BITFINEX Alpha

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EXECUTIVE SUMMARY

Bitcoin's recent trajectory has been nothing short of meteoric. The cryptocurrency surged past the $35,000 mark, a level it hadn't seen in 17 months. This ascent triggered the liquidation of a staggering $275 million worth of shorts on October 23rd, the largest since January.

Institutional involvement in Bitcoin is becoming increasingly evident. CME options volume for Bitcoin is set to close October at a record-breaking high of over $2 billion. At the same time, options open interest are showing signs of rejuvenation, currently pegged at $1.15 billion. This renewed interest in BTC by institutions combined with historical trend data suggests a 60 percent probability that Bitcoin's upward trend in October will continue into November.

That said, there is a significant amount of selling in the market. As Bitcoin breached $35,000, a substantial cohort of short-term holders decided to cash in on the rally. This profit-taking was the most pronounced since April 11th, 2023. In contrast however, long-term holders have remained largely steadfast, with supply in this cohort reaching an all-time high of 14.899 million BTC. In essence, Bitcoin's recent performance paints a picture of a market in flux. While short-term holders are seizing the moment to realise profits, long-term investors are showcasing unwavering confidence. The market dynamics suggest that we might be in the early stages of a crypto bull market.

On the macroeconomic front, US new single-family home sales in September saw a significant rise, the largest in 19 months, despite a notable drop in the annual median price. Builders, taking advantage of the shortage of pre-owned homes, are providing discounts. However, with rising mortgage rates and dwindling applications, reduced demand is expected.

Meanwhile, the US is grappling with a burgeoning fiscal challenge as its debt, currently at a staggering $33 trillion, is set to rise. The 2023 budget deficit reached $1.695 trillion, up by 23 percent from the previous year. The debt-to-GDP ratio hit 97 percent in 2022 and is predicted to climb to 107 percent by 2029. Nonetheless, the US economy grew robustly in Q3, with a 4.9 percent GDP growth rate, surpassing forecasts.

This economic resilience can also be seen in the manufacturing sector. After facing five consecutive months of contraction, October brought a rejuvenating rebound for US manufacturing, bolstered by a surge in new orders. The service sector followed suit, with its PMI rising to 50.9—the highest in three months. This economic growth, however, is juxtaposed with inflation concerns. The Personal Consumption Expenditure inflation rate in September came in at 3.44 percent and core inflation is still at four percent, double the Federal Reserve's long-term target.

In a dynamic crypto landscape, we had a positive news week. It was revealed that JPMorgan's JPM Coin boasts $1 billion in daily transactions, driven by its corporate and institutional customers. The market was also buoyed by the listing on DTCC of the BlackRock Bitcoin ETF, fueling speculation that SEC approval was imminent - albeit such a listing is standard protocol and does not provide any indication of regulatory action.

Finally, Bitfinex Securities unveiled the capital raise of one of the world's first tokenised bonds. ALT2611 is due to debut next month, and is raising funds for investment into microfinance opportunities and small and medium sized enterprises in parts of Europe and along the Silk Road.

Have an excellent trading week!

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WHAT'S ON-CHAIN THIS WEEK?

Largest Market-Wide Short Liquidations Since January

BTC's recent surge past the $35,000 mark, a level unseen in 17 months, has set off a chain reaction in the market. A substantial $275 million in USD notional value worth of shorts were liquidated on October 23rd (refer Figure below) in response to this uptick. This scale of short liquidations is the most significant the market has witnessed since January 2023. This event aligns with the recurring themes of increased volatility and volume in the whole cryptocurrency sector, a trend that *Bitfinex Alpha* has been monitoring and discussing over the past few months.

Figure 1. Total Daily Market Wide Liquidations. (source: Coinglass)

A further $153 million shorts were liquidated on October 24th as the price continued to move up. Owing to the volatile nature of the market and sharp intraday pullbacks even as the market trended up, these two days also witnessed a cumulative $200 million in long liquidations, of which $130 million came on October 24th as late longs were punished.

October has proven to be a pivotal month for Bitcoin, reflecting heightened institutional involvement. Bitcoin options volume on the Chicago Mercantile Exchange is on track to end October at its highest ever reading, clocking in at over $2 billion in monthly volume (refer Figure below). This is indicative of a resurgence in market activity and the ever-growing allure of Bitcoin to institutional investors. Additionally, options open interest is showing signs of a gradual recovery, currently standing at $1.15 billion for the month. While it's still shy of its all-time high, at around $1.69 billion, the trajectory suggests steadily reviving institutional interest.

Figure 2. Bitcoin Monthly CME Options Volume and Open Interest (source: TheBlock)

Overall options market activity continues to grow at record pace. Call options are increasingly becoming the go-to instrument for investors seeking exposure to Bitcoin's upside potential. An increase of $4.3B in open interest in call options in October alone, represents an 80 percent jump, taking the total to a whopping $9.7B. Such metrics illuminate a clear trend: market participants, both seasoned and novice, are diverting significant capital towards options. Increased call options open interest does not immediately point towards a bullish outcome, however, most of this newly added open interest is for year-end dated options and thus represents a shift in risk appetite and investment strategy, pointing towards significant faith in long-term value appreciation. The options market now stands shoulder to shoulder with the futures market in scale and significance, underscoring its growing importance in the broader Bitcoin trading landscape.

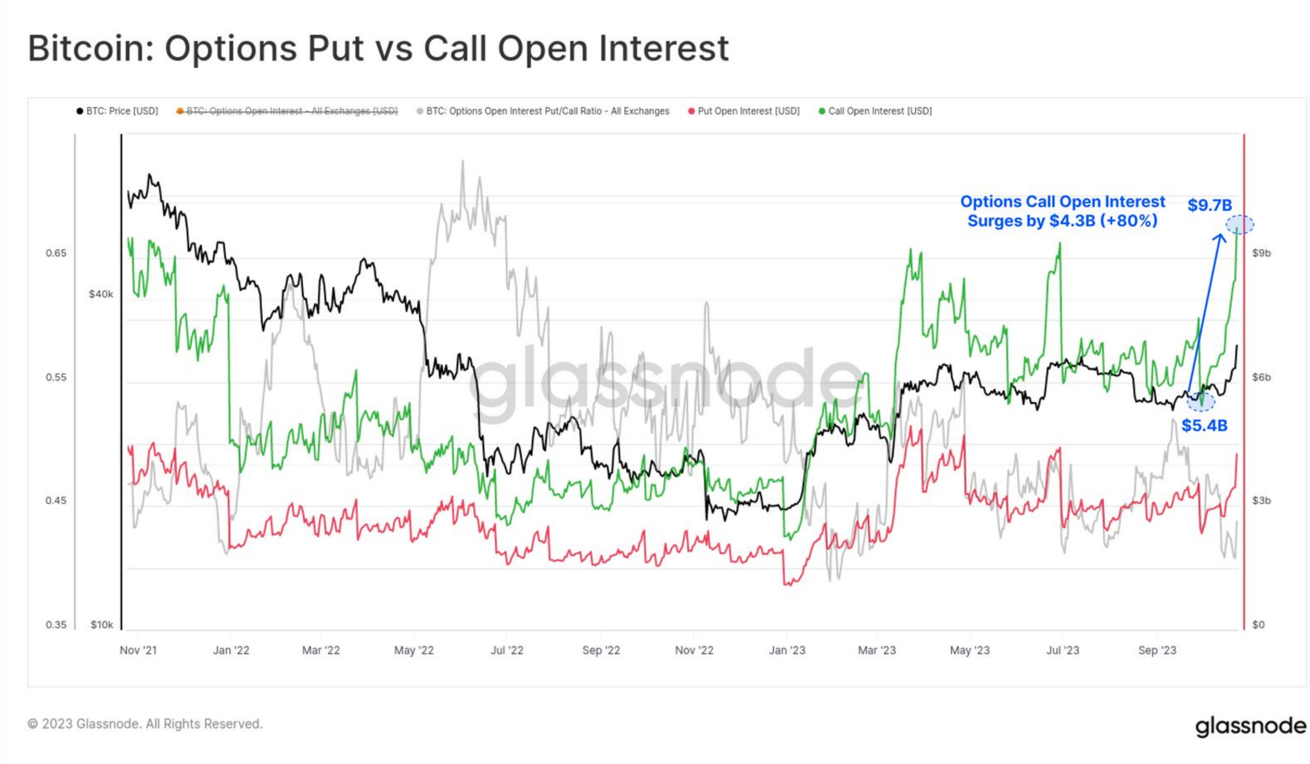


Figure 3. Options Put vs Call Open Interest. (source: glassnode)

In addition to increased bullish sentiment over the longer-term in the options market, historical data suggests that we could see a follow-through of the current upward momentum translating into a green November. *Bitfinex Alpha's* prediction seems to have struck the right chord, as October is about to register an increase of more than 27 percent following a green September. This is the second highest growth for the asset on a monthly basis this year.

