

#### ➤ **Ukraine's Naftogaz CEO accuses Russia of using gas as a geopolitical weapon as energy crisis deepens.**

The chief executive of Ukrainian state energy giant Naftogaz has accused Russia's Gazprom of using natural gas as a geopolitical weapon, calling on the U.S. and Germany to act against Moscow while it awaits regulatory approval for a controversial pipeline project.

It comes shortly after the International Energy Agency, the world's energy watchdog, intervened to call on Russia to send more gas to Europe to alleviate the region's deepening supply crunch.

The IEA's statement on Tuesday was seen as a rare rebuke of the Kremlin and lent further support to the view that Moscow has played a role in Europe's energy crisis — alongside market drivers such as extremely strong commodity prices and low wind output.

European households face a steep jump in energy bills, with nerves growing ahead of winter as power and gas prices soar.

Speaking to CNBC via video call, Naftogaz CEO Yuriy Vitrenko said Russia's state-owned energy giant Gazprom was manipulating the region's energy crisis to try to strengthen the case for starting flows via Nord Stream 2.

Gazprom did not respond to a CNBC request for comment.

The pipeline is designed to deliver Russian gas directly to Germany via the Baltic Sea, bypassing Ukraine and Poland.

Critics argue the pipeline is not compatible with European climate goals, deepens the region's dependence on Russian energy exports and will most likely strengthen Russian President Vladimir Putin's economic and political influence over the region.

The construction of Nord Stream 2 was completed earlier this month. Germany's energy regulator has since said it now has four months to complete certification of the project after receiving all necessary paperwork for an operating license.

Naftogaz's Vitrenko said Gazprom was deliberately withholding gas supplies to Europe, blocking access to the gas transmission system of Ukraine from other Russian companies and blocking exports from Central Asia that could go to Ukraine via Russia.

"This is a very clear sign that they are using gas as a geopolitical weapon at the moment," Vitrenko said.

Kyiv's relations with Russia plummeted in 2014 after Moscow annexed the Crimea peninsula from Ukraine and supported pro-Russian separatists in Ukraine's eastern Donbass region. Ukraine says the seven-year conflict has killed more than 14,000 people.

Benchmark European gas prices have skyrocketed more than 250% since January, while benchmark power contracts in France and Germany have both doubled.

EU energy ministers held meetings in Slovenia this week to discuss the bloc's energy policy.

Outgoing German Chancellor Angela Merkel sought to ease long-running concerns about the Nord Stream 2 pipeline during her final visit to Kyiv before leaving office.

Speaking last month alongside Ukraine President Volodymyr Zelensky, Merkel said sanctions may be imposed against Moscow if gas was being used "as a weapon."

Analysts have questioned how Germany or Europe would determine that to be the case.

When asked whether Naftogaz had faith Germany would take appropriate action if Russia's Gazprom was deemed to be using gas as a geopolitical weapon, Vitrenko replied: "We already see that Gazprom is using gas as a geopolitical weapon. So, it is not about the future, but we are telling them that Gazprom has been using gas as a geopolitical weapon for years."

"It is happening now ... Record prices that really hurt the economy of Ukraine [and] not just Ukraine, the whole region basically. If it is not an economic war, what is that?"

Germany's ministry for economic affairs and energy declined to comment when contacted by CNBC.

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#### ➤ **Social Democrats narrowly beat Angela Merkel's alliance in historic German election.**

The German election is heading for tough coalition talks and a possible three-way power-sharing agreement in Berlin, after one of the country's most significant votes in recent years.

Preliminary results on Monday morning showed the center-left Social Democratic Party gaining the largest share of the vote with 25.7%, according to the country's Federal Returning Officer, but falling well short of achieving a majority to govern alone.

Angela Merkel's right-leaning bloc of the Christian Democratic Union and Christian Social Union got 24.1% of the vote, according to the early results. Merkel is stepping down after 16 years as chancellor but her conservative alliance, heading toward its worst election result since World War II, could still cling on to power by playing a crucial role in the eventual coalition.

The Green Party is expected to get 14.8% of the vote. The liberal Free Democratic Party was seen with 11.5%, while the right-wing Alternative for Germany party was seen with 10.3%. The left-wing Die Linke party was expected to gain 4.9% of the vote.

Sources: CNBC.com



## Your Weekend Wire

### News Flow

After exit polls on Sunday evening, both main candidates for chancellor, the SPD's Olaf Scholz and the CDU-CSU's Armin Laschet, immediately claimed a mandate to govern. But coalition negotiations, which could begin on Monday, are likely to take weeks or even months.

Commenting after the exit polls, Laschet conceded the result was disappointing and said it posed a "big challenge" for Germany.

"We cannot be satisfied with the results of the election," Laschet told his supporters, according to a Reuters translation.

"We will do everything possible to build a conservative-led government because Germans now need a future coalition that modernizes our country," he said.

Signaling that another coalition with just the SPD was not probable, Laschet added that "it will probably be the first time that we will have a government with three partners."

Meanwhile, Scholz, who is the current finance minister and vice chancellor of Germany, said that the party must "wait for the final results — and then we get down to work," according to Reuters.

He added that "many citizens have voted for the SPD because they want a change of government and because they want the name of the next chancellor to be Olaf Scholz."

The early results mean the SPD, or the CDU-CSU would have to form a coalition with two other parties, likely the Greens and FDP, to achieve a majority.

In German elections, the winning party does not automatically appoint the next chancellor as majorities are rare; instead, the chancellor is voted in by parliament after a coalition government has been formed.

Germany experts like Holger Schmieding, chief economist at Berenberg Bank, said the early projections did little to clarify the outlook on Germany's next leader, and the make-up of the government.

"As expected, both a Scholz-led 'traffic light' alliance of the 'red' SPD with the Greens and the 'yellow' liberal FDP and a 'Jamaica' coalition of Laschet's 'black' CDU-CSU with Greens and FDP are possible. SPD and Greens, who are close, would likely extend an offer to the FDP whereas CDU-CSU and FDP, who are also close, would try to get the Greens on board," Schmieding said in a research note Sunday evening.

To get the Greens involved in a so-called "Jamaica" coalition (so named because the colors of the parties involved replicate those of the Jamaican flag), the CDU-CSU could have to make concessions to the Greens, and more than the bloc might be willing to stomach, Schmieding noted.

While the next chancellor of Germany remains a mystery for now, the projections seem to dispel investor fears that the country could end up with a coalition of the SPD, the left-leaning Die Linke and the Greens, an alliance in government which, Schmieding stated, "could have impaired trend growth through tax hikes, reform reversals and excessive regulations."

"If the official results confirm the exit polls — a big if as the results are close and the high share of postal voters of up to 50% may make the exit polls less reliable than usual — we would breathe a big sigh of relief. Until the exit polls, we had attached a 20% risk to such a tail risk scenario," he said.

Speaking to CNBC's Annette Weisbach on Sunday evening, Florian Toncar, a lawmaker for the pro-business FDP, said "one good aspect of today's outcome is that a left coalition including the far-left [Die Linke] has probably no majority, so that facilitates things a lot."

The election is significant because it heralds the departure of Merkel, who is preparing to leave office after 16 years as leader.

Recent German elections had failed to throw up any real surprises with Merkel's re-election relatively assured. But this election race has stood out for being too close to call, even in the last days before the vote.

