BITFINEX Alpha

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EXECUTIVE SUMMARY

The crypto market is in a state of limbo as we near higher timeframe range lows on the daily, weekly and monthly charts, while there is also a downtrend in the lower timeframe (one-minute to 15 minute charts). Supply overhang is also significant as seen in the surprise German government sales of seized BTC last week, and is an important reminder of other overhangs pressurising the market including from Mt. Gox creditors and miners.

US spot Bitcoin ETFs are also contributing to the negative sentiment, with outflows totalling $544.1 million last week, though this was linked to basis/funding arbitrage unwinding, rather than necessarily real sentiment on BTC. As previously noted in last week's *Bitfinex Alpha*, large sell downs in ETFs often correlate with local bottoms in BTC prices.

As a consequence, total crypto market capitalisation has declined, with a pattern emerging that Thursdays and Fridays have become high volatility days. The peak-to-trough decline during last Thursday and Friday was approximately five percent, which is considered quite significant for BTC. Historically, movements of this magnitude have often signalled at least a local low, as seen on June 11th, when a similar intra-week drawdown resulted in the formation of a new local price floor. With this, there is potential for buying opportunities and these significant drops are warranting close attention from traders.

However, we see the market as being in a wait and watch mode, with near-term scenarios either seeing continued pressure from BTC overhang sales and a lack of any catalyst to move higher; or a spark in sentiment with ETH ETF approvals coming through and sparking renewed positive sentiment, particularly in altcoins.

On the macro front, the US economy seems to be exhibiting signs of cooling, as reflected in several key economic indicators. The latest Leading Economic Index report indicated that consumer optimism was declining due to persistent inflation and high interest rates. The report predicted a slowdown would take place during the third and fourth quarters of 2024. At the same time, the job market is showing signs of stability, with initial jobless claims experiencing a modest decline last week, though overall the job market continues to cool, which aligns with the broader economic slowdown.

Significant strain is also evident in the housing market, as housing starts in May plummeted to their lowest level since June 2020.

Despite these challenges, retail sales showed modest but positive growth, suggesting resilience among consumers, but the growth is slower than expected, reflecting cautious consumer behaviour amidst economic uncertainties.

The one bright area is in the industrial sector, which continues to grow, and which could prove to be an important factor in stabilising the overall economy, and mitigating against a slowdown in other areas.

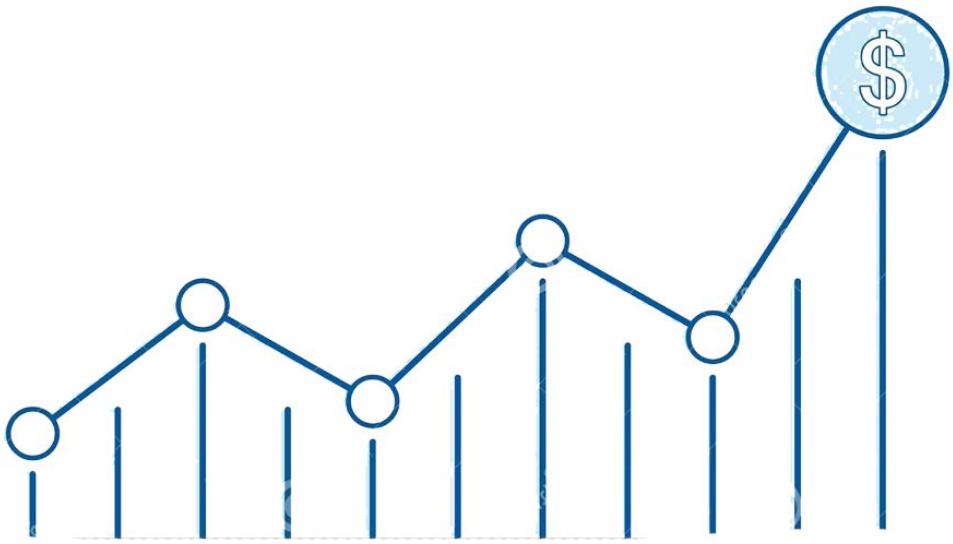
If these trends of cooling economic growth and inflation continue, the Fed is well-positioned to consider a rate cut in September.

Markets are becoming increasingly sanguine on inflation. The Fed five year forward, five year break even rate is comfortably at 2.19%, close to the Fed's two percent target; but with jobless claims continuing to inch upwards, housing starts slowing, and retail sales growing less quickly, a reduction in interest rates would be a welcome stimulus for the economy.

Recent news in the crypto-sphere includes the German government's sale of over $195 million worth of Bitcoin, which contributed to the decline in BTC last Friday; and ongoing preparation by leading ETF providers, such as BlackRock, VanEck, and Franklin Templeton, who have filed amended registration statements in support of their bid to launch Ethereum ETFs.

Happy Trading!

INDEX



WHAT'S ON-CHAIN THIS WEEK?

ETF Outflows Persist as BTC Reaches New Local Lows

Every day of the holiday-shortened trading week last week saw over $100 million in net outflows from US spot Bitcoin ETFs. Total outflows amounted to $544.1 million. We believe these outflows are a combination of basis/funding arbitrage unwinding due to negative funding rates, and weak-handed ETF investors selling in reaction to short term negative news events