As per historical monthly returns data, if October registers growth, November often follows suit. Specifically, in 6 out of 10 instances, the bullish trend of October extended into November. This means that there's a 60 percent likelihood (refer Figure 4 below)that November will be a green month for BTC.

Time	January	February	March	April	May	June	July	August	September	October	November	December
2023	39.63%	0.03%	22.96%	2.81%	-6.98%	11.98%	-4.02%	-11.29%	3.91%	26.28%		
2022	-16.68%	12.21%	5.39%	-17.3%	-15.6%	-37.28%	16.8%	-13.88%	-3.12%	5.56%	-16.23%	-3.59%
2021	14.51%	36.78%	29.84%	-1.98%	-35.31%	-5.95%	18.19%	13.8%	-7.03%	39.93%	-7.11%	-18.9%
2020	29.95%	-8.6%	-24.92%	34.26%	9.51%	-3.18%	24.03%	2.83%	-7.51%	27.7%	42.95%	46.92%
2019	-8.58%	11.14%	7.05%	34.36%	52.38%	26.67%	-6.59%	-4.6%	-13.38%	10.17%	-17.27%	-5.15%
2018	-25.41%	0.47%	-32.85%	33.43%	-18.99%	-14.62%	20.96%	-9.27%	-5.58%	-3.83%	-36.57%	-5.15%
2017	-0.04%	23.07%	-9.05%	32.71%	52.71%	10.45%	17.92%	65.32%	-7.44%	47.81%	53.48%	38.89%
2016	-14.83%	20.08%	-5.35%	7.27%	18.78%	27.14%	-7.67%	-7.49%	6.04%	14.71%	5.42%	30.8%
2015	-33.05%	18.43%	-4.38%	-3.46%	-3.17%	15.19%	8.2%	-18.67%	2.35%	33.49%	19.27%	13.83%
2014	10.03%	-31.03%	-17.25%	-1.6%	39.46%	2.2%	-9.69%	-17.55%	-19.01%	-12.95%	12.82%	-15.11%
2013	44.05%	61.77%	172.76%	50.01%	-8.56%	-29.89%	9.6%	30.42%	-1.76%	60.79%	449.35%	-34.81%

Figure 4. Bitcoin Monthly Returns Since 2013. (source: Coinglass)

While past performance isn't a definitive indicator of future results, consistent patterns like this can be used as a guiding metric for potential market movements.

Short-Term Holders Realising Profits As Bitcoin Reaches $35,000

On the tailwind of spot Bitcoin ETF newsflow, BTC reached the $35,000 (refer Figure below) mark for the first time since May 2022 on October 24th. This move was accompanied by short-term holders realising profits as the price rose.

Figure 5. BTC/USD Daily Chart. (source: Bitfinex)

The $35,000 mark stands as a pivotal psychological and technical threshold for Bitcoin. It served as the opening price for BTC in the latter half of 2021, when the asset reached its current all-time high before witnessing a pronounced downturn in the first half of 2022. During that period, Bitcoin recorded its steepest half-yearly decline, plummeting by 56.85 percent. Having recently broken past the $30,000 barrier, this $35,000 milestone now emerges as the next significant hurdle for Bitcoin to surpass.

As BTC ascended past $35,000 last week, short-term holders, a cohort of investors who have held the asset for less than six months, cashed in a significant amount of profits. The short-term holder Spent Output Profit Ratio (SOPR), which is an on-chain profit and loss metric that moves above an equilibrium of one when investors are realising profit on their holdings, saw an intra-day spike to 1.059 as short-term holders took profit. This is the highest value for the metric since April 11th, 2023 and thus represents the largest amount of profit-taking for short-term holders since then (refer Figure below).

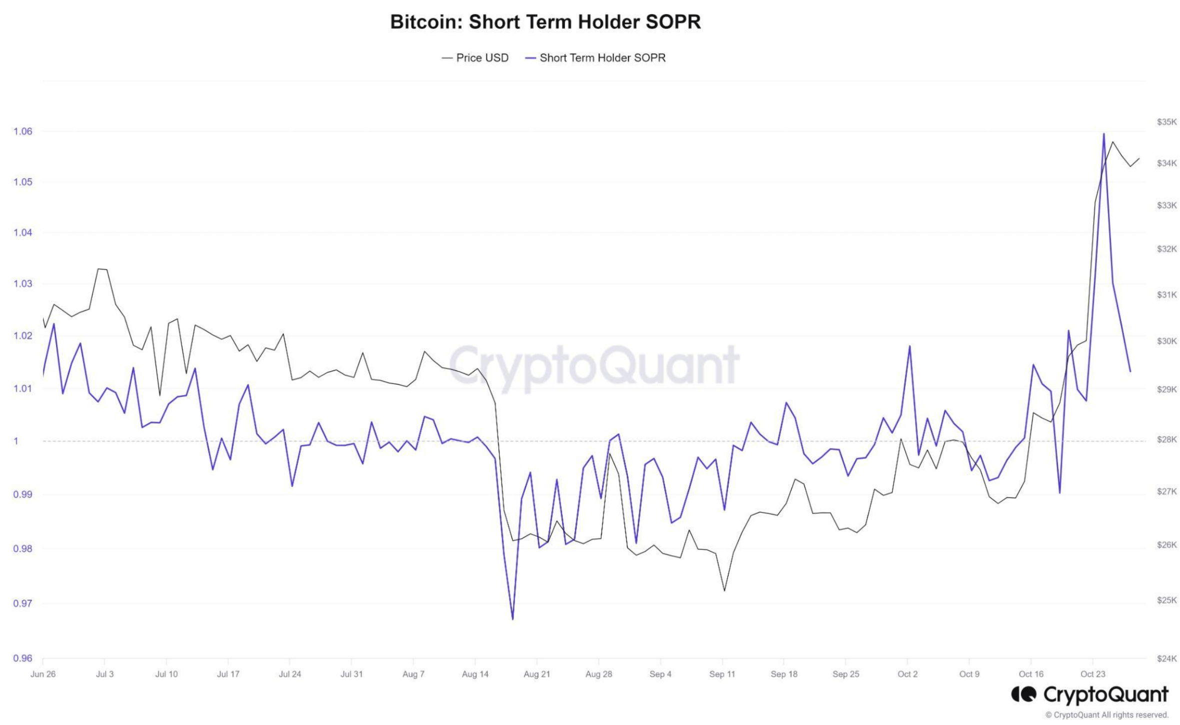


Figure 6. Short-Term Holder Spent Output Profit Ratio for Bitcoin. (source: CryptoQuant)

In examining the behaviour of long-term investors during the recent rally, it's evident that their aggregate positioning has undergone minimal adjustments with long-term holder supply at an all-time high of 14.899 million BTC even as the market moved towards its year-to-date (YTD) peak. A substantial segment of previously 'in-loss' assets has transitioned to 'in-profit'. The overall supply in profit has increased by 4.7 million BTC, which translates to 24 percent of the current circulating supply (refer Figure below). This gives us a clearer understanding of the volume of coins that have been transacted, possessing a cost basis that spans the range between $27k and $35k.

