



Your Weekend Wire

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➤ **Russia is building its military influence in Africa, challenging U.S. and French dominance.**

Russia is challenging the status quo in Africa, using insecurity and diplomatic disputes with Western powers as a springboard to expand its presence on the continent.

From Libya to Nigeria, Ethiopia to Mali, Moscow has been building key strategic military alliances and an increasingly favorable public profile across Africa in recent years.

Central to this effort is offering alternatives to countries that have grown disgruntled with Western diplomatic partnerships.

The second Russia-Africa Summit is scheduled for 2022. At the inaugural summit in Sochi in 2019, President Vladimir Putin vowed that Russia was “not going to participate in a new ‘repartition’ of the continent’s wealth; rather, we are ready to engage in competition for cooperation with Africa.”

Via the U.N., Russia has also provided aid in the form of food and medical assistance alongside its growing commercial, economic and military support across the continent.

In the past two months alone, Russia has signed military cooperation agreements with Nigeria and Ethiopia, Africa’s two most populous nations.

The Stockholm International Peace Research Institute estimates that Africa accounted for 18% of Russian arms exports between 2016 and 2020.

Russian mercenaries have also provided direct assistance to governments in Libya and the Central African Republic, according to the U.N. However, the Kremlin has denied links to the Wagner Group, a paramilitary organization alleged by the U.N. to be aiding human rights abuses in the region.

“A group of Russian instructors was sent to the CAR at the request of its leaders and with the knowledge of the UN Security Council Sanctions Committee on the CAR established by Resolution 2127,” a Russian foreign ministry statement said in July. “Indicatively, none of them has taken part in combat operations.”

Reuters reported in July that U.S. lawmakers had stalled a planned \$1 billion weapons sale to Nigeria over allegations of human rights abuses by the government.

Less than a month later, Russia signed a deal with President Muhammadu Buhari’s administration to supply military equipment, training and technology to Nigerian forces.

Although historically a key diplomatic and trade partner of the U.S., Buhari’s government found itself at odds with Washington amid the #EndSARS protests in 2020, and again after a recent fallout with Twitter.

Meanwhile, Islamist militant groups such as Boko Haram and the Islamic State’s West Africa Province have continued to wreak havoc in the northeast of the country.

This confluence of factors paving the way for Russian influence-building was also at play in Ethiopia. Russia has provided support for Prime Minister Abiy Ahmed’s government after Western governments balked at his forces’ military response to an insurgency in northern Tigray. Ethiopia felt the U.S. was aligning with Egypt in the ongoing dispute over the Grand Ethiopian Renaissance Dam. U.S. Secretary of State Antony Blinken further evoked the ire of Addis Ababa in March by accusing forces in Tigray of “ethnic cleansing.”

Russian Foreign Minister Sergey Lavrov then met with Ethiopian counterpart Demeke Mekonnen in June. Moscow proceeded with the deployment of election observers to Ethiopia, whereas the EU withdrew its observers, citing “ongoing violence across the country, human rights violations and political tensions, harassment of media workers and detained opposition members.”

Russia has supplied strategic weapons both as a potential defense against any Egyptian strike on the GERD and to aid government forces in Tigray.

“Gains by the Tigray Defence Force (TDF), which has captured parts of the Afar and Amhara regions in recent weeks, make the provision of desperately needed weapons all the more important for Addis Ababa, and Moscow is likely to oblige to such a request, possibly on a buy-now-pay-later basis,” said Louw Nel, senior political analyst at NKC African Economics.

In what Nel flagged as a “sign of things to come,” Ethiopia and Russia signed a military cooperation agreement in July, focused specifically on knowledge and technology transfers. However, Nel noted that Ethiopia will be “wary of allowing Russian personnel to be deployed there in anything other than a training capacity.”

Russia’s foreign ministry was not immediately available for comment when contacted by CNBC.

Sources: CNBC.com



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The U.S. has pledged to reignite its economic and commercial engagements in Africa, but a planned drawback of troops is giving way to extensive spending on operational bases and longer-term plans to sustain a strategic presence, according to a recent report from risk intelligence firm Pangea-Risk.

In 2018, then-U.S. national security advisor John Bolton singled out Russia's expansionist "influence across Africa," and Washington has been eager to retain a foothold on the continent.

The Biden administration is set to maintain the U.S. military's 27 operational outposts on the continent, while the country's Africa Command (Africom) is prioritizing counter-terrorism objectives in the Horn of Africa and the Sahel regions.

The U.S. is also establishing a presence in other strategically important regions, such as the Red Sea and the Gulf of Guinea. Some \$330 million is reportedly being spent by 2025 on U.S. military base construction and related infrastructure projects, while Africom is drawing up a 20-year strategic plan.

This will focus on counterterrorism, special forces operations and humanitarian support, along with safeguarding U.S. commercial interests in the face of growing Chinese and Russian presence.

The report noted that Cape Verdean authorities have since July 2020 agreed a Status of Forces Agreement with the U.S. military to allow U.S. troops to operate from its archipelago.

"Such an agreement makes sense given global geo-political competition in the West African region and the need to counter the growing risk of piracy in the Gulf of Guinea, both of which pose an existential threat to U.S. commercial interests," Pangea-Risk CEO Robert Besseling said.

"However, the one-year-old SOFA with Cape Verde raises questions over broader U.S. diplomatic and judicial engagements in the country, and whether this sets a pattern for U.S.–Africa relations going forward."

International Crisis Group Africa Program Director Comfort Ero, has said the "creeping build-up" of U.S. military on the continent was accompanied by mixed messaging, accusing both the U.S. and African governments of a lack of transparency.

The U.S. is likely to phase out its direct military presence in insecurity hotspots but continues to seek SOFA deals with countries of strategic importance, Pangea-Risk said, adding that Washington will be reluctant to withdraw entirely due to Chinese and Russian presence.

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➤ **South Korea's antitrust regulator fines Google \$177 million for abusing mobile market dominance.**

South Korea's competition regulator on Tuesday announced it will fine Google 207.4 billion Korean won (\$176.9 million) for allegedly using its dominant market position in the mobile operating system space to stifle competition.

Google's Android operating system currently holds the lion's share of the smartphone market, ahead of Apple's iOS platform.

The U.S. tech giant allegedly used its market position to block smartphone makers like Samsung from using operating systems developed by rivals, according to the Korea Fair Trade Commission.

Yonhap News added that the regulator, which published its decision in Korean, said the tech giant required smartphone makers to agree to an "anti-fragmentation agreement (AFA)" when signing key contracts with Google over app store licenses and early access to the operating system.

That agreement prevented device makers from installing modified versions of the Android operating system, known as "Android forks," on their handsets, Yonhap reported.

The regulator alleged that Google's practice stifled innovation in the development of new operating systems for smartphones, the news site added. The KFTC has asked the tech giant to stop forcing companies to sign AFAs and ordered it to take corrective steps, according to Yonhap.

A Google spokesperson argued that Android's compatibility program has spurred hardware and software innovation and brought success to Korean phone makers and developers.

"The KFTC's decision released today ignores these benefits and will undermine the advantages enjoyed by consumers. Google intends to appeal the KFTC's decision," the spokesperson told CNBC in a statement.

Tuesday's fine is small compared with the tech giant's quarterly figures. Last quarter, Google's parent company Alphabet reported \$61.88 billion in revenue.

Still, Tuesday's decision is the latest setback for the tech company in South Korea.

In late August, the country's parliament approved a bill that will allow app developers to avoid paying hefty commissions to major app store operators, including Google, by directing users to pay via alternate platforms.

Sources: CNBC.com



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➤ **Indebted developer China Evergrande says property sales continue to drop, warns again it could default.**

Embattled developer China Evergrande on Tuesday said its property sales will likely continue to drop significantly in September, resulting in a further deterioration of its cash situation.

The firm reiterated it could default on its debt, repeating a warning it issued two weeks ago. Evergrande has been trying to sell some assets to ease its liquidity crunch but said those efforts haven't yielded anything yet.