The Green Party enjoyed a bounce in popularity and took the lead in the polls at one point in April. It was then overtaken by the Social Democratic Party, which managed to hang on to a slight lead in recent weeks.

Merkel's CDU, and its Bavarian sister party, the CSU, had failed to galvanize Germans, and around 40% of voters were reported to be undecided as to who to vote for in the week ahead of the election.

The conservative alliance has dominated German politics since 1949, when the parties formed a parliamentary group and ran in the first federal election following World War II.

In recent years, the party has fallen out of favor with younger German voters who are prioritizing green policies and want to see Germany invest in and modernize its creaking industries and infrastructure.

Sources: CNBC.com



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### News Flow

Voting took place all day Sunday, from 8 a.m. to 6 p.m. local time, in polling stations around the country although a large proportion of voters opted for postal ballots this election, given the coronavirus pandemic.

#### ➤ **Evergrande to sell \$1.5 billion stake in Chinese bank, as it faces another bond interest payment.**

Ahead of another interest payment deadline, Chinese developer Evergrande announced it will be selling off a \$1.5 billion (9.99 billion yuan) stake in Shengjing Bank to a state-owned asset management firm.

The property giant, which is buckling under the weight of more than \$300 billion in debt, has been struggling to raise funds as it faces a \$47.5 million bond interest payment deadline on Wednesday. The embattled real estate giant also owes payments to banks and suppliers.

In a filing to the Hong Kong exchange on Wednesday morning, Evergrande said that it has entered an agreement to sell the 1.75 billion shares it owns in Shengjing Bank to the Shenyang Shengjing Finance Investment Group, at 5.70 yuan per share. Those shares amount to 19.93% of the issued share capital of the bank.

Evergrande had earlier already disposed of 1-billion-yuan worth of shares in Shengjing Bank.

In the statement, Evergrande said that its liquidity problems have already “adversely affected” Shengjing Bank “in a material way.” Introducing the purchaser – the state-owned Shenyang Shengjing Finance Investment Group – will “stabilize the operations” of the bank, Evergrande said.

In a bid to ease its cash crunch, Evergrande is making ongoing efforts to sell off stakes in other assets.

It has sold property units to suppliers and contractors to offset some of its outstanding payments. As of Aug. 27, those outstanding debts amounted to around 25.17 billion yuan (\$3.8 billion), according to Evergrande’s latest financial statement.

Evergrande’s shares in Hong Kong jumped nearly 10% in early trading on Wednesday morning.

The troubles of Evergrande came to the fore after it warned twice in September that it may default on its debts. Fears over whether the firm would default roiled global markets – although U.S. stocks rebounded by the end of last week.

The world’s most indebted real estate company already missed one key \$83.5 million coupon payment last week, on an offshore March 2022, \$2 billion 5-year bond. Dollar bonds are typically held by foreign investors.

Evergrande has remained silent on the payment due last week, with no announcement made thus far.

However, the company will not technically default unless it fails to make that payment within 30 days of the due date.

Markets are closely watching to see if the firm will meet its next interest payment of \$47.5 million due Wednesday for a \$1 billion dollar bond that will mature in March 2024.

#### ➤ **China’s power crunch pushes foreign businesses to invest in factories elsewhere.**

Abrupt power cuts in parts of China are pushing some foreign companies to invest in other countries instead.

In the last several days, many local Chinese governments have restricted power usage, limiting or even halting factory production. The latest curbs come as the country faces a shortage of coal to generate electricity, and regional authorities are under increased pressure to comply with the central government’s call to reduce carbon emissions.

“Some companies were on the fence about investing in China. They choose to not go ahead now,” said Johan Annell, partner at Asia Perspective, a consulting firm that works primarily with Northern European companies operating in East and Southeast Asia.

These planned foreign business investments were in the tens of millions of U.S. dollars, Annell said. While China is still a “very strong destination” for manufacturing, he said the businesses are now looking to invest instead in Southeast Asia, particularly Vietnam.

“The uncertainty — nobody really knows the overall situation, how it’s going to develop, how it’s going to be implemented [in] the coming next few months in exactly your city and your province,” he said, citing the firm’s conversations with about 100 businesses.

In the last week, Chinese cities from those in the southern export hub of Guangdong to Shenyang, the capital of the northeastern province of Liaoning, have ordered restrictions on electricity use with little to no notice. The abrupt moves have prompted a few China economists to cut their GDP forecasts for the year.

For context, Guangdong province produces the most exports in China, at about 23% of the total for this year through August, according to official data accessed through Wind Information. Liaoning province ranks 16th in terms of export value, at 1.6% of the national total.

“This uncertainty in the short term, this is something you can handle it for a week or so and catch up over time,” Annell said. “The bigger issue is this uncertainty. This may very well go on for the coming two quarters.”

U.S. and European business association leaders confirmed the latest power cuts are affecting foreign business investment decisions in China.

Sources: CNBC.com

“Companies rely on policy stability and predictability,” said Matt Margulies, vice president for China operations at the U.S.-China Business Council.

“They need advanced notice for disruptions to power supply to ensure safety and business continuity,” he said. “They also need to be consulted with to find nuanced solutions that meet the needs of all stakeholders. A one-size-fits-all approach will be disruptive, increase costs, and hurts confidence in the market.”

China’s Ministry of Commerce deferred a request for comment to a weekly press conference set for Thursday afternoon.

Reports and anecdotes of power restrictions, particularly in Southern China, were already circulating in the last several months, especially as the country tries to reduce its carbon emissions.

Local power grids have also come under pressure from a shortage of coal and high factory demand for power to meet strong global demand for Chinese goods. The lack of power reportedly prompted blackouts in some cities and factories as far back as this past winter.

### ➤ **‘Russianization’ of China? French military think tank says Beijing borrowing from Moscow playbook.**

China is increasingly aiming to infiltrate and coerce on the global stage with its operations becoming more like those associated with Russia, according to a recent report by a think tank linked to the French military.

The French Military School Strategic Research Institute, an independent unit of the country’s armed forces known as IRSEM, said it had noted a change in Beijing’s behavior.

“For a long time, we could say that China, contrary to Russia, sought more to be loved rather than feared,” the report, published last week, said according to a CNBC translation.

But it adds that Beijing’s “operations to influence have been considerably stepped up over the past years and its methods look more and more like those applied by Moscow.” The research paper, over 600 pages in length, was authored by Paul Charon and Jean-Baptiste Jeangene Vilmer, experts in Chinese politics and foreign affairs.

The Chinese embassy in London was not immediately available for comment when contacted by CNBC on Wednesday.

The French report outlines different areas where Chinese authorities have looked to extend power. These include the media, where China has invested 1.3 billion euros (\$1.52 billion) per year since 2008 “to better control its image in the world.”

It also mentions economic coercion, notably by denying market access to foreign investors, imposing embargos and tariffs as well as organizing boycotts. China slapped major trade restrictions on Australian goods last year after that country called for an inquiry into Covid.

In addition, the report also claims that Beijing has tried to influence the outcome of elections over the past decade — reportedly in at least 10 elections in seven countries. This is something that U.S. intelligence officials have also blamed Russia for, notably during the 2016 presidential election in the United States.

The theme of coercion in international relations was also mentioned earlier this week by the leaders of the United States, India, Japan and Australia. Without mentioning China, the four countries said they are committed to a free and open Indo-Pacific region that is “undaunted by coercion.”

