

➤ **Chaotic scenes at Kabul airport as Afghans and foreign nationals flee Taliban.**

Thousands of Afghans have amassed on the tarmac at Kabul's international airport in the hours following the Taliban's breach of the city. The chaotic scenes at Hamid Karzai International Airport Monday captured by news crews and cell phones convey a terror and desperate rush to escape the country, which was now being entirely overrun by Taliban militants in the lead-up to the complete departure of U.S. forces.

A video shared on Twitter appears to show large crowds of people, including children, moving toward passenger aircraft on the tarmac. There does not appear to be security or law enforcement in the area.

Afghan President Ashraf Ghani fled the country on Sunday evening, reportedly to Tajikistan, as the Taliban entered the presidential palace and declared the war "over." Ghani said he fled to prevent "a flood of bloodshed."

"The Taliban have won with the judgment of their swords and guns, and are now responsible for the honor, property and self-preservation of their countrymen," Ghani said.

The panic is unfolding as around 5,000 U.S. troops return to the country to evacuate Western diplomats. The forces were tasked, according to the State Department, with the "very narrowly focused mission" of evacuating embassy staff in Kabul. As of late Sunday, the U.S. embassy was moved into the airport.

Prior to Sunday, Kabul was the last major city to have been spared takeover by the militants.

A Taliban spokesperson said the fighters intended to negotiate a "peaceful surrender" of the city.

Since President Joe Biden's April decision to withdraw U.S. troops from Afghanistan before Sept. 11, the Taliban have made stunning battlefield advances with now the entirety of the nation under their control.

➤ **Malaysia's Prime Minister Muhyiddin Yassin and cabinet resign, palace confirms.**

Malaysia's Prime Minister Muhyiddin Yassin and his cabinet submitted their resignation to the king on Monday, according to a statement by the palace.

The resignation comes as Malaysia grapples with its worst Covid-19 outbreak and the economic hit from multiple rounds of lockdowns. Muhyiddin will remain as a "caretaker" prime minister until a new leader is appointed, said the palace's statement. The palace added in the Malay-language statement — which CNBC translated — that the king thought an election is "not the best option" now, given the Covid outbreak.

The Malaysian ringgit was at its weakest in more than a year against the U.S. dollar on Monday.

Before the release of the palace's statement, Malaysia's Minister of Science, Technology and Innovation Khairy Jamaluddin said in a post on his verified Instagram account that the cabinet has submitted its resignation to the king.

Khairy's post followed local media reports that Muhyiddin would step down from the top job after losing majority support in parliament due to infighting among his political coalition.

In a televised address, Muhyiddin said he resigned because he has lost majority support in parliament. He added that he will not work with "kleptocrats" and interfere with the country's judiciary process to remain in power.

Muhyiddin said he hopes a new government can be formed soon to ensure that the economic recovery and Covid vaccine rollout continue smoothly.

Muhyiddin, who came to power in March last year, had governed with a razor-thin majority in the 222-seat parliament.

In the last few weeks, he faced increasing pressure to step down after some lawmakers from the United Malays National Organization or UMNO — the largest party in the ruling coalition — withdrew their support. Some UMNO politicians, including former Prime Minister Najib Razak, face charges of corruption and money laundering.

Muhyiddin claimed earlier this month that he still commanded majority support in parliament. He said he would prove the legitimacy of his leadership through a confidence vote when parliament reconvenes in September.

But in a speech last Friday, Muhyiddin acknowledged for the first time that he did not have a majority. He attempted to woo the opposition by promising political and electoral reforms — such as limiting the prime minister's tenure to two five-year terms — in exchange for support on the confidence vote.

The offer was rejected by the opposition.

Malaysia plunged into political turmoil after the sudden resignation of former Prime Minister Mahathir Mohamad in February last year. That paved the way for Muhyiddin to form a government by cobbling together a fragile coalition.



Your Weekend Wire

News Flow

Malaysia's daily new Covid cases per million people is one of the highest globally, according to data compiled by online repository Our World in Data.

On a seven-day moving average basis, the Southeast Asian country recorded 620.14 confirmed Covid cases per million people on Saturday — the sixth highest globally and the top in Asia, the data showed.

But authorities have accelerated the pace of vaccinations in recent weeks despite the political tussle. Nearly one-third of Malaysia's 32 million people has completed their vaccinations as of Sunday, official data showed.

Muhyiddin said Monday that his cabinet has ordered more than 87 million shots of Covid vaccines, which are "enough" to inoculate the population by the end of October.

The health ministry projected that daily infections would remain high and reach a peak in mid-September, before falling to around 1,000 cases per day in October.

➤ **China may align itself with Taliban and try to exploit Afghanistan's rare earth metals, analyst warns.**

Afghanistan is estimated to have trillions of dollars worth of rare earth metals, and countries — such as China — that may be looking to swoop in on the country must follow international terms, one analyst told CNBC.

Shamaila Khan, director of emerging market debt at Alliance Bernstein, said the Taliban insurgents have emerged with resources that are a "very dangerous proposition for the world," with minerals in Afghanistan that "can be exploited."

Afghanistan fell into the hands of the Islamist militant group over the weekend, as it seized the capital of Kabul as well as the Presidential Palace. After President Joe Biden's April decision to withdraw U.S. troops from Afghanistan, the Taliban made stunning battlefield advances — and nearly the whole nation is now under the insurgents' control.

The international community should put pressure on China, for instance, if it seeks to ally itself with the Taliban, Khan added.

Minerals and rare earth metals in Afghanistan were estimated to be worth between \$1 trillion and \$3 trillion in 2020, according to a report in news magazine *The Diplomat*, citing Ahmad Shah Katawazai, a former diplomat at the Afghan Embassy in Washington D.C. A report by American news organization *The Hill* earlier this year put the value at about \$3 trillion.

"It should be an international initiative to make sure that if any country is agreeing to exploit its minerals on behalf of the Taliban, to only do it under strict humanitarian conditions where human rights, and rights for women are preserved in the situation," Khan told CNBC's "Squawk Box Asia" on Tuesday.

The Taliban's harsh interpretation of Islam has meant that women's rights were curtailed, before the U.S. toppled its regime in 2001.

Afghanistan has rare earth elements such as lanthanum, cerium, neodymium, and veins of aluminium, gold, silver, zinc, mercury, and lithium, according to Katawazai. Rare earths are used in everything from electronics to electric vehicles, and satellites and aircraft.

"So, there should be pressure on China if they are going to do alliances with the Taliban in order to generate economic aid for them — that they do it on international terms," said Khan. She was responding to a question on the commercial motivation behind China's nod to the Taliban a day after the militants took over the country — given the trillions of dollars worth of rare earths there.

Only hours after the Taliban overran Afghanistan, a foreign ministry spokeswoman said Beijing was ready for "friendly cooperation with Afghanistan."