Evergrande's stock tumbled nearly 10% in morning trade. So far this year, it has plummeted nearly 80%.

Evergrande's sales have been steadily dropping since June. The Chinese property giant said in a filing with the Hong Kong stock exchange it expects a "significant" continued decline in sales this month.

That, Evergrande said, would lead to "the continuous deterioration of cash collection by the Group which would in turn place tremendous pressure on the Group's cashflow and liquidity."

"The month of September is typically when real estate companies in China record higher contract sales of properties. However, the ongoing negative media reports concerning the Group have dampened the confidence of potential property purchasers in the Group," the firm said in the filing.

Ratings agencies have repeatedly downgraded Evergrande since last year as the world's most indebted property developer struggles to remain liquid. The firm's financial position eroded especially after the Chinese government outlined rules to rein in the borrowing costs of developers. Those measures place a cap on debt in relation to a firm's cash flows, assets and capital levels.

The units Evergrande has been trying to sell include China Evergrande New Energy Vehicle and Evergrande Property Services. But so far, it hasn't entered into an agreement with any investors, and it remains "uncertain" whether the firm will be able to confirm any sale.

It also said it was actively exploring selling its office building in Hong Kong, the China Evergrande Centre in Wan Chai. However, that effort hasn't borne any fruit either.

Evergrande said it would continue to take measures to ease its liquidity issues, including "strictly" controlling costs, promoting sales and disposing of assets.

Evergrande also warned its escalating troubles could also lead to broader default risks.

"In view of the difficulties, challenges and uncertainties in improving its liquidity as mentioned above, there is no guarantee that the Group will be able to meet its financial obligations under the relevant financing documents and other contracts," it warned investors.

It said that if it was unable to repay its debt, it may lead to a situation of "cross default" under its existing financing arrangement and relevant creditors demanding payment.

A cross default means that a default triggered in one situation may spread to other obligations. That could lead to broader contagion in other sectors.

➤ **Solar prices jumped in the second quarter, reversing recent trends, on material costs and supply chain issues.**

The solar industry is among many sectors feeling the pinch of higher prices, according to a report released Tuesday by the Solar Energy Industries Association and Wood Mackenzie.

Prices rose quarter over quarter and year over year across every solar segment during the period. It's the first time that residential, commercial and utility solar costs have risen in tandem since the energy consultancy began tracking prices in 2014.

The most-significant cost pressures came from a jump in prices for raw materials, including steel and aluminum. Elevated shipping costs also played a role. The bulk of these impacts will likely start to show in 2022, since many companies have enough inventory to see them through the end of the year, according to the report.

Overall, the U.S. added 5.7 gigawatts of solar capacity during the period, a record for second-quarter installations. That also marks a 45% jump over 2020's level as the pandemic roiled the industry.

"The solar industry continues to demonstrate strong quarterly growth, and demand is high across every segment," Wood Mackenzie principal solar analyst Michelle Davis said. "But the industry is now bumping up against multiple challenges. ... Addressing these challenges will be critical to expanding the industry's growth and meeting clean energy targets."

A separate report from Rystad Energy released Friday said global solar panel prices have jumped 16% this year compared to 2020's levels. Overall costs, which include soft costs like labor, are up 12% in 2021. Rystad said this could potentially hurt the demand outlook for the next few years.

Sources: CNBC.com



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In the U.S., the industry is also facing regulatory overhangs and policy uncertainty. In June, U.S. Customs and Border Protection issued a Withhold Release Order on silica-based products from Hoshine Silicon Industry due to forced labor concerns in China's Xinjiang region. Separately, some U.S.-based companies have filed a petition with the Department of Commerce asking that tariffs on imported solar goods be extended to Malaysia, Vietnam and Thailand, according to SEIA.

All this comes as lawmakers debate the \$3.5 trillion spending package, which will have significant implications for the solar industry.

"What the industry needs is certainty," SEIA President and CEO Abigail Ross Hopper said. She believes the most-important provision is an extension of the Investment Tax Credit, which has been instrumental to solar's growth. The ITC, which was extended in December 2020, was included in The American Jobs Plan, but did not make it into the infrastructure bill's final iteration.

Hopper said support for domestic manufacturing is another priority for the trade group, noting that incentives around U.S.-based production could alleviate some of the supply chain bottlenecks the solar industry is currently facing.

Rising costs and a lack of clarity for the industry could harm President Joe Biden's ambitious climate goals. Solar costs have dropped more than 70% over the last decade, according to the Department of Energy, but they need to decline further for increased adoption.

The department issued Wednesday a blueprint detailing how solar could go from around 3% of electricity generation today to 45% by 2050, but it will be nearly impossible without supportive policies. The study said the U.S. installed a record 15 gigawatts of solar during 2020.

Installations will need to double each year through 2025, before quadrupling from 2020's levels annually between 2025 and 2030 if the U.S.' climate goals are to be met.

"This is a critical moment for our climate future but price increases, supply chain disruptions and a series of trade risks are threatening our ability to decarbonize the electric grid," Hopper said.

➤ **Sen. Elizabeth Warren urges the Fed to break up Wells Fargo.**

Sen. Elizabeth Warren on Tuesday urged the Federal Reserve to break up Wells Fargo, arguing a string of scandals at the financial titan puts consumers at risk.

In a letter to Fed Chair Jerome Powell, the Massachusetts Democrat called on the central bank's board of governors to use its authority to separate Wells Fargo's banking unit from its financial services businesses. She said the Fed could break up Wells Fargo by revoking its license to operate as a financial holding company.

"The Fed has the power to put consumers first, and it must use it," Warren wrote. "By invoking its full authority to protect consumers and the financial system and requiring Wells Fargo to separate its consumer-facing banking arm from the rest of its financial activities, the Fed can ensure that Wells Fargo faces appropriate consequences for its longstanding ungovernable behavior."

While Wells Fargo did not directly respond to Warren on Tuesday, it put out a press release highlighting efforts to change its practices and meet regulators' demands. The company said, "we are a different bank today than we were five years ago because we've made significant progress."

The financial giant pointed to moves to split business units into smaller groups, change company leaders, and create teams to better monitor sales practices and risks.

Wells Fargo shares were up slightly on Tuesday.

Washington has increased its scrutiny of Wells Fargo's practices since the 2016 revelation that the company created millions of bank accounts in real people's names without their knowledge or consent. Wells Fargo has paid more than \$4 billion in penalties since the scandal came to light.

The company's issues did not end there. Last week, the Office of the Comptroller of the Currency hit Wells Fargo with a \$250 million fine, saying it violated a 2018 consent order, a measure that requires financial institutions to address violations of regulatory standards.

Even so, Wells Fargo said last week that a 2016 Consumer Financial Protection Bureau consent order tied to the fake account scandal had expired. That could signal an easing of government pressure on the company.

The Fed put an asset cap on Wells Fargo in 2018.

Warren cited the scandal with fake accounts, and other practices in Wells Fargo's insurance and wealth management businesses, in contending the company is an "irredeemable repeat offender" with an "inability to meet regulatory requirements and treat its consumers honestly and fairly."

Sources: CNBC.com

➤ **Britain delays post-Brexit import trade controls again.**

Britain has delayed the implementation of some post-Brexit import controls for a second time, saying it would phase in checks through next year rather than impose them now when industry supply chains are under strain.

Britain left the European Union's single market at the beginning of 2021 and the immediate introduction of checks on British goods going to Europe has hit sales hard.

The logistics industry had warned that introducing import checks on goods coming to Britain would compound problems stemming from the COVID-19 pandemic and a shortage of truck drivers, in the run up to Christmas.

Having already delayed their introduction by six months from April 1, the government has now pushed the need for full customs declarations and controls back to Jan. 1, 2022. Safety and security declarations will be required from July 1 next year.

Industry sources in the logistics and customs sector have said the government's infrastructure was not ready to conduct the full checks by Oct. 1.

