



BLOCKCHAIN INVESTMENT & ADVISORY

CRYPTO MARKET UPDATE

21 January 2019

- ▶ Bitcoin’s dominance has fallen by 0.2% to 52.6%. The total crypto market shrank by almost 14% and overall volume is down by 8% from the previous week. Bitcoin is down by 1.5%, Ethereum is down by 4.4%, XRP is down by 3%, and EOS is down by 0.6%. Best performers among top-40 crypto were Augur (90%) Binance Coin (11%) and Zilliqa (8.5%).
- ▶ Wyoming Passes Blockchain Regulatory Sandbox
- ▶ Malaysia to Regulate ICOs as Security Offerings
- ▶ Bitmain is Shutting down Texas Plans and Amsterdam Office
- ▶ Vontobel Launches Regulated Crypto Custody
- ▶ Genesis Partners with BitGo to Ease Trading for Institutions
- ▶ Bitcoin Mining Less Centralized and Transaction Volume Up by 63%
- ▶ Constantinople Hard Fork Postponed
- ▶ Cryptopia Exchange Claiming Hack
- ▶ Belarus Startup Launches Tokenized Securities Trading Platform
- ▶ HSBC Settles \$250 Billion Using Blockchain Technology

Date	21 January 2019
Crypto MktCap	\$118.8 bn
24H Volume	\$16.5 bn
BTC dominance	52.6%

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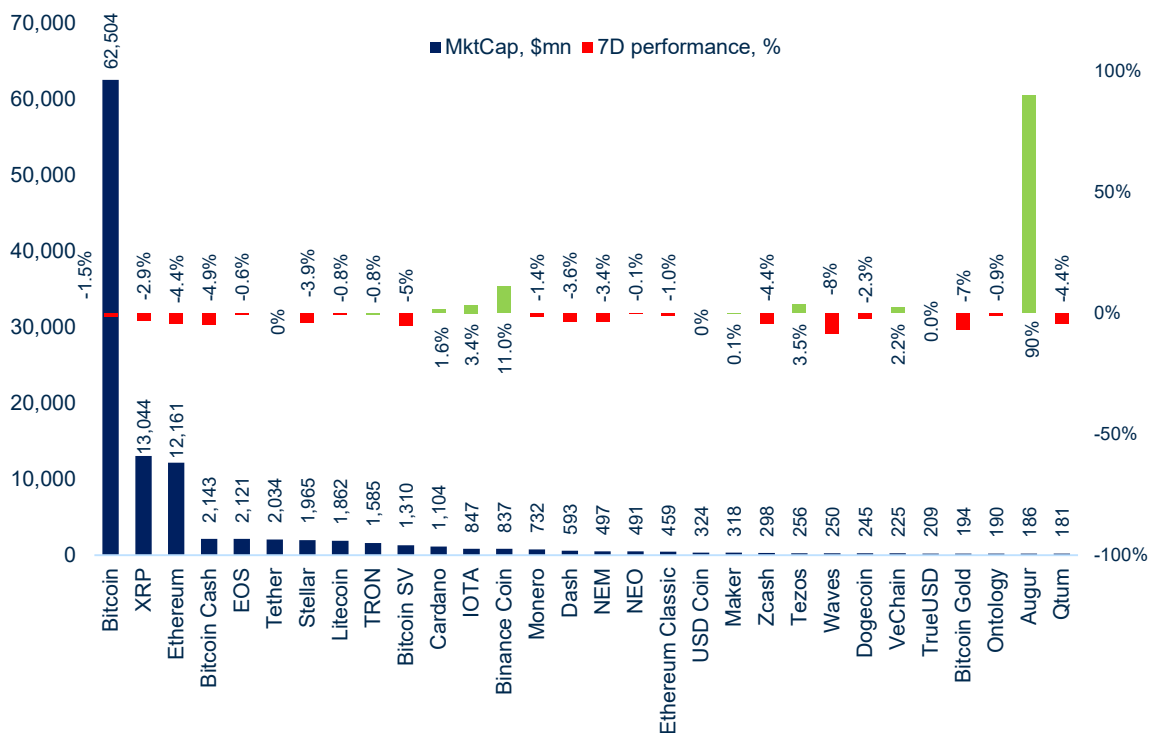
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*Pricing as of 10:00 AM GMT 21/01/2019.

