



BLOCKCHAIN INVESTMENT & ADVISORY

CRYPTO MARKET UPDATE

4 February 2019

- ▶ Bitcoin’s dominance and total market cap remains at 53.3% and \$114bn respectively and overall volume is down by more than 18% from the previous week. Bitcoin is down by 0.5%, Ethereum is slightly up by 0.7%, XRP is up by 3%, and EOS is up by 5%. The best performers among the top-40 crypto were Augur (20%), Litecoin (8.5%), EOS and Bitcoin Cash (5%).
- ▶ Fidelity to Formally Launch Custody Service in March
- ▶ Binance Allows Customers to Buy Crypto with Credit Card
- ▶ VanEck Resubmits Bitcoin ETF Application
- ▶ Polkadot Seeks Additional \$60m via ICO
- ▶ SWIFT Wants to Integrate R3 Blockchain Technology
- ▶ Last Week in Funding
- ▶ TokenSoft Launches Custody Wallet for Security Tokens
- ▶ tZERO Security Token Exchange is Live
- ▶ South Korea Maintains ICO Ban
- ▶ Wyoming Passes Cryptocurrency Bill

Date	4 February 2019
Crypto MktCap	\$114 bn
24H Volume	\$15.5 bn
BTC dominance	53.3%

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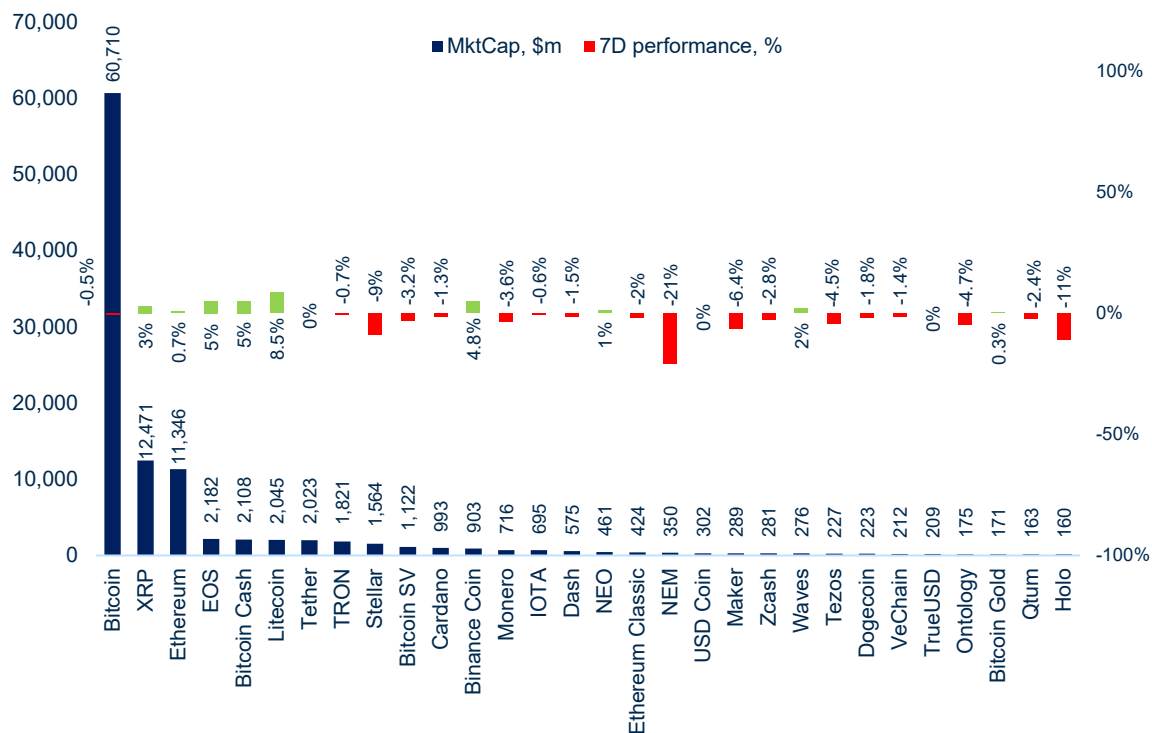
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**Pricing as of 10:00 AM GMT 04/02/2019.*