While the move will be welcomed by some in the logistics industry, the food and drink trade body attacked the government for the late announcement. New checks on food products had been due to come into force in 17 days.

"The repeated failure to implement full UK border controls on EU imports since 1 January 2021 undermines trust and confidence among businesses," Ian Wright, head of the Food and Drink Federation, said. "Worse, it actually helps the UK's competitors."

The industry argues that while European producers can still sell to Britain without the extra cost and hassle of a full customs border, British producers face the reverse. First-half sales of food and drink to Germany, Spain and Italy were all down by around half compared with 2019, it says.

The government said it had introduced a new "pragmatic" timetable to give companies time to recover from the pandemic.

British businesses, and customers, have complained in recent months that a shortage of workers in logistics, driving and warehouses has led to long delays in deliveries, with some supermarkets and restaurants struggling to stock a full range.

"Businesses will now have more time to prepare for these controls which will be phased in throughout 2022," Brexit minister David Frost said.

Britain opted for a full customs border, with checks on goods and lengthy paperwork, due to the nature of the divorce it agreed with Brussels, choosing full autonomy over its regulatory affairs as opposed to a closer alignment with the bloc.

➤ **Japan condemns North Korea's ballistic missile launch as 'outrageous' and a 'threat' to the region.**

North Korea launched ballistic missiles off its east coast on Wednesday, prompting condemnation from Japanese Prime Minister Yoshihide Suga.

It came two days after the reclusive North test fired cruise missiles.

South Korea's military said two rounds of unidentified ballistic missiles were fired into the open waters of the East Sea, also known as the Sea of Japan, according to NBC News.

Japan's Suga condemned the missile launch as "simply outrageous" and said it was a "threat to the peace and security" of the region.

"It is in violation of UN Security Council resolution, and I strongly protest and condemn this," he said outside his office, adding that the government will continue to monitor the area.

"We will work closely with the U.S., South Korea, and other concerned nations to resolutely protect the lives of our citizens and their peaceful lives," the prime minister said.

The Joint Chief of Staffs of South Korea said local and U.S. intelligence services are conducting detailed analysis.

South Korea will be holding an emergency meeting over the ballistic missile launch on Wednesday afternoon, NBC reported.

"President Moon Jae In was immediately briefed about NK's launch of the unidentified projectile... [and] will be convening the National Security Council meeting with its standing committee members upon returning from his outdoor schedules today," said Park Kyung-mi, the presidential spokesperson in a text briefing.

The missile launches come during Chinese Foreign Minister Wang Yi's visit to Seoul and may make Beijing appear "unwilling or unable to restrain Pyongyang," according to Leif-Eric Easley, a professor at Ewha University in Seoul.

He added that the missile tests contradict international hopes for dialogue, and North Korea is continuing to develop missiles, driven by security strategy and technical factors.

Sources: CNBC.com



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North Korea regularly uses missile tests to ensure it gets attention from the international community, analysts told CNBC last year. The regime launched missiles early in the terms of former presidents Barack Obama, Donald Trump and incumbent Joe Biden.

The U.S. Indo-Pacific Command said in a statement that Wednesday's launch "highlights the destabilizing impact of the DPRK's illicit weapons program," but added that it does not pose an immediate threat to U.S. personnel, territory or Washington's allies.

It said the U.S. commitment to defending South Korea and Japan "remains ironclad."

U.S.-North Korea relations have been volatile in recent years.

Trump and North Korean leader Kim Jong Un exchanged barbs in 2017, but subsequently moved to hold two bilateral meetings discussing denuclearization and possible sanctions relief. Not much progress was made after the second summit in Hanoi ended abruptly.

➤ **EU chief calls for more military independence amid new 'era of regional rivalries'.**

There is a new international order, where competition is fierce and some nations "stop at nothing to gain influence," European Commission President Ursula von der Leyen said Wednesday.

Speaking at her annual "State of the European Union" parliamentary address, von der Leyen described the current environment of foreign relations as "a new era of hyper-competitiveness."

"An era of regional rivalries and major powers refocusing their attention towards each other," she said, while adding that "recent events in Afghanistan are not the cause of this change — but they are a symptom of it."

The withdrawal of American and allied troops from Afghanistan fueled a much faster-than-expected takeover of the country by the Taliban. The whole process and subsequent evacuation efforts have raised concerns in the EU about its dependence on the United States in terms of defense and security.

As such, some EU leaders have resurfaced the concept of a strategic autonomy — the idea that the bloc needs to develop its own defense capabilities — and a topic that von der Leyen is keen to pursue.

"Witnessing events unfold in Afghanistan was profoundly painful for all the families of fallen servicemen and servicewomen," von der Leyen said Wednesday.

"Europe can — and clearly should — be able and willing to do more on its own ... What we need is the European Defense Union," she said.

The topic is likely to be in focus in the first half of 2022, when France, a keen supporter of the idea, is in charge of leading the discussions at the EU-level.

The EU's economics chief, Paolo Gentiloni, told CNBC earlier this month that the bloc should step up its role on the geopolitical stage as the U.S. and other Western allies take a step back.

During her hour-long speech, von der Leyen also asked China to be more concrete about its carbon neutrality plans.

The country has pledged to be carbon neutral by 2060, but for von der Leyen this is not enough.

"The goals that President Xi has set for China are encouraging. But we call for that same leadership on setting out how China will get there. The world would be relieved if they showed they could peak emissions by mid-decade — and move away from coal at home and abroad," von der Leyen told lawmakers.

She said that all major economies, including the U.S. and Japan, should present detailed plans toward carbon neutrality by the upcoming COP26 conference in Glasgow in November.

The EU has been leading this space, presenting in July a concrete set of measures to cut greenhouse gas emissions by at least 55% by 2030.

This topic is becoming increasingly more important as Europeans face higher energy bills amid a natural gas shortage and structural issues. This is raising concerns across the bloc as member states look ahead to colder temperatures in the coming months, which could result in even higher costs when the economy is still just resurfacing from the coronavirus pandemic.

The governments of Spain and Greece have already announced measures to offset some of the recent spike in energy prices. While Spain introduced temporary tax cuts, Greece said it would spend 150 million euros (\$177 million) to cut energy bills for consumers over the next three months.

Mateusz Morawiecki, Poland's prime minister, claimed last week that energy prices were going up due to the EU's climate policies, Politico reported.

Frans Timmermans, who leads the climate policy portfolio at the European Commission, said Tuesday that "only about a fifth of the price increase can be attributed to CO2 prices rising."

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Source: Refinitiv



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➤ **As Merkel prepares to leave office, many think Germany's 'golden age' is over.**

Under the leadership of Chancellor Angela Merkel, Germany's power and influence in European — and global — affairs has been indisputable.

Now she's leaving office after 16 years, many Europeans believe the country's "golden age" is over — including most Germans, according to a recent poll.

The survey, conducted by the European Council on Foreign Relations think tank in 12 EU countries in early summer with the results published this week, found that Europeans still regard Merkel as a unifying force, and expect Germany to continue to provide leadership within the EU. Nonetheless, there is pessimism at home and abroad about Germany's post-Merkel future.

The poll found that many Europeans view Germany as a declining power — no more so than in Germany, where a majority (52%) hold the view that their country is past its "golden age." Only 15% of respondents in Germany said they believe their country is still in its "golden age" today, with 9% of respondents believing that it is still to come.

Across Europe more broadly, a third of Europeans (34%) surveyed said that Germany's star is fading, 21% said it is in its "golden age" today, and just 10% believed this period is in the future.

The data highlights uncertainty in both Germany and its neighbors over the future of the country, and its de facto leadership of the EU, once Merkel leaves office after the federal election on Sept. 26.

Despite some controversial policies, Merkel, age 67, is leaving office on her terms. She remains a popular figurehead in Europe, and far more so than her French counterpart Emmanuel Macron, although analysts expect Macron to try to fill something of a leadership vacuum left by Merkel.