Date	IBIT	FBTC	BITB	ARKB	BTCO	EZBC	BRRR	HODL	BTCW	GBTC	DEFI	Total
03 Jun 2024	0.0	77.0	14.3	10.7	0.0	0.0	0.0	2.0	1.1	0.0	0.0	105.1
04 Jun 2024	274.4	378.7	61.0	138.7	0.0	0.0	1.6	4.0	0.0	28.2	0.0	886.6
05 Jun 2024	155.4	220.6	18.5	71.4	3.6	0.0	0.0	4.0	0.0	14.6	0.0	488.1
06 Jun 2024	349.9	3.1	(3.1)	(96.6)	0.0	0.0	0.0	2.0	0.0	(37.6)	0.0	217.7
07 Jun 2024	168.3	0.0	(7.9)	6.9	0.0	0.0	0.0	0.0	0.0	(36.3)	0.0	131.0
10 Jun 2024	6.3	(3.0)	7.6	0.0	(20.5)	0.0	(15.8)	0.0	0.0	(39.5)	0.0	(64.9)
11 Jun 2024	0.0	(7.4)	(11.7)	(56.5)	0.0	0.0	0.0	(3.8)	0.0	(121.0)	0.0	(200.4)
12 Jun 2024	15.6	50.6	14.5	8.5	0.0	0.0	0.0	11.6	0.0	0.0	0.0	100.8
13 Jun 2024	18.2	(106.4)	(9.8)	(52.7)	(2.7)	0.0	0.0	(11.3)	0.0	(61.5)	0.0	(226.2)
14 Jun 2024	1.5	(80.1)	(7.1)	(49.0)	(2.9)	0.0	0.0	0.0	0.0	(52.3)	0.0	(189.9)
17 Jun 2024	0.0	(92.0)	2.9	(50.0)	0.0	0.0	0.0	(3.8)	0.0	(3.0)	0.0	(145.9)
18 Jun 2024	0.0	(83.1)	(7.0)	0.0	0.0	0.0	0.0	0.0	0.0	(62.3)	0.0	(152.4)
19 Jun 2024	-	-	-	-	-	-	-	-	-	-	-	0.0
20 Jun 2024	1.5	(51.1)	(31.5)	0.0	(2.0)	0.0	0.0	(3.7)	0.0	(53.1)	0.0	(139.9)
21 Jun 2024	0.0	(44.8)	0.0	(28.8)	0.0	1.9	0.0	0.0	0.0	(34.2)	0.0	(105.9)
Total	17,643	9,152	2,002	2,382	293	361	497	524	70	(18,360)	(2)	14,562

FARSIDE INVESTORS

Figure 1. Spot Bitcoin ETF Flows. (Source: FarsideUK)

A telling sign that the basis/funding arbitrage unwinding is taking place, is the significant decline in the open interest for BTC futures on the CME, dropping by $220 million over the past week. A similar dynamic was seen across other trading platforms too, with the overall aggregated Bitcoin open interest (OI) decreasing by over $450 million last week, bringing total BTC futures open interest (including figures from decentralised exchanges) down to $33.3 billion, a sharp reduction from the record high of $36.99 billion reached on June 7th. (refer Figure below)

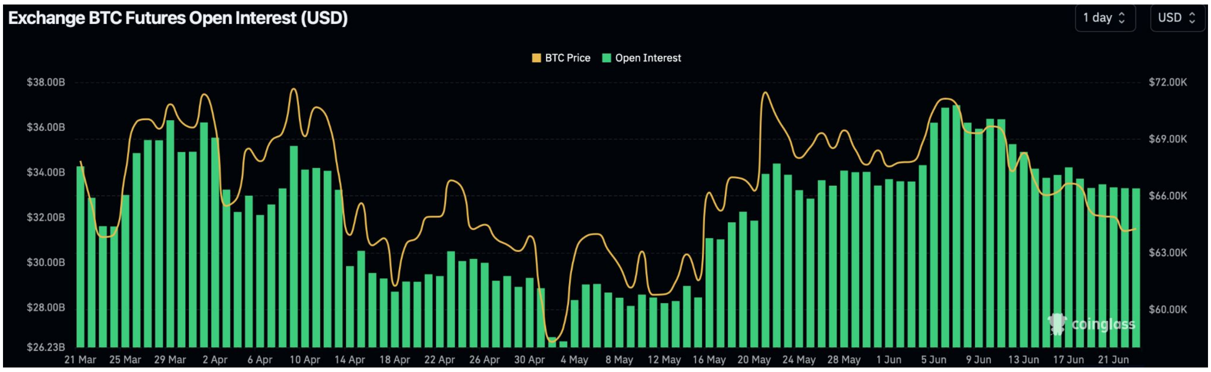


Figure 2. Total BTC Futures Open Interest Across All Major Exchanges. (Source: Coinglass)

This reduction in OI coincides with negative funding rates observed across several exchanges over the past week, and corresponds with the ETF net outflows, suggesting a substantial unwinding of the funding arbitrage trades linked to ETF flows. Given this, it is important to acknowledge that not all ETF outflows should be interpreted as direct spot selling.

In last week's *Bitfinex Alpha*, we highlighted how ETF outflows typically occur towards the bottom of the BTC trading range, with these heavy outflows often correlating with the formation of local bottoms. We believe that the same phenomenon is happening again.

Figure 3. BTC/USD Daily Chart. (Source: Bitfinex)

Most notably, the price of Bitcoin dropping below $70,000 earlier this month, set off a sequence of seven consecutive trading days of net ETF outflows. This demonstrates that sharp price movements, or moves through psychologically important levels, can act as a trigger for significant capital withdrawals from ETFs. This pattern is critical for investors to monitor as it often provides clues to potential reversals or stabilisation points within the market. (Refer to the figure above)

Lower Timeframe Weakness Across All Crypto Assets

Figure 4. Crypto Total Market Cap (Source: Tradingview)

Overall cryptocurrency market capitalisation fell sharply towards the end of last week and continued the sell-off on Monday, falling to a low of $2.17 trillion, and market sentiment remains largely bearish, as risk-off sentiment emerged across several asset classes.

