

➤ **G-7 wants to rival China's Belt and Road plan — but it won't stop Beijing, expert says.**

Wealthy nations in the Group of Seven have agreed to set up an infrastructure plan to compete with China's Belt and Road Initiative — but that won't stop Beijing's massive program, an expert on global economic governance said Monday.

Leaders from the G-7 nations met at a three-day summit in southwest England that ended Sunday — their first face-to-face meeting in two years. The group's infrastructure plan is part of a broad collective pushback against China on issues ranging from human rights abuses to non-market practices that undermine fair competition.

"This isn't really intended to stop Belt and Road. But I think the G-7 is signaling that they want to offer an alternative which really revolves around two big things that these countries offer," said Matthew Goodman, senior vice president for economics at Washington D.C.-based think tank Center for Strategic and International Studies.

The Belt and Road Initiative is China's ambitious program to build physical and digital infrastructure to connect hundreds of countries from Asia to the Middle East, Africa and Europe. Critics consider it Chinese President Xi Jinping's signature foreign policy to expand his country's global influence.

Goodman, who's also the Simon Chair in political economy at CSIS, told CNBC's "Squawk Box Asia" that the G-7 could make a "significant contribution" in closing the world's infrastructure gap by channeling investments into developing countries.

In addition, the seven rich democracies would bring better safeguards to infrastructure projects — including transparency, accountability as well as environmental and social standards, said Goodman.

"I think that's what they're trying to signal here. Whether they can pull it off or not is another story, it's a very difficult business," he added.

The U.S. and many countries have been critical of the Belt and Road plan, accusing Beijing of leaving participating countries laden with untenable debt, while benefiting Chinese companies — many of them state-owned. In addition to the program's environmental harm, critics also questioned the transparency of the deals.

China featured prominently in a communique released by the G-7 on Sunday. The G-7 countries are Canada, France, Germany, Italy, Japan, the U.K. and the U.S.

In addition to calling out China's alleged human rights abuses and non-market policies, the G-7 also asked for more transparency on the origins of the Covid-19 pandemic. They stressed the importance of peace and stability across the Taiwan Strait, and expressed concerns about tensions in the East and South China Sea where China has overlapping territorial claims with its regional neighbors.

Beijing responded angrily to the communique on Monday.

The Chinese embassy in the U.K. said it firmly opposed the G-7 statement and was strongly dissatisfied. In a Mandarin-language statement translated by CNBC, the embassy urged the U.S. and other G-7 members to stop slandering China and interfering in Chinese internal affairs.

Before the release of the Chinese embassy's statement, Goodman said Beijing shouldn't be surprised of the G-7 pushback. He said the group had wanted to show that democratic nations are working together to address global challenges, in contrast to authoritarian rivals such as China and Russia.

"I think the tone was pretty clear about the concern that these seven large, advanced market economies have about China, its economic coercion, its non-market policies, its human rights abuses," said Goodman.

"And I think that was well telegraphed in the run-up to the summit, so Beijing shouldn't be surprised."

➤ **Paul Tudor Jones says the Fed's credibility is at risk with inflation view.**

The Federal Reserve is risking its credibility by keeping policy so loose and allowing inflation to grow in a way that may not be temporary, billionaire hedge fund manager Paul Tudor Jones told CNBC on Monday.

This week could see "the most important meeting in [Chairman] Jay Powell's career, certainly the most important Fed meeting of the past four or five years," Jones told CNBC's Andrew Ross Sorkin during a "Squawk Box" interview.

That statement comes even though the policymaking Federal Open Market Committee is not expected to change its approach to interest rates, which are near zero, or its \$120 billion a month asset purchase program.

The Fed's bond-buying program was intended to create liquidity during the pandemic and keep interest rates low.

When the two-day meeting concludes Wednesday, the market expects that at most Fed officials may address the idea of when it will start pulling back on its bond buying.



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“The reason why [the meeting is so important] is because we’ve had so much incoming data that challenges both their mission and their model,” Jones said. “So how they react to that will be extraordinarily important and I think for investors as to how they should deal with their portfolios going forward.”

Specifically, Jones said that consecutive consumer price index readings put price pressures well ahead of the Fed’s 2% inflation goal. Fed officials, though, continue to insist that the current readings are transitory and unlikely to persist.

“It’s an intellectual incongruity that risks damaging their forecasts if they’re wrong on inflation on their inflation forecast,” he said.

He also cited current trends that show a record 9.3 million jobs are available, a development that he said could allow the Fed to “declare victory” on its employment mandate.

“At the same time, right now we’re instead quantitative easing and juicing an economy that’s already red hot,” Jones said.

All the Fed easing has come along with more than \$5 trillion in congressional stimulus and the possibility of even more coming in infrastructure spending.

The consumer price index for May showed headline inflation increasing at a 5% clip, the fastest since the financial crisis, while core inflation rose the most since 1992.

“You’ve got the craziest mix of fiscal and monetary policy since the Federal Reserve Board was created,” Jones said.

“It turned economic orthodoxy upside-down, and that’s why this meeting is so important. Things are actually bat-s crazy,” he added. “At some point, we have to say, ‘OK, let’s slow down. We’re going to get back in the lane and we’re going to drive like we used to.’”

The investment implications are important, he said.

Specifically, Jones pointed to the rise of SPACs or special purpose acquisition companies, as well as surges in bitcoin and gold prices, all while the stock market also hovers around record highs.

The Fed’s messaging surrounding inflation will be critical for the road ahead, he said.

“If they treat these numbers with nonchalance, then I think it’s just a green light to bet heavily on every inflation trade,” Jones said.

➤ **Erdogan sticks to his position on Russian missile deal after meeting with Biden.**

Turkish President Recep Tayyip Erdogan gave no indication on Monday that Ankara’s deal with Moscow for the S-400 missile system, which triggered unprecedented U.S. sanctions on the NATO ally, would be reversed.

Erdogan’s comments came on the heels of his first face-to-face bilateral meeting with President Joe Biden on the sidelines of the NATO leaders summit.

“It was a very fruitful and sincere meeting,” Erdogan told reporters at NATO’s headquarters, adding that the two allies would continue to negotiate on a range of issues.

Biden also said the meeting with Erdogan was productive, adding that he was confident the U.S. will “make real progress with Turkey.”

Under the Countering America’s Adversaries Through Sanctions Act, or CAATSA, any foreign government working with the Russian defense sector finds itself in the crosshairs of U.S. economic sanctions.

In December, the Trump administration slapped CAATSA sanctions on Turkey after the NATO ally purchased a multibillion-dollar Russian missile system. The S-400, a Russian mobile surface-to-air missile system, is said to pose a risk to the NATO alliance as well as the F-35, America’s most expensive weapons platform.

The move further stoked tensions between Washington and Ankara in the weeks ahead of Biden’s ascension to the White House.

National security advisor Jake Sullivan told reporters on Sunday that Biden and Erdogan would discuss “issues in our bilateral relationship,” without specifically naming the U.S. sanctions.

Sullivan also said the two are expected to consult on a range of regional security issues, spanning from Syria to Libya to the eastern Mediterranean. He added that Biden would also have the chance to consult with his Turkish counterpart on how to counter China and Russia.

When asked about the CAATSA sanctions imposed on Turkey, lawyers from Kirkland & Ellis described them as “calibrated” but also potentially challenging to lift.

“The sanctions that were implemented are a bit more targeted,” explained Sanjay Mullick, a partner at Kirkland & Ellis who specializes in the firm’s International Trade and National Security group.

“Here the focus was on licensing, technology, and not so much on prohibitions on all financial transaction. The takeaway is a bit more calibrated, although the sanctioning of a NATO ally is certainly meaningful,” he added.