When the ECFR asked respondents who they would vote for in a hypothetical contest between Germany's Merkel and France's Macron for an EU president role, the think tank found most Europeans (41%) would vote for Merkel, and just 14% would vote for Macron (the remaining 45% said they didn't know or wouldn't vote).

The highest support for Merkel in this hypothetical election was found in the Netherlands (58%), Spain (57%) and Portugal (52%). Even among the French, 32% would vote for Merkel and 20% for Macron.

It is perhaps not surprising that there is such an enduring fondness for Merkel. She is seen as a stable pair of hands, pragmatic and cool-headed in a crisis — and she's had a few of those to deal with in her time in office.

Merkel has guided Germany, the euro zone and wider EU through several traumas including the financial crisis of 2008-2009, the subsequent sovereign debt crisis in the euro zone that peaked around 2012 and the migration crisis of 2015-2016. Most recently, she has played a prominent role in Europe's response to the coronavirus pandemic, and along with Macron oversaw the EU recovery plan.

Merkel's policies during periods of crisis have not always won her friends, however. She became something of a hate figure in Greece during its debt crisis as Germany advocated that strict austerity measures should be imposed on Athens as a condition of international bailouts.

Meanwhile, her decision to allow hundreds of thousands of migrants, mainly from Syria, to enter Germany during the migration crisis also caused consternation in the country and was largely seen as boosting public support for the right-wing Alternative for Germany party.

How Germany's relationship with the rest of the EU, and de facto leadership of the bloc, might change once Merkel leaves office is one of the great unknowns of her departure.

In the ECFR's latest report entitled "Beyond Merkelism: What Europeans expect from post-election Germany," published Tuesday, authors Piotr Buras and Jana Puglierin note that the post-Merkel political leadership in Germany will have no choice but to change its role in, and relationship with, the EU.

"Merkelism' is no longer sustainable, and Germany's next chancellor will have to find another way forward," Piotr Buras, co-author and head of ECFR's Warsaw office, commented.

"Merkel may have adroitly maintained the status quo across the continent over the past 15 years, but the challenges that Europe faces now — the pandemic, climate change, and geopolitical competition — require radical solutions, not cosmetic changes. What the EU needs now is a visionary Germany that will stand up for the bloc's values and defend its place in the world."

Source: Refinitiv

➤ **China's embattled developer Evergrande is on the brink of default. Here's why it matters.**

Chinese property giant Evergrande is on the brink of collapse, and analysts warn the potential fallout could have far-reaching implications that spill outside China's borders.

"Evergrande's collapse would be the biggest test that China's financial system has faced in years," says Mark Williams, chief Asia economist at Capital Economics.

Here's how bad its problems are, and what's in store for investors.

After expanding rapidly for years and snapping up assets as China's economy boomed, Evergrande is now snowed under a crushing debt of \$300 billion.

The world's most indebted property developer has been scrambling to pay its suppliers and warned investors twice in as many weeks that it could default on its debts.

On Tuesday, Evergrande said its property sales will likely continue to drop significantly in September after declining for months, making its cash flow situation even more dire.

The Chinese developer is so huge that the fallout from a potential failure could hurt not only the Chinese economy but spread to markets beyond.

Banks have also responded to its deteriorating cash flow. Some in Hong Kong, including HSBC and Standard Chartered, have declined to extend new loans to buyers of two uncompleted Evergrande residential projects, said Reuters.

Ratings agencies have repeatedly downgraded the firm, citing its liquidity problems. Evergrande's problems intensified last year when China introduced rules to rein in the borrowing costs of developers. Those measures place a cap on debt in relation to a firm's cash flows, assets and capital levels.

Its share price plunged nearly 80% so far this year, and trading of its bonds was repeatedly halted by Chinese stock exchanges in the past weeks.

Evergrande is everywhere. Its main business is in real estate, and it's China's second-largest property developer by sales.

* Evergrande owns more than 1,300 real estate projects in over 280 cities in China.

* Its property services management arm is involved in nearly 2,800 projects across more than 310 cities in China.

* The company has seven units dabbling in a wide range of industries, including electric vehicles, health-care services, consumer products, video and television production units and even a theme park.

* The firm says it has 200,000 employees, but indirectly creates more than 3.8 million jobs every year, according to its website.

* Evergrande's shares and bonds are included in indexes across Asia.

The pool of affected parties include banks, suppliers, home-buyers and investors.

Evergrande warned this week its escalating troubles could lead to broader default risks.

It said that if it can't repay its debt, it may lead to a situation of "cross default" — where a default triggered in one situation may spread to other obligations, leading to broader contagion.

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➤ **'A stab in the back': France rebukes Australia, Biden after ditched submarine deal.**

France is not holding back showing its disappointment with Australia after it abruptly ended a submarine contract in order to sign a new deal with the U.S. and U.K.

"It was a stab in the back. We had established a relationship of trust with Australia. This trust has been betrayed," Jean-Yves Le Drian, France's minister of foreign affairs, told radio station Franceinfo Thursday morning.

Australia had signed a contract with French shipbuilder Naval Group in 2016 to build a new fleet, at a cost of \$40 billion, according to Reuters. Both sides had confirmed the deal a couple of weeks ago. However, Canberra has now decided to scrap that agreement and join forces with the U.S. and Britain.

Late on Wednesday, the three nations announced a new security partnership where Australia will receive new nuclear-powered submarines. The deal with France would have provided conventional submarines.

Source: Reuters



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“We intend to build these submarines in Adelaide in close cooperation with the U.K. and the U.S. But let me be clear, Australia is not seeking to acquire nuclear weapons,” Australian Prime Minister Scott Morrison said on Twitter.

He added that France is a “good partner” and that the new deal was motivated by “a changed strategic environment,” according to France 24.

The French Embassy in Washington also canceled a gala at their sprawling compound over frustration with the new trilateral partnership, a French official confirmed to CNBC.

The event, which was slated to commemorate the “240th Anniversary of the Battle of the Capes,” will no longer take place Friday at the embassy.

“Other parts of the celebration are still ongoing,” the official said, including a wreath-laying ceremony in Annapolis. A French destroyer will pull into Baltimore harbor on Monday as will a French submarine at Norfolk harbor.

U.S. Secretary of State Antony Blinken told reporters on Thursday that he and Defense Secretary Lloyd Austin had spoken to their French counterparts about the new security pact ahead of its unveiling.

“I’ll leave it to our Australian partners to describe why they sought this new technology. But as the president said and I want to emphasize again, we cooperate incredibly closely with France on many shared priorities in the Indo-Pacific but also around the world,” Blinken said.

“We’re going to continue to do so, we place fundamental value on that relationship, on that partnership and we will carry forward in the days ahead,” the nation’s top diplomat added.

U.S. President Joe Biden made sure to reference France when presenting the new deal on Wednesday, saying the European nation will remain a key partner in the Indo-Pacific region.

In the U.K., Prime Minister Boris Johnson also said Thursday that the relationship with France is “rock solid.”

However, these words are unlikely to appease the ill feelings in France.

In the same radio interview, France’s foreign affairs chief also said that this “unilateral and unpredictable decision” reminded him of what former President Donald Trump used to do.

France’s ministers of foreign affairs and the armed forces also said in a joint statement on Thursday: “The American choice which leads to the removal of an ally and a European partner like France from structuring a partnership with Australia, at a time when we are facing unprecedented challenges in the Indo-Pacific region ... marks an absence of coherence that France can only observe and regret.”

The statement added that the latest developments intensify the need for European strategic autonomy — the idea that the European Union should become more independent with its defense and security policies.

The European Commission, the EU’s executive arm, presented its strategy for the Indo-Pacific region on Thursday afternoon in Brussels. EU Foreign Affairs Chief Josep Borrell said, “We must survive on our own, as others do.”