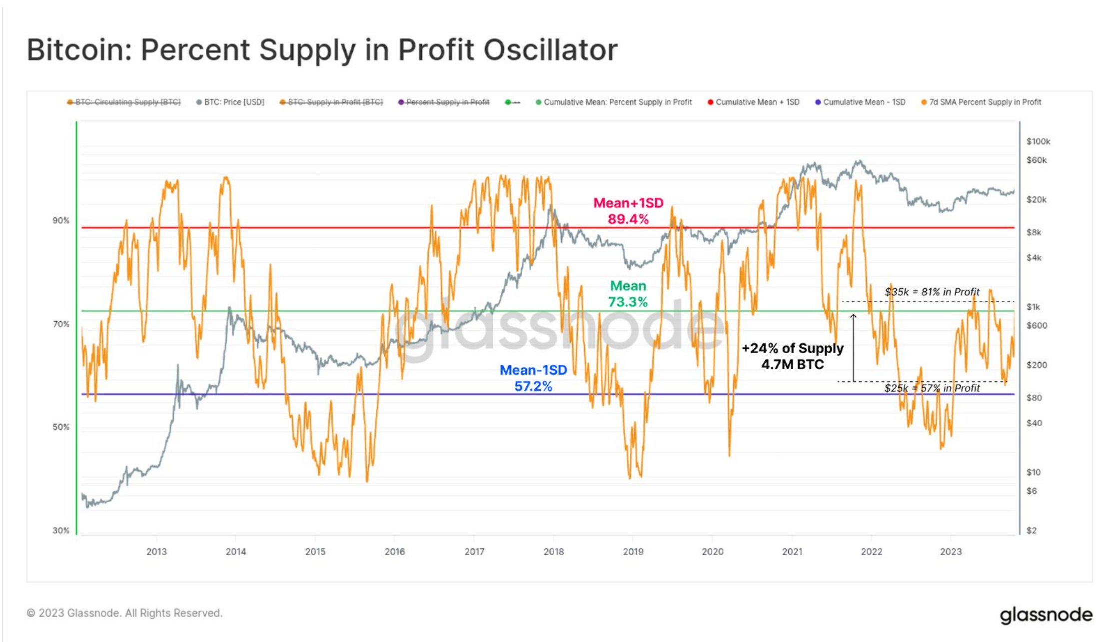


Figure 7. Bitcoin Supply In Profit Oscillator. (source: Glassnode)

Currently, with 81 percent of the supply in a profitable state, the market's overall sentiment is notably positive. This profitability metric has now surpassed its long-term average, a positive sign which is marked as the green line in the chart above.

A significant proportion of investors are now in the green yet long-term holder profit-taking is minimal. This kind of action is typical after a sharp uptick in a bull market, and is often followed by a phase of sideways movement or correction.

Heavy profit taking from any cohort is characteristically followed by sideways movements or corrections, however this phenomenon does not characteristically occur before significant market tops are reached. Currently, long-term holder Bitcoin balances and SOPR values remain much lower in comparison to previous periods. Thus, while it may be prudent to prepare for some sideways movement for investors, we still believe that we are in the early stages of a bull market.

GENERAL MARKET UPDATE

New Home Sales Soar in September Amid Price Discounts and Rising Mortgage Concerns

NEW RESIDENTIAL SALES SEPTEMBER 2023

New Houses Sold[1]:	759,000
New Houses For Sale[2]:	435,000
Median Sales Price:	$418,800

Next Release: November 27, 2023

[1]Seasonally Adjusted Annual Rate (SAAR)
[2]Seasonally Adjusted
Source: U.S. Census Bureau, HUD, October 25, 2023

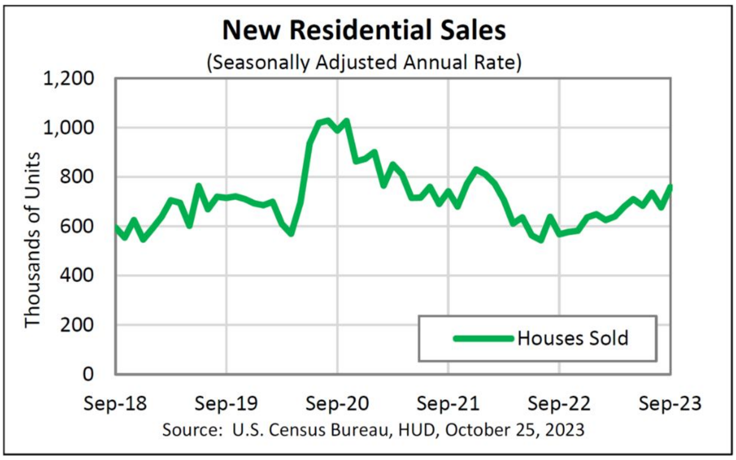


Figure 8. New Residential Sales (Source: US Census Bureau)

US new single-family home sales in September saw their most significant jump in 19 months, according to a US Census Bureau report issued on October 25th. However, the annual median price witnessed its steepest decline since 2009, due to builders providing notable discounts to lure buyers. Yet, with mortgage rates approaching eight percent, demand is likely to diminish soon. Our forecast of decreasing demand is based on mortgage applications plunging by 50 percent since the beginning of 2023, hitting their lowest since 1994.

Homeowners are hesitant to sell due to high mortgage rates, leading to a shortage of existing homes for sale. Consequently, existing home sales have dipped to levels last seen in 2010, with 90 percent of borrowers secured at much lower rates. The persistent shortage of pre-owned homes is pushing buyers toward newly constructed properties. To capitalise on this trend, builders have introduced various incentives to enhance affordability. Around one-third of builders reduced home prices in October, recording an average discount of six percent. The sales of new homes witnessed a 12.3 percent month-over-month (MoM) increase in September, with the rate settling at a seasonally adjusted 759,000 units – a figure not seen since February 2022.

The Challenges Ahead

Besides builder incentives and a short supply of pre-owned houses, a surge in new home sales stems from people's expectation that mortgage rates will continue to rise in the future, as the Fed hints at higher-for-longer interest rates. If buyers believe that mortgage rates will continue to rise, they might rush to buy now rather than waiting and facing even higher rates.

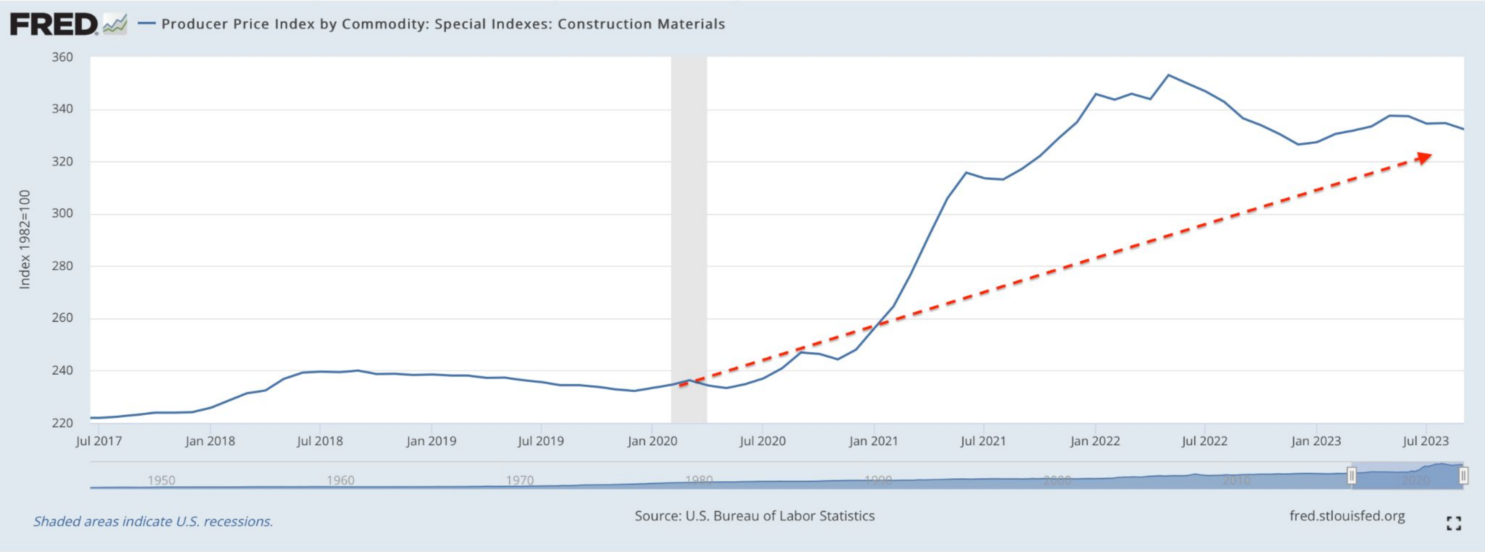


Figure 9. Producer Price Index: Construction Materials (Source: Bureau of Labour Statistics)

As of October 25th, the Mortgage Bankers Association showed that the 30-year fixed-rate mortgage reached 7.9 percent last week, a level not seen since September 2000. Moreover, costs associated with new house construction have surged. Even after a minor relief in home prices from builders' discounts, construction material prices have inflated by over 40 percent since early 2020. Hence, we expect a slowdown in house purchase applications in the coming months due to soaring mortgage rates and [dwindling homebuilder confidence](#).

Surging US Debt Approaches Historic Highs: Alarms Raised Over Economic Stability

The United States is on the brink of a significant fiscal challenge. Recent data indicates that the nation's towering $33 trillion debt is anticipated to surge even further. Alarmingly, the traditional expectation that the economy will naturally outgrow its debt burden looks increasingly unlikely.