Sources: CNBC.com

“This is a step that is not typically seen in the relationship with such an allied partner, although in this case, perhaps prompted by Turkey’s engagement in activities which were contrary to prior U.S. foreign policy decisions such as those put in place against Russia in 2017,” Abigail Cotterill, counsel at Kirkland & Ellis’ International Trade and National Security Practice Group, told CNBC.

When asked about any potential for the Biden administration to lift sanctions, the lawyers explained that unilateral action taken by the president may be unlikely given the complexity of the matter.

“Typically, yes, the president can do and undo, or at least work with Congress to do and undo. This one’s a bit more pointed situation where there may be less flexibility and less agility, requiring a combination of legal authority and of course political will,” Mullick explained.

“We might expect to see at least some coordination, even if not required between the executive branch and Congress,” Cotterill added.

“This really fits in the larger context of U.S.-Russia relations and in a way, the sanctions on Turkey, quote-unquote, were a derivative of the law, that put in place a mechanism for sanctioning anybody fill in the blank if they engaged in certain activities with certain sectors of Russian defense,” Mullick said.

“And so, Turkey happened to walk itself into that knowingly, unknowingly, I think knowingly,” he added.

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➤ **UK agrees post-Brexit trade deal with Australia.**

The U.K. has agreed a free trade deal with Australia, saying it marked a “new dawn” in their relations.

The free trade agreement means it will cost less for British businesses to sell products like cars, confectionery and Scotch whisky into Australia, the U.K. government said Tuesday.

The move will boost U.K. industries that employ 3.5 million people across the country, it added.

“Today marks a new dawn in the UK’s relationship with Australia, underpinned by our shared history and common values,” U.K. Prime Minister Boris Johnson said in a statement.

“Our new free-trade agreement opens fantastic opportunities for British businesses and consumers, as well as young people wanting the chance to work and live on the other side of the world.”

The deal was flagged late Monday when Australia’s minister for trade said Johnson and his Australian counterpart Scott Morrison had agreed the broad terms of the agreement over dinner in Downing Street in London.

The U.K. is eager to strike trade deals with nations around the world following its departure from the EU, but the deal is not without controversy. British farmers, for example, have expressed concerns that they could be undercut by cheap Australian agricultural imports and about Australian food standards.

Addressing these concerns, Johnson’s government said Tuesday that British farmers “will be protected by a cap on tariff-free imports for 15 years, using tariff rate quotas and other safeguards.”

“We are also supporting agricultural producers to increase their exports overseas, including to new markets in the Indo-Pacific,” it said.

Australia’s prime minister said Tuesday that “reinforcing our trade relationship is a great opportunity.”

Speaking to the Australia-United Kingdom Chamber of Commerce in London, Morrison noted that while there might be some “hesitancy” when it come to the new trade deal, “the ultimate explanation is jobs.”

“We either are passionate about growing the markets in which we can operate, providing opportunities for our own producers and suppliers and services, or we will stay in a situation of being unable to take up those opportunities,” he said.

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➤ **America and Europe will create a joint tech council to craft new rules on trade.**

The United States and Europe will announce a new joint technology and trade initiative on Tuesday, part of a wide-reaching effort this week by President Joe Biden to rally European allies and challenge China’s rising influence.

The U.S.-EU Trade and Technology Council will have three overarching goals: establish new global trade standards for emerging technology, promote democratic values online and find ways for the United States and the EU to collaborate on cutting-edge research and development.

The result will be that “democracies and not anyone else, not China or other autocracies, are writing the rules for trade and technology for the 21st century,” national security advisor Jake Sullivan said at a press briefing last week.



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On the U.S. side, the trade council will be co-chaired by Secretary of State Antony Blinken, Secretary of Commerce Gina Raimondo and Ambassador Katherine Tai, the U.S. trade representative, said a Biden administration official who briefed reporters and requested anonymity to discuss ongoing negotiations.

Other specific goals of the council include:

- * coordinate standards on new technology like artificial intelligence, quantum computing and biotechnology.
- * make supply chains more resilient and less dependent on China.
- * pursue reforms at the World Trade Organization.
- * coordinate regulation of tech platforms.

Over the past decade, China has made huge public investments in its technology sector. The result is a digital economy and an internet that is controlled by the state and reflects its political values: Individual censorship is widespread, foreign websites are blocked if they refuse to censor sensitive topics, and private sector software can be seized to serve the interests of the state.

China is equally aggressive in protecting its domestic markets, notably by requiring foreign companies that want to operate in China to partner with local Chinese companies and turn over intellectual property.

“Dealing with China’s nonmarket practices, its economic abuses and its efforts to shape the rules of the road on technology for the 21st century will be an important part of the work of this council,” said the White House official.

The new Trade and Technology Council is the latest effort by the Biden administration to leverage the combined economic might of the U.S. and Europe in order to better compete with China.

On Saturday, Biden and G-7 members announced the formation of a global infrastructure initiative called “Build Back Better for the World.” The multibillion-dollar plan will offer a “higher quality” alternative to China’s Belt and Road infrastructure project.

One pressing issue between the EU and the United States that will not be resolved during Tuesday’s meetings is the fate of the punishing tariffs that former President Donald Trump imposed on steel and aluminum in 2018.

Trump cited national security as the justification for the tariffs, but European officials believe that protectionism, not national security, was the impetus for the tariffs.

Biden has signaled his willingness to lift the tariffs, and in May trade negotiators from both sides began talks that could resolve the issue by year’s end.

“Those negotiations are ongoing. They’ve been very constructive, but they will take some time,” said the Biden administration official. “So, I don’t anticipate that you’ll see an outcome this week” on the tariffs.

Following the EU meetings on Tuesday Biden will travel to Geneva, where he is scheduled to hold a highly anticipated summit on Wednesday with Russian President Vladimir Putin.

➤ **Biden and Putin meet at Geneva summit for high-stakes diplomacy.**

One of the most highly-anticipated political events of the year has begun with Russian President Vladimir Putin and U.S. President Joe Biden meeting at their summit in Geneva.

The two leaders shook hands as they greeted each other at Villa La Grange in the capital of Switzerland, chosen as the location for the summit due to its history of political neutrality. The meeting is expected to last up to five hours.

The summit includes an initial meeting between the presidents and their closest officials, and then talks between the wider Russia and U.S. delegations will be followed by separate press conferences with the two leaders.

Putin arrived in sunny Geneva at roughly 1 p.m. local time, traveling through the city with a large motorcade to the venue. Shortly after, Biden’s motorcade traveled the same route to the venue.

The Russian president had been expected to be first to arrive at the summit location, senior White House officials said Tuesday, followed by Biden with both leaders greeted by the Swiss President Guy Parmelin.

The summit will begin with a first meeting between Biden and Putin accompanied by Secretary of State Antony Blinken and Russia Foreign Minister Sergei Lavrov, as well as translators, White House officials noted.

Sources: CNBC.com

After this initial meeting, a wider delegation will meet for several sessions before both leaders give separate press conferences; Putin is expected to give the first media update, followed by Biden. No time has been set aside for a meal during the summit but breaks for the leaders are expected.

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➤ **The Fed moves up its timeline for rate hikes as inflation rises.**

The Federal Reserve on Wednesday considerably raised its expectations for inflation this year and brought forward the time frame on when it will next raise interest rates.

However, the central bank gave no indication as to when it will begin cutting back on its aggressive bond-buying program, though Fed Chairman Jerome Powell acknowledged that officials discussed the issue at the meeting.

"You can think of this meeting that we had as the 'talking about talking about' meeting," Powell said in a phrase that recalled a statement he made a year ago that the Fed wasn't "thinking about thinking about raising rates."

Dow futures dropped 70 points Thursday, one day after the 30-stock average closed off 265 points, or nearly 0.8%, following the Fed announcement.