Source: Refinitiv

Your Weekend Wire

The week ahead

Date	Time	Country	Indicator Name	Period	Reuters Poll	Prior	SmartEstimate®	Predicted Surprise
20.09.2021	08:00	Germany	Producer Prices MM	Aug		1.9%		
20.09.2021	08:00	Germany	Producer Prices YY	Aug		10.4%		
20.09.2021	14:00	United Kingdom	Steel Production	Jan		710.00k		
20.09.2021	16:00	United States	NAHB Housing Market Indx	Sep	76	75	75.8	-0.2

Date	Time	Country	Indicator Name	Period	Reuters Poll	Prior	SmartEstimate®	Predicted Surprise
21.09.2021	08:00	United Kingdom	PSNB Ex Banks GBP	Aug		10.353B		
21.09.2021	08:00	United Kingdom	PSNB, GBP	Aug		9.619B		
21.09.2021	08:00	Switzerland	Trade	Aug		5 246M		
21.09.2021	09:00	Switzerland	M3	Aug		1 157 827M		
21.09.2021	09:30	Sweden	Riksbank Rate	21 Sep		0.00%		
21.09.2021	09:30	Sweden	Unemployment Rate	Aug		8.0%		
21.09.2021	09:30	Sweden	Unemployment Rate SA	Aug		8.4%		
21.09.2021	09:30	Sweden	Total Employment	Aug		5.257M		
21.09.2021	12:00	United Kingdom	CBI Trends - Orders	Sep		18		
21.09.2021	14:30	United States	Current Account	Q2	-190.0B	-195.7B	-193.06B	-3.06B
21.09.2021	14:30	United States	Building Permits: Number	Aug	1.610M	1.630M	1.6368M	0.0268M
21.09.2021	14:30	United States	Build Permits: Change MM	Aug		2.3%		
21.09.2021	14:30	United States	Housing Starts Number	Aug	1.580M	1.534M	1.5713M	-0.0087M
21.09.2021	14:30	United States	House Starts MM: Change	Aug		-7.0%		
21.09.2021	14:55	United States	Redbook YY	13 Sep, w/e		15.3%		

Date	Time	Country	Indicator Name	Period	Reuters Poll	Prior	SmartEstimate®	Predicted Surprise
22.09.2021	11:00	Italy	Industrial Sales MM SA	Jul		3.1%		
22.09.2021	11:00	Italy	Industrial Sales YY WDA	Jul		28.4%		
22.09.2021	13:00	United States	MBA 30-Yr Mortgage Rate	13 Sep, w/e				
22.09.2021	16:00	United States	Existing Home Sales	Aug	5.88M	5.99M	5.880M	0.000M
22.09.2021	16:00	United States	Exist. Home Sales % Chg	Aug		2.0%		
22.09.2021	16:30	United States	EIA Ethanol Ref Stk	13 Sep, w/e				
22.09.2021	16:30	United States	EIA Ethanol Fuel Total	13 Sep, w/e				
22.09.2021	20:00	United States	Fed Funds Tgt Rate	22 Sep		0-0.25		
22.09.2021	20:00	United States	Fed Int On Excess Reserves	22 Sep		0.15%		
22.09.2021		Japan	JP BOJ Rate Decision	22 Sep		-0.10%		

Source: Refinitiv

Your Weekend Wire

The week ahead

Date	Time	Country	Indicator Name	Period	Reuters Poll	Prior	SmartEstimate®	Predicted Surprise
23.09.2021	06:30	Netherlands	GDP Final SA QQ	Q2		3.1%		
23.09.2021	06:30	Netherlands	GDP Final NSA YY	Q2		9.7%		
23.09.2021	08:45	France	Business Climate Mfg	Sep		110		
23.09.2021	08:45	France	Business Climate Overall	Sep		110		
23.09.2021	09:15	France	Markit Mfg Flash PMI	Sep		57.5		
23.09.2021	09:15	France	Markit Serv Flash PMI	Sep		56.3		
23.09.2021	09:15	France	Markit Comp Flash PMI	Sep		55.9		
23.09.2021	09:30	Switzerland	SNB Policy Rate	Q3		-0.75%		
23.09.2021	09:30	Germany	Markit Mfg Flash PMI	Sep		62.6		
23.09.2021	09:30	Germany	Markit Service Flash PMI	Sep		60.8		
23.09.2021	09:30	Germany	Markit Comp Flash PMI	Sep		60.0		
23.09.2021	10:30	United Kingdom	Flash Composite PMI	Sep		54.8		
23.09.2021	10:30	United Kingdom	Flash Manufacturing PMI	Sep		60.3		
23.09.2021	10:30	United Kingdom	Flash Services PMI	Sep		55.0		
23.09.2021	13:00	United Kingdom	BOE Bank Rate	Sep	0.10%	0.10%	0.100%	0.000%
23.09.2021	13:00	United Kingdom	Asset Purchase Prog	Sep	895B	895B	895.0B	0.0B
23.09.2021	13:00	United Kingdom	GB BOE QE Gilts	Sep	875B	875B	875.0B	0.0B
23.09.2021	13:00	United Kingdom	GB BOE QE Corp	Sep	20B	20B	20.0B	0.0B
23.09.2021	14:30	United States	Initial Jobless Clm	13 Sep, w/e				
23.09.2021	14:30	United States	Jobless Clm 4Wk Avg	13 Sep, w/e				
23.09.2021	14:30	United States	Cont Jobless Clm	6 Sep, w/e				
23.09.2021	15:45	United States	Markit Mfg PMI Flash	Sep		61.1		
23.09.2021	15:45	United States	Markit Svcs PMI Flash	Sep		55.1		
23.09.2021	15:45	United States	Markit Comp Flash PMI	Sep		55.4		
23.09.2021	17:00	United States	KC Fed Manufacturing	Sep		22		
23.09.2021	17:00	United States	KC Fed Composite Index	Sep		29		

Date	Time	Country	Indicator Name	Period	Reuters Poll	Prior	SmartEstimate®	Predicted Surprise
24.09.2021	02:30	Japan	Jibun Bank Mfg PMI Flash	Sep		52.7		
24.09.2021	02:30	Japan	Business Activity Flash SA	Sep		43.5		
24.09.2021	09:30	Sweden	PPI MM	Aug		2.7%		
24.09.2021	09:30	Sweden	PPI YY	Aug		13.5%		
24.09.2021	10:00	Italy	Mfg Business Confidence	Sep		113.4		
24.09.2021	10:00	Germany	Ifo Business Climate New	Sep		99.4		
24.09.2021	10:00	Germany	Ifo Curr Conditions New	Sep		101.4		
24.09.2021	10:00	Germany	Ifo Expectations New	Sep		97.5		
24.09.2021	12:00	United Kingdom	CBI Distributive Trades	Sep		60		
24.09.2021	14:00	United States	Build Permits R Numb	Aug				
24.09.2021	14:00	United States	Build Permits R Chg MM	Aug				
24.09.2021	15:00	Belgium	Leading Indicator	Sep		7.6		
24.09.2021	16:00	United States	New Home Sales-Units	Aug	0.723M	0.708M	0.7357M	0.0127M
24.09.2021	16:00	United States	New Home Sales Chg MM	Aug		1.0%		
24.09.2021	17:00	Canada	Budget Balance, C\$	Jul		-12.71B		
24.09.2021	17:00	Canada	Budget, Year-To-Date, C\$	Jul		-36.47B		