On Friday, the US Bureau of the Fiscal Service reported a budget deficit of $1.695 trillion for the fiscal year 2023, marking a 23 percent increase from the previous year. This was a result of declining revenues and increased expenditures on Social Security, Medicare, and unprecedented interest payments on national debt. With the addition of the student loan forgiveness program, the actual deficit is larger by almost $2 trillion. The Treasury highlighted that this significant drop in revenue was a consequence of reduced individual tax collection due to a decrease in capital gains and the impact of climbing interest rates which reduced the funds deposited by the Federal Reserve (the Fed) into the Treasury

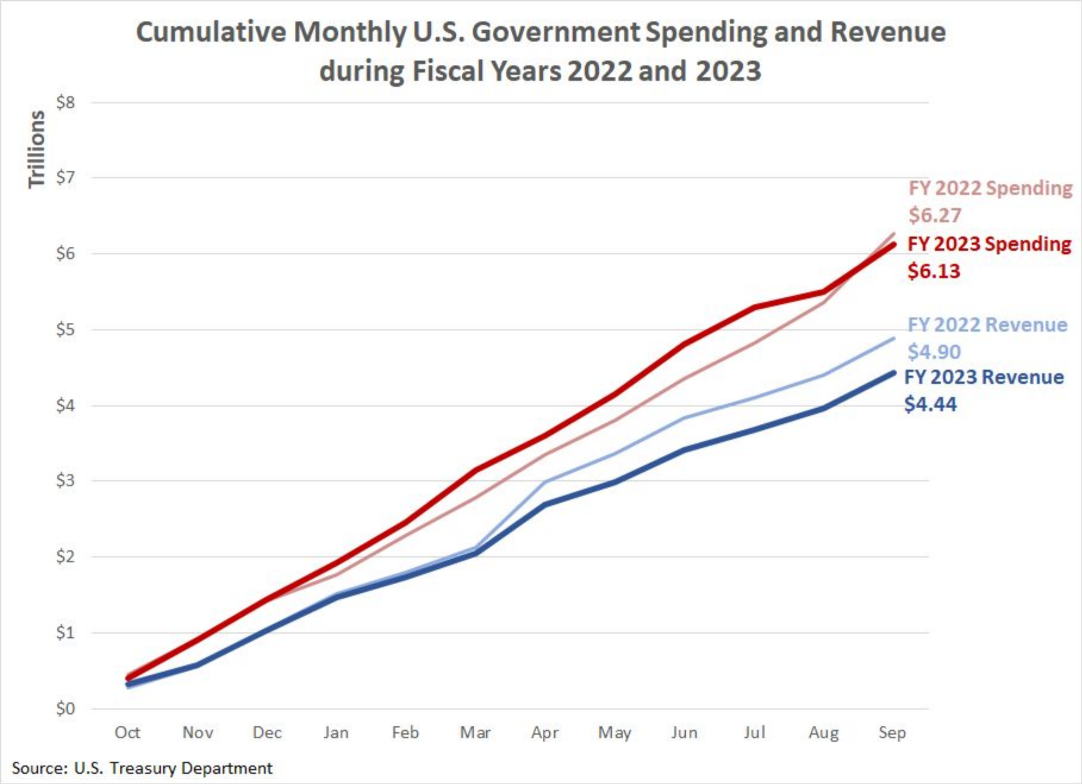


Figure 10. Cumulative Monthly US Government Spending and Revenue during Fiscal Years 2022 and 2023

By the end of 2022, the debt-to-GDP ratio, a key indicator of a country's fiscal health, reached a staggering 97 percent. This enormous debt, coupled with its servicing costs, further deepened federal budget deficits. In the fiscal year ending September 30, 2023, interest on this debt alone spiked by $162 billion.

Forecasts from the Congressional Budget Office anticipate the debt-to-GDP ratio to inch up to 98 percent by the end of 2023. If this trajectory persists, the ratio could reach 107 percent by 2029, setting an all-time record, according to its Long-Term Budget Outlook report. Post-World War II, the nation's highest debt-to-GDP ratio was 106 percent in 1946. Unlike then, when the ratio was mitigated by favourable market dynamics and the post-war economic boom, such a reversal is implausible now.

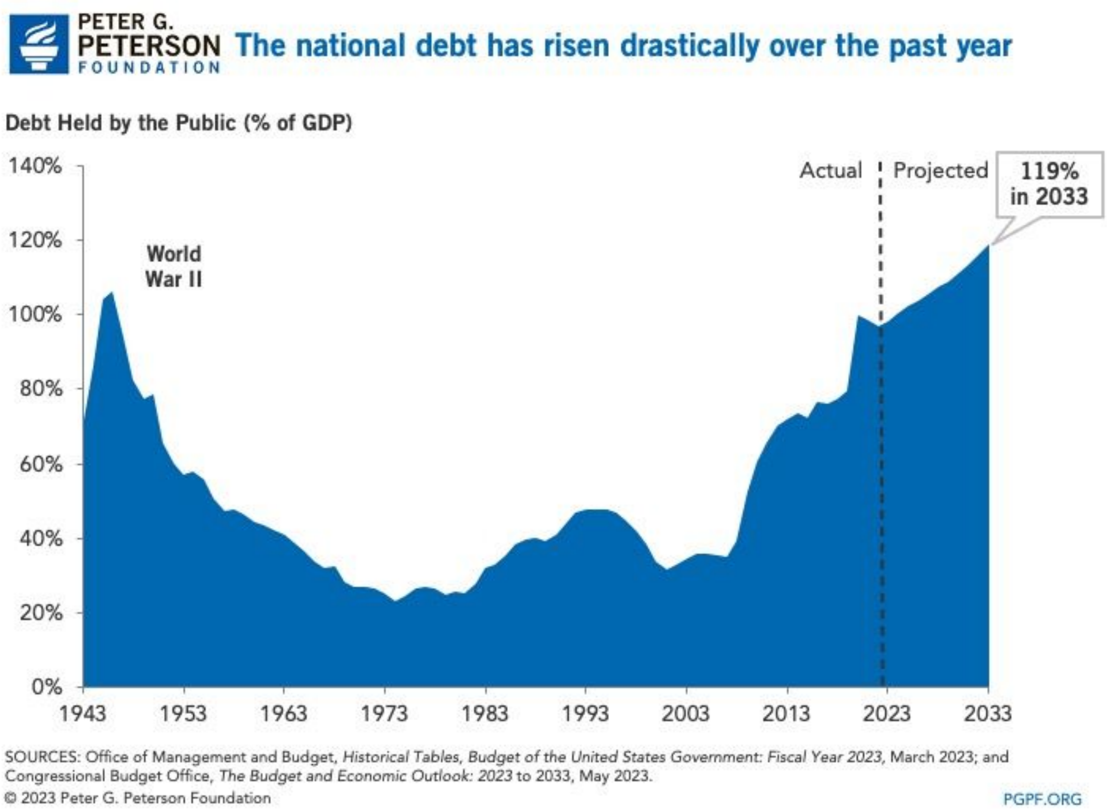


Figure 11. Debt Held by the Public (Percentage of GDP, Source: US Congressional Budget Office, Peter G. Peterson Foundation)

Given the projected deficits and the Fed's emphasis on inflation control, expecting the US to reduce its debt through economic growth is unrealistic. Hence, policymakers need to reassess this approach.

Fed Chair Jerome Powell has expressed intent to let current bond market fluctuations run their course, despite the ten-year US Treasury yield nearing five percent. Such a stance might have profound implications. Extended periods of high-interest rates could severely strain the federal budget, with national interest expenses becoming exceedingly burdensome.