As expected, the policymaking Federal Open Market Committee unanimously left its benchmark short-term borrowing rate anchored near zero. But officials indicated that rate hikes could come as soon as 2023, after saying in March that it saw no increases until at least 2024. The so-called dot plot of individual member expectations pointed to two hikes in 2023.

Though the Fed raised its headline inflation expectation to 3.4%, a full percentage point higher than the March projection, the post-meeting statement stood by its position that inflation pressures are "transitory." The raised expectations come amid the biggest rise in consumer prices in about 13 years.

"This is not what the market expected," said James McCann, deputy chief economist at Aberdeen Standard Investments. "The Fed is now signaling that rates will need to rise sooner and faster, with their forecast suggesting two hikes in 2023. This change in stance jars a little with the Fed's recent claims that the recent spike in inflation is temporary."

After Wednesday's announcement, stocks fell and government bond yields rose as investors anticipated a tighter Fed policy, including the likelihood that the bond purchases will slow as soon as this year.

"If you're going to get two rate hikes in 2023, you have to start tapering fairly soon to reach that goal," said Kathy Jones, head of fixed income at Charles Schwab. "It takes maybe 10 months to a year to taper at a moderate pace. Then you're looking at we need to start tapering maybe later this year, and if the economy continues to run a little bit hot, rate hikes sooner rather than later."

Even with the raised forecast for this year, the committee still sees inflation trending to its 2% goal over the long run.

"Our expectation is these high inflation readings now will abate," Powell said at his post-meeting news conference.

Powell also cautioned about reading too much into the dot plot, saying it is "not a great forecaster of future rate moves. "Liftoff is well into the future," he said.

Powell did note that some of the dynamics associated with the reopening are "raising the possibility that inflation could turn out to be higher and more persistent than we anticipate."

Powell said progress toward the Fed's dual employment and inflation goals was happening somewhat faster than anticipated. He particularly noted the sharp rebound in growth that now has the Fed seeing GDP 7% in 2021.

"Much of this rapid growth reflect the continued bounce-back in activity from depressed levels, and the factors more affected by the pandemic remain weak but have shown improvement," he said.

Officials raised their GDP expectations for this year to 7% from 6.5% previously. The unemployment estimate remained unchanged at 4.5%.

The statement tempered some of the language of previous statements since the Covid-19 crisis. Since last year, the FOMC had said the pandemic was "causing tremendous human and economic hardship across the United States and around the world."

Wednesday's statement instead noted the progress vaccinations had made against the disease, noting that "indicators of economic activity and employment have strengthened. The sectors most adversely affected by the pandemic remain weak but have shown improvement."

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The week ahead

Date	Time	Country	Indicator Name	Period	Reuters Poll	Prior	SmartEstimate®	Predicted Surprise
21.06.2021	09:00	Switzerland	M3	May		1 151 583M		
21.06.2021	14:00	United Kingdom	Steel Production	Jan		710.00k		

Date	Time	Country	Indicator Name	Period	Reuters Poll	Prior	SmartEstimate®	Predicted Surprise
22.06.2021	08:00	United Kingdom	PSNB Ex Banks GBP	May		31.696B		
22.06.2021	08:00	United Kingdom	PSNB, GBP	May		30.962B		
22.06.2021	09:30	Sweden	Unemployment Rate	May		9.4%		
22.06.2021	09:30	Sweden	Unemployment Rate SA	May		9.1%		
22.06.2021	09:30	Sweden	Total Employment	May		5.009M		
22.06.2021	10:00	Italy	Industrial Sales MM SA	Apr		1.6%		
22.06.2021	10:00	Italy	Industrial Sales YY WDA	Apr		38.1%		
22.06.2021	12:00	United Kingdom	CBI Trends - Orders	Jun		17		
22.06.2021	14:55	United States	Redbook YY	14 Jun, w/e				
22.06.2021	16:00	United States	Existing Home Sales	May	5.75M	5.85M	5.707M	-0.043M
22.06.2021	16:00	United States	Exist. Home Sales % Chg	May		-2.7%		
22.06.2021	16:00	United States	Rich Fed Comp. Index	Jun		18		
22.06.2021	16:00	United States	Rich Fed, Services Index	Jun		29		
22.06.2021	16:00	United States	Rich Fed Mfg Shipments	Jun		12		

Date	Time	Country	Indicator Name	Period	Reuters Poll	Prior	SmartEstimate®	Predicted Surprise
23.06.2021	02:30	Japan	Jibun Bank Mfg PMI Flash	Jun		53.0		
23.06.2021	02:30	Japan	Business Activity Flash SA	Jun		45.7		
23.06.2021	09:15	France	Markit Mfg Flash PMI	Jun		59.4		
23.06.2021	09:15	France	Markit Serv Flash PMI	Jun		56.6		
23.06.2021	09:15	France	Markit Comp Flash PMI	Jun		57.0		
23.06.2021	09:30	Germany	Markit Mfg Flash PMI	Jun		64.4		
23.06.2021	09:30	Germany	Markit Service Flash PMI	Jun		52.8		
23.06.2021	09:30	Germany	Markit Comp Flash PMI	Jun		56.2		
23.06.2021	10:30	United Kingdom	Flash Composite PMI	Jun		62.9		
23.06.2021	10:30	United Kingdom	Flash Manufacturing PMI	Jun		65.6		
23.06.2021	10:30	United Kingdom	Flash Services PMI	Jun		62.9		
23.06.2021	13:00	United States	MBA 30-Yr Mortgage Rate	14 Jun, w/e				
23.06.2021	14:00	United States	Build Permits R Numb	May				
23.06.2021	14:00	United States	Build Permits R Chg MM	May				
23.06.2021	14:30	United States	Current Account	Q1		-188.5B		
23.06.2021	15:45	United States	Markit Comp Flash PMI	Jun		68.7		
23.06.2021	15:45	United States	Markit Mfg PMI Flash	Jun		62.1		
23.06.2021	15:45	United States	Markit Svcs PMI Flash	Jun		70.4		
23.06.2021	16:00	United States	New Home Sales-Units	May	0.890M	0.863M	0.8848M	-0.0052M
23.06.2021	16:00	United States	New Home Sales Chg MM	May		-5.9%		
23.06.2021	16:30	United States	EIA Ethanol Ref Stk	14 Jun, w/e				
23.06.2021	16:30	United States	EIA Ethanol Fuel Total	14 Jun, w/e				