France is one of a group of countries that aren’t part of the so-called “Quad” which a recent game-theory project from CNBC predicted will align itself with the Quad.

France has been one of the most skeptical of the Western nations on U.S. efforts to limit some of China’s actions.

French President Emmanuel Macron is of the opinion that while criticizing China over human rights abuses, the EU needs to work with the nation, particularly when it comes to climate change.

Speaking in February, Macron said: “A situation to join all together against China, this is a scenario of the highest possible conflictuality,” Politico reported.

“This one, for me, is counterproductive,” he said.

#### ➤ **Biden signs temporary funding bill to prevent government shutdown.**

Congress avoided a government shutdown Thursday hours before funding would have lapsed.

President Joe Biden signed a short-term appropriations bill that will keep the government running through Dec. 3. Washington had to beat a midnight Thursday deadline to prevent a shutdown of some federal operations.

In a statement after he signed the measure, Biden said it “meets critical and urgent needs of the nation.” He added that “there’s so much more to do.”

The Senate and House approved the funding legislation earlier Thursday. The Senate passed it in a 65-35 vote as all 50 Democrats backed it and 15 Republicans joined them.

The House passed the bill by a 254-175 margin. Every Democratic representative and 34 Republicans supported it.

The so-called continuing resolution will set spending at current levels into December while lawmakers hash out a full-year funding plan.

The legislation includes money for hurricane relief and the resettlement of Afghan refugees.

“This is a good outcome, one I’m happy we are getting done,” Schumer said before the Senate vote.

A government shutdown could have led to furloughs of federal workers and the suspension of certain services. A funding lapse could have posed challenges during U.S. efforts to fight the coronavirus pandemic — though the Biden administration has said a shutdown would have little effect on public health functions.

Congress was set to snuff out one possible crisis Thursday but has another looming. Lawmakers still need to raise or suspend the debt ceiling before Oct. 18 to prevent a possible default on U.S. debt that would result in job losses, economic damage and a drop in the stock market.

Democrats, who control both chambers of Congress, tried to fund the government and suspend the debt ceiling as part of the same bill. Senate Republicans blocked the legislation, even though extending the ceiling doesn’t authorize new spending. Approval would let the Treasury to cover its existing obligations.

Senate Minority Leader Mitch McConnell, R-Ky., repeatedly said his party would vote for a funding bill without a suspension of the debt ceiling.

#### ➤ **Japan is set to have a new prime minister, here’s what you need to know about him.**

Fumio Kishida is set to become Japan’s next prime minister after winning the leadership race at Japan’s ruling Liberal Democratic Party on Wednesday.

The former foreign minister ousted his closest rival, popular vaccine czar Taro Kono, in a runoff vote after none of the four candidates was able to win a majority in the first round.

Kishida’s victory sets him up to replace outgoing party leader and Prime Minister Yoshihide Suga, who is stepping down just a year after taking the top job. Given the LDP and its coalition partner’s control of the house, Kishida is certain to also become Japan’s next prime minister.

Prior to his announcement of stepping aside, Suga’s approval ratings were already plunging amid widespread criticism of his administration’s handling of the pandemic. Critics slammed his decision to carry on hosting the summer Olympic Games in Tokyo despite the area being under a state of emergency at that time.

Kishida was one of Suga’s key challengers in the LDP leadership race in 2020, when former Prime Minister Shinzo Abe unexpectedly resigned due to ill health.

Kishida’s election as leader of the LDP “marks a win” for the party’s technocrats establishment, said Jesper Koll, a director at Monex Group.

“Kishida stands for stability, for not rocking the boat, and most importantly, for doing what elite technocrats tell him to do,” Koll said in a note on Wednesday. “On economic and financial policy, Kishida will follow a path of steadfast but incremental change.”

His promises on the campaign trail, which included a pledge not to hike the consumption tax for 10 years and a review of the pension and health-care system, were surprising given that he was “generally bland and unexciting on the public stage,” Koll said.

Prior to Kishida’s election win, Goldman Sachs’ Naohiko Baba told CNBC’s “Street Signs Asia” on Wednesday that the former foreign minister is expected to focus more on income redistribution to address income inequality in the country.



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### News Flow

One of Kishida's first tasks is to lead the LDP in Japan's lower house elections. That's set to take place in the next few months. Ahead of those polls, the incoming prime minister is expected to get "plenty of favorable media coverage" that will give him a boost, according to Tobias Harris, senior fellow for Asia at the Center for American Progress. While Kishida may not be "the most exciting personality" in terms of LDP leadership, he's "pleasant enough," Harris told CNBC on Thursday. "He's got a pretty good ... reputation, a good record from when he was foreign minister." Another advantage is that Kishida wasn't part of the Suga government and "it's harder to attack him for the Suga government's handling of the pandemic, so that's working in his favor," he said.

Japan has faced multiple waves of Covid infections since 2020, and its vaccination drive ramped up significantly in the last few months following a slow start.

As of Sept. 28, 59% of people in Japan were fully vaccinated against Covid-19 — higher than the United States' 55.09%, according to Our World in Data.

Harris pointed out that Covid infections have been on the downtrend in Japan. The government announced this week that it will end the coronavirus state of emergency in all regions on Thursday.

As a result, "You might not have the public as eager to turn out to vote against the LDP, and that was really the concern with Suga," Harris said.

Most prime ministers also tend to get a "nice bump in the polls" after taking office, the analyst said: "I don't think there's really any reason to think that Kishida won't get that."

#### ➤ **The U.S. and EU discuss ways to solve the global chip shortage: Here's what you need to know.**

The United States and the European Union have agreed to a "rebalancing" of global supply chains when it comes to semiconductors, in what could be the first of many trade and tech focused meetings.

The U.S.-EU Trade and Technology Council, referred to as TTC, emerged in the wake of Joe Biden's presidential victory as the European Commission, the executive arm of the EU, looked to overcome transatlantic disputes in these areas. The Trump administration had slapped tariffs on the EU and the bloc had been keen to find a solution with the new president.

Pittsburgh hosted the group's first gathering on Wednesday. Preparations for the meeting were held up following Australia's decision to cancel a submarine deal with France, instead opting for a U.S. agreement which angered the French.

French irritation reportedly watered down the statement issued by both sides at the end of the meeting on Wednesday evening.

Cecilia Bonefeld-Dahl, director-general of DigitalEurope which represents tech companies and trade associations, told CNBC that she hopes the U.S. and the EU will keep geopolitical and industrial issues apart.

"It's also in the interest of the U.S. to have a strong digital Europe," she said over the phone.

For now, both sides agreed "to identify gaps in the semiconductor value chain and strengthening our domestic semiconductor ecosystems." In a joint statement, the group added that it is committed "to building a partnership on the rebalancing of global supply chains in semiconductors."

This area has seen major disruption in the wake of the coronavirus pandemic. Demand for chips has outgrown supply in the past months, which has impacted the production of many products, including cars, TVs and many other electrical appliances.

This is a concern for the EU given that it is currently heavily dependent on international supply chains.

As such, the commission is working on new policies to boost chip production in the bloc and reduce its dependence on other parts of the world.

In addition, although the final statement doesn't mention China, some of the pledges certainly seemed to be targeted at Beijing.

"We intend to work closely together to address non-market, trade-distortive policies and practices, improve the effectiveness of our respective domestic measures," the U.S. and the EU said.