"On the basis of fully respecting the sovereignty of Afghanistan and the will of all factions in the country, China has maintained contact and communication with the Afghan Taliban and played a constructive role in promoting the political settlement of the Afghan issue," said spokeswoman Hua Chunying at a press conference on Monday.

According to Hua, the Taliban said, "on multiple occasions" that it "looks forward to China's participation in Afghanistan's reconstruction and development."

"We are ready to continue to develop good-neighborliness and friendly cooperation with Afghanistan and play a constructive role in Afghanistan's peace and reconstruction," Hua said.

In late July, before the Taliban's latest blitz across Afghanistan, China's Foreign Minister Wang Yi met with a delegation led by the head of the Afghan Taliban political committee Mullah Abdul Ghani Baradar in Tianjin.

Chinese state media in recent days seemed to echo similar sentiments to the foreign ministry. The *Global Times* published an article on Aug. 15, citing Chinese experts, saying speculation that China might send troops to fill the vacuum left by the U.S. was "totally groundless."

Sources: CNBC.com

However, the state-run tabloid pointed out that the country can “contribute to post-war reconstruction and development, pushing forward projects under the China-proposed Belt and Road Initiative.” The BRI is a mammoth infrastructure investment plan to build rail, road, sea and other routes stretching from China to Central Asia, Africa and Europe.

China dominates the rare earths market globally. About 35% of rare earth global reserves are in China, the most in the world, according to the United States Geological Survey.

The country is also a mining machine, producing 120,000 metric tons or 70% of total rare earths in 2018, compared to the U.S. which mined 15,000 metric tons of rare earths the same year, it said.

U.S. reserves also pale in comparison to China. The U.S. has a total of 1.4 million metric tons of reserves, versus 44 million metric tons of reserves in China.

China used rare earths as a threat during its trade war with the U.S. in 2019, when Beijing threatened to cut off supplies to the U.S. Rare earth minerals are commonly used in high-tech devices, automobiles, clean energy and defense.

The U.S. was heavily dependent on China for rare earths in 2019, when the Asian country was exporting 80% of U.S. needs, according to the U.S. Geological Survey.

➤ **Cathie Wood says Michael Burry doesn't understand innovation space after he bets against ARK fund.**

Cathie Wood called out Michael Burry on social media after “The Big Short” investor placed a bet against her flagship ARK Innovation exchange-traded fund.

“To his credit, Michael Burry made a great call based on fundamentals and recognized the calamity brewing in the housing/mortgage market. I do not believe that he understands the fundamentals that are creating explosive growth and investment opportunities in the innovation space,” Wood tweeted on Tuesday morning.

On Monday, regulatory filings spotted by CNBC Pro showed Burry bet against Woods’ ARK Innovation ETF using options. Burry’s Scion Asset Management bought 2,355 put contracts against the red-hot tech ETF during the second quarter and held them through the end of the period. Investors profit from puts when the underlying securities fall in prices. It’s not clear whether Burry’s position is profitable or whether he still holds the short bet.

Burry was one of the first investors to call and profit from the subprime mortgage crisis. He was depicted in Michael Lewis’ book “The Big Short” and the subsequent Oscar-winning movie of the same name.

Wood made a name for herself after a banner 2020 in which ARK Innovation returned nearly 150%. The fund had big holdings in shares like Zoom and Teladoc, which thrived during the pandemic. The ETF ballooned with investors hoping to get a piece of the “disruptive innovation” names that Wood touts on her popular YouTube channel. The fund’s assets under management are now around \$22.5 billion, according to FactSet.

The hot-handed investor gets much of her attention from a younger demographic that she said appreciates the place innovation has in the world today. Traders on Reddit chat rooms refer to Wood as “Cathie BAE” and “Queen Cathie” and post photos of Wood on a t-shirt that says, “In Cathie We Trust.”

However, some of Wood’s top holdings are controversial due to their lofty valuations, with many making little or no profits.

Shares of Wood’s flagship fund, ARK Innovation, hit a bottom in May as investors rotated into value stocks in the first half of 2021 and out of tech shares. The ETF did end the second quarter up 9%, but it’s still down 6% year to date.

Burry’s filing through the end of last quarter also shows he increased his Tesla put position during the period. Wood is a long-time Tesla bull. The electric carmaker is the No. 1 holding in ARK Innovation, accounting for more than 10% of the entire ETF.

Look at the rest of Wood’s twitter thread here.

“In our view, the seeds for the innovation explosion that @ARKInvest is dedicated to researching were planted during the 20 years ending with the tech and telecom bust. Having gestated for more than 20 years, these technologies should transform the world during the next 10 years,” Wood’s twitter thread continued.

“If we are correct, GDP and revenue growth will diminish until the opportunities in nascent technologies begin to move macro needles. In this environment, innovation-based strategies should distinguish themselves,” Wood said.

“The deflation in commodity prices is cyclical but is adding to the secular forces caused by technologically enabled disruptive innovation (“good deflation”) and creative destruction (“bad deflation”),” Wood’s tweet said....

Sources: CNBC.com

➤ **Palantir bought \$50 million in gold bars in August as cash pile grows.**

While some companies such as Tesla are diversifying into bitcoin, data analytics software company Palantir is betting on gold. Palantir bought \$50 million in gold bars in August, the company disclosed in its latest earnings statement.

The move reflects a growing company stashing cash in an unconventional asset in response to economic uncertainty spurred by the coronavirus pandemic and governments' response to it.

The price of an ounce of gold crossed the \$2,000 mark for the first-time last year as the pandemic worsened and U.S. government stimulus efforts continued. This year investors have more loudly voiced concerns about inflation, and gold is sometimes viewed as a hedge against inflation, although prices are down 7% for the year. Some investors have thought cryptocurrencies might also serve that role.

"During August 2021, the Company purchased \$50.7 million in 100-ounce gold bars," Palantir said in the Aug. 12 earnings statement for its fiscal second quarter. "Such purchase will initially be kept in a secure third-party facility located in the northeastern United States and the Company is able to take physical possession of the gold bars stored at the facility at any time with reasonable notice."

Palantir did not respond to a request for comment on the investment.

After completing a direct listing and debuting on the New York Stock Exchange in September, Palantir is now debt-free, the company's finance chief, Dave Glazer, told analysts on a conference call last week. Revenue has accelerated for two consecutive quarters, with 20 new customers joining in the fiscal second quarter.

Palantir is investing to grow, bringing on more than 100 salespeople in the past two quarters, and plans call for hiring to continue at a fast pace, Glazer said.

The company remains unprofitable, as it was as a privately held company. Meanwhile, its supply of cash has been increasing, in part thanks to stock issuance and proceeds from the exercise of stock options.

That has given Palantir an opportunity to invest in its own customers, including early-stage companies, which are very different from existing government customers such as the U.S. Department of Health and Human Services. Among the investments are companies that have gone public through mergers with special-purpose acquisition companies, such as AdTheorent, Fast Radius, FinAccel and Tritium, according to the earnings statement.