MARKET MOMENTUM

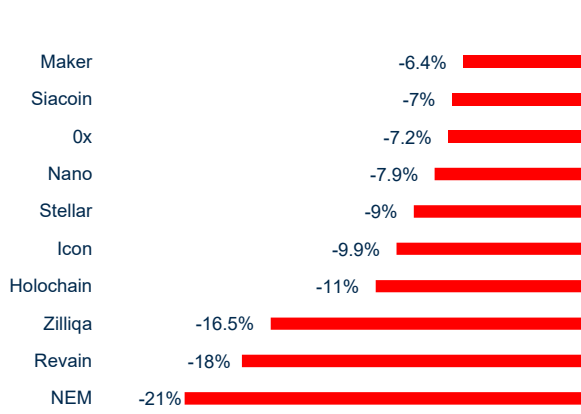
Positive news around the launch of Fidelity’s custody solutions in March and the resubmission of VanEck’s ETF application have not materially affected the market. Digital assets were trading within a tight 5% range last week, with total market cap lows and highs at \$111bn and \$116.5bn respectively. Overall volume is down by more than 30%, from the week’s high of \$22bn, currently at the \$15bn mark. Bitcoin has found support at \$3,400 after a small plunge at the beginning of last week with a quick recovery back to a ~\$3,460 range. Bitcoin saw some activity towards the end of the week, with an attempted breakout stopped at \$3,550 but is now back at \$3,450 at the time of writing. Similarly Ethereum, trading in a 5% range, has found support at \$104 and resistance at \$110 and is down by 1.5% compared to last Monday. The second largest digital asset Ripple had spiked by almost 15% on Wednesday, however the bullish momentum only lasted a couple of hours and XRP is now back above the \$0.3 mark, 3% higher since last Monday. Fourth and fifth largest assets EOS and Bitcoin Cash are both up by 5%.

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



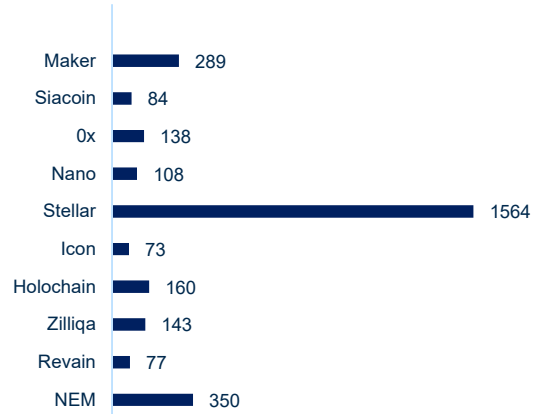
Source: coinmarketcap.com, as of 4th of February 2019 as of 09:00 AM GMT.

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



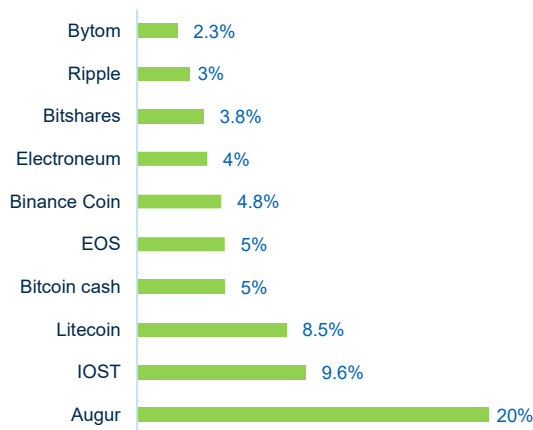
Source: coinmarketcap.com, *) MktCap>=\$50m

Figure 3. MktCap of worst performing digital assets*



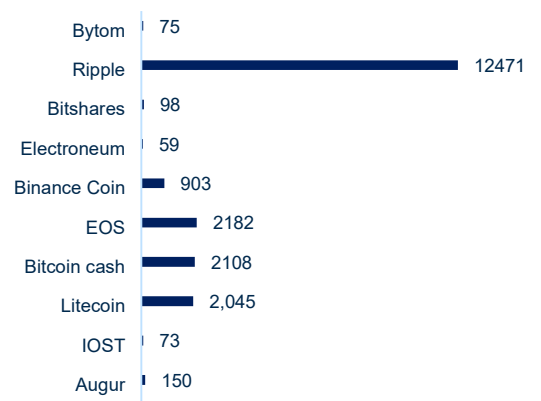
Source: coinmarketcap.com, *) MktCap>=\$50m