Source: Refinitiv

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Date	Time	Country	Indicator Name	Period	Reuters Poll	Prior	SmartEstimate®	Predicted Surprise
24.06.2021	01:50	Japan	Foreign Invest JP Bonds	14 Jun, w/e				
24.06.2021	01:50	Japan	Foreign Stock Investment	14 Jun, w/e				
24.06.2021	01:50	Japan	Service PPI	May		1.00%		
24.06.2021	06:30	Netherlands	GDP Final SA QQ	Q1		-0.5%		
24.06.2021	06:30	Netherlands	GDP Final NSA YY	Q1		-2.8%		
24.06.2021	08:00	Germany	Import Prices MM	May		1.4%		
24.06.2021	08:00	Germany	Import Prices YY	May		10.3%		
24.06.2021	08:45	France	Business Climate Mfg	Jun		107		
24.06.2021	08:45	France	Business Climate Overall	Jun		108		
24.06.2021	09:30	Sweden	PPI MM	May		1.7%		
24.06.2021	09:30	Sweden	PPI YY	May		5.6%		
24.06.2021	10:00	Germany	Ifo Business Climate New	Jun		99.2		
24.06.2021	10:00	Germany	Ifo Curr Conditions New	Jun		95.7		
24.06.2021	10:00	Germany	Ifo Expectations New	Jun		102.9		
24.06.2021	12:00	Canada	Business Barometer	Jun		66.21		
24.06.2021	13:00	United Kingdom	BOE Bank Rate	Jun		0.10%		
24.06.2021	13:00	United Kingdom	Asset Purchase Prog	Jun		895B		
24.06.2021	13:00	United Kingdom	GB BOE QE Gilts	Jun		875B		
24.06.2021	13:00	United Kingdom	GB BOE QE Corp	Jun		20B		
24.06.2021	14:30	United States	Corporate Profits Revised	Q1		-0.8%		
24.06.2021	14:30	United States	Durable Goods	May		-1.3%		
24.06.2021	14:30	United States	Durables Ex-Transport	May		1.0%		
24.06.2021	14:30	United States	Durables Ex-Defense MM	May		0.0%		
24.06.2021	14:30	United States	Nondefe Cap Ex-Air	May		2.2%		
24.06.2021	14:30	United States	GDP Final	Q1	6.4%	6.4%	6.40%	0.00%
24.06.2021	14:30	United States	GDP Sales Final	Q1		9.4%		
24.06.2021	14:30	United States	GDP Cons Spending Final	Q1		11.3%		
24.06.2021	14:30	United States	GDP Deflator Final	Q1		4.3%		
24.06.2021	14:30	United States	Core PCE Prices Fnal	Q1		2.5%		
24.06.2021	14:30	United States	PCE Prices Final	Q1		3.7%		
24.06.2021	14:30	United States	Adv Goods Trade Balance	May		-85.73B		
24.06.2021	14:30	United States	Wholesale Inventories Adv	May		0.8%		
24.06.2021	14:30	United States	Retail Inventories Ex-Auto Adv	May				
24.06.2021	14:30	United States	Initial Jobless Clm	14 Jun, w/e				
24.06.2021	14:30	United States	Jobless Clm 4Wk Avg	14 Jun, w/e				
24.06.2021	14:30	United States	Cont Jobless Clm	7 Jun, w/e				
24.06.2021	14:30	Canada	Average Weekly Earnings YY	Apr		7.39%		
24.06.2021	17:00	United States	KC Fed Manufacturing	Jun		32		
24.06.2021	17:00	United States	KC Fed Composite Index	Jun		26		

Sources: Refinitiv



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Date	Time	Country	Indicator Name	Period	Reuters Poll	Prior	SmartEstimate®	Predicted Surprise
25.06.2021	10:00	Italy	Mfg Business Confidence	Jun		110.2		
25.06.2021	11:00	Italy	Flash Trd Bal Non-EU	May		4.85B		
25.06.2021	12:00	France	Unemp Class-A SA	May		3 623.8k		
25.06.2021	12:00	United Kingdom	CBI Distributive Trades	Jun		18		
25.06.2021	14:30	United States	Personal Income MM	May		-13.1%		
25.06.2021	14:30	United States	Personal Consump Real MM	May		-0.1%		
25.06.2021	14:30	United States	Consumption, Adjusted MM	May		0.5%		
25.06.2021	14:30	United States	Core PCE Price Index MM	May		0.7%		
25.06.2021	14:30	United States	Core PCE Price Index YY	May		3.1%		
25.06.2021	14:30	United States	PCE Price Index MM	May		0.6%		
25.06.2021	14:30	United States	PCE Price Index YY	May		3.6%		
25.06.2021	15:00	Belgium	Leading Indicator	Jun		6.5		
25.06.2021	18:00	United States	Dallas Fed PCE	May		2.4%		

Sources: Refinitiv

Your Weekend Wire Figures

Currencies

EURUSD	1.1855	Weekly Change
Week Low	Week High	
1.1848	1.2148	-2.11%

GBPUSD	1.3799	Weekly Change
Week Low	Week High	
1.3803	1.4132	-2.23%

EURCHF	1.0939	Weekly Change
Week Low	Week High	
1.0873	1.0953	0.58%

AUDUSD	0.7482	Weekly Change
Week Low	Week High	
0.7480	0.7725	-2.79%

USDCHF	0.9225	Weekly Change
Week Low	Week High	
0.8966	0.9231	2.70%

USDCAD	1.2454	Weekly Change
Week Low	Week High	
1.2128	1.2462	2.47%

USDTRY	8.7156	Weekly Change
Week Low	Week High	
8.3030	8.75	4.00%

EURGBP	0.8588	Weekly Change
Week Low	Week High	
0.8543	0.8629	0.03%

Indices and Commodities

Eurostoxx 50	4 089.38
Week Change	YTD
1.09%	15.18%

Gold	1775.01
Week Change	YTD
-5.38%	-6.45%

SMI	11 939.71
Week Change	YTD
1.43%	12.22%

WTI	71.9500
Week Change	YTD
1.84%	51.09%

S&P 500	4 178.71
Week Change	YTD
-0.60%	12.40%

US 10Y Yield	1.4701
Week bp Change	YTD bp Change
1.83	55.69

VIX	19.75
Week Change	YTD
13.42%	-21.98%

EU 10Y Yield	-0.2120
Week bp Change	YTD bp Change
6.20	35.70

Sources: Bloomberg/Refinitiv



Your CRYPTO Weekend Wire

Crypto Market Cap: \$1,574,138,276,618

Dominance*: BTC: 45.0% ETH: 17.4%

*: Split of crypto usage within the global crypto market cap.

News Flow

➤ **Bitcoin pops nearly 13% after Musk suggests Tesla could accept the cryptocurrency again.**

Bitcoin's price surged Sunday evening stateside after Tesla CEO Elon Musk said the electric vehicle maker could accept bitcoin transactions again in future.

As of 1:52 a.m. ET Monday, Bitcoin surged 12.79% to \$39,533.81, according to data from Coindesk. Since the start of the year, bitcoin has surged more than 30%, though its current price is way off the all-time high of \$64,829.14 hit in April.

Those gains came after Musk said Sunday that Tesla will resume allowing bitcoin transactions "when there's confirmation of reasonable (~50%) clean energy usage by miners with positive future trend."

Tesla halted car purchases with bitcoin in mid-May, citing concerns over the climate impact of cryptocurrency mining.

Crypto mining requires massive amounts of energy to fuel powerful computers — bitcoin mining consumes more energy than entire countries such as Finland and Belgium, according to the Cambridge Bitcoin Electricity Consumption Index.

The latest development marks yet another example of large market moves following comments by the Tesla CEO and billionaire.

Hundreds of billions of dollars were wiped off the cryptocurrency market after Musk tweeted in May about Tesla's suspension of car purchases using bitcoin. Musk's past tweets have also been linked to moves in the stock market — ranging from so-called meme stocks such as GameStop, to the investor of viral song "Baby Shark."

The environmental impact of bitcoin mining has come under intense scrutiny.

As part of its crackdown on bitcoin, China's Inner Mongolia region — a major bitcoin mining hub — in late-May proposed punishments for companies and individuals involved in digital currency mining. It came after Chinese Vice Premier Liu He said it is necessary to "crack down on Bitcoin mining and trading behavior" to prevent the "transmission of individual risks to the social field."

Elsewhere, Iran's government in announced in May a ban on the mining of bitcoin and other cryptocurrencies until Sept. 22, after officials said blackouts in the country's capital of Tehran and several other large cities were in part due to the energy-intensive activity.

➤ **Bitcoin just got its first makeover in four years.**

The first bitcoin upgrade in four years has just been approved by miners around the world. It is a rare moment of consensus among stakeholders, and crypto experts tell CNBC it's a big deal for the world's most popular cryptocurrency.