It's possible that following the gold investment, Palantir could expand into cryptocurrencies. In May, after Glazer was asked on an analyst call if the company could have bitcoin or other cryptocurrencies on its balance sheet, he said, "The short answer is, yes, we're thinking about it, and we've even discussed internally."

➤ **Federal Reserve preparing for taper this year, July minutes show.**

Federal Reserve officials at their July gathering made plans to pull back the pace of their monthly bond purchases likely before the end of the year, meeting minutes released Wednesday indicated.

However, the summary of the July 27-28 Federal Open Market Committee gathering indicated that the central bankers wanted to be clear that the reduction, or tapering, of assets was not a precursor to an imminent rate hike. The minutes noted that "some" members preferred to wait until early in 2022 to start tapering.

"Looking ahead, most participants noted that, provided that the economy were to evolve broadly as they anticipated, they judged that it could be appropriate to start reducing the pace of asset purchases this year," the minutes stated, adding that the economy had reached its goal on inflation and was "close to being satisfied" with the progress of job growth.

However, committee members broadly agreed that employment has not met the "substantial further progress" benchmark the Fed has set before it would consider raising rates.

Addressing interest rate concerns, committee members also stressed the need to "reaffirm the absence of any mechanical link between the timing of tapering and that of an eventual increase in the target range for the federal funds rate."

Fed officials have said repeatedly that tapering will happen first, with interest rate hikes unlikely until the process has been completed and the central bank isn't growing its balance sheet anymore.

Markets briefly rebounded after the minutes' release but then turned negative again, with the Dow Jones Industrial Average down more than 150 points.

The FOMC voted at the meeting to keep short-term interest rates anchored near zero while also expressing optimism about the pace of economic growth.

Sources: CNBC.com



Your Weekend Wire

News Flow

While the message about tapering had been telegraphed, the Fed has a difficult communications job in making sure its strategy is clearly outlined. There are concerns in the market that the Fed might set its tapering pace on a strict course even if the economy sours.

The post-meeting statement painted a generally upbeat look on the economy, but the minutes noted some misgivings.

Officials judged that “uncertainty was quite high” about the outlook, with the Covid-19 delta variant posing one challenge and inflation another. Some members noted “upside risks to inflation,” that conditions Fed officials have labeled as transitory might last longer than anticipated.

Those worried about inflation said tapering should start “relatively soon in light of the risk that the recent high inflation readings could prove to be more persistent than they had anticipated.”

However, the minutes noted substantial differences of opinion, with some members even worried that inflation could go back into a downward drift if Covid cases keep rising and potentially dampening economic growth.

While the market is expecting tapering soon, it still doesn’t see interest rate hikes coming at least for another year or so. Futures contracts tied to the fed’s benchmark interest rate are pricing in about a 50% chance of a rate hike in November 2022 and a 69% chance of an increase the next month.

There also was talk about “elevated valuations” across asset classes, with some members worrying that easy Fed policy was raising prices and threatening financial stability.

Sources: CNBC.com

Your Weekend Wire

The week ahead

Date	Time	Country	Indicator Name	Period	Reuters Poll	Prior	SmartEstimate®	Predicted Surprise
23.08.2021	02:30	Japan	Jibun Bank Mfg PMI Flash	Aug		53.0		
23.08.2021	09:15	France	Markit Mfg Flash PMI	Aug		58.0		
23.08.2021	09:15	France	Markit Serv Flash PMI	Aug		56.8		
23.08.2021	09:15	France	Markit Comp Flash PMI	Aug		56.6		
23.08.2021	09:30	Germany	Markit Mfg Flash PMI	Aug		65.9		
23.08.2021	09:30	Germany	Markit Service Flash PMI	Aug		61.8		
23.08.2021	09:30	Germany	Markit Comp Flash PMI	Aug		62.4		
23.08.2021	10:30	United Kingdom	Flash Composite PMI	Aug		59.2		
23.08.2021	10:30	United Kingdom	Flash Manufacturing PMI	Aug		60.4		
23.08.2021	10:30	United Kingdom	Flash Services PMI	Aug		59.6		
23.08.2021	12:00	United Kingdom	CBI Trends - Orders	Aug		17		
23.08.2021	15:45	United States	Markit Comp Flash PMI	Aug		59.9		
23.08.2021	15:45	United States	Markit Mfg PMI Flash	Aug		63.4		
23.08.2021	15:45	United States	Markit Svcs PMI Flash	Aug		59.9		
23.08.2021	16:00	United States	Existing Home Sales	Jul	5.85M	5.86M	5.846M	-0.004M
23.08.2021	16:00	United States	Exist. Home Sales % Chg	Jul		1.4%		

Date	Time	Country	Indicator Name	Period	Reuters Poll	Prior	SmartEstimate®	Predicted Surprise
24.08.2021	08:00	Germany	GDP Detailed QQ SA	Q2		1.5%		
24.08.2021	08:00	Germany	GDP Detailed YY NSA	Q2		9.6%		
24.08.2021	14:00	United States	Build Permits R Numb	Jul				
24.08.2021	14:00	United States	Build Permits R Chg MM	Jul				
24.08.2021	14:55	United States	Redbook YY	16 Aug, w/e				
24.08.2021	16:00	United States	New Home Sales-Units	Jul	0.700M	0.676M	0.7086M	0.0086M
24.08.2021	16:00	United States	New Home Sales Chg MM	Jul		-6.6%		
24.08.2021	16:00	United States	Rich Fed Comp. Index	Aug		27		
24.08.2021	16:00	United States	Rich Fed, Services Index	Aug		19		
24.08.2021	16:00	United States	Rich Fed Mfg Shipments	Aug		21		

Date	Time	Country	Indicator Name	Period	Reuters Poll	Prior	SmartEstimate®	Predicted Surprise
25.08.2021	10:00	Germany	Ifo Business Climate New	Aug		100.8		
25.08.2021	10:00	Germany	Ifo Curr Conditions New	Aug		100.4		
25.08.2021	10:00	Germany	Ifo Expectations New	Aug		101.2		
25.08.2021	12:00	United Kingdom	CBI Distributive Trades	Aug		23		
25.08.2021	13:00	United States	MBA 30-Yr Mortgage Rate	16 Aug, w/e				
25.08.2021	14:30	United States	Durable Goods	Jul	-0.4%	0.9%	-0.21%	0.19%
25.08.2021	14:30	United States	Durables Ex-Transport	Jul	0.5%	0.5%	0.44%	-0.06%
25.08.2021	14:30	United States	Durables Ex-Defense MM	Jul		1.1%		
25.08.2021	14:30	United States	Nondefe Cap Ex-Air	Jul	0.5%	0.7%	0.48%	-0.02%
25.08.2021	15:00	Belgium	Leading Indicator	Aug		10.1		