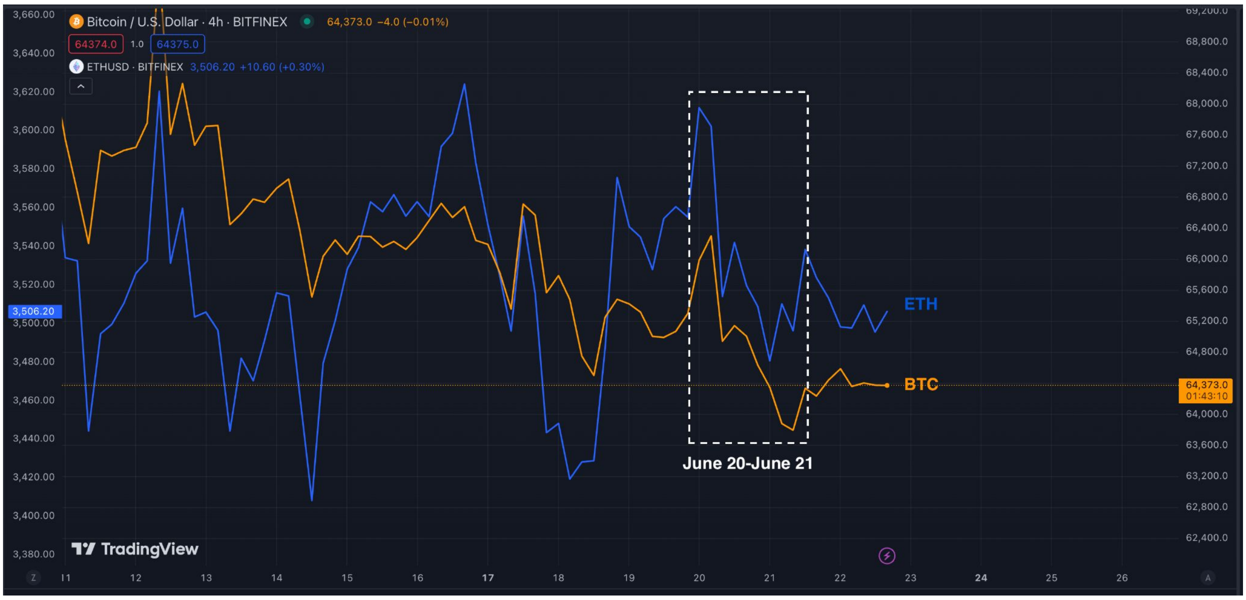


Figure 5. BTC and ETH 4H Chart (Source: Tradingview)

The recent BTC sales by the German government, amounting to approximately $195 million worth of BTC, were a significant event last week, but they weren't solely responsible for Bitcoin's price drop last Friday, as discussed in the previous chapter, with ETF outflows and derivatives trade unwinding also contributing.

Indeed, any drop was offset by MicroStrategy's announcement on June 20, that it had purchased an additional 11,931 BTC for $786 million.

In the past three months we have observed that Thursdays and Fridays have emerged as the most volatile days of the week for BTC, with volatility exceeding five percent, while Saturdays and Sundays have demonstrated significantly lower volatility, with less than two percent and 3.5 percent respectively.

Figure 6. BTC/USD 4H Chart. (Source: Bitfinex)

The peak- to-trough decline during Thursday and Friday was approximately five percent, which is considered quite significant for BTC. Historically, movements of this magnitude have often signalled at least a local bottom, even amidst broader downtrends. A recent example of this was on June 11th, when a similar intra-week drawdown led relatively quickly (over the span of 24 hours) to a local bottom. This pattern suggests that significant dips may present buying opportunities or turning points in the market, warranting close attention from investors monitoring for potential rebounds.

This week was however particularly unfriendly for risk asset investors, due to the "triple witching" event in US stock markets, which happens quarterly when derivatives contracts tied to stocks, index options, and futures are due to mature. This event can lead to substantial price swings as traders close out or roll over their positions. Given the recent positive correlation between BTC and the S&P 500, uncertainty over the impact of the "triple witching" also affected crypto assets. The CBOE Volatility Index rose by 1.5 percent to 13.72 last Friday, reflecting these concerns.

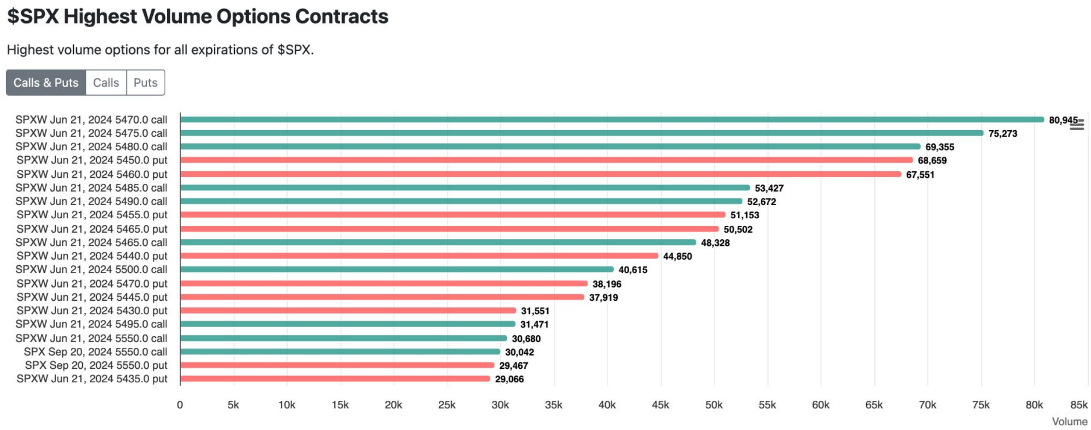


Figure 7. Majority of S&P 500 Highest Volume Options Contracts expired on June 21st

Figure 8. CBOE Volatility Index

As a consequence, the US Dollar Index reached a 50-day high of 105.8, indicating a shift away from currencies like the euro, British pound, and Swiss franc. While the S&P 500 remained stable on June 21, BTC's 52 percent year-to-date gains in 2024 led investors to take profits and reduce exposure last week.

Figure 9. US Dollar Index

GENERAL MACRO UPDATE

US Economy Expected to Slow Down but Market More Sanguine on Inflation

The latest US Leading Economic Index (LEI) report from the Conference Board is suggesting that a slowdown is coming for the economy, and could manifest itself in the third to fourth quarter of 2024.

The report, which was published last Friday, highlighted diminishing consumer optimism, over persistent high inflation and elevated interest rates.

The LEI was reported down 0.5 percent to 101.2 in May, marking the third consecutive decline, and came in lower than the consensus forecast of just a 0.3 percent drop. A drop in new orders, diminished consumer confidence in future business conditions, and fewer building permits being issued, are the main drivers of the decline.