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	3465	60710	5083	11.9	POW	-0.5%	17%
Ethereum	ETH	Platform	108.3	11346	2463	4.6	POW	0.7%	8%
XRP	XRP	Currency	0.3	12471	432	28.9	FBA	3%	7%
Bitcoin Cash	BCH	Currency	119.8	2108	208	10.1	POW	5%	3%
EOS	EOS	Platform	2.41	2182	541	4	DPOS	5%	10%
Stellar	XLM	Platform	0.08	1564	103	15.2	FBA	-9%	8%
Litecoin	LTC	Currency	33.9	2045	756	2.7	POW	8.5%	9%
Tether	USDT	Stable coin	1	2023	3679	0.5	POR	0%	
Cardano	ADA	Platform	0.038	993	13.3	74.7	POS	-1.3%	3%
Monero	XMR	Privacy coin	42.7	716	45.6	15.7	POW	-3.6%	8%
TRON	TRX	Platform	0.027	1821	248	7.3	DPOS	-0.7%	9%
IOTA	MIOTA	Platform	0.25	695	6	115.8	DAG/POW	-0.6%	4%
Dash	DASH	Privacy coin	66.9	575	160	3.6	POW	-1.5%	4%
Binance Coin	BNB	Exchange	7	903	64	14.1	POW	4.8%	30%
NEO	NEO	Platform	7.1	461	110	4.2	dBFT	1%	4%
Ethereum Classic	ETC	Platform	3.9	424	144	2.9	POW	-2%	8%
NEM	XEM	Platform	0.039	350	14.2	24.6	POI	-21%	2%
Tezos	XTZ	Platform	0.37	227	9.6	24	dPOS	-4.5%	3%
VeChain	VET	Platform	0.0038	212	3.4	62.4	POA	-1.4%	4%
Zcash	ZEC	Privacy coin	48.3	281	141	2	POW	-2.8%	5%
Dogecoin	DOGE	Currency	0.0019	223	15.5	14.4	POW	-1.8%	10%
Maker	MKR	Stable coin/Dapp	397	289	0.4	722.5	POW	-6.4%	22%
0x	ZRX	Exchange	0.24	140	4.9	28.6	POW	-7.5%	9%
OmiseGO	OMG	Dapp	1.12	157	35	4.5	POW	0.2%	4%
Bitcoin Gold	BTG	Currency	9.8	171	7.2	23.8	POW	0.3%	2%
Qtum	QTUM	Platform	1.8	163	97	1.7	POS	-2.4%	2%
Ontology	ONT	Platform	0.54	175	8.8	19.9	POS/BFT	-47%	5%
Decred	DCR	Currency	15.9	147	1.5	98	POS/POW	-3.5%	12%
Waves	WAVES	Platform	2.8	276	23	12	LPOS	2%	15%
Augur	REP	Platform	13.9	152	9.8	15.5	POW	20%	12%

Source: Coinmarketcap.com, NKB Research *as of 4th February 2019, 10:30 GMT

CRYPTO MARKET NEWS

Polkadot Seeks Additional \$60m via ICO

Blockchain protocol Polkadot is raising an additional \$60m at a fully-diluted token supply valuation of \$1.2bn via a second token sale. The project, which aims to solve an interoperability problem, raised \$145m in October 2017, of which \$98m has been frozen in its wallet due to a bug.

Four Major South Korean Exchanges Team Up to Protect Customers

The four largest South Korean-based crypto exchanges Bithumb, Upbit, Corbit and Coinone, have set up a hotline to tackle money laundering and other suspicious activities, in order to protect customers.

ICE Partners with Blockstream to Launch Tracking Tool

Intercontinental Exchange (ICE), the operator of NYSE and anticipated crypto exchange Bakkt has partnered with blockchain data firm Blockstream to launch a cryptocurrency data feed, which will enable the traders to see real time and historical data, price discovery and other in-depth information about the market.

Fidelity to Formally Launch Custody Service in March

Fidelity Investment is aiming to launch its Bitcoin custody services in March. Fidelity's solution, designed for big institutional players is "currently serving a select set of eligible clients" only.

SWIFT Wants to Integrate R3 Blockchain Technology

Global payments network SWIFT, which facilitates transactions for a network of 10,000 banks, has formally announced its plans to integrate Ripple's R3 technology to SWIFT's Global Payments Innovation (GPI) platform for cross-border payments.