Sources: Refinitiv

Your Weekend Wire Figures

Currencies

EURUSD	1.1733	Weekly Change
Week Low	Week High	
1.1735	1.1845	-0.67%

GBPUSD	1.3748	Weekly Change
Week Low	Week High	
1.3743	1.3912	-0.67%

EURCHF	1.0927	Weekly Change
Week Low	Week High	
1.0839	1.0935	0.73%

AUDUSD	0.7271	Weekly Change
Week Low	Week High	
0.7269	0.7375	-1.06%

USDCHF	0.9311	Weekly Change
Week Low	Week High	
0.9164	0.9313	1.48%

USDCAD	1.2752	Weekly Change
Week Low	Week High	
1.26	1.276	0.50%

USDTRY	8.6464	Weekly Change
Week Low	Week High	
8.4125	8.6517	2.15%

EURGBP	0.8534	Weekly Change
Week Low	Week High	
0.8501	0.8563	-0.05%

Indices and Commodities

Eurostoxx 50	4 131.75
Week Change	YTD
-0.30%	14.30%

Gold	1750.96
Week Change	YTD
-2.04%	-7.75%

SMI	11 958.92
Week Change	YTD
-0.27%	12.38%

WTI	71.5100
Week Change	YTD
2.54%	50.17%

S&P 500	4 437.55
Week Change	YTD
0.34%	19.11%

US 10Y Yield	1.3702
Week bp Change	YTD bp Change
4.27	43.969

VIX	20.31
Week Change	YTD
-10.79%	-17.85%

EU 10Y Yield	-0.2740
Week bp Change	YTD bp Change
6.30	23.50

Sources: Bloomberg/Refinitiv



Your CRYPTO Weekend Wire

Crypto Market Cap: \$2,121,353,560,098

Dominance*: BTC: 42.2% ETH: 19.2%

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

News Flow

➤ **Pantera Capital's Latest Crypto Fund Has Raised \$369M Since July.**

Pantera has raised \$369 million for its new blockchain fund, partially restocking a war chest for bets across the crypto ecosystem. Disclosed on Friday regulatory filings, the raise, amassed from 107 investors, puts Pantera well short of a \$600 million target projected in early May. Pantera began taking investments in July and is leaving the fund open "indefinitely," meaning it could get there eventually. The blockchain fund is meant to be Pantera's omnibus crypto investment vehicle. It deploys into startup equity, early-stage protocol tokens and more well-known digital assets, such as bitcoin, according to an investor deck.

Pantera held \$4.7 billion in assets under management on Aug. 31, according to the deck.

The raise comes as other venture capital (VC) titans announce major funds for crypto investments. Top among them is Andreessen Horowitz's (a16z) \$2.2 billion fund, its third for crypto bets, that was announced in June.

Pantera did not reply to requests for comment by press time.

It's been a banner year for crypto investments from the VC sector. A report by CB Insights in July said a record \$4 billion in venture capital had been poured into crypto startups in the second quarter of 2021 alone.

➤ **Degenerate Ape NFT Sells for More Than \$1M on Solana.**

A Degenerate Ape Academy non-fungible token (NFT) on the Solana blockchain was sold Saturday for 5980 SOL, or about USD \$1.11 million, in the largest-ever NFT sale on the rival to the Ethereum blockchain.

Apparently not content with having shelled out more than \$1 million for an NFT of a scarred zombie ape with a halo eating a brain, Moonrock Capital, a Europe-based blockchain advisory and investment firm, announced a few hours later it had purchased a CryptoPunks knock-off NFT also on the Solana blockchain for 1388 SOL, or USD \$257,446.24.

While the NFT craze initially focused on the Ethereum blockchain, that very popularity caused traffic and fees on Ethereum to skyrocket. As a result, rivals like Solana with much lower fees and traffic have taken off.

And the price of Solana's native token has followed suit, with the coin's market capitalization hopping over XRP and dogecoin, becoming the world's sixth-largest cryptocurrency with a value of \$54 billion compared with XRP's \$43.5 billion and DOGE's \$32 billion.

A month ago, one SOL could have been had for about \$40. After hitting an all-time high earlier this week of more than \$200, in recent trading the token was changing hands at about \$185.

➤ **El Salvador to Establish Bitcoin Tax Exemptions for Foreign Investors.**

The government of El Salvador has said that foreign investors will be exempt from taxes on bitcoin profits. A government adviser disclosed the information on Sept 10, which is a development that further incentivizes entrepreneurs and investors to enter the nation.

Speaking to AFP, Javier Argueta, legal adviser to President Nayib Bukele, said:

"If a person has assets in Bitcoin and makes high profits, there will be no tax. This (is done) obviously to encourage foreign investment."

Argueta also said that the country was working with international agencies to implement compliance measures. Global bodies like the International Monetary Fund (IMF) have highlighted traceability and the prevention of illicit financial activities as key worries.

The ratifying of bitcoin as legal tender, though still in its early days, is proving to be somewhat problematic for the country. There has been criticism from all sides, from the opposition party to global bodies across the world. But the government has not trudged on, undeterred by this resistance.

The Chivo Wallet, which is El Salvador's official bitcoin wallet, was launched on Sept 7, with \$30 in BTC offered for first-time users. The government bought 400 bitcoins to prepare for the change, which has to be said isn't going perfectly.

It remains to be seen how the change will proceed in the medium and long term. Critics have listed several issues, with volatility being the number one concern. The country's internal ministers have drawn attention to this, saying that salary payments could be affected by the volatility.

The consensus is that the El Salvador decision is one that has been a rollercoaster ride for the country. This is a first-of-a-kind move for bitcoin, and many are curious to see how it will play out on such a large scale. The upcoming 12 months will be instrumental in seeing how bitcoin plays a role in the local economy.

Sources: [Bloomberg/Refinitiv/cnbc.com](https://www.bloomberg.com/news/articles/2021-09-10/el-salvador-bitcoin-tax-exemptions)



Your CRYPTO Weekend Wire

News Flow

Those inside the cryptocurrency world have offered their own take on the matter. Charles Hoskinson, CEO of Input Output Hong Kong (IOHK), said that every country needs a bitcoin strategy. He praised El Salvador’s decision and went so far as to say that there is “nothing in human history that has grown that quickly.”

But of more concern is the fact that citizens are taking to the streets to protest the move. The wallet appears to be working as intended, though there have been some hiccups with ATMs. One citizen group has also filed a lawsuit against the government, which is the most severe move yet.

➤ **Brevan Howard Appoints Former CMT Digital CEO Colleen Sullivan to Lead Crypto Investments.**

Hedge fund manager Brevan Howard named Colleen Sullivan, a co-founder and former CEO of CMT Digital, to lead its investments in crypto. She will join the team shortly, the firm said in an email Monday.

Sullivan stepped down as CEO of CMT Digital, the investment arm of Chicago proprietary trading firm CMT Group, last month.

Brevan Howard is also forming a new crypto-focused division called BH Digital.

It was reported in April that the fund manager was planning to allocate up to 1.5% of its main fund (worth \$5.6 billion at the time) to direct exposure in cryptocurrency.

CMT Digital had invested in several large crypto firms, such as crypto derivatives platform ErisX, crypto lender BlockFi, crypto-friendly Silvergate Bank and crypto venture capital pioneer Polychain Capital.

➤ **Scaramucci’s SkyBridge accelerates its move into crypto with a blockchain partnership.**

SkyBridge Capital’s Anthony Scaramucci is stepping up his firm’s move into the cryptocurrency world, announcing on Monday a partnership aimed at expanding into the blockchain universe.

The hedge fund is joining with trading platform NAX in a series of fundraising efforts, the first of which will seek to bring in up to \$250 million.

Using a fund that will be known as UNLOX, with Scaramucci as its chairman, the group will focus on a variety of decentralized finance efforts associated with digital currencies like bitcoin. Blockchain is the database infrastructure around which the cryptocurrency world is built.

UNLOX will target institutions to use blockchain to securitize assets such as property, corporate securities and venture capital. The group will also target the nascent push into nonfungible tokens and other alt assets.

The blockchain operation of Algorand will be the crypto base for the partnership, while NAX will provide commercial support and SkyBridge will be the institutional base for the fund. Algorand uses what it describes as a “carbon-negative” operation, in contrast to much of the crypto industry that is energy-intensive due to the sophisticated computer networks needed.

NAX CEO Jeff Schumacher cited Algorand’s “feature-rich, high-performance platform” as ideal for the venture.

Scaramucci’s SkyBridge was among the first hedge funds to move into bitcoin. The firm also has a stake in Ethereum.

