



BLOCKCHAIN INVESTMENT & ADVISORY

CRYPTO MARKET UPDATE

5 August 2019

- ▶ Bitcoin's dominance is down by 5.3% (67.9%), the total market cap is up by 16.2% (\$308bn), and overall volume is up by 25% (\$60bn) on the previous week. Bitcoin is up by 22.5%, Ethereum by 8.6%, XRP is up by 3.6%, and Litecoin by 5.6%. The best performers among the top-30 crypto were Tezos (42.8%) and Bitcoin (22.5%).
- ▶ Mining Firm Canaan Secretly Files for US IPO
- ▶ Walmart is Looking to Rival Facebook's Libra
- ▶ Square Generated \$125 Million from Bitcoin in 2Q19
- ▶ NKB Group and Sony Co-Lead €13 Million Raise for Bitwala
- ▶ China's Central Bank Calls for Speeding Up R&D of State-Backed Digital Currency
- ▶ Bitstamp Adds GBP Funding Option in Partnership with BCB Group
- ▶ Securitize Issues its 10th Security Token
- ▶ FCA Finalises Crypto Regulatory Guidance
- ▶ CFTC Has Not Yet Approved Futures Trading for LedgerX

Date	5 August 2019
Crypto MktCap	\$308 bn
24H Volume	\$60 bn
BTC dominance	67.9 %

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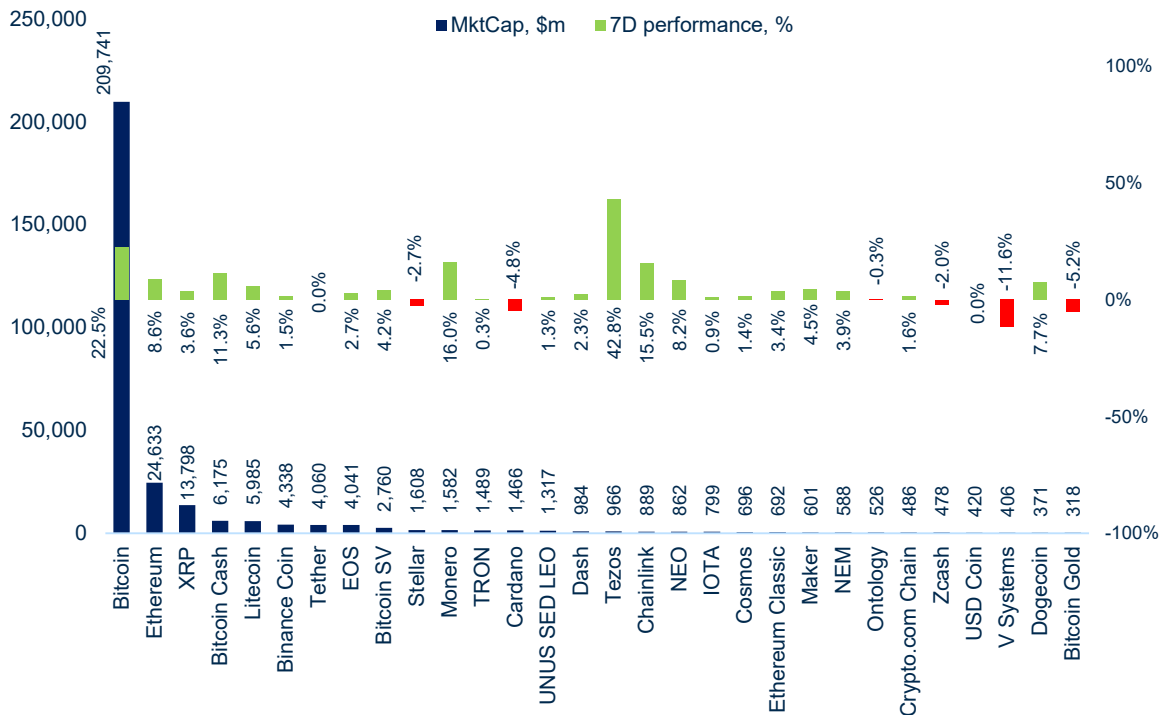
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**Pricing as of 10:00 AM BST 29/07/2019.*