Genesis Capital Processes \$1.1bn in Lends and Borrows

Market making trading firm Genesis originated more than \$1bn crypto loans over the period of the last 10 months.

Binance Allows Customers to Buy Crypto with Credit Card

Binance, the largest cryptocurrency exchange by volume, now allows its customers to buy crypto via credit cards and effectively has become the biggest competitor of Coinbase, which already has a fiat on-ramp.

NEM Foundation Restructuring

Singapore-based blockchain protocol startup NEM will be laying off staff, cutting budgets and restructuring its business in order to avoid bankruptcy. The 18th largest cryptocurrency by market cap has requested a funding of ~\$7.5m from the community.

VanEck Resubmits Bitcoin ETF Application

VanEck has resubmitted its proposal for the VanEck/SolidX Bitcoin ETF with the SEC after the initial proposal was withdrawn earlier in January due to a government shutdown.

More Than 60% of Crypto Hacks Caused by Only Two Groups

According to Chainalysis, of \$1.7bn worth of crypto hacks, more than \$1bn has been orchestrated by only two groups of highly sophisticated cyber criminals.

Crypto Exchanges Liqui and QuadrigaCX Shut Down Operations

Ukrainian exchange Liqui is shutting down its services due to a lack of liquidity, while Canadian exchanges QuadrigaCX owes its customers \$190m after its founder died, and the team is unable to access most of the funds.

Last Week in Funding

Software firm BitTorrent raised \$7m via ICO in just 15 minutes; Crypto lending firm BlockFi raised a \$4m extension from Coinbase and Able; Crypto compliance startup TRM Labs raised \$1.7m in a round led by Blockchain Capital; Staking-as-a-service startup Staked, raised \$4.5m from Pantera, Coinbase and others, and Crypto data startup Graph raised \$2.5m in seed round led by Multicoins Capital.

SECURITY TOKEN NEWS

TokenSoft Launches Custody Wallet for Security Tokens

Security token platform TokenSoft launched a beta-version of their Knox Wallet, which offers support for a variety of security token standards. Knox Wallet offers three layers of protection - offline storage, role-based access control and cryptographic authentication.

tZERO is Live

The US-based security token trading venue is live from Thursday, matching first orders for its tZERO tokens. The first trade saw 10 tokens bought at \$8, which is two dollars less than the STO price (not considering pre-sale). The platform, for now, only operates during normal market hours between 9:30 - 16:00 EST.

Polybird Exchange Launched Beta

Another US-based security token issuance & exchange platform, Polybird, has launched a beta-version.

Agenus Launches First Healthcare Security Token Offering

Nasdaq-listed, immuno-oncology company Agenus, announced the launch of its \$100m Biotech Electronic Security Token (BEST) offering, the first security token in the healthcare industry. Agenus has introduced a structure, which allows for targeted investment of a specific product, while preserving shareholder equity.

Securitize, Coinstreet Partners and STO Global-X Collaborate to Bring STOs to Asia

Security token issuance platform Securitize, crypto investment firm Coinstreet Partners and security token exchange STO Global-X have announced a partnership to bring security token services to the Asian market.

Iran Launches Gold-backed Cryptocurrency

A gold-backed token, called Peyman, is a joint project of four Iranian banks Parsian, Pasargad, Melli Iran and Bank Mellat. Peyman's launch comes amidst speculation that Iran is working on a state-backed cryptocurrency to avoid U.S. sanctions. Peyman will function to tokenize banks' assets and excess properties.

REGULATORY NEWS

UK Firm Approved to Offer Crypto Derivatives

UK financial watchdog FCA has approved the first crypto derivative contract. London-based OTC trading firm B2C2 can now offer crypto contracts for difference (CDFs), which allow long short trading without the need for custody.

South Korea Maintains ICO Ban

South Korea's Financial Services Commission (FSC) has decided not to lift its domestic ICO ban after the FSC has conducted a survey, which indicates that companies were circumventing the ban by setting up paper companies in Singapore, while still raising money in Korea.

Wyoming Passes Cryptocurrency Bill

The Senate of Wyoming has passed a law which effectively recognize cryptocurrencies under the same regulations and attributions as fiat money. Digital assets are further classified into three categories: digital consumer assets, digital securities and virtual currency. Additionally the Senate is introducing a new set of rules which allow banks to provide custody services.

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