“Algorand is going to be the winner in building the backbone for what institutions need and financial services companies need,” Scaramucci said.

A formal announcement on the initiative will happen Monday morning at SkyBridge’s SALT conference, which will be held for the first time in New York City.

➤ **Price of Litecoin Spikes on Fake Walmart Press Release.**

The price of Litecoin surged Monday morning after a fake press announcement was released saying retail giant Walmart intended to offer its customers the option to make payments in crypto via a new partnership with the Litecoin Foundation. Walmart confirmed, however, that the press release was fake, saying that “Walmart had no knowledge of the press release issued by GlobeNewswire, and it is incorrect.”

The news initially caused the price of Litecoin to soar almost 30% from \$175.45 to \$225.75, and the price of bitcoin to rise 1.8% to \$45,540. Litecoin’s price has since fallen back to \$178, while the price of bitcoin has dropped to \$44,498.

The press release claimed that all of Walmart’s e-commerce stores would have a “Pay with Litecoin Option,” starting Oct. 1.

The Litecoin Foundation initially re-tweeted the fake release, but then deleted the tweet.

Sources: [Bloomberg/Refinitiv/cnbc.com/coinmarketcap.com](https://www.bloomberg.com/news/articles/2017-10-02/walmart-fake-bitcoin-announcement)



Your CRYPTO Weekend Wire

News Flow

➤ **Kevin O’Leary says he wants to more than double his crypto holdings to 7%.**

Celebrity investor Kevin O’Leary says he wants to at least double his cryptocurrency holdings by the end of 2021 and predicts that “trillions of dollars” could pour into the market if crypto becomes a new asset class.

The “Shark Tank” investor had previously said bitcoin was “garbage,” but he later changed his mind.

O’Leary, who is chairman of O’Shares ETFs, said he is bullish on crypto and wants to allocate more in his personal portfolio.

“I want to raise my exposure to crypto — currently at 3% — to 7% by the end of the year,” he told “Capital Connection” on Monday.

But he said investors want U.S. authorities to make decisions about regulating cryptocurrencies.

“I don’t want to get involved in crypto if the regulator says it’s not okay,” he said. “I can’t afford to be offside; I cannot afford to be non-compliant.”

The U.S. government is in the process of developing regulations for cryptocurrencies, even as more countries legalize bitcoin. Just last week, El Salvador became the first country in the world to adopt bitcoin as legal tender.

O’Leary said he expects regulators to recognize cryptocurrencies as an institutional asset class, but it’s unclear when that will happen. He added that infrastructure for compliance is also lacking compared to the systems for traditional assets.

However, he predicts that there will be “trillions of dollars of interest waiting to come on board” when regulators finally approve of cryptocurrencies as an institutional asset class.

For bitcoin specifically, if regulators allow financial services companies to treat it as an asset and approve bitcoin-based exchange traded funds in the U.S., he sees “another trillion dollars worth of buying” into the cryptocurrency.

“This is not going away, this is the new asset class,” he said.

O’Leary also said he is betting against airlines because “business travel will never come back to what it was” before the pandemic struck.

“I think the business travel side of the airline business is horrifically bad, and I’m making money shorting airlines,” he said, referring to a trading technique where investors borrow shares of a stock from a broker and sell them, hoping to be able to buy them back at a lower price.

“Not that I don’t like airlines, but I think they’re in a really bad business.”

Airlines have been hammered by border closures and travel restrictions since last year, when Covid first hit. They have endured uncertainty as the virus surged and waned in different parts of the world.

“These are bad, bad, bad businesses. Not because of just pandemics — because people don’t need to fly,” he said.

➤ **Institutional traders flock to Solana as demand for ETH and BTC flattens.**

Institutional traders have flocked to Solana (SOL) as demand for Ether (ETH) and Bitcoin (BTC) exposure has flattened, with SOL investment products representing a whopping 86.6% of total weekly inflows crypto investment products last week.

According to the Sept. 14 issue of CoinShares’ Digital Asset Fund Flows Weekly, Solana (SOL) investment products saw inflows of \$49.4 million between Sept. 6 and Sept.10. The combined total inflows for crypto investment products equated to \$57 million for the week, with SOL seeing a 275% week-over-week increase to represent 86.6% of total inflow.

The surging inflows to Solana products coincided with the price of SOL gaining 36% over the same period.

Digital asset products have now seen inflows for the fourth consecutive week, with demand for altcoins significantly outweighing the appetite for BTC products which saw minimal inflows of \$200,000.

The inflows were also partially offset by institutional investors offloading \$6.3 million worth Ether exposure as the underlying asset’s price dropped 10% during the week.

Despite Cardano (ADA)’s highly anticipated introduction of smart contracts on Sept. 13, institutional flows ADA-tracking products saw a 46% decrease in inflows compared to the previous week.

Multi-asset products, Ripple (XRP), Polkadot (DOT) and Bitcoin Cash (BCH) also saw inflows of \$3.2 million, \$3.1 million, \$1.7 million and \$600,000, respectively.

According to CoinShares estimates, institutional asset managers currently represent a total AUM of \$56.3 billion combined — marking a decrease of 9% compared to the week before as the broader crypto markets experienced a pullback across the board.

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



Your CRYPTO Weekend Wire

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Flows were mixed between asset managers, with CoinShares XBT and Purpose funds shedding \$24.7 million and \$45.5 million respectively while 21Shares, ETC Group and CoinShares saw inflows of \$75 million, \$13 million and \$6.1 million, respectively.

Top Institutional manager Grayscale remained dominant, representing 74% of sectors AUM with \$41.8 billion.

Grayscale announced a partnership with alternative asset fintech provider iCapital Network on Sept. 13. The deal will enable iCapital's advisors to offer the firm's high-net-worth clients access to Grayscale's digital asset services via a diversified market-cap-weighted investment strategy.

➤ **EY selects Polygon to scale its enterprise blockchain products on Ethereum.**

Announced on Monday, EY's flagship blockchain services including EY OpsChain and EY Blockchain Analyzer will be integrated with Polygon, allowing transactions to be committed to Ethereum via the sidechain.

EY emphasized that its enterprise clients will have access to increased transaction throughput with predictable fees and settlement times using Polygon.

The firm also revealed it is working with Polygon to offer permissioned, private optimistic rollup chains. Rollups are a second-layer scaling solution that provides increased security and efficiency compared to transacting on the Ethereum mainnet. Paul Brody, EY Global Blockchain Leader, remarked:

Ernst & Young (EY), one of the 'Big Four' consulting multinationals, will connect its blockchain solutions to Polygon to mitigate the scalability constraints of Ethereum's mainnet.

Polygon co-founder Sandeep Nailwal praised EY for its commitment to the Ethereum ecosystem and open technology standards.

While EY has continued to iterate its layer-two zero-knowledge proof protocol Nightfall, the firm also helped launch the open-source Baseline Protocol in March 2020.

Demand for Ethereum scaling solutions has surged in recent months amid the persistently high fees associated with transacting on mainnet. As such, the total value locked (TVL) on the Polygon network has surged from roughly \$1 billion at the start of April to \$8.5 billion today.

➤ **Billionaire Hedge Fund Manager Steven Cohen to Invest in New Crypto Trading Firm.**

Steven Cohen will invest in a new crypto trading firm in the billionaire hedge-fund manager's latest bet on the cryptocurrency market.

The New York Mets owner is set to make an investment in Radkl, a quantitative trading firm for digital assets, The Wall Street Journal reported Tuesday.

Pronounced "radical," Radkl launches today and is run by a team from high-speed trading firm GTS.

A spokeswoman from Point72 Asset Management, Cohen's hedge-fund firm, has said that Cohen is investing in Radkl in a personal capacity and will not be involved in its day-to-day operations.

Point72 has also been actively investing in the crypto space and led a \$21 million Series A funding round into data analytics platform Messari last month.