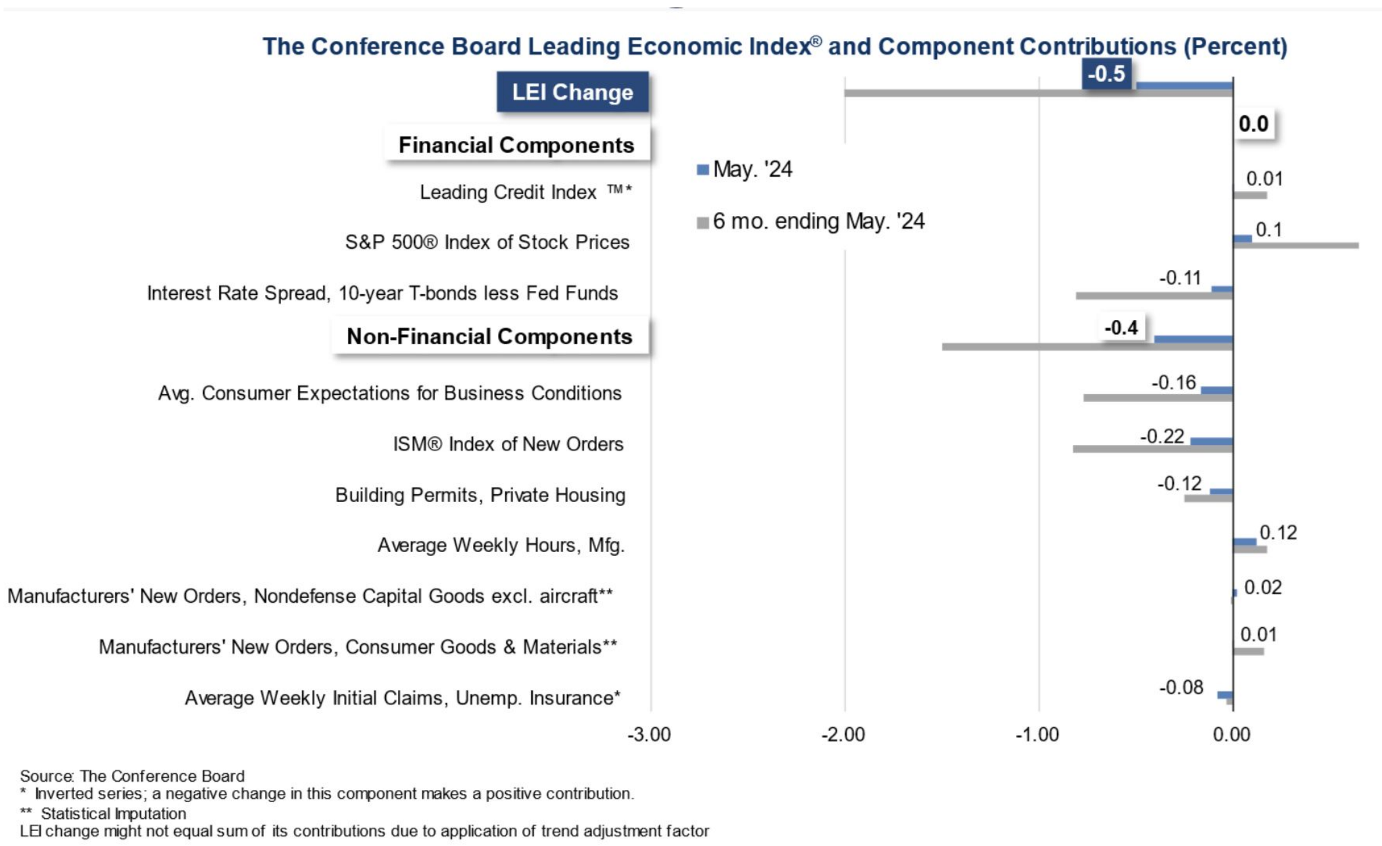


Figure 10. The Conference Board Leading Economic Index (LEI) and Component Contributions (Source: The US Conference Board)

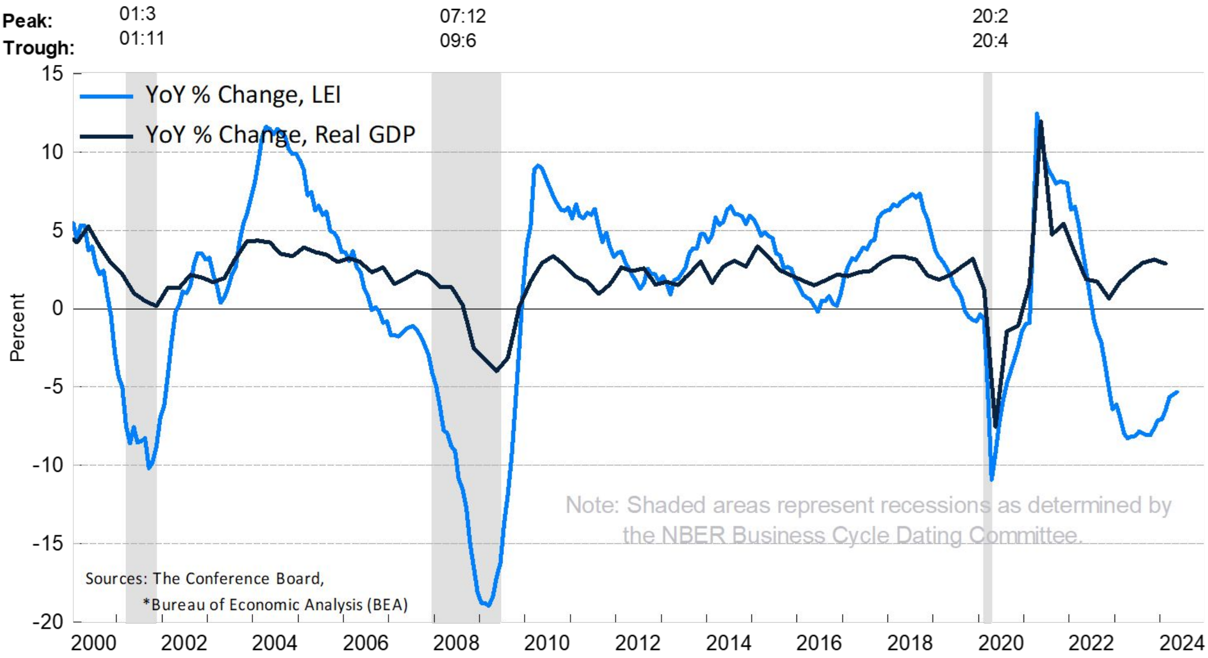


Figure 11. The LEI's Year-Over-Year Growth Remained Negative but Continued Trending Upward (US Conference Board)

On a year-on-year (YoY) basis, the LEI is seeing growth (refer figure above), however, the index remains in negative territory. While the LEI is not predicting a recession, it does suggest that economic growth will slow to less than one percent annualised in the second and third quarters of this year, as inflation and high interest rates continue to suppress consumer spending. The US achieved 1.3 percent annualised GDP growth in the first quarter.

The LEI is regarded as an important indicator of sentiment given the breadth of its coverage and is calculated from data collected across 10 different components, including new orders from manufacturers, initial unemployment insurance claims, permits for new private housing units, stock prices, and consumer expectations.