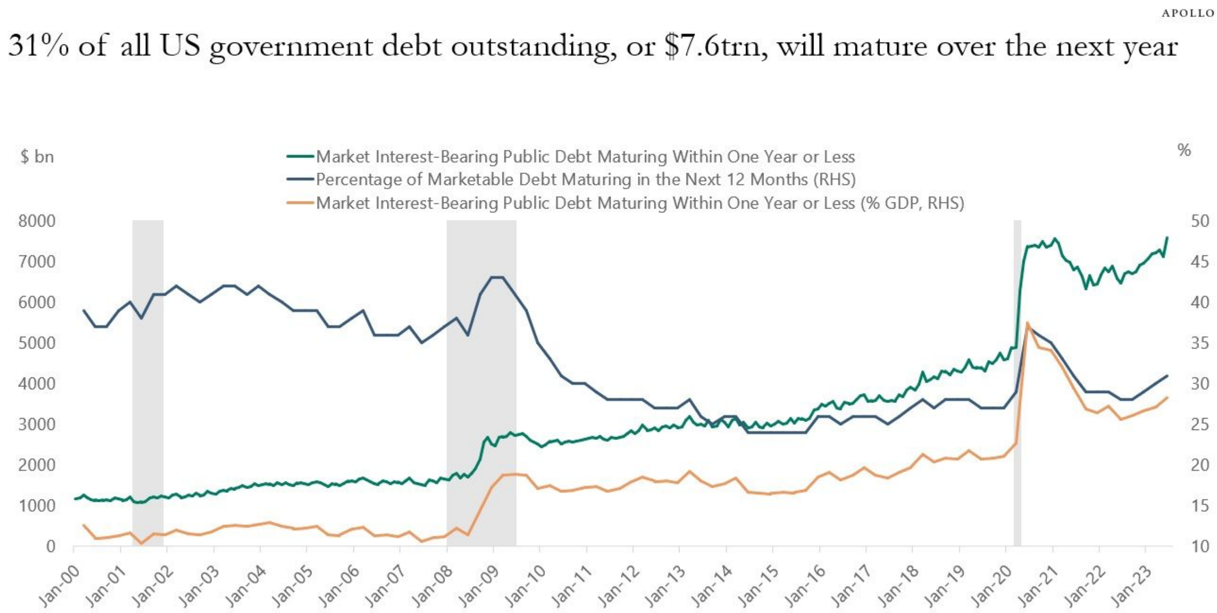


Figure 12. Market Interest-Bearing Debt Maturing within one year & Percentage of Marketeable Debt Maturing in the next 12 months, Retrieved: September 3, 2023 (Source: US Treasury, Bureau of Economic Analysis, Haver Analytics, Apollo Chief Economist)

Compounding these concerns is the impending maturity of a staggering $7.6 trillion of government debt within the next year. This represents almost 31 percent of the US's entire debt balance. Rising apprehension of the growing US debt could deter potential Treasury buyers, potentially triggering failed Treasury auctions. Such a scenario could compel the Fed to purchase US debt securities, exacerbating inflation.

In a recent speech at the Economic Club of New York on October 19th, Powell expressed his concerns about the US's fiscal path, specifically concerning its revenue collection, spending, and debt. "It's not a secret. We know that we're on an unsustainable path fiscally. It's not that the level of the debt is unsustainable. It's not. It's that we're - the path we're on is unsustainable, and we'll have to get off that path sooner rather than later."

The United States faces an economic dilemma. With mounting debt, increasing servicing costs, and a potentially overburdened Fed, combined with the limited ability of the government to collect revenue to ease the debt burden means that a reconsideration of US debt management is warranted.

US Economy Witnesses Robust Growth in Q3, Fastest in Nearly Two Years

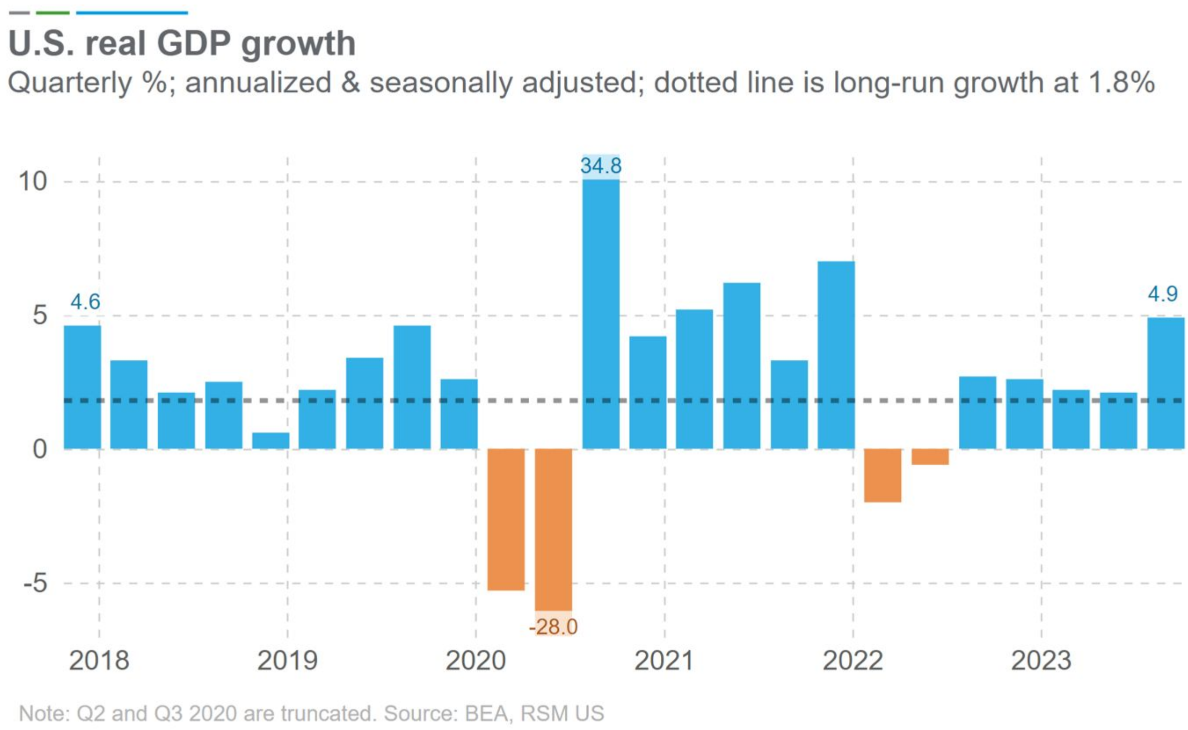


Figure 13.US Real GDP (Source: Bureau of Economic Analysis)

The US economy leapt ahead in the third quarter, marking its most rapid expansion in nearly two years. Despite recession fears, a tight labour market boosting wages led to robust consumer spending. Data from the US Bureau of Economic Analysis released last Thursday revealed a Q3 growth rate (advanced estimate) of 4.9 percent, outpacing the anticipated 4.3 percent and significantly up from the previous quarter's 2.1 percent. Year-over-year, Q3 growth reached 2.9 percent.

This reading marks the biggest jump in GDP since the last quarter of 2022 and is the fifth consecutive quarterly increase. The US economy has now been in an expansion state for 41 months based on this advanced data. The data shows that the Fed looks on course to achieve a soft landing, despite ongoing high interest rates and geopolitical tensions.

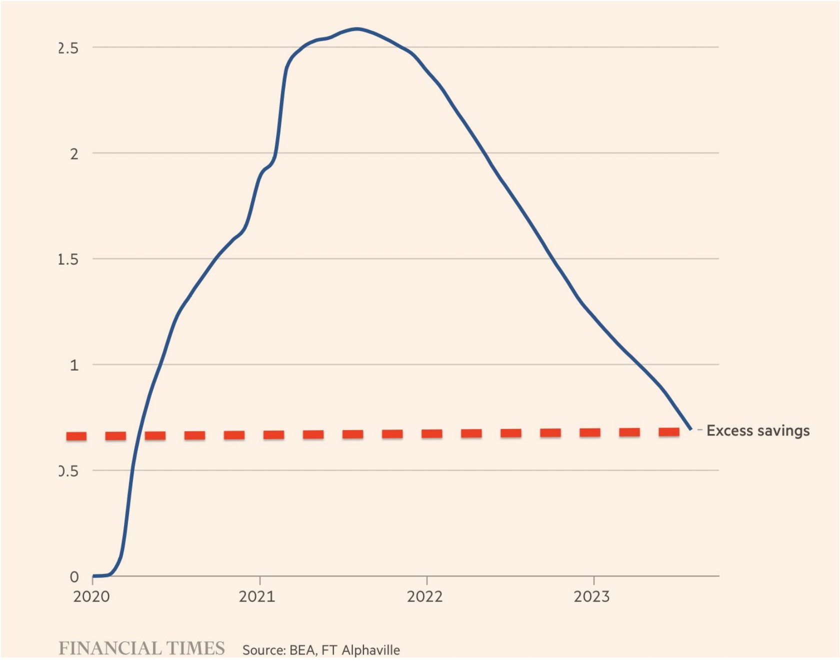


Figure 14. US Consumers Excess saving from 2020 (Source: Bureau of Economic Analysis ; Financial Times)

Elevated real incomes and a cushion of excess savings lend a sense of buoyancy to the economy. Even if the momentum is likely not sustainable, it still showcases the economy's resilience, even amidst aggressive rate hikes.

Factors such as the impending costs for payroll financing and business expansion, coupled with potential disruptions like the United Auto Workers strikes and a large portion of the American populace restarting student loan repayments, indicate a possible deceleration in growth for the upcoming quarter.