Source: Refinitiv

Your Weekend Wire

The week ahead

Date	Time	Country	Indicator Name	Period	Reuters Poll	Prior	SmartEstimate®	Predicted Surprise
26.08.2021	08:30	Switzerland	Non-Farm Payrolls	Q2		5.101M		
26.08.2021	08:45	France	Business Climate Mfg	Aug		110		
26.08.2021	09:30	Sweden	PPI MM	Jul		1.5%		
26.08.2021	09:30	Sweden	PPI YY	Jul		9.6%		
26.08.2021	09:30	Sweden	Unemployment Rate	Jul		10.3%		
26.08.2021	09:30	Sweden	Unemployment Rate SA	Jul		9.5%		
26.08.2021	09:30	Sweden	Total Employment	Jul		5.144M		
26.08.2021	10:00	Italy	Industrial Sales MM SA	Jun		-1.0%		
26.08.2021	10:00	Italy	Industrial Sales YY WDA	Jun		40.2%		
26.08.2021	14:30	United States	Corporate Profits Prelim	Q2		1.7%		
26.08.2021	14:30	United States	GDP 2nd Estimate	Q2	6.6%	6.5%	6.57%	-0.03%
26.08.2021	14:30	United States	GDP Sales Prelim	Q2		7.7%		
26.08.2021	14:30	United States	GDP Cons Spending Prelim	Q2		11.8%		
26.08.2021	14:30	United States	GDP Deflator Prelim	Q2		6.1%		
26.08.2021	14:30	United States	Core PCE Prices Prelim	Q2		6.1%		
26.08.2021	14:30	United States	PCE Prices Prelim	Q2		6.4%		
26.08.2021	14:30	United States	Initial Jobless Clm	16 Aug, w/e				
26.08.2021	14:30	United States	Jobless Clm 4Wk Avg	16 Aug, w/e				
26.08.2021	14:30	United States	Cont Jobless Clm	9 Aug, w/e				
26.08.2021	17:00	United States	KC Fed Manufacturing	Aug		41		
26.08.2021	17:00	United States	KC Fed Composite Index	Aug		30		

Sources: Refinitiv

Your Weekend Wire

The week ahead

Date	Time	Country	Indicator Name	Period	Reuters Poll	Prior	SmartEstimate®	Predicted Surprise
27.08.2021	09:00	Sweden	Overall Sentiment	Aug		122.4		
27.08.2021	09:00	Sweden	Manufacturing Confidence	Aug		129.2		
27.08.2021	09:00	Sweden	Total Industry Sentiment	Aug		122.9		
27.08.2021	09:30	Sweden	GDP Final YY	Q2		10.0%		
27.08.2021	09:30	Sweden	GDP Final QQ	Q2		0.9%		
27.08.2021	09:30	Sweden	Trade Balance	Jul		10.3B		
27.08.2021	09:30	Sweden	Swedish Exports (BLN SEK)	Jul		144.2B		
27.08.2021	09:30	Sweden	Swedish Imports (BLN SEK)	Jul		133.9B		
27.08.2021	10:00	Italy	Mfg Business Confidence	Aug		115.7		
27.08.2021	14:30	United States	Personal Income MM	Jul	0.3%	0.1%	0.25%	-0.05%
27.08.2021	14:30	United States	Personal Consump Real MM	Jul		0.5%		
27.08.2021	14:30	United States	Consumption, Adjusted MM	Jul	0.4%	1.0%	0.49%	0.09%
27.08.2021	14:30	United States	Core PCE Price Index MM	Jul	0.4%	0.4%	0.36%	-0.04%
27.08.2021	14:30	United States	Core PCE Price Index YY	Jul	3.6%	3.5%	3.63%	0.03%
27.08.2021	14:30	United States	PCE Price Index MM	Jul		0.5%		
27.08.2021	14:30	United States	PCE Price Index YY	Jul		4.0%		
27.08.2021	14:30	United States	Adv Goods Trade Balance	Jul		-92.05B		
27.08.2021	14:30	United States	Wholesale Inventories Adv	Jul		1.1%		
27.08.2021	14:30	United States	Retail Inventories Ex-Auto Adv	Jul				
27.08.2021	14:30	Canada	Producer Prices MM	Jul		0.0%		
27.08.2021	14:30	Canada	Producer Prices YY	Jul		16.8%		
27.08.2021	14:30	Canada	Raw Materials Prices MM	Jul		3.9%		
27.08.2021	14:30	Canada	Raw Materials Prices YY	Jul		38.1%		
27.08.2021	17:00	Canada	Budget Balance, C\$	Jun		-13.98B		
27.08.2021	17:00	Canada	Budget, Year-To-Date, C\$	Jun		-23.76B		
27.08.2021	18:00	United States	Dallas Fed PCE	Jul		2.3%		

Sources: Refinitiv

Your Weekend Wire Figures

Currencies

EURUSD	1.1681	Weekly Change
Week Low	Week High	
1.1665	1.1800	-0.94%

GBPUSD	1.3620	Weekly Change
Week Low	Week High	
1.3603	1.3877	-1.57%

EURCHF	1.0723	Weekly Change
Week Low	Week High	
1.0697	1.0805	-0.75%

AUDUSD	0.7132	Weekly Change
Week Low	Week High	
0.7107	0.7373	-3.12%

USDCHF	0.9178	Weekly Change
Week Low	Week High	
0.9101	0.9206	0.20%

USDCAD	1.2846	Weekly Change
Week Low	Week High	
1.2512	1.2948	2.66%

USDTRY	8.4999	Weekly Change
Week Low	Week High	
8.2862	8.5592	-0.23%

EURGBP	0.8574	Weekly Change
Week Low	Week High	
0.8485	0.8582	0.86%

Indices and Commodities

Eurostoxx 50	4 144.66
Week Change	YTD
-1.60%	16.00%

Gold	1783.7559
Week Change	YTD
0.26%	-6.02%

SMI	12 412.42
Week Change	YTD
-0.49%	15.88%

WTI	63.2500
Week Change	YTD
-6.59%	32.82%

S&P 500	4 432.70
Week Change	YTD
-1.39%	17.30%

US 10Y Yield	1.2467
Week bp Change	YTD bp Change
-8.53	33.109

VIX	19.64
Week Change	YTD
40.26%	-4.75%

EU 10Y Yield	-0.4930
Week bp Change	YTD bp Change
-3.30	5.53



Your CRYPTO Weekend Wire

Crypto Market Cap: \$2,034,249,211,853

Dominance*: BTC: 43.5% ETH: 18.5%

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

News Flow

➤ It just got harder and less profitable to mine for bitcoin as algorithm adjusts.

It just got harder and less profitable to mine for bitcoin.

Every 2016 blocks, or about every two weeks, bitcoin resets how tough it is for miners to mine. Early Friday morning, as expected, the bitcoin code automatically made it about 7.3% more difficult to solve a block.

Historically speaking, this spike in difficulty is on the larger side, but it isn't surprising, nor is it alarming. But it marks the first sizable increase since the Chinese mining ban took effect and serves as confirmation of a trend, we already knew was underway: Some of the miners that used to be in China are finding new homes elsewhere.