Figure 12. Five-Year Forward, Five-Year Breakeven Rate (Source: Federal Reserve)

In contrast to the LEI's findings that consumer expectations on business conditions were waning, the Federal Reserve's five-year forward, five-year breakeven rate, which provides a market view of inflation expectations, suggest that professional investors expect longer-term, for inflation to stay at the Fed's long-term inflation target of two percent. The five-year forward, five-year breakeven rate is currently at about 2.19 percent, a significant improvement from the 9.1 percent peak it reached two and a half years ago.

The five year forward rate, which represents a measure of expected inflation derived from 5-Year Treasury Constant Maturity Securities, provides a good indication of what market participants expect inflation to be.

Should economic growth, and inflation continue to cool inline with expectations, the Fed will be well positioned to reduce its federal funds policy rate from its current restrictive 5.25-5.5 percent rate.

Jobless Claims Decline But Trajectory Still Upwards; Housing Starts Hit Historic Low

Initial jobless claims experienced a modest decline last week, while housing starts plummeted in May to their lowest level since June 2020.

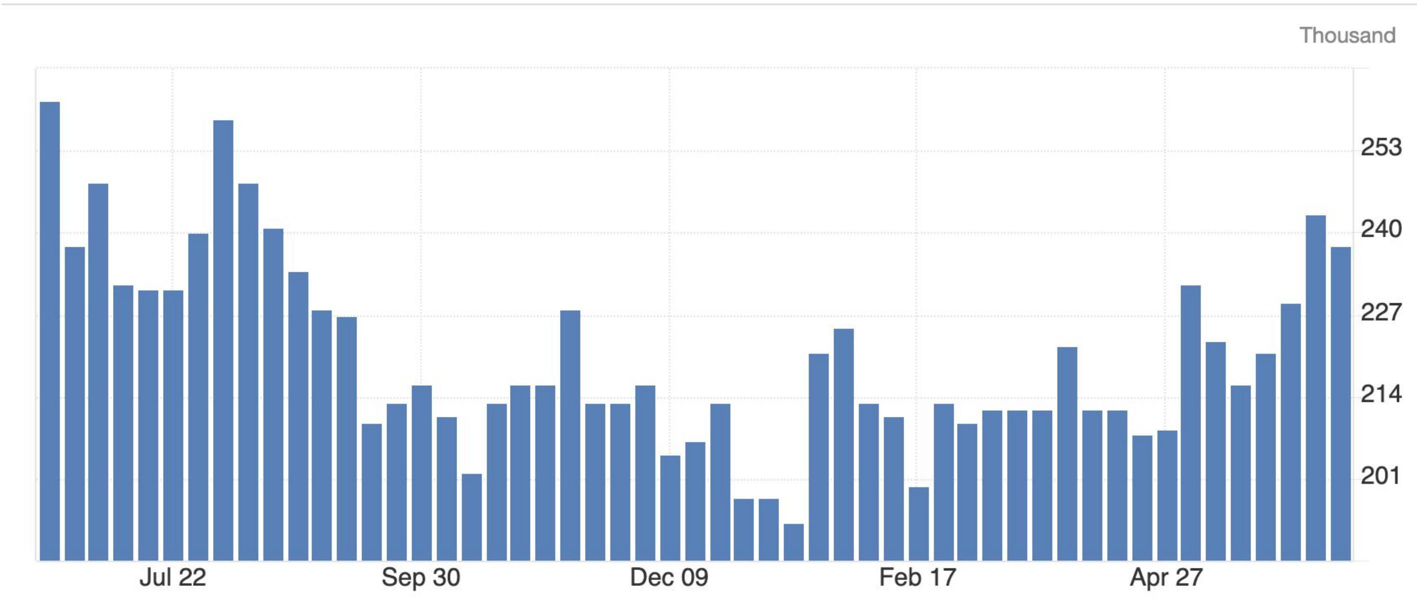


Figure 13. Initial Jobless Claims (Source: US Department of Labor)

According to the latest data from the US Department of Labor released last Thursday, June 20th, initial jobless claims decreased by 5,000 last week (refer Figure above), coming in at 238,000. Although this represents a welcome fall, jobless claims are still near a 10-month high.

The recent uptick in claims is believed to be exacerbated by seasonal factors rather than a fundamental downturn in labour market conditions. This seasonal pattern was also observed during previous summer months, with jobless claims consistently exceeding 240,000 between June and August. Notably, legislation enacted last year, which allows school employees to claim unemployment benefits during the summer break, could also be contributing to this trend.

Should this seasonal pattern hold, as seen last year, there could be an expectation for a decline in new claims by September, mirroring the trend observed in the previous year. This cyclical fluctuation highlights the impact of seasonal employment changes on jobless claims data, and provides a nuanced understanding of underlying labour market dynamics.

However, it's important to note that new claims have been on the rise since January, coinciding with a gradual increase in unemployment rates. This suggests a cooling labour market, and if we continue to see persistent rises in unemployment, it could signal more profound issues.

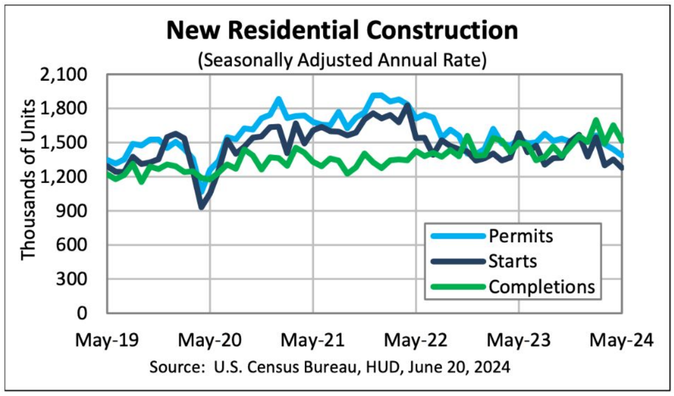


Figure 14. New Residential Construction (Source: US Census Bureau)

Meanwhile, the housing market is showing signs of strain, with housing starts in May falling to their lowest level since June 2020, according to the Census Bureau report issued last Thursday. Only 1.277 million starts were recorded on a seasonally adjusted basis in May, below the consensus forecast of 1.38 million. Building permits also saw a decline in May, dropping by 3.8 percent, marking the fourth decrease in five months. This decline indicates ongoing weakness in future housing supply.