MARKET MOMENTUM

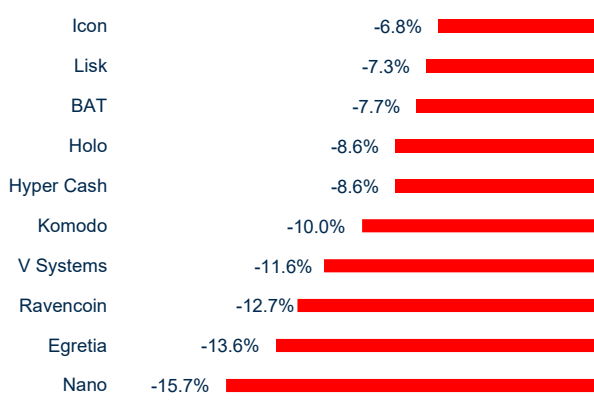
The deeper correction phase seems to be on hold for now as Bitcoin has started to climb back towards \$12k as of this morning. Interesting news coming out of China is perceived as the cause of the spike in BTC's spot price. The Chinese yuan fell below 7 per US dollar, which is its lowest level since 2008, and which may indicate that both China and the US are weakening their currencies on purpose to boost trade, seemingly strengthening BTC as the Chinese are converting yuans for the leading digital currency. Huge capital outflow from China, has been confirmed by Russia, as the Chinese are buying huge piles of tether via Moscow's OTC desks. Escalating protests in Hong Kong could be another event which has helped BTC recover from last week's lows of \$9,300 to \$11,800, as of this morning.

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



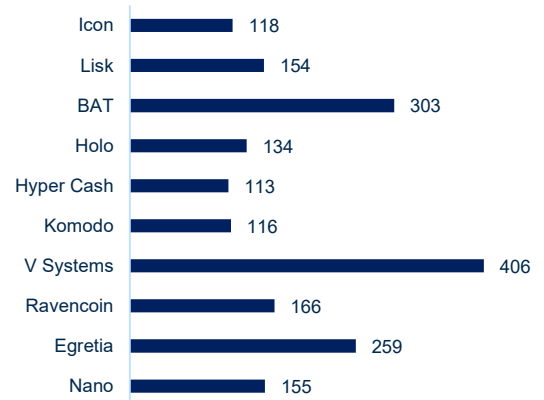
Source: coinmarketcap.com, as of 5th of August 2019 as of 09:00 AM BST.

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



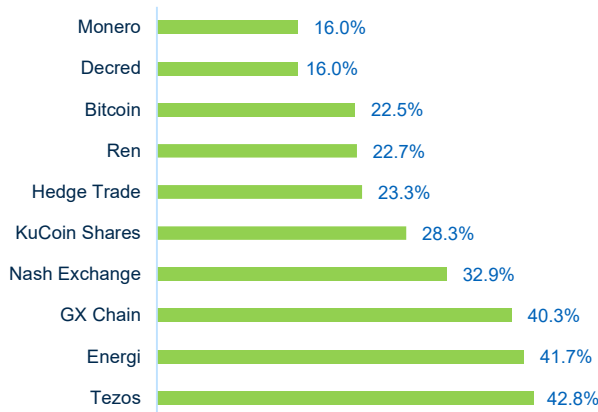
Source: coinmarketcap.com, *) MktCap>=\$100m

Figure 3. MktCap of worst performing digital assets*



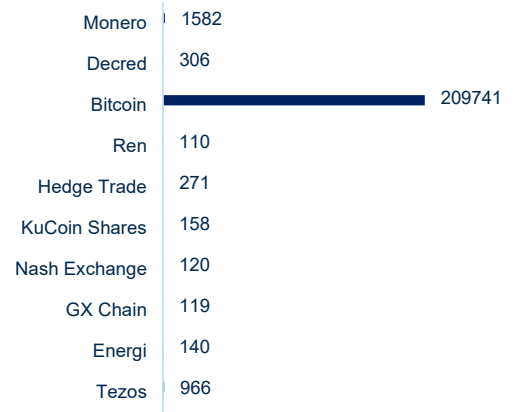
Source: coinmarketcap.com, *) MktCap>=\$100m