And while it may not be quite as lucrative to mint bitcoin as it was before the algorithm self-corrected, miners are continuing to make way more money now than they were before China's crypto crackdown in May.

"Hashrate levels are still down 42.1% from the peak in May 2021 when the China exodus happened," said Jason Deane, an analyst at crypto advisory firm Quantum Economics. That hashrate deficit means that those plugged into the bitcoin network right now are making bank.

When China kicked out all its miners this spring, more than half the computing power in the bitcoin network went dark. Miners elsewhere on the globe had to pick up the slack. Fewer people and less computing power meant that it was taking longer to verify transactions and mint new bitcoin.

So, like clockwork, the bitcoin algorithm self-corrected for this deviation from the norm, and in July, the network saw a totally unprecedented 28% drop in the difficulty level. Suddenly, it was easier to create new bitcoin, and the world's mining collective was back to solving blocks of transactions in an average of ten minutes.

This feature of the bitcoin code is a critical part of its network architecture.

This spring, an entire country – which signified 54% of bitcoin's total hashrate – went offline, and bitcoin didn't miss a beat.

"There was no downtime whatsoever to the bitcoin network. That's the smartest part of the bitcoin software: the difficulty adjustment," said bitcoin mining engineer Brandon Arvanaghi.

The entire episode was considered a "black swan" event for the industry, and according to crypto miner Alejandro de la Torre, it also made a whole lot of people much richer.

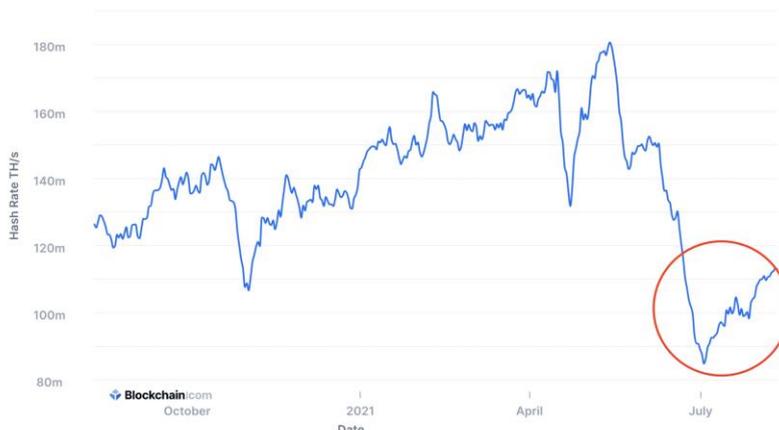
Now, with the new adjustment, Deane tells CNBC it's essentially 7.3% less profitable to mine bitcoin post upgrade.

"Assuming your energy cost and hashrate remain unchanged, the calculation really is as simple as it first appears," said Deane.

The difficulty adjustment also reflects the fact that the mining world has already touched bottom in terms of global hashrate. Since the end of June, miners have been coming back online fast.

Total Hash Rate (TH/s)

The estimated number of terahashes per second the bitcoin network is performing in the last 24 hours.



Sources: Bloomberg/Refinitiv/cnbc.com



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“We have seen the bottom of the hashrate decline, and it is nothing but up from here,” said Mike Colyer, CEO of digital currency company Foundry, which helped bring over \$300 million of mining equipment into North America.

“This next adjustment reflects the fact that miners are building out capacity and plugging in new machines. There is an enormous number of machines coming out of China that need to find new homes,” continued Colyer.

Some of the machines coming back online are the same ones that were plugged in across China.

“Most of these guys are unable to move to the U.S. because of capital restraints, because they don’t speak any English and they’ve never left the Sichuan region in their whole lives...What they did instead was sell all their machines,” explained De La Torre, vice president of Singapore-headquartered mining pool Poolin.

“There’s been a flurry of activity in the selling of these machines across the globe,” he said.

But many of the ASICs coming online are straight off production lines from the biggest manufacturers on the planet, like Bitmain and Whatsminer. These newer rigs are more efficient, and Colyer says that they get about double the hashpower for the same amount of electricity.

In fact, many mining insiders predict that most of the old-generation equipment will never come back online, meaning the entire network will become more efficient – and spark more competition among miners.

“Newer machines have considerably higher hashrate than their predecessors so we will likely see hashrate continue to move back to a new all-time high sometime in the next 12 months,” said Whit Gibbs, CEO and founder of bitcoin mining service provider Compass.

Several of these new machines are currently in transit to buyers, according to Deane. Some of the larger players have tens of thousands of new ASICs on order which are due to come online over the next 12 months.

“This means difficulty will continue to increase steadily, and probably quite significantly, over that same period,” said Deane.

In the meantime, Colyer says to expect difficulty adjustments of more than 10% each month from this point forward. He thinks it will take another nine to twelve months for the difficulty to double.

➤ **Nearly all the \$600 million stolen in a huge crypto heist has been returned — but there’s a catch.**

Nearly all the \$600 million stolen in one of the biggest cryptocurrency heists ever has now been returned by hackers, according to the platform targeted in the hack.

Poly Network said Thursday that all the funds except \$33 million worth of the tether digital coin have been transferred back.

The issuer of tether, a so-called stablecoin pegged to the U.S. dollar, used a built-in failsafe to freeze the assets soon after the theft.

In an unusual turn of events Wednesday, an anonymous person claiming to be the hacker said they were “ready to return” the funds. The identity of the hacker, or hackers, is not known.

Poly Network requested they send the money to three digital currency wallets. And, sure enough, the hacker had returned more than \$342 million of the funds to those wallets by Thursday.

But there’s a catch. While almost all of the haul has been sent back to Poly Network, the last \$268 million of assets is locked in an account that requires passwords from Poly Network and the hacker to gain access.

“It’s likely that keys held by both Poly Network and the hacker would be required to move the funds — so the hacker could still make these funds inaccessible if they chose to,” Tom Robinson, chief scientist of blockchain analytics firm Elliptic, said in a blogpost Friday.

In a message embedded in a digital currency transaction, the suspected hacker said they would “provide the final key when `_everyone_` is ready.”

Poly Network is what’s known as a “decentralized finance” system. DeFi projects aim to use blockchain — the technology which underpins most cryptocurrencies — to replicate traditional financial services like loans and trading.

In Poly Network’s case, the DeFi system allows users to transfer tokens from one blockchain to another.

Someone exploited a vulnerability in Poly Network’s code, allowing the hacker to transfer tokens to their own crypto wallets. The platform lost more than \$610 million in the attack, according to researchers at security firm SlowMist.

Poly Network called it “the biggest in defi history.”

The self-proclaimed hacker claims they carried out the theft “for fun” and that it was “always the plan” to eventually return the funds.

Sources: [Bloomberg/Refinitiv/cnbc.com/coinmarketcap.com](https://www.bloomberg.com/news/articles/2019-07-18/crypto-heist-funds-returned-but-catch)



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CNBC could not independently verify the authenticity of the messages.