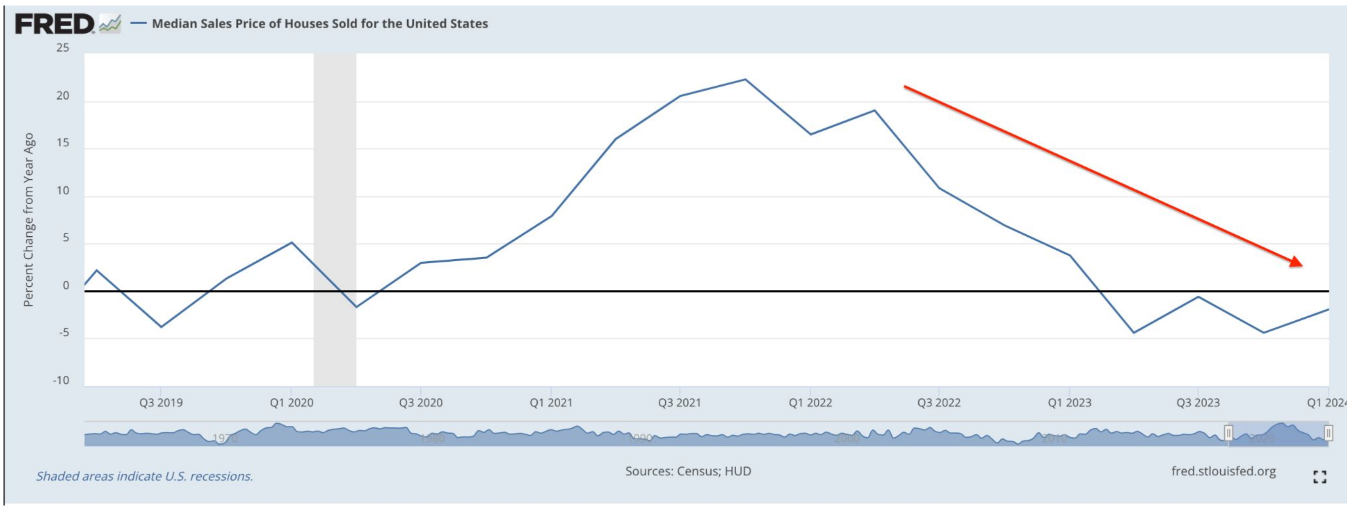


Figure 15. Growth of Median Sales Prices of Houses in the US has Slowed Down Significantly from the Last Quarter of 2021 (Source: Census Bureau)

High mortgage rates have dampened the demand for new homes. While price growth has slowed compared to two or three years ago, builders are focusing more on completing existing projects rather than starting new ones. Completions remained high, with 1.5 million in May, consistently outpacing starts and permits in recent months.

Existing home sales also declined for the third straight month in May, dropping by 0.7 percent to 4.11 million units, according to the National Association of Realtors.

We do not anticipate a drop in jobless claims and strains in the housing market to have any near-term decision on Fed policy making, however if these trends continue, the Fed will have more reason to consider cutting rates in September.

Retail Sales and Industrial Production Report Indicate Economic Stability

ADVANCE MONTHLY SALES

May 2024	$703.1 billion	0.1%*
April 2024 (revised)	$702.5 billion	-0.2%*

Next release: July 16, 2024

* The 90 percent confidence interval includes zero. There is insufficient statistical evidence to conclude that the actual change is different from zero.
Data adjusted for seasonal variation and holiday and trading-day differences but not for price changes. Source: U.S. Census Bureau, Advanced Monthly Retail Trade Survey, June 18, 2024

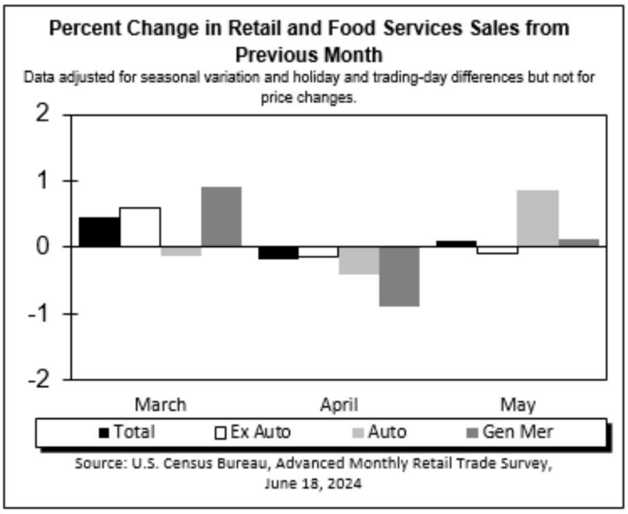


Figure 16. US Monthly Retail Sales (Source: US Census Bureau)

US Retail sales are showing modest but positive growth, hinting that the economy may be on track for a soft landing, while the US manufacturing industry is growing faster than expected.

According to the Advance Monthly Sales for Retail and Food Services issued last week, May retail sales were up 0.1 percent in May, up from a 0.2 percent decline in April. The control group, which refers to a subset of retail sales data that excludes certain volatile categories such as automobiles, gasoline, building materials, and food services, is 0.4 percent.

The data confirms other reports that American consumers remain resilient in their spending habits, with the recent decrease in inflation further supporting this trend (LEI data for May notwithstanding). However, despite being higher than the previous month, the retail sales numbers came slower-than-expected, with consensus forecasts for the retail sales at 0.2 percent for May, and when excluding autos and gas, retail sales increased by 0.1 percent, below the 0.4 percent consensus forecast.

So the picture that is emerging is that despite remaining resilient, consumer spending is cooling due to a moderation in real income growth and the increasing credit constraints faced by some consumers amid high interest rates and rising credit card usage. The sales data confirms trends critical for achieving a soft landing, such as decreased demand for most durable goods, lower gasoline prices, and strong spending in other areas, like motor vehicles. High interest rates have moderated demand for durable goods, which are more sensitive to borrowing costs, but this has not deterred American consumers from spending altogether.