The upgrade is called Taproot, and it's due to take effect in November. When it does, it will mean greater transaction privacy and efficiency — and crucially, it will unlock the potential for smart contracts, a key feature of its blockchain technology which eliminates middlemen from even the most complex transactions.

"Taproot matters, because it opens a breadth of opportunity for entrepreneurs interested in expanding bitcoin's utility," said Alyse Killeen, founder and managing partner of bitcoin-focused venture firm Stillmark.

Unlike bitcoin's 2017 upgrade — referred to as the "last civil war" because of the contentious ideological divide separating adherents — Taproot has near universal support, in part because these changes are incremental improvements to the code.

Bitcoin's makeover has to do with digital signatures, which you can think of as the fingerprint an individual leaves on every transaction they make.

Right now, the cryptocurrency uses something called the "Elliptic Curve Digital Signature Algorithm," which is created from the private key which controls a bitcoin wallet and ensures that bitcoin can only be spent by the rightful owner. Taproot will switch over to something known as Schnorr signatures, which essentially makes multi-signature transactions unreadable, according to Alejandro De La Torre, vice president at Hong Kong-headquartered major mining pool Poolin.

In practice, that means greater privacy, because your keys won't have as much exposure on the chain. "You can kind of hide who you are a little bit better, which is good," said Brandon Arvanaghi, previously a security engineer at crypto exchange Gemini.

It won't translate to greater anonymity for your individual bitcoin address on the public blockchain, but it will make simple transactions indistinguishable from those that are more complex and comprised of multiple signatures.

These souped-up signatures are also a game changer for smart contracts, which are self-executing agreements that live on the blockchain. Smart contracts can theoretically be used for practically any kind of transaction, from paying your rent each month, to registering your vehicle.

Sources: Bloomberg/Refinitiv/cnbc.com



Your CRYPTO Weekend Wire

News Flow

Taproot makes smart contracts cheaper and smaller, in terms of the space they take up on the blockchain. Killeen says that this enhanced functionality and efficiency presents “mind blowing potential.”

Currently, smart contracts can be created both on bitcoin’s core protocol layer and on the Lightning Network, a payments platform built on bitcoin, which enables instant transactions. Smart contracts executed on the Lightning Network typically led to faster and less costly transactions.

“Lightning transactions can be fractions of a penny...while a bitcoin transaction at the core protocol layer can be much more expensive than that,” explained Killeen.

Developers have already begun to build on Lightning, in anticipation of the upgrade, which will allow for highly specific contracts.

“The most important thing for Taproot is...smart contracts,” said Fred Thiel, CEO of cryptocurrency mining specialist Marathon Digital Holdings. “It’s already the primary driver of innovation on the Ethereum network. Smart contracts essentially give you the opportunity to really build applications and businesses on the blockchain.”

As more programmers build smart contracts on top of bitcoin’s blockchain, there is also the potential for bitcoin to become more of a player in the world of DeFi, or decentralized finance, a term used to describe financial applications designed to cut out the middleman.

Today, Ethereum dominates as the blockchain of choice for these apps, also referred to as “dapps.”

Though the bitcoin community has agreed to the upgrade, the rollout itself won’t happen until probably November. A lot of testing ahead of time will reduce the likelihood of something going wrong during an upgrade.

“Upgrades allow the – extremely remote – possibility of a bug entering the system, which would destroy confidence in the whole cryptocurrency system, effectively wiping it out – a ‘self-inflicted wound’ if you like,” said Jason Deane, an analyst at Quantum Economics.

Deane says therefore upgrade processes are so carefully tested, retested, and vetted, again and again, over very long periods of time, prior to being deployed.

Many also remember the disastrous migration of 2013, when an upgrade gone wrong resulted in bitcoin temporarily splitting in half.

“You don’t want different clients or miners in the protocol out of sync. That’s how catastrophic stuff happens,” Nic Carter, founding partner at Castle Island Ventures, told CNBC. “Because we don’t want a repeat of 2013, we have these extremely long lead times.”

➤ Why some cyber criminals are ditching bitcoin for a cryptocurrency called monero.

When the FBI successfully breached a crypto wallet held by the Colonial Pipeline hackers by following the money trail on bitcoin’s blockchain, it was a wake-up call for any cyber criminals who thought transacting in cryptocurrency automatically protected them from scrutiny.

One of the core tenets of bitcoin is that its public ledger, which stores all token transactions in its history, is visible to everyone. This is why more hackers are turning to coins like dash, zcash, and monero, which have additional anonymity built into them.

Monero is increasingly the cryptocurrency of choice for the world’s top ransomware criminals.

“The savvier criminals are using monero,” said Rick Holland, chief information security officer at Digital Shadows, a cyberthreat intelligence company.

Monero was released in 2014 by a consortium of developers, many of whom chose to remain anonymous. As spelled out in its white paper, “privacy and anonymity” are the most important aspects of this digital currency.

The privacy token operates on its own blockchain, which hides virtually all transaction details. The identity of the sender and recipient, as well as the transaction amount itself, are disguised.

Because of these anonymity features, monero allows cyber criminals greater freedom from some of the tracking tools and mechanisms that the bitcoin blockchain offers.

“On the bitcoin blockchain, you can see what wallet address transacted, how many bitcoin, where it came from, where it’s going,” explained Fred Thiel, former chairman of Ultimaco, one of the largest cryptography companies in Europe, which has worked with Microsoft, Google and others on post-quantum encryption.

“With monero, [the blockchain] obfuscates the wallet address, the amount of the transactions, who the counter-party was, which is pretty much exactly what the bad actors want,” he said.

While bitcoin still dominates ransomware demands, more threat actors are starting to ask for monero, according to Marc Grens, president of DigitalMint, a company that helps corporate victims pay ransoms.

Sources: [Bloomberg/Refinitiv/cnbc.com/coinmarketcap.com](https://www.bloomberg.com/news/articles/2019-08-23/cyber-criminals-ditch-bitcoin-for-monero)



Your CRYPTO Weekend Wire

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“We’ve seen REvil...give discounts or request payments in monero, just in the past couple months,” continued Holland. Monero was also a popular choice on AlphaBay, a massive underground marketplace popular up until it was shut down in 2017. “It’s almost like we’re seeing, at least from a cyber criminal perspective, a resurgence...in monero, because it has inherently more privacy than some of the other coins out there,” Holland said of monero’s recent rise in popularity among actors in the ransomware space. There are, however, a few major barriers when it comes to the mainstreaming of monero. For one, it’s not as liquid as other cryptocurrencies – many regulated exchanges have chosen not to list it due to regulatory concerns, explained Mati Greenspan, portfolio manager and Quantum Economics founder. “It certainly isn’t enjoying as much from the recent wave of institutional investments,” he said. In practice, that means that it’s harder for cyber criminals to get paid directly in the currency. “If you’re a corporation and you want to acquire a bunch of monero to pay somebody, it’s very hard to do,” Thiel told CNBC. The digital currency could also be more vulnerable to regulation at its on-and-off-ramps, which is the bridge between fiat cash and crypto tokens. “I would wager to say the U.S. and other regulators are going to shut them [monero] down pretty hard,” said Thiel. One way they could go about that: telling an exchange that if they list monero, they risk losing their license. But while the U.S. government can indeed keep monero at bay by marginalizing liquidity points, Castle Island Ventures founding partner Nic Carter believes that markets which allow peer-to-peer transfers of monero to fiat will always be hard to regulate. There’s also nothing to keep hackers within U.S. jurisdiction. Criminals could easily choose to carry out all their transactions overseas, in places that aren’t subject to the kind of controls American regulators might put in place.