In a further message, the hacker claimed Poly Network offered them a \$500,000 bounty to send all of the money back, and that they turned it down. The hacker shared what appears to be a statement from Poly Network promising that they would “not be held accountable for this incident,” effectively granting them immunity.

Poly Network did not return a request for comment from CNBC by the time of publication.

“Offering immunity may have sounded like a smart move from Poly Network to dangle a carrot, but it is unlikely that the authorities would agree with this decision nor even allow it,” said Jake Moore, a specialist at cybersecurity firm ESET.

“This attack is likely to have been watched closely by cybercriminals and law enforcement alike, potentially opening up the possibility of copycat attacks.”

Robinson said the hacker “might well still find themselves being pursued by the authorities.”

“Their activities have left numerous digital breadcrumbs on the blockchain for law enforcement to follow.”

Cryptocurrencies are often the go-to for cybercriminals, particularly in ransomware attacks that lock down organizations’ systems or steal data while demanding a ransom payment to recover access.

That’s because the people sending and receiving digital currencies aren’t revealing their identities. However, it has become possible to trace the location of the funds by analyzing the blockchain, which contains a public record of all historical crypto transactions.

➤ **Crypto market tops \$2 trillion for the first time in nearly 3 months as bitcoin rallies.**

Bitcoin topped \$48,000 over the weekend, its highest level since mid-May but pared some of those gains on Monday.

On Saturday, the digital coin hit \$48,126.47, its highest level since May 17, according to Coindesk data. Around 2:49 a.m. ET on Monday, bitcoin was trading at \$47,442.40

The bitcoin recovery comes after it sold off heavily in June and July, even dropping below \$30,000 following a record high of over \$64,000 in April.

“I do believe this (bitcoin’s rise) is the result of massive accumulation” when bitcoin was trading around \$29,000 to \$30,000, according to Vijay Ayyar, head of business development at cryptocurrency exchange Luno.

Bitcoin’s rise helped push the value of the entire cryptocurrency market above \$2 trillion on Saturday for the first time since mid-May, according to data from CoinMarketCap which tracks the prices of digital coins.

The crypto market has faced several headwinds over the summer. One of the biggest was the renewed regulatory scrutiny on the industry from authorities in China which has forced bitcoin mining operations to shut down and move elsewhere. That was one of the biggest reasons for bitcoin dropping below the \$30,000 level.

Meanwhile, the U.S. Senate passed a massive infrastructure bill last week without any of the proposed amendments on crypto tax reporting that had delayed its passage. That was seen as a blow for the crypto community, but some said it showed the U.S. government was taking the industry seriously.

These “fundamental regulatory roadblocks” have “clipped the market’s wings” in the near term, said Jehan Chu, founder of cryptocurrency-focused venture capital and trading firm Kenetic Capital.

He said that while bitcoin may surge to \$55,000, investors should expect a “significant pullback to sub-\$30k levels, resetting the stage for a long steady march” to \$100,000 in 2022.

More negative news came this month after hackers stole \$600 million in one of the biggest cryptocurrency heists in history. But in a bizarre turn of the events, the hackers eventually returned nearly all of the stolen money.

This didn’t seem to faze the bitcoin bulls.

Luno’s Ayyar said that bitcoin is approaching resistance levels between \$48,000 and \$50,000.

“I wouldn’t expect bitcoin to run through in one shot,” Ayyar said, adding that if it does break that level of support, then the digital coin is “definitely looking to go back to all-time highs.”

Sources: [Bloomberg/Refinitiv/cnbc.com/coinmarketcap.com/Newsnow.com](https://www.bloomberg.com/refinitiv/cnbc.com/coinmarketcap.com/Newsnow.com)



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➤ **Walmart seeks crypto product lead to drive digital currency strategy.**

North American retail giant Walmart is looking for an experienced crypto expert who can develop and drive an ambitious digital currency strategy and product roadmap.

In the listing for the role, Walmart indicates it is looking for someone who has a track record in leading and scaling businesses, with at least 10 years of experience in product/program management and technology-based product commercialization. The ideal candidate should have expertise in cryptocurrencies and blockchain-related technologies and in-depth knowledge of the crypto ecosystem and its core actors.

Walmart has hinted at the focus of its future digital currency strategy by noting that it already enables a “broad set of payment options for its customers” — although not yet in cryptocurrency. Back in 2019, Walmart had already filed a patent for a blockchain-based United States dollar-backed digital currency that was, at the time, like Facebook’s early proposals for what was then known as Libra.

This year, Walmart created a fintech venture called “Hazel,” which could reportedly be poised to offer a wide range of financial services integrated into a “mobile-first ‘super-app.’”

Walmart’s future Digital Currency and Crypto Product Lead will be based in the company’s home office in Bentonville, Arkansas. In addition to developing and driving an overall crypto strategy, their key tasks will be to involve identifying customer needs and translating them into product requirements; forging partnerships with product, technology and design leaders; committing to a crypto product roadmap and driving the project’s execution; and identifying crypto-related investment opportunities and partnerships.

Among North American megafirms, Walmart is not alone in seeking to integrate digital currency into its e-commerce and wider business strategy. This February, Amazon posted a job listing for a leader to oversee a new digital currency service in Mexico that would allow users to spend digital currency while shopping.

In addition to its slow foray into digital currency proper, Walmart’s blockchain-related projects have to date centered on using the technology for applications that include supply chain management, customer marketplaces and smart appliances.

➤ **Microsoft wants to use Ethereum blockchain to fight piracy.**

Windows operating system and Office productivity suite have always been top performers on any software piracy platforms. So, it’s no wonder that Microsoft, the developer of both products, works hard to establish anti-piracy measures.

In a new paper released by Microsoft’s research department, with the participation of researchers from Alibaba and Carnegie Mellon University, the Redmond-based software giant studied a blockchain-based incentive system to bolster anti-piracy campaigns.

As the title of the research, “Argus: A Fully Transparent Incentive System for Anti-Piracy Campaigns,” suggests, Microsoft’s new system relies on the transparency aspect of blockchain technology. Built on the Ethereum blockchain, Argus aims to provide a trustless incentive mechanism while protecting data collected from the open anonymous population of piracy reporters.

“We see this as a distributed system problem,” the paper stated, “In the implementation, we overcome a set of unavoidable obstacles to ensure security despite full transparency.”

Argus enables back tracing of pirated content to the source with a corresponding watermark algorithm, which is detailed in the paper. Also named “proof of leakage,” each report of leaked content involves an information-hiding procedure. This way, only the informer can report the same watermarked copy without owning it.

The system also has incentive-reducing safeguards to prevent an informer from reporting the same leaked content over and over under different aliases. “With the security and practicality of Argus, we hope real-world antipiracy campaigns will be truly effective by shifting to a fully transparent incentive mechanism,” the report stated.

Detailing the issue of Ethereum network fees, the paper explained that the team optimized several cryptographic operations “so that the cost for piracy reporting is reduced to an equivalent cost of sending about 14 ETH-transfer transactions to run on the public Ethereum network, which would otherwise correspond to thousands of transactions.”