Kind of Business	Percent Change[1]					
	May 2024 Advance from --		Apr. 2024 Preliminary from --		Mar. 2024 through May 2024 from --	
	Apr. 2024 (p)	May 2023 (r)	Mar. 2024 (r)	Apr. 2023 (r)	Dec. 2023 through Feb. 2024	Mar. 2023 through May 2023
Retail & food services, total	0.1	2.3	-0.2	2.7	0.5	2.9
Total (excl. motor vehicle & parts)	-0.1	2.5	-0.1	3.0	0.4	3.1
Total (excl. gasoline stations)	0.3	2.3	-0.4	2.9	0.3	3.1
Total (excl. motor vehicle & parts & gasoline stations)	0.1	2.6	-0.3	3.2	0.3	3.4
Retail	0.2	2.0	-0.3	2.3	0.6	2.5
Motor vehicle & parts dealers	0.8	1.3	-0.4	1.5	0.6	2.0
Auto & other motor veh. dealers ...	0.8	0.9	-0.5	1.2	0.5	1.7
Furniture & home furn. stores	-1.1	-6.8	0.9	-6.2	-3.2	-7.4
Electronics & appliance stores	0.4	1.8	2.2	2.1	1.9	0.5
Building material & garden eq. & supplies dealers..	-0.8	-4.3	0.3	-1.8	0.0	-2.6
Food & beverage stores...............................	-0.2	1.6	0.7	2.0	0.7	1.5
Grocery stores	-0.4	1.3	0.6	1.6	0.6	1.2
Health & personal care stores	0.1	-0.7	-0.3	0.0	-0.7	0.3
Gasoline stations	-2.2	1.6	1.9	1.5	2.1	0.4
Clothing & clothing accessories stores	0.9	2.4	1.7	2.4	-1.2	1.5
Sporting goods, hobby, musical instrument, & book stores	2.8	-2.6	-2.4	-5.8	-1.5	-3.7
General merchandise stores.........................	0.1	2.7	-0.9	2.7	0.7	3.5
Department stores	0.0	-1.6	0.3	-1.9	-1.4	-2.2
Miscellaneous store retailers	0.4	7.3	-1.6	5.5	3.0	7.4
Nonstore retailers	0.8	6.8	-1.8	6.8	0.9	8.2
Food services & drinking places	-0.4	3.8	0.4	6.0	-0.3	5.2

Figure 17. Lower Demand in Most Durable Goods, Except for Motor Vehicle and Parts Dealers (Source: US Census Bureau)

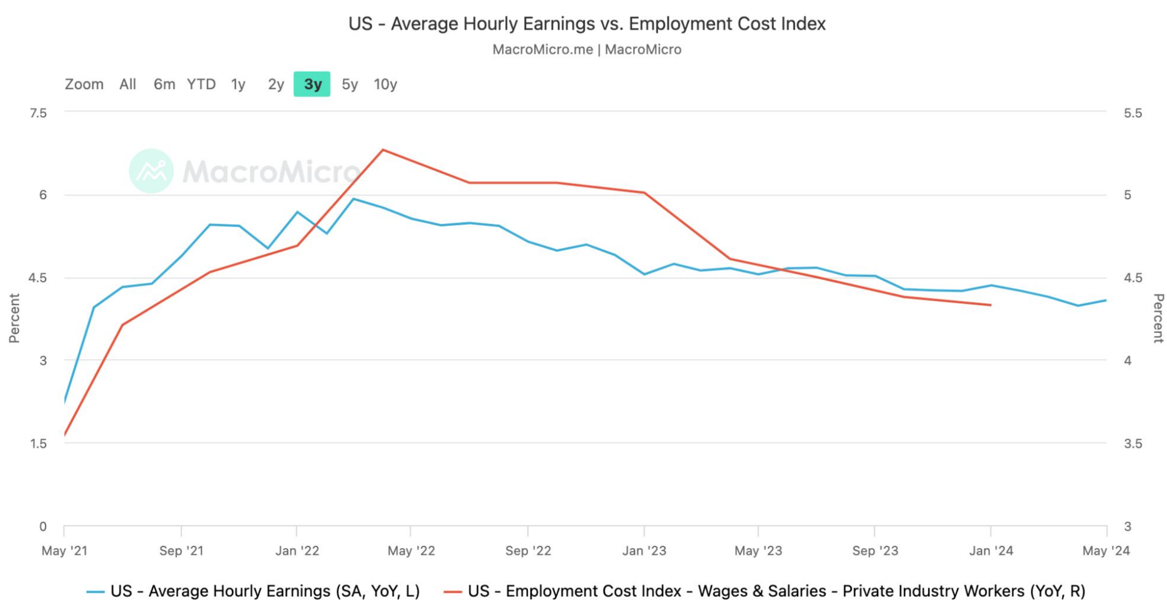


Figure 18. Average Hourly Earnings & Employment Cost Index (Source: US Labor Statistics)

While consumer demand is moderating, Industrial Production and Capacity Utilisation is growing fast, with May data significantly surpassing expectations. Industrial Production was up 0.9 percent for the month—well above the consensus forecast of 0.3 percent, with growth seen in manufacturing, up 0.9 percent, utilities, up 1.6 percent, and mining up 0.3 percent.

The notable rise in manufacturing was driven by a 1.3 percent increase in consumer goods production, suggesting a buildup in inventory that could support economic growth in the second quarter.

We anticipate however that consumer spending will continue to slow throughout this year. This is due to cooling real household disposable incomes, which limit spending capacity, and the depletion of savings accumulated during the pandemic, reducing available resources for spending. Adding in deteriorating consumer confidence, we see a more cautious consumer sector, particularly if unemployment continues to rise.

Should additional signs emerge indicating a slowdown in consumer spending, coupled with rising unemployment rates, the Fed will be able to justify a rate cut in September. This potential shift in monetary policy could occur despite the recent relatively hawkish projections in the dot plot and comments from Fed Chair Jerome Powell following the June FOMC meeting. Such an adjustment could be justified if the data supports it, in order to stabilise economic growth and mitigate inflationary pressures.

NEWS FROM THE CRYPTO-SPHERE

German Government Sells Seized Bitcoin Stash Worth Over $195 Million

TRANSACTIONS 1 / 2 | SWAPS | INFLOW | OUTFLOW

TIME	FROM	TO	VALUE	TOKEN	USD
2 hours ago	German Government	German Government	2.359K	BTC	$154.50M
2 hours ago	German Government	German Government	2.359K	BTC	$154.50M
2 hours ago	German Government	bc1q0unygz3ddt8x0…	0	BTC	$12.96
2 hours ago	German Government	bc1q0unygz3ddt8x0…	6.5K	BTC	$425.49M

Figure 19. Bitcoin movement from German government wallet. Source: Arkham

- **The German government sold over $195 million worth of Bitcoin last Friday, part of a significant reserve seized from the pirate movie site Movie2k, while still retaining about $3.05 billion worth of BTC**
- **This large-scale transaction, involving transfers to major exchanges and private addresses, contributed to market volatility, with BTC dropping to a low of $61,400 on Monday, June 24**

In a surprise move, the German government sold $195 million worth of Bitcoin, retaining approximately $3.05 billion worth of its holdings.