Cohen's forays into crypto go back to 2018, when he invested in cryptocurrency-focused hedge fund Autonomous Partners.

➤ **Solana Mainnet Back Online After Day in the Dark.**

Solana's blockchain validators came back online early Wednesday following a marathon session of fits and starts by engineers racing to restore service.

After being down for more than half a day, the high speed blockchain succeeded shortly after 1:30 am Eastern time in pushing a network patch that held across a network of validators.

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



Your CRYPTO Weekend Wire

News Flow

And we're back!" declared one developer in the Solana Discord Server, the site of much of the action on Tuesday and early Wednesday. The sentiment across Solana's ecosystem was one of relief: a high-profile outage was coming to an end. Even so, service remained spotty immediately following the patch, according to a Twitter account run by the Solana Foundation. Solana's blockchain validators came back online early Wednesday following a marathon session of fits and starts by engineers racing to restore service.

"The Solana validator community successfully completed a restart of Mainnet Beta after an upgrade to 1.6.25. Dapps, block explorers, and supporting systems will recover over the next several hours, at which point full functionality should be restored."

Traders appeared upbeat on the news. SOL quickly popped over 3%, reclaiming some lost ground but still short of yesterday's highs. SOL had been down 13%, to the mid \$140 range, at Tuesday's lowest point.

➤ **Fidelity Prodded SEC to Approve Bitcoin ETF in Private Meeting.**

Fidelity Investments privately prodded the U.S. Securities and Exchange Commission (SEC) last week to approve its bitcoin exchange-traded fund (ETF), according to recent filings.

The multinational, financial services giant urged the regulator to approve its fund by citing increased investor interest in crypto. Fidelity also pointed to the rising number of investors holding bitcoin and similar funds worldwide. Bloomberg first reported the news Tuesday. Fidelity Digital Assets President Tom Jessop, among other executives from the firm, met with SEC officials via a Sept. 8 video call. Fidelity had not responded to a CoinDesk request for comment by the time of publication.

Bitcoin ETFs in the U.S. have had a notoriously hard time winning SEC approval of their applications. Presently, there are over 10 applications pending, including those by VanEck, WisdomTree, and more recently, Anthony Scaramucci's SkyBridge.

The firm originally filed its Wise Origin Bitcoin Trust in March with a follow-up response in June. Last week marked the second round of talks between the SEC and Fidelity, and like all others, the application is pending.

Purpose Investments became the first in North America to be approved for a bitcoin ETF when Canadian regulators gave their go-ahead in February.

➤ **Ray Dalio says if bitcoin is really successful, regulators will 'kill it'.**

Ray Dalio, founder of the world's largest hedge fund, Bridgewater Associates, believes regulators will ultimately take control of bitcoin if the cryptocurrency gains mainstream success.

"I think at the end of the day if it's really successful, they will kill it and they will try to kill it. And I think they will kill it because they have ways of killing it," Dalio told Andrew Ross Sorkin Wednesday on CNBC's "Squawk Box" at the SALT conference in New York.

U.S. regulators have stepped up their oversight of the volatile cryptocurrency space as the wild rides in the speculative markets continued to grab attention. Securities and Exchange Commission Chairman Gary Gensler said Tuesday that Wall Street's top regulator is working overtime to create a set of rules to protect investors through better regulation of the thousands of new digital assets and coins.

Despite some heavy bouts of volatility, bitcoin has been quite successful as of late. The crypto has more than quadrupled the last 12 months and was around \$47,500 on Wednesday. It hit a high above \$60,000 earlier this year.

"You have El Salvador taking it on and you have India and China getting rid of it. And you have the United States talking about how to regulate it and it could still be controlled," Dalio said.

In June, El Salvador has become the first country to adopt bitcoin as legal tender. Meanwhile, India is expected to propose a law banning cryptocurrencies and penalize miners and traders. China has started cracking down on the crypto markets, ordering miners to shut their operations.

Dalio said bitcoin doesn't have intrinsic value, meaning the asset lacks fundamental and objective worth.

"There are so many things in a historical perspective that didn't have intrinsic value and had perceived value. And then it went hot, and it became cold. It could be either way. You just have to know what it is. It could be tulips in Holland," Dalio said.

Still, the billionaire investor said bitcoin makes a good alternative to cash, and he owns a smaller percentage of the digital token compared with his gold exposure in the portfolio.

Sources: [Bloomberg/Refinitiv/cnbc.com/coinmarketcap.com/Newsnow.com](https://www.bloomberg.com/news/articles/2022-09-08/fidelity-prodded-sec-to-approve-bitcoin-etf)



Your CRYPTO Weekend Wire

News Flow

➤ **Polychain Capital, Three Arrows Lead \$230M Investment in Avalanche Ecosystem.**

Fresh on the heels of a \$180 million incentive program, the Avalanche Foundation announced on Thursday a \$230 million raise to jumpstart liquidity in the network’s burgeoning decentralized finance (DeFi) ecosystem.

The Avalanche Foundation said in a statement it will use the funds “to support and accelerate the rapid growth of DeFi, enterprise applications and other use cases on the Avalanche public blockchain.” Traders have plopped \$2.6 billion onto Avalanche, according to data from Defi Llama, making it the sixth-largest network by total value locked (TVL).

The funding round was led by Three Arrows Capital and Polychain Capital, with participation from CMS Holdings and Dragonfly Capital, among others.

In an interview with CoinDesk, Avalanche founder Emin Gün Sirer said that a portion of the funds will be used to inject liquidity directly into Avalanche-based DeFi platforms.

“To make anything at Avalanche scale, you need large-scale capital. To provide a DEX [decentralized exchange] that operates efficiently, to provide liquidity pools that provide operations with low fees, low overhead, you often need access to large amounts of capital,” Gün Sirer said during a video call.

Large-scale liquidity is a clear focus for the young chain. Two weeks ago, the Avalanche Foundation announced a \$180 million “Avalanche Rush” incentive program. Currently, those funds are primarily being used to incentivize user deposits.

Gün Sirer said the raise and the liquidity provision plans “will be something in conjunction with, but distinct from [Avalanche Rush].”

Additionally, Gün Sirer told CoinDesk that the venture capital organizations that participated in the raise were chosen in part because of their expertise in DeFi markets and market-making.

“This was a case of us going to people in the space who we’ve admired for a long time, who have long track records, and who want to come into Avalanche and help boost this ecosystem,” he said.

Avalanche will be releasing more specifics of how the funds will be used in the coming weeks, and Gün Sirer said he anticipates a “busy fall” as protocols and organizations announce deployments to the chain.

AVAX, the native token of the Avalanche blockchain, jumped on the news, climbing from \$59.19 shortly before this piece went out to \$65.08 as of 15:37 UTC, according to CoinGecko. The token is up 22% in the last 24 hours.

Sources: [Bloomberg/Refinitiv/cnbc.com](https://www.bloomberg.com/news/articles/2021-09-02/avalanche-foundation-raises-230-million)/[coinmarketcap.com/Newsnow.com](https://www.coinmarketcap.com/newsnow.com)



Your CRYPTO Weekend Wire

Figures and Charts

BankMed-Advisory published on TradingView.com, Sep 17, 2021 11:43 UTC

Bitcoin / U.S. Dollar, 1D, COINBASE O47753.15 H48176.64 L47336.69 C47478.32 -274.84 (-0.58%)



BTC	47 340.95	Weekly Change
Week Low	43 429.99	Week High
		48 495.89
Circulating Supply		18 818 337.00
Market Cap		894 130 762 701.00
\$		

TradingView

BankMed-Advisory published on TradingView.com, Sep 17, 2021 11:43 UTC

Ethereum / U.S. Dollar, 1D, COINBASE O3568.77 H3595.00 L3433.00 C3447.20 -121.46 (-3.40%)



ETH	3 463.19	Weekly Change
Week Low	3112	Week High
		3680.00
Circulating Supply		117 560 416.00
Market Cap		405 318 263 938.00
\$		

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.



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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