform services or solicit business from any of the companies mentioned in this report.

The value of securities mentioned in this report can fall as well as rise and may be subject to large and sudden swings. In addition, it may be difficult or not possible to buy, sell or obtain accurate information about the value of securities mentioned in this report. Past performance is not necessarily a guide to future performance. Forward-looking information or statements in this report contain information that is based on assumptions, forecasts of future results, estimates of amounts not yet determinable, and therefore involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of their subject matter to be materially different from current expectations.

To the maximum extent permitted by law, Hypothesis, its affiliates and contractors, and their respective directors, officers and employees will not be liable for any loss or damage arising as a result of reliance being placed on any of the information contained in this report and do not guarantee the returns on investments in the products discussed in this publication.

### NKB Group

Offices: London, Vienna, Bratislava

[www.nkbgroup.io](http://www.nkbgroup.io)

*The report is prepared by NKB Group in collaboration Hypothesis Research Ltd (UK).*

*This report is for informational purposes only. It is not intended as an offer or solicitation for the purchase or sale of any financial instrument or as an official confirmation of any transaction. All market prices, data and other information contained in this document has been prepared from sources believed to be reliable, but we give no representation or warranty that the information is complete, accurate or current. Past performance is not a reliable indicator of future performance. Not for further distribution. **Investments in cryptocurrencies associated with essential risks, including risk of losing 100% of value. Not for the distribution in countries where digital assets are recognized as illegal.***

*NKB Group AG. Registered No 486551t. NKB Advisory Limited is an Appointed Representative (Reference Number 827169) of Met Facilities LLP which is authorised and regulated by the Financial Conduct Authority (FRN 587084).*

*NKB Advisory Limited is registered in England and Wales with registered number 11313961 whose registered office is at 1 Connaught Place, London, W2 2ET.*