The transaction saw funds transferred to Coinbase, Kraken, and Bitstamp, after a government-linked wallet conducted four transactions, including a significant outflow of 6,500 BTC worth over $425 million to a specific wallet address and another of 2,500 BTC worth $154 million to its own address.

The wallet which received 6,500 BTC, subsequently transferred 2,500 BTC to another wallet address, which then moved the newly received funds in four 500 BTC transactions. Two of these transactions were directed to Kraken and Bitstamp, while the other two were moved to non-labeled private addresses.

The funds are thought to have been confiscated from the operators of the pirated movie site Movie2k. Nearly 50,000 Bitcoin were initially seized from Movie2k's operators and were transferred to the German Federal Criminal Police Office (BKA) in January.

On Friday morning, BTC fell by approximately 3.5 percent, hitting a low of $63,500, as worries about market volatility took hold. The Bitcoin being sold was confiscated due to illegal activities, prompting speculation about what the German government intends to do with the proceeds.

TRANSACTIONS INFLOW OUTFLOW

TIME	FROM	TO	VALUE	TOKEN	USD
1 hour ago	bc1qq014jgg9rcm3p…	3EHqwauPSQphJa3gY…	500	BTC	$32.57M
1 hour ago	bc1qq014jgg9rcm3p…	139PoPE1bKQam8QJj…	500	BTC	$32.57M
1 hour ago	bc1qq014jgg9rcm3p…	Bitstamp (3M6D…	500	BTC	$32.57M
1 hour ago	bc1qq014jgg9rcm3p…	Kraken: Kraken…	500	BTC	$32.57M
2 hours ago	bc1q0unygz3ddt8x0…	bc1qq014jgg9rcm3p…	2.5K	BTC	$163.29M

Figure 20. BTC Transfer to Exchanges. Source: Arkham

Spot Ethereum ETF Issuers Publish Fees and Seed Investments in Latest Amended Filings

Figure 21. Spot Ethereum ETF Issuers Publish Fees and Seed Investments in Latest Amended Filings

- **Leading firms, including BlackRock, VanEck, and Franklin Templeton, filed amended registration statements for their Ethereum ETFs, disclosing fees and seed investments as they await SEC approval**
- **Franklin Templeton and VanEck set their fees at 0.19 percent and 0.20 percent respectively, while Invesco, 21Shares, and Grayscale detailed additional disclosures about Ethereum risks**

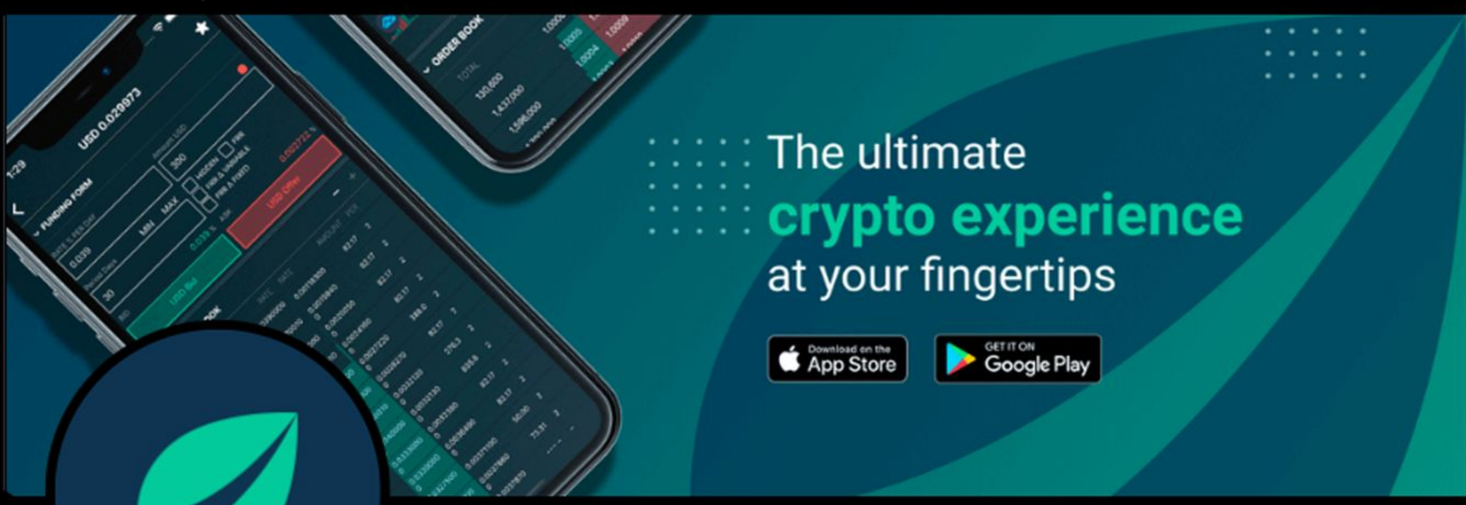
Several prospective Ethereum ETF issuers filed amended registration statements last Friday, June 21st, in a bid to secure their position for an early approval, when it comes, from the US Securities and Exchange Commission (SEC).

Last Friday afternoon, BlackRock, VanEck, Franklin Templeton, Grayscale Investments, Invesco Galaxy, and 21Shares submitted updated statements. Franklin Templeton set its fee at 0.19 percent, while VanEck disclosed on Friday that its fee would be 0.20 percent. This competitive pricing puts pressure on BlackRock to also maintain fees below 30 basis points.

Last month, the SEC approved 19b-4 forms for eight Ethereum ETFs. However, issuers still require their registration statements, known as S-1s (or S-3 for Grayscale, which seeks to convert its Ethereum Trust to an ETF), to become effective before trading can commence.

Also last Friday, firms also disclosed their seed investments. According to its filing, 21Shares US LLC, the sponsor for the 21Shares Core Ethereum ETF, was the seed capital investor for the fund, purchasing 20,000 shares on June 18th and contributing a $340,739 seed investment. Franklin Templeton revealed a seed investment of $100,000 in its amended filing for the Franklin Ethereum ETF. Invesco Galaxy also disclosed a $100,000 seed investment from Invesco Ltd. for its Invesco Galaxy Ethereum ETF.

Grayscale, along with other issuers, included additional disclosures about Ethereum and associated risks in their updated filings. Such steps highlight the firms' preparations for the launch of the ETFs.



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