MARKET MOMENTUM

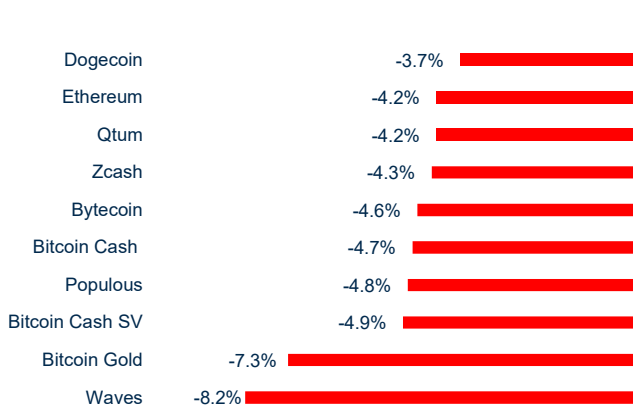
The cryptocurrency market began last week with a 5% spike pushing the total crypto market cap above \$124bn on Monday. Following almost a week of inactivity, digital assets were showing a decent momentum up to the end the week, initially pumping the price back to over \$125bn on Friday, which subsequently fell back below \$120bn for the fourth time since the end of November. Bitcoin has fallen by almost 5% from its intra-week high of \$3,760 and is currently sitting at the bottom of the range at \$3,580. Ethereum is down by 6.4% at \$118 and the gap between ETH and the second largest asset, Ripple, has widened by up to \$1bn, as XRP is down by only a little over 4% at \$0.318. As usual, the rest of the top tier assets just followed the price action of their larger peers, where both BCH and EOS were down by 5%, Litecoin by 6%. The overall volume remains more or less the same, ranging around the \$16bn line. Last week's best performing assets were Augur (+90%), Steem (+58%) and Binance Coin (+11%).

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



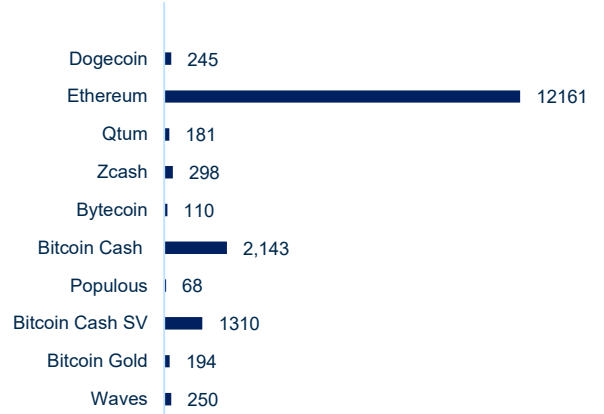
Source: coinmarketcap.com, as of 21st January 2019 at 09:00 AM GMT

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



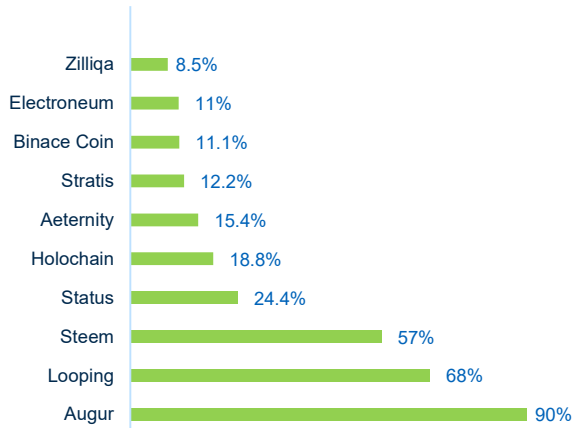
Source: coinmarketcap.com, *) MktCap>=\$50m

Figure 3. MktCap of worst performing digital assets*



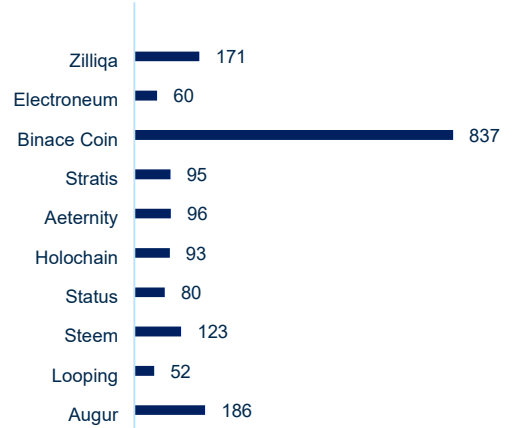
Source: coinmarketcap.com, *) MktCap>=\$50m

Figure 4. Best performing digital assets (7 days)