Figure 4. Best performing digital assets (7 days)



Source: coinmarketcap.com, Mkt Cap >=\$100m

Figure 5. MktCap of best performing digital assets



Source: coinmarketcap.com, Mkt Cap >=\$100m

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)	Consensus	%7d
Bitcoin	BTC	Currency	\$11,744	209741	20719	10.1	POW	22.5%
Ethereum	ETH	Platform	\$229	24633	6263	3.9	POW	8.6%
XRP	XRP	Currency	\$0.321	13798	1016	13.6	FBA	3.6%
Bitcoin Cash	BCH	Currency	\$344	6175	1542	4	POW	11.3%
Litecoin	LTC	Currency	\$95	5985	2691	2.2	POW	5.6%
Binance Coin	BNB	Exchange	\$27.89	4338	173	25.1	POW	1.5%
Tether	USDT	Stable coin	\$1.00	4060	19,8	205	POR	0%
EOS	EOS	Platform	\$4.36	4041	1320	3.1	DPOS	2.7%
Bitcoin SV	BSV	Currency	\$154	2760	328	8.4	POW	4.2%
Stellar	XLM	Platform	\$0.081	1608	82	19.6	FBA	-2.7%
Monero	XMR	Privacy coin	\$92.3	1582	101	15.7	POW	16%
TRON	TRX	Platform	\$0.022	1489	433	3.4	DPOS	0.3%
Cardano	ADA	Platform	\$0.056	1466	50.9	28.8	POS	-4.8%
UNUS SED LEO	LEO	Exchange	\$1.32	1317	9.2	143		1.3%
Dash	DASH	Privacy coin	\$109	984	167	5.9	POW	2.3%
Tezos	XTZ	Platform	\$1.46	966	10.5	92	dPOS	42.8%
Chainlink	LINK	Platform	\$2.54	889	93.5	9.5		15.5%
NEO	NEO	Platform	\$12.2	862	273	3.2	dBFT	8.2%
IOTA	MIOTA	Platform	\$0.287	799	9.4	85	DAG/POW	0.9%
Cosmos	ATOM	Platform	\$3.65	696	102	6.8	POS	1.4%
Ethereum Classic	ETC	Platform	\$6.16	692	454	1.5	POW	3.4%
Maker	MKR	Stable coin/Dapp	\$601	601	1.5	401	POW	4.5%
NEM	XEM	Platform	\$0.065	588	28.8	20.4	POI	3.9%
Ontology	ONT	Platform	\$0.986	526	96.9	5	POS/BFT	-0.3%
Crypto.com Chain	CRO	Platform	\$0.056	486	5.1	95.3	BFT	1.6%
Zcash	ZEC	Privacy coin	\$67.12	478	142	3	POW	-2%
USD Coin	USDC	Stable coin	\$1.00	420	346	1.2		0%
Dogecoin	DOGE	Currency	\$0.003	371	21.8	17	POW	7.7%
Bitcoin Gold	BTG	Currency	\$18.17	318	9.2	34.6	POW	-5.2%

Source: Coinmarketcap.com, NKB Research *as of 5th of August 2019, 9:30 BST

CRYPTO MARKET NEWS

Mining Firm Canaan Secretly Files for US IPO

Canaan Creative, one of the biggest manufacturers of bitcoin miners in China, has reportedly filed an application for an IPO in the U.S. to raise \$200m.

Kraken Acquires Interchange

Cryptocurrency exchange Kraken has just acquired a firm offering a way for institutional investors such as hedge funds and asset managers to better manage their portfolios.

Walmart is Looking to Rival Facebook's Libra

Retail giant Walmart could be working on issuing a fiat-backed digital currency, similar to Facebook's Libra cryptocurrency, according to a new patent filing. The filing, published by the U.S. Patent and Trademark Office (USPTO) on Thursday, outlines a method for "generating one digital currency unit by tying the one digital currency unit to a regular currency," meaning a fiat-pegged stablecoin.