Officials have on numerous occasions criticized Beijing for not giving the same level of access to foreign business as to what is granted to Chinese companies abroad.

"Very happy with today's exchange and joint statement with our transatlantic partners," Europe's competition chief, Margrethe Vestager, said on Twitter following the meeting.

Source: Refinitiv



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### News Flow

U.S. Trade Representative Katherine Tai also said she was “energized” by the meeting and looked forward “to strengthening our tech and trade partnership with the EU.”

However, there has been no breakthrough yet on the tariff front.

The U.S. and the EU agreed earlier in the summer to find a compromise to ongoing steel and aluminum tariffs, imposed during the Trump presidency, by the end of November.

Speaking earlier this week, the EU’s trade chief Valdis Dombrovskis told Bloomberg that “time is running out.”

#### ➤ **Merck to seek emergency authorization for oral Covid treatment after ‘compelling results’ in trials.**

Merck and Ridgeback Biotherapeutics plan to seek emergency authorization for their oral antiviral treatment for Covid-19, after the medicine showed “compelling results” in clinical trials.

The drug, molnupiravir, reduced the risk of hospitalization or death by around 50% for patients with mild or moderate cases of Covid-19, the companies announced on Friday. Molnupiravir is administered orally and works by inhibiting the replication of Covid-19 inside the body.

An interim analysis of a phase 3 study found that 7.3% of patients treated with molnupiravir were hospitalized within 29 days. Of the patients who received a placebo, 14.1% were hospitalized or died by day 29. No deaths were reported in patients who were given molnupiravir within the 29-day period, while 8 deaths were reported in placebo-treated patients.

All 775 trial participants had laboratory-confirmed symptomatic Covid-19 and were randomly allocated either molnupiravir or a placebo within five days of the start of their symptoms.

Every participant was unvaccinated and had at least one underlying factor that put them at greater risk of developing a more severe case of the virus. The most common risk factors included obesity, being over the age of 60, diabetes and heart disease.

The phase 3 part of the trial was conducted at more than 170 sites, in countries including the U.S., Brazil, Italy, Japan, South Africa, Taiwan and Guatemala.

Molnupiravir’s efficacy was not affected by the timing of symptom onset or patients’ underlying risk factors, the study showed. It also proved to be consistently effective in treating all variants of Covid-19, including the widely dominant and highly transmissible Delta strain.

Adverse events were comparable in both the molnupiravir and placebo groups, with around 10% reporting adverse events. Just 1.3% of the molnupiravir group discontinued therapy due to an adverse event – less than the 3.4% of the placebo group who did so.

Recruitment into the study is being stopped early due to the positive results, at the recommendation of an independent Data Monitoring Committee and in consultation with the U.S. Food and Drug Administration.

Merck is currently also trialing molnupiravir in a separate global phase 3 study to evaluate its efficacy in preventing the spread of Covid-19 within households.

Robert M. Davis, CEO and president of Merck, said in a press release on Friday that the company would do everything it can to bring molnupiravir to patients as quickly as possible.

“With these compelling results, we are optimistic that molnupiravir can become an important medicine as part of the global efforts to fight the pandemic,” he said.

Ridgeback Biotherapeutics CEO Wendy Holman added: “With the virus continuing to circulate widely, and because therapeutic options currently available are infused or require access to a healthcare facility, antiviral treatments that can be taken at home to keep people with Covid-19 out of the hospital are critically needed.”

“We are very encouraged by the results from the interim analysis and hope molnupiravir, if authorized for use, can make a profound impact in controlling the pandemic,” she said.

Merck said on Friday it plans to seek Emergency Use Authorization for the drug in the U.S. as soon as possible. The company also plans to submit marketing applications to other international drug regulators.

If authorized by regulatory bodies, molnupiravir could be the first oral antiviral medicine for Covid-19. Antiviral treatments currently in use, such as remdesivir, are administered intravenously.

Merck has already begun producing molnupiravir. The pharmaceutical giant expects to produce 10 million courses of treatment by the end of 2021, and more doses in 2022.

Source: Refinitiv



## Your Weekend Wire

### News Flow

Earlier this year, Merck agreed to supply the U.S. with around 1.7 million courses of molnupiravir. This agreement is dependent on molnupiravir receiving Emergency Use Authorization or approval from the FDA.

Merck has also entered supply and purchase agreements for the drug with other governments – pending regulatory authorization – and is in discussions with other governments about the supply of molnupiravir.

The firm said on Friday that it plans to implement a tiered pricing approach based on World Bank country income criteria to ensure molnupiravir can be accessed globally. Merck has previously announced that it had entered into non-exclusive voluntary licensing agreements for molnupiravir with generic manufacturers, a move intended to assist low and middle-income countries in gaining access to the treatment. Those agreements are also pending approvals or emergency authorization by local regulators.

Ridgeback received an upfront payment from Merck as part of the companies' collaborative development of molnupiravir. The company is also eligible to receive contingent payments depending on developmental and regulatory approval milestones.

Profits arising from the collaboration will be split between Merck and Ridgeback equally.

#### ➤ **Euro zone inflation hits highest level in 13 years as energy prices soar.**

Euro zone inflation hit its highest level in 13 years in September, as the bloc battles surging energy costs.

Headline inflation came in at 3.4% last month, according to preliminary data from Europe's statistics office Eurostat. This was the highest level since September 2008 when inflation stood at 3.6%. It comes after German consumer prices rose by 4.1% in September — the highest level in almost 30 years.

The rise has been driven higher by surging energy prices, deepening concern among policymakers. The front-month gas price at the Dutch TTF hub, a European benchmark, has risen almost 400% since the start of the year.

What's more, this record run in energy prices is not expected to end any time soon, with energy analysts warning market nervousness is likely to persist throughout winter.

France has become the latest country to step up measures to mitigate the costs for consumers. Prime Minister Jean Castex said Thursday the government would be blocking further natural gas price increases as well as rises in electricity tariffs. However, before these measures kick in, gas prices will rise by 12.6% for French consumers as of Friday.

Italy, Greece and Spain have also taken steps to address the price increases.

Central bankers are of the opinion recent spikes in inflation are "transitory" and that price pressures will ease in 2022.

"We have been revising upward many of our projections in the last three quarters. Things have picked up faster and that is true for growth, that is true for inflation, and that is true for employment," European Central Bank President Christine Lagarde told CNBC in September.

"So, in a way it is a package of good news because it means that our economies are responding."

However, she added that energy price pressures were likely to outlast other inflationary factors, notably disruptions in supply chains.

"Energy is going to be a matter that will probably stay with us longer. Because we are transitioning, as well, from fossil industry driven sources of energy," Lagarde said.

But some economists are questioning whether all of the price pressures are temporary — and if the central bank needs to adapt monetary policy more quickly.

"The recent surge will do very little to bridge the gap between the two inflation camps: one arguing that inflation drivers are transitory and that base effects will disappear or even reverse next year and the other seeing a broad risk of accelerating inflation. We remain somewhere in the middle," Carsten Brzeski, global head of macro at ING Germany, said in a note on Thursday.

"Constantly higher inflation rates and a high risk that the ECB has actually entered a period in which its longer-term inflation forecasts frequently turn out to be too low, compared with too high in the years prior to the pandemic will put more pressure on how much monetary accommodation the euro zone economy really needs," he added.