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

Figure 5. MktCap of best performing digital assets



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)	Consensus	%7d	Price, % of ATH
Bitcoin	BTC	Currency	3573	62504	5276	11.8	POW	-1.5%	18%
Ethereum	ETH	Platform	116.4	12161	2666	4.6	POW	-4.4%	8%
XRP	XRP	Currency	0.31	13044	409	31.9	FBA	-2.9%	8%
Bitcoin Cash	BCH	Currency	122	2143	212	10.1	POW	-4.9%	3%
EOS	EOS	Platform	2.3	2121	840	2.5	DPOS	-0.6%	10%
Stellar	XLM	Platform	0.1	1965	120	16.4	FBA	-3.9%	11%
Litecoin	LTC	Currency	31	1862	554	3.4	POW	-0.8%	8%
Tether	USDT	Stable coin	1	2034	3981	0.5	POR	0%	
Cardano	ADA	Platform	0.04	1104	26	42.5	POS	1.6%	3%
Monero	XMR	Privacy coin	46.7	732	35	20.9	POW	-1.4%	9%
TRON	TRX	Platform	0.02	1585	142	11.2	DPOS	-0.8%	8%
IOTA	MIOTA	Platform	0.3	847	8.8	96.3	DAG/POW	3.4%	5%
Dash	DASH	Privacy coin	69.2	593	195	3	POW	-3.6%	4%
Binance									
Coin	BNB	Exchange	6,50	837	36	23.3	POW	11%	29%
NEO	NEO	Platform	7.6	491	130	3.8	dBFT	-0.1%	4%
Ethereum									
Classic	ETC	Platform	4.3	459	144	3.2	POW	-1%	9%
NEM	XEM	Platform	0.05	497	14	35.5	POI	-3.4%	3%
Tezos	XTZ	Platform	0.4	256	1	256	dPOS	3.5%	4%
VeChain	VET	Platform	0.004	225	6.4	35.2	POA	2.2%	4%
Zcash	ZEC	Privacy coin	52.2	298	195	1.5	POW	-4.4%	5%
Dogecoin	DOGE	Currency	0.002	245	17.8	13.8	POW	-2.3%	11%
Stable									
Maker	MKR	coin/Dapp	437	318	0.7	454.3	POW	0.1%	26%
0x	ZRX	Exchange	0.28	166	7.1	23.4	POW	2.3%	11%
OmiseGO	OMG	Dapp	1.2	176	38	4.6	POW	1.3%	4%
Bitcoin Gold	BTG	Currency	11.2	194	3.7	52.4	POW	-7%	2%
Qtum	QTUM	Platform	2	181	177	1	POS	-4.4%	2%
Ontology	ONT	Platform	0.58	190	22.5	8.4	POS/BFT	-0.9%	5%
Decred	DCR	Currency	16.7	153	1	153	POS/POW	4.5%	13%
Lisk	LSK	Platform	1.2	139	3.2	43.4	POS	3.8%	3%
Augur	REP	Platform	16.8	186	20	9.3	POW	90%	14%

Source: Coinmarketcap.com, NKB Research *as of 21st of January 2019, 10:30 GMT

REGULATORY NEWS

Wyoming Passes Blockchain Regulatory Sandbox/Cardano Move to Wyoming

According to the bill titled “Digital assets - existing law”, virtual assets fall under three categories: securities, assets and currency, and bitcoin falls under the currency category, giving it the same legal status as money. Moreover, the bill seeks to create a framework for banks to act as qualified custodians of digital assets. Apart from the above mentioned bill, Wyoming is also considering other positive blockchain legislation - “Corporate stock - certificate tokens” - which would allow companies to issue blockchain-based share certificates. A Tweetstorm by Wyoming representative Caitlin Long very much sums up what is going on in the “forever west” state, which has already attracted Cardano’s parent firm IOHK, who are moving to Wyoming from Hong Kong.

Russia May Introduce 20 Crypto Bills in 2019

The digital economy is going to be the top priority of Russia’s upcoming spring session with over 20 bills being introduced in parliament, according to chairman of the lower chamber Vyacheslav Volodin, who further stated:

“Creating a favorable legal framework for the development of the digital economy should in many respects provide us with an advantageous position in competition among other countries.”

Malaysia to Regulate Token Sales as Security Offerings

As of Tuesday January 15th, Malaysia’s securities watchdog has had the power to regulate token sales and crypto exchanges, according to existing securities law. Any person or entity offering a token or operating a crypto exchange without approval, faces 10 years imprisonment and a \$2.4 million fine.