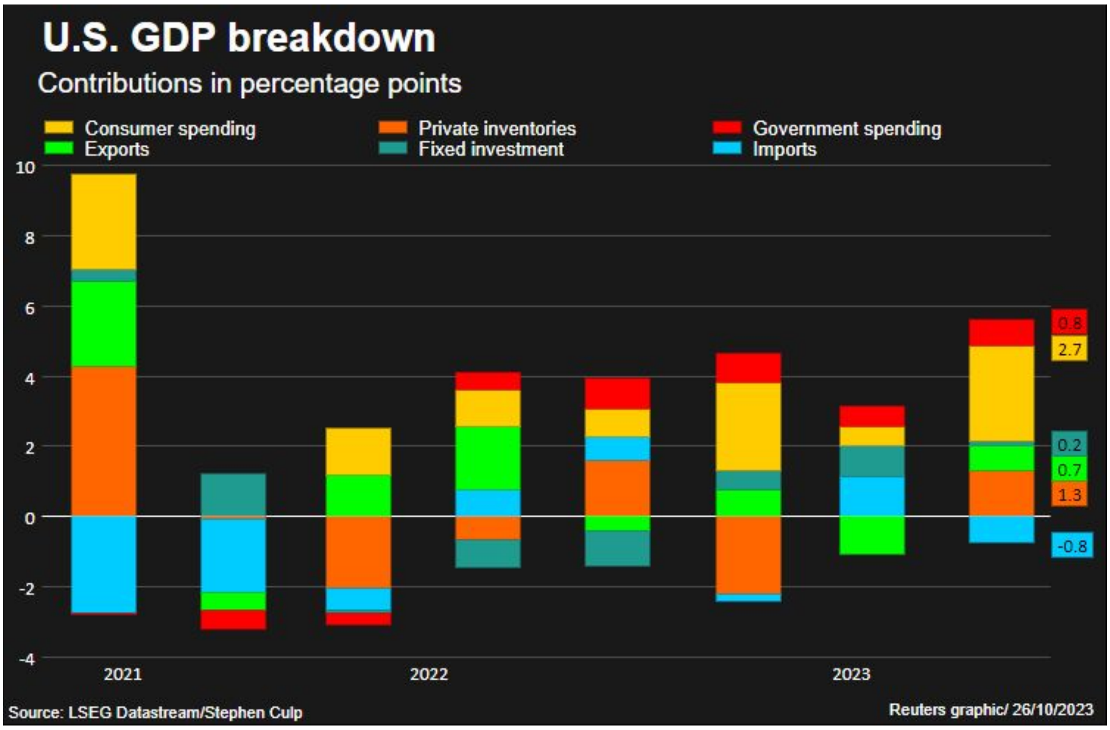


Figure 15. US GDP Breakdown (Source: Bureau of Economic Analysis, LSEF Datastream)

Given the increase in long-term interest rates and increased borrowing costs for companies planning to expand, we don’t think there will be a significant change in the Fed's current monetary strategy, even with impressive Q3 GDP figures. Instead, the focus is likely to remain on various challenges and global tensions pushing yields upwards. These factors could potentially decelerate domestic and global economic growth as the year concludes and as we venture into the new year.

US Manufacturing and Services Sectors Show Resilience Amid Rising Interest Rates

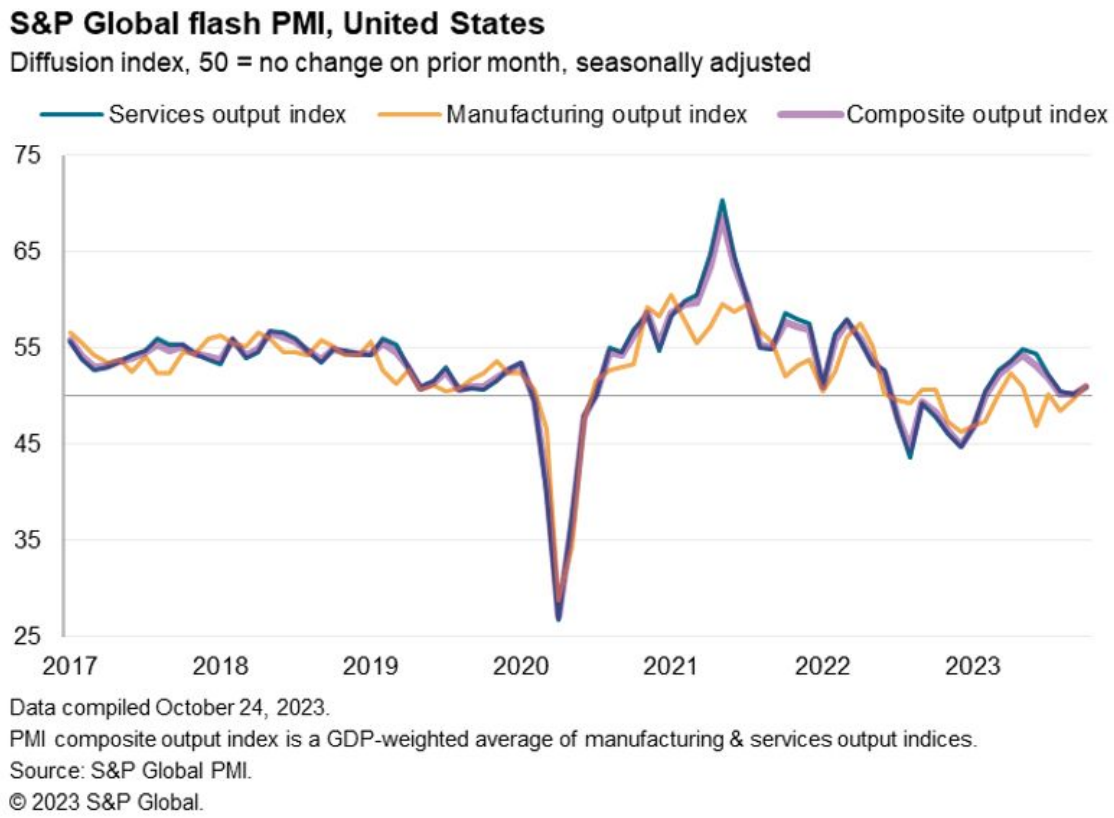


Figure 16. S&P Global Flash PMI, United States (Source: S&P Global PMI)

After five months of contraction, US manufacturing activity saw a rebound in October, propelled by a surge in new orders. Additionally, the service sector showed moderate growth, easing concerns over inflation.

On October 24th, S&P Global noted that the US Composite Purchasing Managers' Index (PMI), a gauge of both manufacturing and services activities, rose to 51.0 in October from 50.2 in September, marking its strongest showing since July. Readings above 50 signal economic growth. This increase challenges previous recession forecasts, highlighting the ongoing resilience of the US economy. The manufacturing PMI hit 50 (refer Figure below), its peak since April, signalling an end to the contraction that started in May, aligning with our earlier projections of a manufacturing rebound.

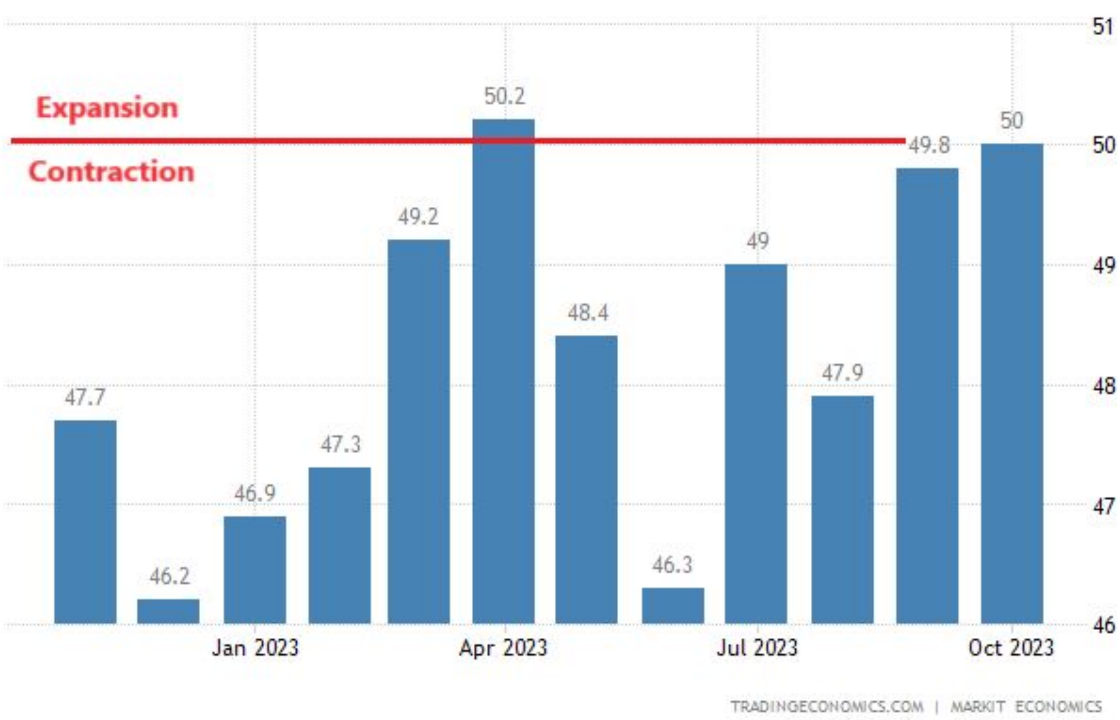


Figure 17. S&P Global Manufacturing PMI (Source: S&P Global, Tradingeconomics)