Tech companies worldwide have become increasingly concerned with protecting intellectual property and fighting digital piracy. As Cointelegraph previously reported, Tech Mahindra, the IT subsidiary of Indian conglomerate Mahindra Group, recently launched a new blockchain-based digital contracts and rights platform on IBM’s Hyperledger Fabric protocol for the media and entertainment industry.

Sources: [Bloomberg/Refinitiv/cnbc.com](https://www.bloomberg.com/news/articles/2020-02-11/walmart-seeks-crypto-product-lead)/[coinmarketcap.com/Newsnow.com](https://www.coinmarketcap.com/newsnow.com)

➤ Peter Thiel-backed crypto broker **Bitpanda** triples valuation in five months to \$4.1 billion.

Bitpanda, a European cryptocurrency trading platform, has raised \$263 million in a fresh round of funding valuing the company at \$4.1 billion.

That's more than three times the \$1.2 billion Bitpanda was worth in its last private financing round five months ago. The latest cash injection brings the company's total raised to nearly \$500 million.

The investment was led by Valar Ventures, the venture capital firm co-founded by U.S. tech billionaire Peter Thiel. It's the third time Valar has backed Bitpanda since its first major funding round, announced in September.

"I don't like to do fundraising," Eric Demuth, Bitpanda's CEO and co-founder, told CNBC. "It's very time-consuming."

"When you have partners, you have a close connection with, and they have deep pockets, you don't have to do the whole roadshow," Demuth said. Valar "wanted to double down and we wanted to stay with them," he added. "It was quite an easy process."

British billionaire hedge fund manager Alan Howard and REDO Ventures also invested in Bitpanda's latest round, along with existing investors LeadBlock Partners and Jump Capital.

Founded in 2014, Bitpanda is a Vienna-based brokerage firm that lets people buy and sell cryptocurrencies and precious metals. The company also began testing a service this year that lets users trade stocks around the clock.

"By the end of the year, I think you'll have a really good offering for stocks," Demuth said.

Bitpanda is one of many online brokers in Europe attracting growing interest from investors, thanks in part to the "meme stock" trading frenzy. Retail traders piled into unloved stocks like GameStop and AMC, taking inspiration from a popular Reddit forum. That boosted trading volumes at digital platforms such as Robinhood.

Bitpanda's competitors include Revolut, Trade Republic and eToro.

One way the company hopes to differentiate from rivals is by licensing its technology to banks and fintech companies. It declined to name any clients but said several big firms were already implementing the system and will be able offer crypto and stock trading in a matter of months.

Bitpanda makes its money from the spread between what someone is willing to pay for an asset and the price at which that asset is sold. The start-up has been profitable for five years, Demuth said.

Profitability is a rarity in fintech, with many venture-backed companies in the space racking up heavy losses. Revolut, which was last valued at \$33 billion, lost £167.8 million (\$232.3 million) in 2020, up 57% from a year earlier.

Demuth said several fintech companies are raising money at lofty valuations out of "hype" and a "fear of missing out."

"I'm very skeptical about this," he said. "Many companies, especially in the fintech area, are purely based on a combination of hype and growth. But the growth is mostly paid, so you have a product that is for free, and you are simply buying your customers."

Bitpanda didn't provide a breakdown of how much money it makes each year, but said revenues were on track to rise sevenfold in 2021. The platform now has more than 3 million users.

The firm only operates in Europe, with offices in Vienna, Berlin, London, Paris, Barcelona, Milan and Krakow. It plans to use the money to expand in key markets like France, Spain, Italy and Portugal.

The boost in Bitpanda's valuation comes at a time of great momentum for the nascent cryptocurrency industry.

Digital currency investors have been on a wild ride this year, with the prices of bitcoin and other major cryptocurrencies hitting record highs in April and May before tumbling sharply in the weeks that followed.

More recently, bitcoin and smaller digital coin ether have made a strong comeback, pushing the entire crypto market across the \$2 trillion mark for the first time in three months.

The main headwind for crypto lately has been the threat of regulation. China has cracked down on speculative investing in digital assets, while the recently approved U.S. infrastructure bill includes a provision that crypto advocates say may harm the industry.

Europe has been slower to regulate the crypto industry than its global peers, Demuth said. But he is encouraged by new EU rules aimed at bringing the sector under regulatory supervision.

Sources: [Bloomberg/Refinitiv/cnbc.com/coinmarketcap.com/Newsnow.com](https://www.bloomberg.com/refinitiv/cnbc.com/coinmarketcap.com/Newsnow.com)



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“From the drafts I’ve seen so far, it looks like it will not have a bad impact,” he said. “Of course, they can always mess it up at the last minute.”

Fintech has birthed several multibillion-dollar public companies lately, with the likes of Coinbase, Robinhood and Affirm all listing this year. In Europe, Wise — the British fintech formerly known as TransferWise — went public in a rare direct listing in London. While Bitpanda has no immediate plans to go public, Demuth said he “really liked” how Wise listed. Instead of hiring investment banks to underwrite its offering, Wise listed directly on the London market without raising any money. Bitpanda’s CEO insisted nothing has been decided yet, but firmly ruled out merging with a special-purpose acquisition company, or SPAC. SPACs are blank-check companies that list with the aim of taking another company public. “Bad examples of IPO are the SPAC mania,” Demuth said. Last month, U.S. digital currency company Circle said it planned to go public in a \$4.5 billion SPAC deal.

➤ **Crypto platform hit by \$600 million heist asks hacker to become its chief security advisor.**

The cryptocurrency platform targeted in a massive heist is now inviting the hacker behind it to become an advisor to the firm, and promising a \$500,000 reward for the restoration of user funds. Poly Network, a so-called decentralized finance or “DeFi” project, was hit with a major attack last week which saw the hacker, or hackers, make off with more than \$600 million worth of tokens. Poly Network lets users swap tokens from one digital ledger to another. Someone exploited a flaw in Poly Network’s code which allowed them to transfer the assets to their own crypto wallets. It is thought to be the largest crypto heist of all time, surpassing the \$534.8 million in digital coins stolen from Japanese exchange Coincheck in a 2018 attack and the estimated \$450 million worth of bitcoin that went missing from Tokyo-based exchange Mt. Gox in 2014. In Poly Network’s case, the hacker has taken the unusual step of returning most of the stolen money. All but \$33 million of the crypto has now been returned. However, more than \$200 million of the funds is currently locked in an account that requires passwords from Poly Network and the hacker to gain access. Poly Network has pleaded with the hacker, who it is calling “Mr. White Hat,” to provide the password — known as a “private key” — necessary to retrieve the money. “Mr. White Hat” is a reference to ethical hackers who search for vulnerabilities in organizations’ systems that could expose them to attacks. Security researchers have questioned the labeling of the Poly Network attacker as a white hat hacker. It’s not clear why the hacker is withholding access to the final tranche of assets. An anonymous person claiming to be the hacker has simply said they will provide the key once “everyone is ready.” Last week, it was revealed that Poly Network had offered a \$500,000 “bug bounty” to send all of the money back. Such bounties are typically rewarded to people who report bugs to help companies find and resolve flaws before they are disclosed to the general public. The hacker initially turned down the bounty offer. However, in a message embedded in a digital currency transaction Monday, the hacker said “I am considering taking the bounty as a bonus for public hackers if they can hack the Poly Network.” Poly Network said Tuesday that it hoped to implement a “significant system upgrade” to prevent such an attack from happening again in future, but that it couldn’t do so until all the remaining assets are returned. The group said its promise to reward “Mr. White Hat” with a \$500,000 bounty still stands, and even invited the hacker to become its “chief security advisor.” “To extend our thanks and encourage Mr. White Hat to continue contributing to security advancement in the blockchain world together with Poly Network, we cordially invite Mr. White Hat to be the Chief Security Advisor of Poly Network,” the firm said in a statement. “Poly Network previously promised to reward Mr. White Hat with a \$500,000 bug bounty, but he did not accept it and has publicly stated that he has considered offering it to the technical community who have made contributions to blockchain security,” Poly Network added.