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➤ **China is kicking out more than half the world’s bitcoin miners – and a whole lot of them could be headed to Texas.** China has long been home to more than half the world’s bitcoin miners, but now, Beijing wants them out ASAP. In May, the government called for a severe crackdown on bitcoin mining and trading, setting off what’s being dubbed in crypto circles as “the great mining migration.” This exodus is underway now, and it could be a game changer for Texas. Mining is the energy-intensive process which both creates new coins and maintains a log of all transactions of existing digital tokens. Despite a lack of reserves that caused dayslong blackouts last winter, Texas often has some of the world’s lowest energy prices, and its share of renewables is growing over time, with 20% of its power coming from wind as of 2019. It has a deregulated power grid that lets customers choose between power providers, and crucially, its political leaders are very pro-crypto – dream conditions for a miner looking for a kind welcome and cheap energy sources. “You are going to see a dramatic shift over the next few months,” said Brandon Arvanaghi, previously a security engineer at crypto exchange Gemini. “We have governors like Greg Abbott in Texas who are promoting mining. It is going to become a real industry in the United States, which is going to be incredible.” 2021 data for the global distribution of mining power is not yet available, but past estimates have shown that 65% to 75% of the world’s bitcoin mining happened in China – mostly in four Chinese provinces: Xinjiang, Inner Mongolia, Sichuan and Yunnan. Sichuan and Yunnan’s hydropower make them renewable energy meccas, while Xinjiang and Inner Mongolia are home to many of China’s coal plants. The drawdown in miners has already begun in Inner Mongolia. After failing to meet Beijing’s climate targets, province leaders decided to give bitcoin miners two months to clear out, explicitly blaming its energy misses on crypto mines. Castle Island Ventures founding partner Nic Carter says that while it’s not totally clear how China will handle next steps, a phased rollout is likely. “It seems like we’re going from policy statement to actual implementation in relatively short order,” he said.

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Sources: Bloomberg/Refinitiv/cnbc.com/coinmarketcap.com/Newsnow.com



Your CRYPTO Weekend Wire

News Flow

➤ **98% of CFOs say their hedge fund will invest in Bitcoin by 2026: Study.**

Traditional hedge funds are willing to increase their exposure in Bitcoin and other cryptocurrency markets over the next five years, a new survey has found.

Intertrust Global — an international trust and corporate management company — polled the chief financial officers of 100 hedge funds globally about their intention to purchase crypto-assets. About 98% of them responded that they expect their hedge funds to invest 7.2% of their assets in cryptocurrencies by 2026.

The survey found that a 7.2% investment into the cryptocurrency sector would equal about \$312 billion if replicated across the sector. Meanwhile, about 17% of the polled CFOs admitted that their hedge fund could have 10% of their assets allocated to cryptocurrencies like Bitcoin (BTC).

The results appeared as Bitcoin corrected by more than 50% after rallying from \$3,858 in March 2020 to almost \$65,000 in April 2021, leading to speculations that it would crash further due to overvaluation.

Nevertheless, the flagship cryptocurrency held through technical supports around \$30,000 and, earlier this week, rallied back above \$40,000.

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Intertrust's survey also showed that all the surveyed executives in Europe, North America, and the U.K. have at least 1% exposure in Bitcoin and similar cryptocurrencies. It further noted that North American hedge funds would likely have an average exposure of 10.6% in cryptocurrencies than those in the U.K. and Europe that anticipated 6.8% exposure.

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➤ **Bitcoin has 3 flaws* — and that could set the stage for other alternatives, says Cornell economist.**

Bitcoin, the world's best-known cryptocurrency, has a few flaws — and that's triggered other digital currencies to produce more viable options, according to a professor at Cornell University.

It isn't as anonymous as people think it is, and "mining" bitcoin is bad for the environment, pointed out economics professor Eswar Prasad. It also doesn't work well as a currency, he told CNBC on Thursday.

One interesting aspect is that other cryptocurrencies have produced solutions to address some of bitcoin's flaws, said Prasad, who was formerly head of the International Monetary Fund's China division.

1. Mining harms the environment
2. Not so anonymous after all
3. Doesn't work well as a currency

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* Click on the link for more details.

Sources: [Bloomberg/Refinitiv/cnbc.com](https://www.bloomberg.com/news/articles/2021-04-22/98-of-cfo-say-their-hedge-fund-will-invest-in-bitcoin-by-2026) | [coinmarketcap.com](https://www.coinmarketcap.com/news) | [Newsnow.com](https://www.newsnow.com)



Your CRYPTO Weekend Wire

News Flow

➤ **Mark Cuban calls for stablecoin regulation in wake of Iron Finance 'bank run'.**

Billionaire investor and DeFi proponent Mark Cuban has called for stablecoin regulation after losing money on what he dubbed as a “rug pull” on the Iron Finance protocol.

According to Iron Finance, the partially collateralized stablecoin project was the subject of a “historical bank run” that resulted in the price of the IRON stablecoin moving off peg. Therefore, the price of Iron’s native token TITAN crashed by almost 100% over two days from its all-time high of \$64.04.

Speaking with Bloomberg on June 17, Cuban blamed himself for “being lazy” and not doing enough research, but also raised questions surrounding the regulation of stablecoins:

“There should be regulation to define what a stablecoin is and what collateralization is acceptable. Should we require \$1 in U.S. currency for every dollar, or define acceptable collateralization options, like U.S. treasuries.”

The stablecoin sector is currently under the spotlight from U.S. lawmakers, as they consider how to regulate the rapidly evolving sector.

In December 2020, a bill dubbed the “STABLE Act” was introduced which would require stablecoin issuers to obtain a banking charting and comply with traditional banking regulations.

After the crypto downturn last month, Federal Reserve Chair Jerome Powell emphasized on May 20, that “as stablecoins’ use increases, so must our attention to the appropriate regulatory and oversight framework.”

In a blog post dubbed “Iron Finance Post-Mortem 17 June 2021,” the project noted that it is planning to hire a third party to conduct an in-depth analysis of the protocol so that it can “understand all circumstances which led to such an outcome.”

IRON is a partially collateralized stablecoin intended to be pegged at \$1. The stablecoin is collateralized by a combination of its native token TITAN and the USDC stablecoin. The ratio of USDC to total IRON supply is dubbed the Collateral Ratio (CR).

After a mass sell-off from whales which caused the price of TITAN to drop down around \$30, the IRON stablecoin also dropped below its \$1 peg.

As the protocol relies on a Time Weighted Average Price (TWAP) to determine CR, the market activity overwhelmed the CR as it couldn’t keep up with the volatility.

Whales were able to buy IRON at \$0.90 and redeem them for \$0.25 TITAN and \$0.75 USDC, which temporarily pushed the price of TITAN to around \$50. They then proceeded to cash out their profits which sent the price crashing.

This sparked a “panicked event” or “bank run” from other investors who also started to cash out, sending the price of TITAN down to near zero as of today.