Analysts expect the ECB to give more details about its monetary policy stance at a meeting in December. Its pandemic emergency purchase program, known as PEPP, is due to end in March and ECB watchers foresee a reduction in the level of purchases in the last months of the program.

"Even if inflation stays higher for longer, we still think the [European Central] Bank will stick to its dovish approach," Andrew Kenningham, chief Europe economist at Capital Economics, said in a note Thursday.

Source: Refinitiv

# Your Weekend Wire

## The week ahead

Date	Time	Country	Indicator Name	Period	Reuters Poll	Prior	SmartEstimate®	Predicted Surprise
04.10.2021	01:50	Japan	Monetary Base YY	Sep		14.88%		
04.10.2021	08:30	Switzerland	CPI MM	Sep		0.2%		
04.10.2021	08:30	Switzerland	CPI YY	Sep		0.9%		
04.10.2021	08:30	Switzerland	CPI NSA	Sep		101.3		
04.10.2021	08:30	Switzerland	Retail Sales YY	Aug		-2.6%		
04.10.2021	14:30	Canada	Building Permits MM.	Aug		-3.9%		
04.10.2021	16:00	United States	Durables Ex-Def, R MM	Aug		2.4%		
04.10.2021	16:00	United States	Durable Goods, R MM	Aug		1.8%		
04.10.2021	16:00	United States	Factory Orders MM	Aug	0.5%	0.4%	0.58%	0.08%
04.10.2021	16:00	United States	Durables Ex-Transp R MM	Aug		0.2%		
04.10.2021	16:00	United States	Nondef Cap Ex-Air R MM	Aug		0.5%		
04.10.2021	16:00	United States	Factory Ex-Transp MM	Aug		0.8%		

Date	Time	Country	Indicator Name	Period	Reuters Poll	Prior	SmartEstimate®	Predicted Surprise
05.10.2021	01:30	Japan	CPI Tokyo Ex fresh food YY	Sep	0.2%	0.0%	0.17%	-0.03%
05.10.2021	01:30	Japan	CPI, Overall Tokyo	Sep		-0.4%		
05.10.2021	01:30	Japan	CPI Tokyo Excl Food & Energy Y/Y	Sep		-0.1%		
05.10.2021	01:30	Japan	CPI Tokyo Excl Food & Energy M/M	Sep		0.1%		
05.10.2021	02:30	Japan	Services PMI	Sep		42.9		
05.10.2021	08:30	Sweden	PMI Services	Sep		64.7		
05.10.2021	08:45	France	Industrial Output MM	Aug		0.3%		
05.10.2021	09:45	Italy	Markit/IHS Svcs PMI	Sep		58.0		
05.10.2021	09:45	Italy	Composite PMI	Sep		59.1		
05.10.2021	09:50	France	Markit Serv PMI	Sep		56.0		
05.10.2021	09:50	France	Markit Comp PMI	Sep		55.1		
05.10.2021	09:55	Germany	Markit Services PMI	Sep		56.0		
05.10.2021	09:55	Germany	Markit Comp Final PMI	Sep		55.3		
05.10.2021	10:00	United Kingdom	New Passenger Cars Registration	Sep		68 033		
05.10.2021	10:30	United Kingdom	Markit/CIPS Serv PMI Final	Sep		54.6		
05.10.2021	10:30	United Kingdom	Composite PMI Final	Sep		54.1		
05.10.2021	10:30	United Kingdom	Reserve Assets Total	Sep		201 711.94M		
05.10.2021	14:15	Canada	Reserve Assets Total	Sep		106 539M		
05.10.2021	14:55	United States	Redbook YY	2 Oct, w/e		16.5%		
05.10.2021	15:45	United States	Markit Comp Final PMI	Sep		54.5		
05.10.2021	15:45	United States	Markit Svcs PMI Final	Sep		54.4		
05.10.2021	16:00	United States	ISM N-Mfg PMI	Sep	61.3	61.7	60.71	-0.59
05.10.2021	16:00	United States	ISM N-Mfg Bus Act	Sep		60.1		
05.10.2021	16:00	United States	ISM N-Mfg Employment Idx	Sep		53.7		
05.10.2021	16:00	United States	ISM N-Mfg New Orders Idx	Sep		63.2		
05.10.2021	16:00	United States	ISM N-Mfg Price Paid Idx	Sep		75.4		

Source: Refinitiv

# Your Weekend Wire

## The week ahead

Date	Time	Country	Indicator Name	Period	Reuters Poll	Prior	SmartEstimate®	Predicted Surprise
06.10.2021	08:00	Germany	Industrial Orders MM	Aug	-1.3%	3.4%	-1.83%	-0.53%
06.10.2021	08:00	Germany	Manufacturing O/P Cur Price SA	Aug		30.9%		
06.10.2021	08:00	Germany	Consumer Goods SA	Aug		124.6		
06.10.2021	09:30	Sweden	Household Consumption YY	Aug		6.4%		
06.10.2021	09:30	Sweden	Household Consumption MM	Aug		0.7%		
06.10.2021	09:30	Sweden	New Orders Manuf. YY	Aug		13.5%		
06.10.2021	09:30	Germany	IHS Markit Cons PMI	Sep		44.6		
06.10.2021	09:30	France	IHS Markit Cons PMI	Sep		44.9		
06.10.2021	09:30	Italy	IHS Markit Cons PMI	Sep		65.2		
06.10.2021	09:30	Sweden	Private Production YY	Aug		10.5%		
06.10.2021	09:30	Sweden	Private Production MM	Aug		2.0%		
06.10.2021	09:30	Sweden	Ind Production Val YY	Aug		13.3%		
06.10.2021	09:30	Sweden	Ind Production Val MM	Aug		1.2%		
06.10.2021	09:30	Sweden	Services Production YY	Aug		10.0%		
06.10.2021	09:30	Sweden	Construction Prod YY	Aug		9.7%		
06.10.2021	09:30	Sweden	Construction Prod MM	Aug		1.3%		
06.10.2021	10:30	United Kingdom	All-Sector PMI	Sep		54.9		
06.10.2021	10:30	United Kingdom	Markit/CIPS Cons PMI	Sep		55.2		
06.10.2021	13:00	United States	MBA 30-Yr Mortgage Rate	27 Sep, w/e		3.10%		
06.10.2021	14:15	United States	ADP National Employment	Sep	475k	374k	414.0k	-61.0k
06.10.2021	16:30	United States	EIA Ethanol Ref Stk	27 Sep, w/e		20 220k		
06.10.2021	16:30	United States	EIA Ethanol Fuel Total	27 Sep, w/e		914k		
06.10.2021	19:00	United States	Overall Comprehensive Risk	Q4		8.05		
06.10.2021	19:00	Canada	Overall Comprehensive Risk	Q4		9.21		