The services sector also experienced an uptick, with its PMI rising to 50.9—the highest in three months (See Figure 17 above) Additionally, the sector displayed moderating prices, indicating a relief in inflationary pressures. This is noteworthy given that service inflation is typically sticky. Labour costs, the nature of service provision, and market dynamics are the factors that make service prices less responsive to immediate economic changes than the prices of goods.

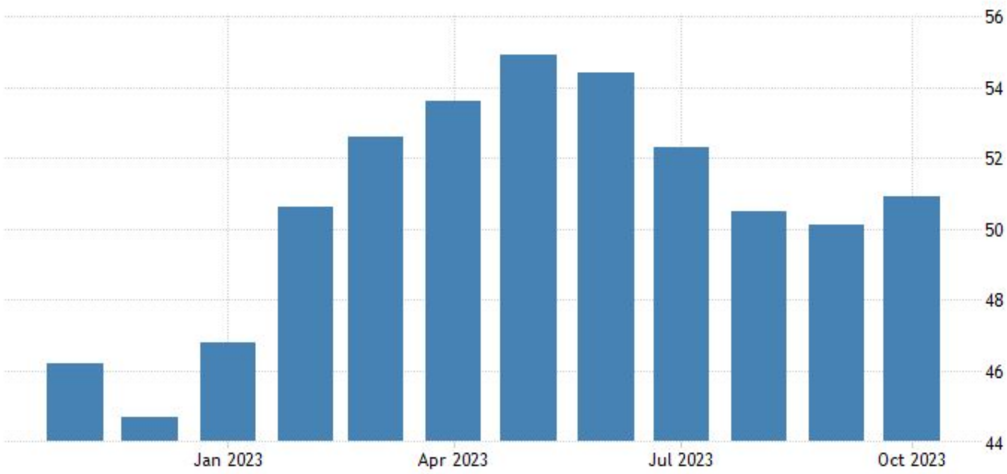


Figure 18. United States Services PMI(Source: S&P Global, Tradingeconomics)

Inflation is also showing signs of easing. In September, Personal Consumption Expenditures (PCE) inflation, which is the Fed's preferred inflation yardstick, matched expectations at 3.439 percent, marking its first decline in three months (refer Figure below).

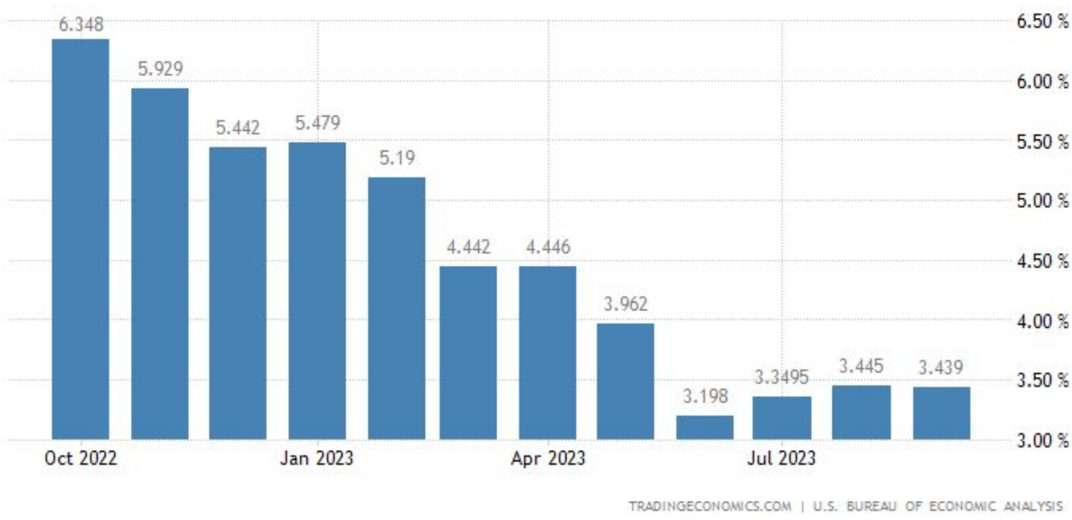


Figure 19. US PCE Index Annual Rate of Change. (source: BEA)

Similarly, Core PCE inflation settled at 3.7 percent, aligning with consensus forecasts. This data release altered the target rate probabilities for the November Fed meeting to a near zero percent chance of a hike. Although this month's PCE figures appear more moderate compared to recent Producer Price Index and Consumers Price Index numbers which both rose, all metrics still indicate core inflation is hovering around 4 percent – a figure that's twice the Fed's long-term goal. Thus, despite the promising data, there is still some cause for concern, particularly given rising geopolitical tensions.

NEWS FROM THE CRYPTO-SPHERE

JPMorgan's JPM Coin Processes $1 Billion Daily, Aims to Address Payment Inefficiencies

Figure 20. JPMorgan's JPM Coin Processes $1 Billion Daily, Aims to Address Payment Inefficiencies

JPMorgan's JPM Coin processes over $1 billion in daily transactions, addressing current payment system inefficiencies like speed, transaction tracking, and fungibility

In a recent media interview, Takis Georgakopoulos, JPMorgan's Global Head of Payments, disclosed that the banking giant is handling daily transactions exceeding $1 billion via its digital currency, JPM Coin.

Georgakopoulos highlighted critical challenges of current payment mechanisms, including the speed of international transfers, and the separation between the handling of monetary transactions and related data, leading to complexities in transaction tracking and reconciliation. He said JPM Coin aimed to offer solutions to these inefficiencies. "Today, we move $1 billion every day through JPM Coin for a number of large companies," Georgakopoulos said.

He indicated that there were also opportunities, stemming from central bank digital currencies to open a blockchain-based digital counterpart for deposits.

Introduced in 2020, JPM Coin is a stablecoin with a one-to-one collateralisation ratio against the US dollar. Its primary purpose is to act as an interim medium for real-time gross settlements for the bank's institutional clientele.

BlackRock's Proposed Bitcoin ETF Sparks Market Buzz Amid Regulatory Anticipation

Figure 21. BlackRock's Proposed Bitcoin ETF Sparks Market Buzz Amid Regulatory Anticipation

- **BlackRock's proposed Bitcoin ETF was added to the clearing-house eligibility file on the Depository Trust and Clearing Corporation (DTCC) website, causing excitement in markets**
- **The SEC has not yet approved any spot Bitcoin or Ether applications for US exchange listings. Important upcoming deadlines include Ark Invest's ETF review on January 10th and several others, including BlackRock's, on March 14th.**

On October 23rd, there was a flurry of activity in crypto markets after BlackRock, the world's largest asset manager, saw its proposed Bitcoin ETF added to the clearing-house eligibility file on the DTCC website. As a major global clearing house, DTCC handled an impressive $2.5 quadrillion across various asset classes in 2022.

Blackrock's decision in June to apply to the SEC for an ETF spurred multiple other companies like Fidelity Investments, Invesco and WisdomTree to pursue similar fund applications. Speculation about imminent approval contributed to Bitcoin experiencing its biggest two-day rally in seven months last week. Although the DTCC file listing ignited hopes for a potential approval, the DTCC clarified that inclusion on the list doesn't signify thisl. Instead, the listing is a standard preparatory procedure, such as acquiring a ticker symbol and a unique ID code called a CUSIP, in anticipation of approval.

BTC touched an impressive 18-month high of $35,198 early last week, but then dropped over three percent from its peak after the IBTC ticker momentarily disappeared from the DTCC site. This hiccup was however short-lived, and the asset price rebounded after the ticker was re-listed.