Grayscale to Start Using Coinbase's Custody Services

Digital asset management fund Grayscale Investments will transfer nearly \$3 billion worth in cryptocurrency holdings to American major crypto wallet provider and exchange Coinbase.

China's Central Bank Calls for Speeding Up R&D of State-Backed Digital Currency

The People's Bank of China, the country's central bank, has called for the speeding up of the research and development of China's official digital currency (DC/EP) in the second half of 2019.

Largest Bank in Philippines Launches Cryptocurrency

UnionBank, the largest bank in the Philippines, has become the country's first financial institution to launch its own cryptocurrency pegged to the Philippine peso. Moreover, the financial institution has already completed its first cryptocurrency transaction.

Square Generated \$125 Million from Bitcoin in 2Q19

Square, a mobile payment start-up, reported on Thursday that it has generated \$125 million in revenue in the second quarter of 2019 from Bitcoin sales through its Cash App.

NKB Group and Sony Co-Leads €13 Million Raise for Bitwala

German-based blockchain finance firm Bitwala has raised €13 million (almost \$14.5 million) in a Series A funding round. Claiming it's the biggest equity round for a German blockchain start-up, Bitwala announced on Wednesday that Sony Financial Ventures and NKB Group have led the raise, while existing investors Earlybird and Coparion contributed half of the funding.

Bitstamp Adds GBP Funding Option in Partnership with BCB Group

The longest standing cryptocurrency exchange BitStamp will soon offer funding denominated in British pounds. The exchange, which is also Europe's largest, is partnering with FCA-regulated crypto brokerage, BCB Group, to allow users to deposit and withdraw funds in GBP. The feature will be enabled by the end of the year.

SECURITY TOKEN NEWS

Securitize Issues its 10th Security Token

Security token platform Securitize has announced its tenth security token issued using its platform, Curzio Equity Owners, which represents an equity stake in the financial publishing analytics firm Curzio Research's newsletter business.

Coinbase Custody Adds YouNow's Reg A+ Tokens

Coinbase Custody has added YouNow's Props tokens, providing cold storage for holders of Props. Since YouNow's inception, more than 230k individuals have acquired Props tokens.

REGULATORY NEWS

New York Supreme Court Has Granted 90 Day Extension to Bitfinex Case

NY Supreme Court judge Joel M. Cohen has decided to give a 90 day extension to the Bitfinex case, meaning that AG can still investigate. Tether lawyers tried to appeal to dismiss the motion immediately, which Cohen denied.

FCA Finalises Crypto Regulatory Guidance

The final guidance does not drastically alter the regulatory landscape, instead specifying when certain types of crypto assets fall under existing categories.

- Bitcoin and ether, which the FCA classes as "exchange tokens," are not regulated, though anti-money-laundering rules apply.
- Importantly, the guidance provides a definition of security tokens. When issued, these assets behave like shares or debt instruments, including ownership rights, thus falling under the category of a "specified investment" and, in turn, the FCA's remit.
- Utility tokens, by contrast, do not grant the same sorts of rights as regulated financial instruments and will generally fall outside the FCA's remit, except in

circumstances when they meet the definition of electronic money and fall within a new category of e-money tokens.

- Stablecoins, which are designed to maintain parity with fiat currency, may also fall within the definition of e-money, according to the paper.
- Starting in August, the FCA is making restrictions for non-crypto CFDs and then at the start of September for non-crypto CFD-like options. The consultation for how to deal with derivatives with underlying crypto assets ends 3 October; the FCA's proposal on this is a blanket ban.

CFTC Has Not Yet Approved Futures Trading for LedgerX

LedgerX admitted on Thursday that it has not launched bitcoin futures, as the firm had previously claimed, after the U.S. Commodity Futures Trading Commission (CFTC) said it had not approved the exchange to do so. The company previously told CoinDesk it was planning to launch the product on Wednesday. LedgerX would have been the first venue in the U.S. to offer physically-settled bitcoin futures, which are contracts that pay out in the underlying cryptocurrency rather than in cash.

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