Sources: Refinitiv

# Your Weekend Wire

## The week ahead

Date	Time	Country	Indicator Name	Period	Reuters Poll	Prior	SmartEstimate®	Predicted Surprise
07.10.2021	01:50	Japan	Foreign Reserves	Sep		1 424.3B		
07.10.2021	06:30	Netherlands	CPI YY NSA	Sep		2.4%		
07.10.2021	06:30	Netherlands	CPI MM NSA	Sep		0.4%		
07.10.2021	06:30	Netherlands	CPI NSA	Sep		110.7		
07.10.2021	07:00	Japan	Coincident Index	Aug		-0.1		
07.10.2021	07:00	Japan	Leading Indicator	Aug		-0.1		
07.10.2021	07:45	Switzerland	Unemployment Rate Unadj	Sep		2.7%		
07.10.2021	07:45	Switzerland	Unemployment Rate Adj	Sep		2.9%		
07.10.2021	08:00	United Kingdom	Halifax House Prices MM	Sep		0.7%		
07.10.2021	08:00	United Kingdom	Halifax House Prices YY	Sep		7.10%		
07.10.2021	08:00	Germany	Industrial Output MM	Aug	-0.1%	1.0%	0.06%	0.16%
07.10.2021	08:00	Germany	Industrial Production YY SA	Aug		5.73%		
07.10.2021	08:45	France	Reserve Assets Total	Sep		213 930M		
07.10.2021	09:00	Switzerland	Forex Reserves CHF	Sep		929 292.00M		
07.10.2021	09:30	Sweden	House Prices	Sep		6%		
07.10.2021	10:00	Italy	Retail Sales SA MM	Aug		-0.40%		
07.10.2021	10:00	Italy	Retail Sales NSA YY	Aug		6.70%		
07.10.2021	10:30	United Kingdom	Labour Productivity	Q2		0.9%		
07.10.2021	11:00	Germany	Overall Comprehensive Risk	Q4		9.33		
07.10.2021	11:00	France	Overall Comprehensive Risk	Q4		8.84		
07.10.2021	11:00	United Kingdom	Overall Comprehensive Risk	Q4		8.97		
07.10.2021	11:00	Italy	Overall Comprehensive Risk	Q4		8.48		
07.10.2021	13:30	United States	Challenger Layoffs	Sep		15.723k		
07.10.2021	14:30	United States	Initial Jobless Clm	27 Sep, w/e		362k		
07.10.2021	14:30	United States	Jobless Clm 4Wk Avg	27 Sep, w/e		340.00k		
07.10.2021	14:30	United States	Cont Jobless Clm	20 Sep, w/e		2.802M		
07.10.2021	16:00	Canada	Ivey PMI	Sep		63.8		
07.10.2021	16:00	Canada	Ivey PMI SA	Sep		66.0		
07.10.2021	21:00	United States	Consumer Credit	Aug	20.00B	17.00B	21.318B	1.318B

Sources: Refinitiv

# Your Weekend Wire

## The week ahead

Date	Time	Country	Indicator Name	Period	Reuters Poll	Prior	SmartEstimate®	Predicted Surprise
08.10.2021	01:30	Japan	All Household Spending YY	Aug	-1.5%	0.7%	-1.77%	-0.27%
08.10.2021	01:30	Japan	All Household Spending MM	Aug	-2.0%	-0.9%	-2.07%	-0.07%
08.10.2021	01:30	Japan	Overtime Pay	Aug		12.2%		
08.10.2021	01:30	Japan	Overall Lab Cash Earnings	Aug		1.0%		
08.10.2021	05:00	Japan	Overall Comprehensive Risk	Q4		9.02		
08.10.2021	06:30	Netherlands	Manufacturing Output MM	Aug		1.3%		
08.10.2021	07:00	Japan	Economy Watchers Poll SA	Sep		34.7		
08.10.2021	14:30	United States	Non-Farm Payrolls	Sep	500k	235k	507.6k	7.6k
08.10.2021	14:30	Canada	Avg hrly wages Permanent employee YY	Sep		1.25%		
08.10.2021	14:30	United States	Private Payrolls	Sep	480k	243k	434.8k	-45.2k
08.10.2021	14:30	United States	Manufacturing Payrolls	Sep	30k	37k	28.2k	-1.8k
08.10.2021	14:30	United States	Government Payrolls	Sep		-8k		
08.10.2021	14:30	United States	Unemployment Rate	Sep	5.1%	5.2%	5.04%	-0.06%
08.10.2021	14:30	United States	Average Earnings MM	Sep	0.4%	0.6%	0.34%	-0.06%
08.10.2021	14:30	United States	Average Earnings YY	Sep		4.3%		
08.10.2021	14:30	United States	Average Workweek Hrs	Sep	34.7	34.7	34.72	0.02
08.10.2021	14:30	United States	Labor Force Partic	Sep		61.7%		
08.10.2021	14:30	United States	U6 Underemployment	Sep		8.8%		
08.10.2021	14:30	Canada	Employment Change	Sep		90.2k		
08.10.2021	14:30	Canada	Unemployment Rate	Sep		7.1%		
08.10.2021	14:30	Canada	Full Time Employment Chng SA	Sep		68.5k		
08.10.2021	14:30	Canada	Part Time Employment Chng SA	Sep		21.7k		
08.10.2021	14:30	Canada	Participation Rate	Sep		65.1%		
08.10.2021	16:00	United States	Wholesale Invt(y), R MM	Aug	0.6%	1.2%	0.69%	0.09%
08.10.2021	16:00	United States	Wholesale Sales MM	Aug		2.0%		

Sources: Refinitiv

## Your Weekend Wire Figures

### Currencies

<b>EURUSD</b>	<b>1.1591</b>	<b>Weekly Change</b>
Week Low	Week High	
1.1563	1.1726	<b>-1.13%</b>

<b>GBPUSD</b>	<b>1.3557</b>	<b>Weekly Change</b>
Week Low	Week High	
1.3413	1.3728	<b>-0.88%</b>

<b>EURCHF</b>	<b>1.0782</b>	<b>Weekly Change</b>
Week Low	Week High	
1.0773	1.0864	<b>-0.48%</b>

<b>AUDUSD</b>	<b>0.7256</b>	<b>Weekly Change</b>
Week Low	Week High	
0.7171	0.7311	<b>-0.03%</b>

<b>USDCHF</b>	<b>0.9299</b>	<b>Weekly Change</b>
Week Low	Week High	
0.9241	0.9368	<b>0.59%</b>

<b>USDCAD</b>	<b>1.2666</b>	<b>Weekly Change</b>
Week Low	Week High	
1.2593	1.2774	<b>0.11%</b>

<b>USDTRY</b>	<b>8.8545</b>	<b>Weekly Change</b>
Week Low	Week High	
8.8155	8.9557	<b>-0.21%</b>

<b>EURGBP</b>	<b>0.8550</b>	<b>Weekly Change</b>
Week Low	Week High	
0.8526	0.8658	<b>-0.18%</b>

### Indices and Commodities

<b>Eurostoxx 50</b>	<b>4 023.31</b>
Week Change	YTD
<b>-1.43%</b>	<b>12.58%</b>

<b>Gold</b>	<b>1760.277</b>
Week Change	YTD
<b>0.65%</b>	<b>-7.22%</b>

<b>SMI</b>	<b>11 549.85</b>
Week Change	YTD
<b>-1.48%</b>	<b>8.77%</b>

<b>WTI</b>	<b>75.0000</b>
Week Change	YTD
<b>1.09%</b>	<b>57.50%</b>

<b>S&amp;P 500</b>	<b>4 294.90</b>
Week Change	YTD
<b>-3.32%</b>	<b>14.68%</b>

<b>US 10Y Yield</b>	<b>1.4735</b>
Week bp Change	YTD bp Change
<b>2.10</b>	<b>54.299</b>

<b>VIX</b>	<b>23.13</b>
Week Change	YTD
<b>30.37%</b>	<b>1.71%</b>

<b>EU 10Y Yield</b>	<b>-0.2350</b>
Week bp Change	YTD bp Change
<b>-1.00</b>	<b>27.04</b>



## Your CRYPTO Weekend Wire

**Crypto Market Cap:** \$2,056,398,313,909

**Dominance\*:** BTC: 43.2% ETH: 18.4%

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

### News Flow

#### ➤ **China's central bank says all cryptocurrency-related activities are illegal, vows harsh crackdown.**

China's central bank renewed its tough talk on bitcoin Friday, calling all digital currency activities illegal and vowing to crack down on the market.