EU Banking Regulators Call for United Crypto Regulation

European Banking Authority (EBA) has released a report calling for uniformity in crypto regulation across the continent. The report claims that the current lack of equilibrium means that companies can move operations to “crypto havens” and therefore face eased regulation. If approved, countries like Malta or Gibraltar will most likely lose their advantageous standing.

CRYPTO MARKET NEWS

Bitmain is Shutting down Texas Plans and Amsterdam Office

Chinese mining giant Bitmain’s problems continue as the company has announced suspension of its mining operations in Texas and has shut down its office in Amsterdam.

Vontobel Launches Regulated Crypto Custody

Swiss private investment bank Vontobel has launched a digital assets custodial solution, which allows the bank to buy, transfer and store digital assets.

Bittrex Launches OTC Desk Offering 200 Assets

US-based crypto exchange Bittrex is launching an OTC desk which supports more than 200 cryptocurrencies offered by the exchange.

LedgerX Index to Track Bitcoin Volatility

LedgerX Volatility Index (LXVX) will track the expected volatility for bitcoin using data from its own regulated bitcoin options. LXVX is similar to the popular measure of the stock market's anticipated volatility, the Cboe Volatility Index (VIX).

Bakkt Acquires Part of Rosenthal Collins Group

After raising \$183 million, bitcoin futures exchange Bakkt is acquiring a part of Rosenthal Collins Group (independent futures commission) in order to improve risk management and treasury operations.

Cryptopia Claiming Significant Losses From Hack

New Zealand-based crypto exchange Cryptopia has experienced a significant hack which led to undisclosed (rumours claim \$2.4 - \$3.6 million) losses.

Constantinople Hard Fork Postponed

The anticipated hard fork of Ethereum was delayed and re-scheduled for 27th February due to a potential vulnerability found in one of the software upgrades.

Bitmex Shutting Down US and Quebec Accounts

Hong Kong-based bitcoin futures exchange Bitmex is shutting down trading accounts in the US and in the Canadian province of Quebec in order to stay ahead of recent regulatory crackdowns of unregistered exchanges.

Bitcoin Mining Pool Dominance Indicates Less Centralization

A recent report by Diar indicates that bitcoin mining dominance of big players like Bitmain has shrunk and shifted towards unknown miners; therefore the bitcoin network is currently less likely to experience an attack.

Genesis Partners with BitGo to Ease Trading for Institutions

OTC firm Genesis has partnered with crypto custodian BitGo to enable institutional clients to trade coins without having to withdraw them from storage, which usually takes up to 24 hours, and moreover without the transaction having to be recorded on the public ledger.

Bitcoin On-chain Transaction Volume Up by 63%

Bitcoin transaction volume has grown by 63% in past 10 months and is at the same level as during 2017 bull run.

Giga Watt Ceases Operations

US bitcoin mining firm Giga Watt has shut down its operations, owing \$7 million to its creditors including a \$800k bill to electricity providers.

HSBC Settles \$250 Billion with DLT

HSBC has settled \$250 million worth of forex trades using blockchain technology since February 2018. The amount represents more than 3 million trades and over 150,000 payments.

Delphi Digital Bitcoin Bottom Prediction

Research and consulting group Delphi Digital is attempting to time the bitcoin price bottom by analyzing unspent transactions outputs (UTXO) age dynamics across current and previous market cycles. According to the report, the bottom is near.

SECURITY TOKEN NEWS

Aspen Coin Migrates to Securitize

Coins representing fractional equity ownership in the St. Regis Aspen Resort originally promoted by Indiegogo and issued by Templum, are being moved to the Securitize platform, making the tokens tradeable across multiple exchanges, leveraging Securitize DS Protocol.

Belarus Startup Launches Tokenized Securities Trading Platform

Minsk-based firm currency.com announced the launch of its regulated trading platform for tokenized securities. The firm plans to issue more than 10,000 tokenized securities which will track and mirror the performance of common financial instruments; enabling a crypto investor to buy a token tied to an Apple share on Nasdaq, for example.

Uzbekistan Considers Bringing STOs to Central Asia

After legalizing crypto exchanges in September, and creating blockchain investment vehicle Digital Trust, Uzbekistan's new president Shavkat Mirziyoyev wants to bring STOs to Central Asia according to Forbes.

Swarm Announces Free Tokenization Service and Staking Model

Security token infrastructure platform is offering a free tokenization service to its clients. "To meet the demand and scale the adoption of digital securities, we have designed a way to not only make tokenization free, but to reward token issuers in the process", announced Swarm's CEO and Co-Founder Philipp Pieper.

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