Sources: [Bloomberg/Refinitiv/cnbc.com/coinmarketcap.com/Newsnow.com](https://www.bloomberg.com/news/articles/2021-08-16-crypto-platform-hit-by-600-million-heist-asks-hacker-to-become-its-chief-security-advisor)



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Sources: [Bloomberg/Refinitiv/cnbc.com](https://www.bloomberg.com/news/articles/2021-08-16-bitpanda-asks-hacker-to-join-as-security-advisor) | [coinmarketcap.com/Newsnow.com](https://www.coinmarketcap.com/newsnow.com)



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“We fully respect Mr. White Hat’s thoughts, and to express our gratitude, we will still transfer this \$500,000 bounty to a wallet address approved by Mr. White Hat for him to use it at his own discretion for the cause of cybersecurity and supporting more projects and individuals.” Poly Network said it “has no intention of holding Mr. White Hat legally responsible” for the hack.

➤ **Bitcoin volatility will drive investors back to gold, says mining firm chairman.**

Wild swings in cryptocurrencies will eventually drive bitcoin investors to return to gold, says the executive chairman of gold mining firm Evolution Mining.

Jake Klein said bitcoin still has a “long way to go” before it demonstrates the kind of “longevity and security” that gold has proven to offer investors over the last 70 years.

Cryptocurrencies are “running a massive amount of speculative money,” he told CNBC’s “Squawk Box Asia” on Thursday.

“I think that the volatility in the crypto space is going to ultimately lead to people coming back to gold,” Klein said.

Gold prices fell last week, and analysts say they will likely drop further. Hedge fund manager David Neuhauser told CNBC earlier this week that the decline in gold prices is a “massive buying opportunity” for investors now.

Still, Klein said the two can coexist — there are opportunities for gold to “sit alongside” bitcoin, as opposed to bitcoin posing a threat to the precious metal.

Bullish investors view bitcoin as digital gold and a hedge against inflation, expecting the cryptocurrency to appreciate over time.

American investor Tyler Winklevoss, who founded Winklevoss Capital Management as well as Gemini cryptocurrency exchange, said last year that “bitcoin is gold 2.0” — and that it will disrupt gold.

Billionaire investor Kevin O’Leary said in April that “bitcoin will always be the ‘gold.’ Ethereum will always be the ‘silver.’”

However, there are also other investors who disagree.

Hedge fund manager Ray Dalio, despite owning an undisclosed amount of bitcoin, said earlier this month: “If you put a gun to my head, and you said, I can only have one, I would choose gold.”

Bitcoin topped \$48,000 over the weekend – the highest level since May. As of Thursday morning, during Asia hours, however, it pared some gains to last trade above \$44,000, according to CoinDesk data.

The weekend spike followed a sell-off in June and July, when bitcoin fell below \$30,000.

Gold prices have also been swinging between gains and losses this year. From levels above \$1,900 in January, prices fell to above \$1,700 in March.

In June, the precious metal spiked to nearly \$1,900 again, before paring gains to trade above \$1,700 in August.

➤ **Cryptocurrency traders seek damages from Binance after a major outage cost them millions.**

When Canadian cryptocurrency trader Fawaz Ahmed saw the price of Ethereum dropping, he knew it was time to get out. Unfortunately for him, he couldn’t.

Ahmed was trading on Binance, the world’s largest digital currency exchange by trading volume. And on May 19, Binance experienced a major outage which meant that, for about an hour, he was unable to exit his position.

That day, bitcoin and Ethereum posted their biggest one-day drops since March 2020, with the entire crypto market losing roughly \$1 trillion in value. When prices fell below a certain point, Ahmed’s position got wiped out. His personal losses came to about \$6 million.

“This loss was not fair,” Ahmed, a 33-year-old who trades full-time, told CNBC. “This is something which was out of my control.”

Binance’s customer service team gave Ahmed an “absurdly” low offer of compensation, he said.

Ahmed is one of hundreds of investors expected to take part in arbitration proceedings against Binance, seeking damages for the money they lost when the cryptocurrency exchange went offline.

Binance said it was unable to comment on “pending legal matters.”

“Our policy is fair in that we compensate users who experienced actual trading losses due to our system’s issues,” a spokesperson for the firm told CNBC. “We do not cover hypothetical ‘what could have been’ situations such as unrealized profits.”

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Sources: [Bloomberg/Refinitiv/cnbc.com/coinmarketcap.com/Newsnow.com](https://www.bloomberg.com/news/articles/2022-05-20/binance-outage-costs-crypto-traders-millions)



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Figures and Charts

Bankmed-Advisory published on TradingView.com, Aug 20, 2021 14:55 UTC+2

Bitcoin / U.S. Dollar, 1D, COINBASE O46769.02 H47395.99 L46644.95 C47166.50 +400.63 (+0.86%)
 Vol. 4.862K
 SMAs (8, 50, 100, 200, close, close, close, close) 46395.77 38328.11 37897.31 45712.45



BTC	47 024.11	Weekly Change
Week Low	Week High	1.55%
43 950.01	48 044.16	
Circulating Supply		
		18 791 431.00
Market Cap		
\$		883 544 650 727.00

TradingView

Bankmed-Advisory published on TradingView.com, Aug 20, 2021 14:56 UTC+2

Ethereum / U.S. Dollar, 1D, COINBASE O3184.32 H3245.66 L3178.65 C3237.76 +53.55 (+1.68%)
 Vol. 68.218K
 SMAs (8, 50, 100, 200, close, close, close, close) 3186.71 2485.10 2509.24 2313.26



ETH	3 222.80	Weekly Change
Week Low	Week High	0.87%
2951.97	3343.45	
Circulating Supply		
		117 178 067.00
Market Cap		
\$		376 797 229 388.00

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.



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- ❖ **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.



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❖ **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.



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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.



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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.*



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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.



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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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