In a Q&A posted to its website, the People's Bank of China said services offering trading, order matching, token issuance and derivatives for virtual currencies are strictly prohibited. Overseas crypto exchanges providing services in mainland China are also illegal, the PBOC said. "Overseas virtual currency exchanges that use the internet to offer services to domestic residents is also considered illegal financial activity," the central bank said, according to a CNBC translation of the comments. Workers at foreign crypto exchanges will be investigated, it added.

The PBOC said it has also improved its systems to step up monitoring of crypto-related transactions and root out speculative investing. "Financial institutions and nonbank payment institutions cannot offer services to activities and operations related to virtual currencies," the central bank said, reiterating past comments.

The price of bitcoin sank over 6.5% in 24 hours, last trading at around \$41,882, according to Coin Metrics data at midmorning Friday ET. Ethereum, the second-largest digital asset, fell 9% to around \$2,867.

Stocks with heavy exposure to crypto also slumped in midmorning trading on the Nasdaq, with Coinbase down 2%, MicroStrategy slipping 5% and Riot Blockchain down over 6%.

It's not the first time China has gotten tough on cryptocurrencies. Earlier this year, Beijing announced a crackdown on crypto mining, the energy-intensive process that verifies transactions and mints new units of currency. That led to a sharp slump in bitcoin's processing power, as multiple miners took their equipment offline.

The PBOC also ordered banks and nonbank payment institutions like Alibaba affiliate Ant Group not to provide services related to crypto. In July, the central bank told a Beijing-based company to shut down for allegedly facilitating digital currency transactions with its software. China's crypto crackdown comes as Beijing is looking to fulfill its climate targets. The country is the world's biggest carbon emitter and has set out to become carbon neutral by 2060.

The PBOC is also working on its own digital currency. China is seen as a leading contender in the race toward central bank-issued digital currencies, having tried out a virtual version of the yuan in several regions.

#### ➤ **Major crypto exchanges stop letting Chinese users sign up after Beijing's renewed crackdown.**

Huobi, one of the world's largest cryptocurrency exchanges, said it has ceased new account openings for mainland Chinese users after Beijing renewed a crackdown on virtual currencies.

The People's Bank of China declared all virtual currency-related activities illegal including trading on Friday. The Chinese central bank also took aim at overseas exchanges providing services to mainland China users.

Huobi, one of these exchanges, said on Sunday that it would end account registrations for new mainland Chinese users. The company will also gradually retire existing accounts of mainland Chinese users by midnight on Dec. 31, 2021.

Meanwhile Binance, one of the world's largest cryptocurrency exchanges, said that account registrations using Chinese cell phone numbers are now blocked. The Binance app is also no longer available for download in China.

"Binance takes its compliance obligations very seriously and is committed to following local regulator requirements wherever we operate," a spokesperson told CNBC.

This year, Chinese authorities have intensified a crackdown on cryptocurrencies that has targeted bitcoin miners and trading.

But China's tough stance on cryptocurrencies is not new. Authorities in the world's second-largest economy have long been worried about the impact of digital coins on financial stability.

In 2017, China shut down local cryptocurrency exchanges and banned so-called initial coin offerings (ICOs), a way to raise money for crypto companies by issuing digital tokens.

Many of China's cryptocurrency exchanges moved offshore as a result of that. But loopholes have remained that allow mainland Chinese traders to buy and sell digital currencies on these offshore exchanges.

Sources: [Bloomberg/Refinitiv/cnbc.com](https://www.bloomberg.com/news/articles/2021-12-25/china-central-bank-says-crypto-activities-illegal)



# Your CRYPTO Weekend Wire

## News Flow

### ➤ **Tesla CEO Elon Musk says U.S. government should avoid regulating crypto.**

Tesla CEO Elon Musk on Tuesday said the U.S. government should steer clear of trying to regulate the crypto market.

“It is not possible to, I think, destroy crypto, but it is possible for governments to slow down its advancement,” Musk said at the Code Conference in Beverly Hills, California.

Musk was responding on stage to a question from New York Times columnist Kara Swisher. She asked whether the U.S. government should be involved in regulating the crypto space.

“I would say, ‘Do nothing,’” he said.

Tesla said early this year that it had purchased \$1.5 billion worth of bitcoin. The value of those holdings swelled to about \$2.5 billion in the second quarter as bitcoin prices surged. Bitcoin has since dropped, along with other cryptocurrencies.

Musk, who has frequently touted his support for various digital coins on Twitter, is bullish on the role of crypto in potentially reducing the “error and latency” in the legacy money systems. But he acknowledged that crypto doesn’t have all the answers to society’s ills.

“I wouldn’t say that I’m a massive cryptocurrency expert,” said Musk. “I think there’s some value in cryptocurrency, but I wouldn’t say it’s the second coming of the Messiah.”

Musk also addressed China’s role in crypto mining and regulation.

Last week, China’s central bank spelled out tougher measures in its wider crypto crackdown, including souped-up systems to monitor crypto-related transactions.

Musk said the heavy hand likely has to do with the country’s “significant electricity generation issues.”

“Part of it may actually be due to electricity shortages in many parts of China,” said Musk. “A lot of South China right now is having random power outages, because the power demand is higher than expected.”

“Crypto mining might be playing a role in that,” he said.

At a higher level, the decentralized nature of cryptocurrencies may present a challenge for the Chinese government.

“I suppose cryptocurrency is fundamentally aimed at reducing the power of a centralized government,” Musk said. “They don’t like that.”

### ➤ **Gensler Reiterates Support for Futures-Based Bitcoin ETFs.**

U.S. Securities and Exchange Commission (SEC) Chairman Gary Gensler reiterated his support Wednesday for a narrow class of bitcoin exchange-traded funds (ETFs) that would invest in futures contracts instead of the crypto itself.

Gensler singled out bitcoin ETFs, which invest in futures contracts that trade on the Chicago Mercantile Exchange and register under the Investments Company Act of 1940. The so-called ‘40 Act “provides significant investor protections,” he said in prepared remarks for a Financial Times conference: “I look forward to staff’s review of such filings.”

He struck a similar tone in an August speech that ignited a rush in tailor-made bitcoin futures ETF filings. None has been approved by the SEC, but industry observers expect decisions as early as October.

The SEC is reviewing almost two dozen ETF filings for bitcoin, bitcoin futures, ether and ether futures products.

Investors haven’t been quite as eager to plow into bitcoin futures-linked products. One bitcoin futures mutual fund has amassed only \$15 million in assets two months after launch, according to a tweet from Eric Balchunas, an analyst for Bloomberg.