If the SEC gives the green light to BlackRock's application, it could set a precedent for numerous other spot crypto ETF applications currently under review from companies like ARK Investment, Fidelity, and Valkyrie. No spot Bitcoin ETFs have to date been approved by the SEC, however it has begun allowing investment instruments tied to Bitcoin futures, since October 2021.

Despite the rising optimism surrounding Bitcoin ETFs, offering mainstream and institutional investors a regulated entry point into Bitcoin, the SEC has remained cautious. SEC Chair Gary Gensler made no comments on the chances of an approval of any of these filings.

A noteworthy point for investors: The first significant ETF deadline set by the SEC is on January 10th next year, focused on Ark Invest. This is followed by multiple filings set for their final review on March 14th, including applications from Blackrock/iShares, Bitwise, WisdomTree, Invesco, and Fidelity/Wise Origin.

Issuer *(Ticker)*	Company	Asset	Prospectus Filing Date	19b-4 Federal Register	First Deadine	Second Deadline	Third Deadline	Final Deadline
Grayscale Bitcoin Trust(Re-file)*Conversion (GBTC)*	Grayscale	Bitcoin	5/4/15	11/8/21	12/23/21	2/6/22	5/7/22	7/6/22
ARK 21Shares Bitcoin ETF(Re-filing) *(ARKB)*	21Shares & ARK	Bitcoin	6/28/21	5/15/23	6/29/23	8/13/23	11/11/23	1/10/24
iShares Bitcoin Trust	BlackRock	Bitcoin	6/15/23	7/19/23	9/2/23	10/17/23	1/15/24	3/15/24
Bitwise Bitcoin ETP Trust (Re-filing)	Bitwise	Bitcoin	10/14/21	7/18/23	9/1/23	10/16/23	1/14/24	3/14/24
VanEck Bitcoin Trust(Re-filing)	VanEck	Bitcoin	12/30/20	7/19/23	9/2/23	10/17/23	1/15/24	3/15/24
Wisdomtree Bitcoin Trust(Re-filing) *(BTCW)*	Wisdomtree	Bitcoin	12/8/21	7/19/23	9/2/23	10/17/23	1/15/24	3/15/24
Invesco Galaxy Bitcoin ETF(Re-filing)	Invesco & Galaxy	Bitcoin	9/21/21	7/19/23	9/2/23	10/17/23	1/15/24	3/15/24
Wise Origin Bitcoin Trust(Re-filing)	Fidelity	Bitcoin	3/24/21	7/19/23	9/2/23	10/17/23	1/15/24	3/15/24
Valkyrie Bitcoin Fund(Re-filing) *(BRRR)*	Valkyrie	Bitcoin	1/22/21	7/21/23	9/4/23	10/19/23	1/17/24	3/19/24
Global X Bitcoin Trust(Re-filing)	Global X	Bitcoin	7/21/21	8/23/23	10/7/23	11/21/23	2/19/24	4/19/24
Hashdex Bitcoin ETF *Strategy Change (DEFI)*	Hashdex	Bitcoin	5/20/21	10/3/23	11/17/23	1/1/24	3/31/24	5/30/24
Franklin Bitcoin ETF	Franklin	Bitcoin	9/12/23	10/3/23	11/17/23	1/1/24	3/31/24	5/30/24

Note: Dates are estimates and/or deadlines, so they may come earlier.
Source: Bloomberg Intelligence, SEC.gov
Bloomberg

Figure 22. ETF Deadlines Set by the SEC (Source: Bloomberg)

Bloomberg Intelligence ETF expert, James Seyffart, estimates a 90 percent likelihood that ARK's Bitcoin spot ETF will gain approval by January 10th. Seyffart recently conveyed on X (previously Twitter) that the latest modifications in the applications from Ark and 21Shares indicate a productive dialogue with the SEC, which boosts the prospects of a positive outcome.

Investors are largely anticipating a positive response from the US regulators. The forthcoming SEC decision on spot Bitcoin ETF applications could significantly influence the ongoing BTC price surge.

Bitfinex Securities Launches One of the World's First Tokenized Bonds

Figure 23. Bitfinex Securities Launches One of the World's First Tokenized Bonds

Bitfinex Securities announces the listing of its first tokenized bond, ALT2611, issued by Alternative, a fund managed by Mikro Kapital Management S.A. , with a 36-month term and a 10 percent coupon rate, set to be traded in Tether.

Paolo Ardoino, the CTO of Bitfinex, heralded this bond as a pioneering step in the merger of capital markets and blockchain technology, aiming to facilitate businesses in capital acquisition and tokenization of assets.

Bitfinex Securities, a platform for listing real-world tokenized securities, is set to list its premier tokenized bond in November. ALT2611, is a 36-month bond with a ten percent coupon rate. This will be denominated USDt and issued by Mikro Kapital, a global leader in microfinancing.

The ALT2611 bond will acquire risks connected with the debt and equity of various entities: microfinance establishments, small financial institutions and leasing firms operating in Italy, Romania, Moldova, and regions along the Silk Road.

Figure 24. Announcement from upcoming Bitfinex CEO, Paolo Ardoino on new tokenised bonds

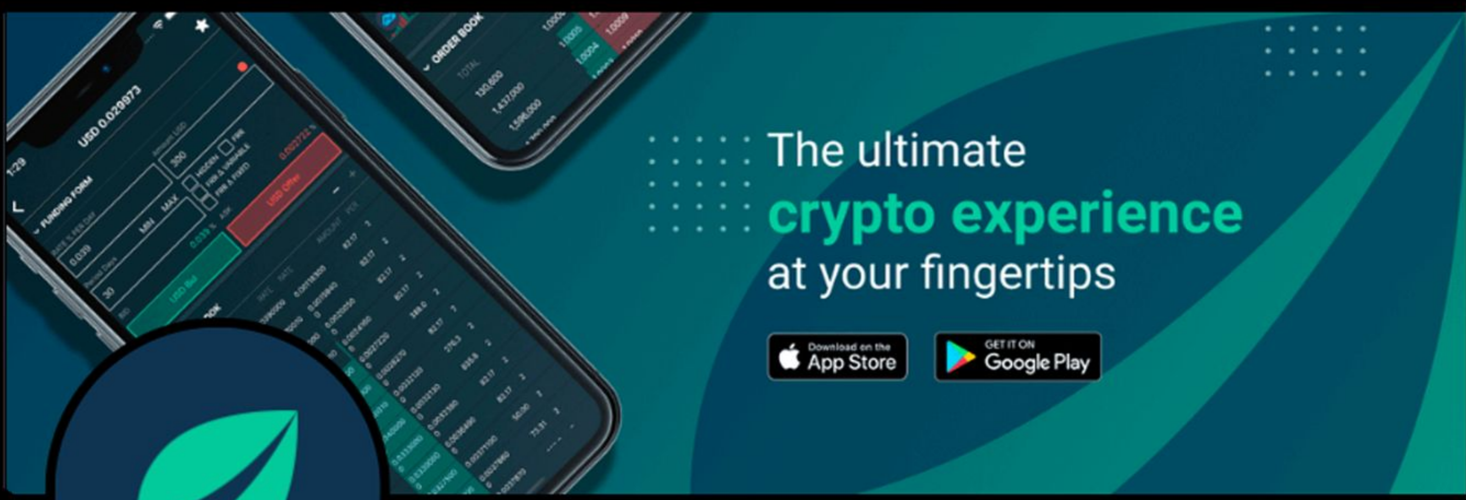
Paolo Ardoino, Chief Technology Officer of Bitfinex Securities, said it would be the first tokenised bond to be listed on Bitfinex Securities: “A new era for capital raises through deep liquid markets and stock/bond markets has begun”, he said.

The Bitfinex Securities platform provides entities the opportunity to raise capital through tokenized issuance of bond, equity or fund products,as well as facilitating secondary market trading.

By tokenising assets, such as debt and equity securities, businesses can enjoy the advantages of real-time settlement, 24/7/365 trading and access to global liquidity.

Tokenised securities can also be exchanged and transformed into different currencies in both open and closed markets. These securities fall into three types: debt, representing regular repayment obligations; hybrids, which combine features of both debt and equity; and equity, providing ownership privileges to its holders.

The ALT2611 bond would start trading at the price of 100 USDt, and requires an initial investment starting from 125,000 USDt. Its distribution is planned to occur a week after the funding round is completed. The bond's term is fixed at three years from the date of issue, delivering a yearly return of ten percent with payouts every three months. The bond is subject to the legal regulations of the Grand Duchy of Luxembourg.



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