Sources: [Bloomberg/Refinitiv/cnbc.com](https://www.bloomberg.com/news/articles/2021-06-17/mark-cuban-calls-for-stablecoin-regulation)/[coinmarketcap.com/Newsnow.com](https://www.coinmarketcap.com/newsnow.com)



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Figures and Charts

Bankmed-Advisory publié sur TradingView.com, Juin 18, 2021 07:23:08 UTC
 COINBASE:BTCUSD, 1D 37728.29 ▼ -366.88 (-0.96%) O:38103.94 H:38216.22 L:37223.32 C:37728.29



BTC	37 202.81	Weekly Change
Week Low	Week High	-1.07%
34 785.83	41 323.06	
Circulating Supply		
18 737 625.00		
Market Cap		
\$ 708 635 244 066.00		

TradingView

Bankmed-Advisory publié sur TradingView.com, Juin 18, 2021 07:24:03 UTC
 COINBASE:ETHUSD, 1D 2339.44 ▼ -33.89 (-1.43%) O:2373.33 H:2377.80 L:2312.82 C:2339.44



ETH	2 278.27	Weekly Change
Week Low	Week High	-6.70%
2264.03	2642.15	
Circulating Supply		
116 336 676.00		
Market Cap		
\$ 273 202 834 658.00		

TradingView

Sources: Bloomberg/Refinitiv/TradeView.com/Coinmarketcap. com



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Your CRYPTO Weekend Wire Glossary

A

- ❖ **Address (Crypto Address):** An address is comparable to a bank account number. It is a unique collection of numbers and letters. This identification code is required to carry out a blockchain transaction and is unique for each owner. (ie: 1GyWgXtkVG5gsm9Ym1rkHoJHAftmPnTHQj)
- ❖ **Airdrop:** An airdrop is a way to distribute coins. End users can generally get coins for free or in exchange for a small task, such as subscribing to a newsletter, sending a tweet or inviting other people via a personal affiliate link.
- ❖ **Algorithm:** The 'algorithm' is a way to solve a task using data processing and calculations. There are different types of algorithms in use by blockchains.
- ❖ **Altcoin:** An altcoin is any cryptocurrency or token created after the Bitcoin was developed.
- ❖ **Anti-Money Laundering (AML):** AML is the abbreviation for 'anti-money laundering'. AML stands for policy and legislation on money laundering. This prevents illegally acquired funds from being converted into a legal variant. Within the crypto world, it is no longer unusual for AML techniques to be used by exchanges and wallets. This term is often used as AML/KYC, where KYC stands for 'Know your customer'.
- ❖ **APY:** APY is short for 'annual percentage yield', which is the total return rate that is earned on an interest-bearing asset or savings account. The compounding interest should be considered when the APY percentage is projected. An APY of 5% will turn \$100 into \$105 after exactly one year.
- ❖ **ATH:** ATH is the abbreviation of 'All-Time High' and means the highest price ever paid for a particular coin. ATH is also often used to indicate that someone's total portfolio has reached the highest value ever.
- ❖ **ATL:** ATL stands for 'all-time-low' and is the opposite of ATH, or 'all-time-high'. ATL is used to indicate that the price of a coin or the entire wallet of a person is at the lowest level ever in terms of value.

B

- ❖ **Bitcoin (BTC):** Bitcoin is the very first, best known and currently the most valuable digital coin.
- ❖ **Bitcoin (unit of Currency):** The bitcoin is the very first cryptocurrency invented in 2008 by an anonymous developer named Satoshi Nakamoto. It can be divided up to 8 digits after the comma. The smallest one is called a satoshi (0.00000001 BTC).
- ❖ **Blockchain:** The blockchain is a technique that makes it possible to safely store data in a decentralized way. This data can be money, but it could be other data as well.



Your CRYPTO Weekend Wire Glossary

- ❖ **Bot:** A 'bot' is an autonomous program on a network, such as the Internet, that can interact with systems or users. It is often designed to automate certain manual tasks. Bots are often used in Telegram chat groups to prevent spam.

C

- ❖ **CBDC:** CBDC stands for 'Central bank digital currency' and is the fully digital form of fiat money. Unlike at Bitcoin, this type of currency would be created by a centralized authority like a central bank or a monetary authority. It might or might not have a distributed ledger. Each central bank in the world can have a custom implementation. Currently, it is still in test phase or just a concept on paper.
- ❖ **Centralized:** Centralized means that one organization has control. For example, governments and companies are centralized. The opposite of centralized is decentralized, such as the Internet and the blockchain.
- ❖ **Coin:** A Coin is the umbrella term for cryptocurrencies and tokens.
- ❖ **Cold Storage:** Cold storage refers to storing cryptocurrency on a place where the private key cannot be accessed via the internet. This can be done on a hardware wallet, paper wallet or software wallet in an offline environment.
- ❖ **Cold Wallet:** A cold wallet is a wallet for storing cryptocurrency where the private key is not exposed to the Internet.
- ❖ **Cryptocurrency:** A cryptocurrency, also known as 'crypto', is a type of currency that is transferred via a blockchain. It uses strong cryptography to secure the transactions, that usually have value. While traditional fiat currencies are subject to counterfeiting, this is not possible in a cryptocurrency. Bitcoin is still the most valuable cryptocurrency.

D

- ❖ **DAO:** DAO is an abbreviation of 'Decentralized Autonomous Organization'. This is an organization that runs automatically on itself without any human interventions. The work is automatically executed through Smart contracts.
- ❖ **DeFi:** DeFi is the abbreviation of 'Decentralized Finance'. It can be defined as a new financial ecosystem consisting of various financial tools, apps and services utilizing blockchain technology. It's an umbrella term for all these projects combined and is growing daily. Examples of DeFi functionality are banking services in the form of stablecoins, decentralized exchanges, derivatives, prediction markets, or lending and borrowing systems. The last one can be either peer-to-peer or with a pool. It is a combination of replicating products and services in the traditional finance industry as well as innovative new ones only possible with blockchain technology.

Sources: blockspot.io/crypto-dictionary



Your CRYPTO Weekend Wire Glossary

❖ **DEX:** A DEX is short for Decentralized Exchange. This is an exchange where people can trade cryptocurrencies and tokens without the need of a middleman. It is usually run by code in a 'smart contract'. The transactions are generally written to the blockchain, which makes a DEX by default slower than a centralized exchange that uses fast databases. The main benefit of a DEX is that nobody, but yourself, holds the private key to the funds. Even though a DEX will not have a middleman regarding the trades, the exchange and the website are centrally managed. Therefore, it's not 100% decentralized in fact. The level of decentralization differs per DEX. Use the filters in this list with exchanges to find each DEX.

E

- ❖ **ERC-20:** ERC20 coins are all tokens on the Ethereum blockchain. These coins are also supported by most Ethereum wallets.
- ❖ **ETF:** ETF is an abbreviation for 'Exchange-Traded-Fund' or a listed fund on a stock exchange. This is a tradable product (security) that follows the price of an underlying asset. Examples are an equity index, a basket of certain securities, bonds and commodities. There are several applications for a Bitcoin ETF, but none of these has yet been approved by the SEC in the United States of America.
- ❖ **Ethereum:** Ethereum (ETH) consists of one blockchain where both its own transactions (Ether) and those of numerous other coins (tokens) are recorded. Ethereum distinctive feature is the so-called "smart contract". The programming language of Ethereum is written in such a way that programmers can write their own programs based on the Ethereum blockchain.

F

- ❖ **Fiat Currency:** Fiat currency or also simply called fiat is money issued by a government or organizations that can issue it, like banks for example. It doesn't have any value by itself and is for decades not backed by gold anymore either. It instead remains value based on the trust of the people. Once the trust goes away it will decrease in value and could eventually cause hyperinflation.
- ❖ **Fully Diluted:** Fully Diluted in crypto refers to fully diluted market cap. This is the market cap of a coin based on its total supply instead of the circulating supply. This is an important metric for investors to compare coins and help with the decision if it's overvalued or undervalued.

H

- ❖ **HODL:** HODL is the wrong spelling of 'hold'. This spelling mistake was once made by someone accidentally or intentionally on a forum. Since then, this term has been used to indicate that you keep or should be holding your position.



Your CRYPTO Weekend Wire Glossary

I

- ❖ **ICO:** An 'initial coin offering' (ICO) can be compared a bit with an IPO. Investors get an opportunity to invest in a certain coin for the first time. The difference with the stock market however is that a company must meet all kinds of requirements before the IPO can take place. The market of ICO's is much less regulated. Therefore, it happens more often that an ICO is fraudulent.
- ❖ **Interoperability:** The term interoperability in crypto refers to blockchain interoperability. In short, this means the ability to share information between different blockchains. Since the launch of Bitcoin, a lot of new blockchains have emerged of which the most well known Ethereum. All these new blockchains are in a way competing to get adoption by developers and users and results in a lot of silos. Since each blockchain usually has its own speciality, it would make sense for developers to utilize more than one blockchain. For this to work there is a need for the interoperability and several projects are working on this.

K

- ❖ **Key Pairs:** A key pair is the combination of a public and private key together. During the process of creating a wallet, a pair of keys is generated. The private key is the most important one and should be backed up safely and not shared with anyone.
- ❖ **KYC:** KYC is an abbreviation for 'Know Your Customer' and was created to combat money laundering via cryptocurrencies. At almost every ICO it is mandatory to prove that you are who you say you are. This is also regularly requested at crypto exchanges.

M

- ❖ **Masternode:** A masternode is a server, ran from home or in a data center, that has an essential role in a decentralized network. It usually performs specific tasks, like storing files or data and keeping it accessible in the network. It could also function to validate the transaction or for consensus purposes like voting on proposals. The technical (memory, CPU, etc.) and financial criteria (number of coins needed) are different for each coin. If the masternode you set up does not perform well it's possible to lose your coins if those are meant as collateral. The rewards could also just stop and then you can just start over again. A masternode usually gives a high reward that's paid out in the coin itself.
- ❖ **Maximum Supply:** This is the maximum number of coins that will exist for a token or cryptocurrency. If there is a max supply defined, no more coins can be created. 'Burned' coins are part of this supply, so therefore it is always larger than or equal to the total supply.
For Bitcoin, the maximum is set to 21 million.
- ❖ **Mining:** Mining is also known as 'Cryptocurrency mining' or 'Cryptomining'. It is a process where blocks are added to a blockchain by solving a mathematical puzzle. The block can also contain transactions on that blockchain and will then become verified and immutable. Depending on the blockchain, mining can be done with a CPU, GPU, specialized hardware or a combination of all.



Your CRYPTO Weekend Wire Glossary

N

- ❖ **NFT:** *NFT is the abbreviation of non-fungible token. This is a type of token representing a unique asset. These can be either digital or represent real-world assets. Examples are a sword in a game or ownership of a piece of land. NFT's are generally scarce, unique and indivisible. The Ethereum blockchain makes it easy to create NFT's with it's ERC-721 and ERC-1155 standards.*

O

- ❖ **ODN:** *ODN is the abbreviation of 'OriginTrail Decentralized Network'. This is an open-source and permissionless network that relies on an off-chain technology stack consisting of several inter-related layers. It is a decentralized network of data providers, data creators, data holders, and data viewers. The glue between all entities is the ERC-20 based Trace Token (TRAC). This is used as a collateral stake to keep data holders honest and for payments to compensate the data holders for providing their resources.*

P

- ❖ **Paper Wallet:** *A paper wallet is an alternative to a hardware or software wallet. It is a piece of paper or a PDF containing the information to access the cryptocurrency in that wallet. It normally consists of a 'public key' and a 'private key'.*
- ❖ **Permissioned Blockchain/ledger:** *Anyone can mine Bitcoins because it is a public blockchain. This is not the case with a permissioned blockchain. There is a layer above it that determines which entity can write transactions in a block. The XRP coin from the company Ripple Labs is an example of such a blockchain and has CGI, MIT and Microsoft as approved entities for example. These are called "transaction validators".*
- ❖ **PoA (Proof of Authority):** *PoA stands for 'Proof of Authority'. This is a validation method to process transactions and blocks in a blockchain only by approved accounts. These are known as 'validators' and run specific software to store the transactions in blocks. Since the identity is linked to the system, it can contribute to more trust.*
- ❖ **Private Key:** *A private key in the crypto space can be defined as the combination of letters and numbers that corresponds to a specific public key. The private key can be used to gain access to the assets on that public key, also known as the wallet address. Once you share your private key with somebody, store it on your computer in plain text or type it in a website or app, you risk losing all your funds stored on its a corresponding public address.*
- ❖ **Public Key:** *A public key in the crypto space can be defined as a combination of letters and numbers and forms the address to which the cryptocurrencies or tokens can be sent to. Everybody who knows the public key of somebody can see the assets stored on that address. Only the owner of the corresponding private key can send those assets out.*



Your CRYPTO Weekend Wire Glossary

Q

- ❖ **QR Code:** A QR code is a type of barcode in the form of a square. The letters QR stand for 'Quick Response'. The code contains many dots, a few small squares and sometimes a small logo in the middle. This is different from most other barcode types, which are rectangular with lines. A QR code can therefore contain much more information. Within the crypto world, it is often used to make a 'wallet' address scannable. This speeds up the process of transferring crypto and prevents errors.

S

- ❖ **Satoshi Nakamoto:** Satoshi Nakamoto is the alias of the creator of Bitcoin, who wants to remain anonymous. Nobody knows who it is. It could be a person, a group, a company or even a government. It is quite likely that it is a person because there are people who have communicated with him or her via e-mail.
- ❖ **SEC:** SEC is the abbreviation of 'Securities and Exchange Commission'. This is an independent government organization of the United States of America. The SEC holds the primary responsibility regarding the financial markets. They enforce the federal securities laws, propose new rules and regulate the US financial markets.
- ❖ **Stablecoin:** Stablecoins are tokens or cryptocurrencies attempting to have a minimized volatility of its price. It usually tries to keep a stable price of a related asset like USD for example. It can be backed by the related asset or replicated using smart contracts. Stablecoins are usually pegged to fiat money, but it's also possible to be pegged to precious metals like gold or silver, or even other assets. It enables an easily accessible way to store crypto wealth, temporarily, in a more stable asset during market volatility instead of using the traditional financial ecosystem. Fiat withdrawals can take a few days and could be costly as well.

T

- ❖ **Tether:** The Tether is often abbreviated as USDT on exchanges. This is a non-government regulated 'stablecoin' with a value of around 1 US dollar. The company behind this coin claims that every Tether in circulation is covered with real dollars on their bank account.
- ❖ **Total Supply:** The 'total supply' indicates the number of coins already in circulation, supplemented with the coins that are not tradable yet. So, it only applies to coins already in existence. This is different from the 'max supply', in which future coins are included. The total supply is greater than or equal to the 'circulating' supply. It can consist of tradable and non-tradable coins, such as reserved or not yet released coins for the team or investors.
- ❖ **Transaction Fee:** The 'transaction fee' is the amount that must be paid to execute transactions on the Blockchain. This fee is usually paid to the 'Miners', but sometimes they are burned. There are also several cryptocurrencies, where you don't have to pay a fee.



Your CRYPTO Weekend Wire Glossary

W

- ❖ **Wallet:** A 'wallet' is a place to store cryptocurrencies encrypted. There are several variants, such as a paper wallet, hardware wallet or software wallet. Each coin has one or more supported wallets.
- ❖ **Whale:** A 'whale' is someone with a very large position in a coin.
- ❖ **Whitepaper:** A 'whitepaper' is a document that is almost always written for the launch of a new coin through an ICO. All aspects of a coin should be explained here: how it is used, for what and sometimes also the price expectation. After the ICO new versions can be released if the situation changes.

Y

- ❖ **Yield Farming:** Yield farming is the process of generating the most returns possible on your crypto assets by putting them to work. Within the crypto space, DeFi has taken on a big role and services inside this space are making yield farming possible. There are nowadays ways to move your crypto assets to pools to gain interest on those assets giving it an annual percentage yield (APY). Just buying crypto-assets and holding them in your wallet, won't generate any yield, but lending them out with DeFi services like, Compound, for example, does make this possible. A term closely related to yield farming is liquidity mining.

Sources: blockspot.io/crypto-dictionary

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