### ➤ **Visa Unveils Proposed Interoperability Platform for Stablecoins, CBDCs.**

Payments behemoth Visa has unveiled a proposed platform enabling interoperability between central bank digital currencies (CBDCs) and other stablecoins.

The “universal payments channel” (UPC) aims to allow the cryptocurrencies to be transferred between different blockchain networks.

In a white paper, Visa said “the UPC technology can play an important role between private stablecoins and public CBDCs by providing permissioned access for whitelisted stablecoins to be interoperable with CBDCs.”

Sources: [Bloomberg/Refinitiv/cnbc.com/coinmarketcap.com](https://www.bloomberg.com/news/articles/2021-09-08/elon-musk-says-us-government-should-avoid-regulating-crypto)



## Your CRYPTO Weekend Wire

### News Flow

The UPC protocol will allow payments through an entity known as the “UPC Hub”, acting as a trusted gateway to read the state of two ledgers, checking the eligibility of every payment.

With almost every major economy in the world exploring the development of a CBDC, questions have been asked about how different currencies could interoperate, and eyes have turned to companies like Visa to provide such a solution.

#### ➤ **SBI, Sygnum and Azimut Found New \$75M Fund.**

Japan’s largest FinTech conglomerate, SBI Group, joins the world’s first digital asset bank Sygnum and Azimut Group a leading independent asset manager in Europe to launch a venture capital fund of up to \$75 million which will invest in start-up companies in the digital asset sector.

The Singapore-incorporated fund, dubbed Variable Capital Company, aims to “accelerate the growth of promising companies in this sector, while providing qualifying investors with unrivalled access to the fast-growing digital asset economy,” according to a Sygnum press release. The investment strategy will focus on early-stage start-ups developing blockchain/distributed ledger technology (DLT) infrastructure, decentralized finance (DeFi) solutions and regulatory technology tools.

This year has seen a tremendous influx of funding into crypto, Sygnum notes, through the first half of 2021 along, over \$17 billion of investments have flooded the space including seven of the ten largest blockchain/DLT and cryptocurrency funding rounds of all time.

Funds are almost routinely raising hundreds of millions of dollars to invest in new technology startups. Earlier this month, Pantera Capital announced a new \$600 million blockchain fund. In fact, Blockworks previously reported that crypto venture capital is at an all-time high.

Regulatory technology (or reg tech) is another major theme of the new fund. The trio of companies believes that increased oversight by regulators of the digital asset sector will require new tools for digital asset service providers and their clients.

#### ➤ **Switzerland national postal service to debut crypto stamp on Polygon.**

The national postal service of Switzerland is working to bridge the gap between physical stamps and the digital cryptocurrency industry by introducing tradable digital stamps.

On Sept. 20, the Swiss Post officially announced the upcoming launch of the “Swiss crypto stamp,” a digital collectible linked to a physical stamp issued by the postal service worth 8.9 Swiss francs.

The Swiss crypto stamp will provide a digital representation for a physical stamp and will be stored on a blockchain. “Each design forms a nonfungible token and is stored in the Polygon Blockchain,” a spokesperson for the Swiss Post told Cointelegraph.

Buyers will be able to discover a digital twin of their physical stamp online through a QR code printed next to the physical stamp. The crypto stamp’s image will show one of 13 possible designs and can be collected, exchanged and traded online, the Swiss Post said.

According to a representative for Swiss Post, customers will be able to exchange or sell their crypto stamps on platforms such as major nonfungible token (NFT) marketplace OpenSea. “Swiss Post only sells the Swiss crypto stamp, trading with it takes place separately from Swiss Post,” the spokesperson added.

The upcoming Swiss crypto stamp will apparently provide an experience somewhat like NFTs, as some of the stamps will have a rare design. “Some are more common, while others are much rarer and more coveted. There are 65,000 copies of the most common digital design, but just 50 of the rarest. One thing is clear: the Swiss crypto stamp means collecting, exchanging and trading stamps has gone digital, too,” the Swiss Post wrote.

The Swiss crypto stamp will launch in late November, with 175,000 such stamps coming to selected Swiss Post branches on Nov. 25. According to the announcement, the Swiss crypto stamp will be the first stamp of its kind ever launched in Switzerland.

Switzerland is not the first country to experiment with blockchain technology to provide digital stamp collectibles. In May 2021, Austria’s postal service announced plans for incorporating NFC chips in its Crypto Stamp 3.0, the third iteration of its limited-edition NFT postage stamp collectible series. Austria released its first-ever crypto stamp in 2019.

Sources: [Bloomberg/Refinitiv/cnbc.com/coinmarketcap.com/Newsnow.com](https://www.bloomberg.com/news/articles/2021-09-20-swiss-post-launches-digital-crypto-stamp)



# Your CRYPTO Weekend Wire

## News Flow

### ➤ **DBS Bank's Brokerage Arm Receives Licence From Singapore Regulator Under Payment Services Act.**

DBS Bank's brokerage arm, DBS Vickers (DBSV), has been granted a license to operate as a Major Payment Institution from the Monetary Authority of Singapore (MAS).

The broker says its license enables it to provide its services in the city-state through its DBS Digital Exchange (DDEX), according to a press release on Thursday. The move follows on from a previous "in-principle" approval granted by the regulator in August.

Under the Payment Services Act, applicants applying for a license are subject to a review of their policies, customer protection procedures, compliance structures, among other areas.

"We believe that DBSV's license... could add to DDEX's volumes in the coming months and accelerate growth momentum for DBS' digital asset ecosystem," said Eng-Kwok Seat Moey, Head of Capital Markets at DBS.

DDEX first launched in December of last year as a member-only bourse and in that time, DBS says it has seen strong demand from institutional investors as well as accredited individuals and family offices.

In May, DBS Private Bank rolled out Asia's first bank-backed trust solution for cryptocurrencies while in June, DDEX listed its inaugural Security Token Offering in the form of a US\$13.3 million digital bond.

### ➤ **Fed Chair Powell Says He Has 'No Intention' of Banning Crypto.**

U.S. Federal Reserve Chairman Jerome Powell said he does not intend to ban cryptocurrencies but said stablecoins need greater regulatory oversight.

Powell made the comments in a two-hour long House Financial Services Committee meeting on Thursday. The meeting, meant to serve as a forum for representatives to ask Treasury Secretary Janet Yellen and Powell about the Treasury Department's and Federal Reserve's pandemic response, featured several questions about cryptocurrencies.

Rep. Ted Budd (R-N.C.), a longtime proponent of crypto and a member of the Congressional Blockchain Caucus, asked Powell to clarify statements he had made during a July hearing that the development of a U.S. central bank digital currency (CBDC) could undercut the need for private crypto and stablecoins.

When asked by Budd directly whether he intended to "ban or limit the use of cryptocurrencies," Powell's response was a resounding "No."

"[I have] no intention to ban them," he said.

Powell's remarks come just two days after he asked Congress for consultation and legislative support to develop the digital dollar. Some in the crypto community have speculated that the establishment of a U.S. CBDC would lead to bans on private crypto, as was recently seen in China, but Powell's remarks suggest otherwise.

When asked about stablecoins, Powell compared them to money market funds or bank deposits.

"They're to some extent outside the regulatory perimeter, and it's appropriate that they be regulated. Same activity, same regulation," Powell said.

Rep. Warren Davidson (R-Ohio), also a member of the Congressional Blockchain Caucus, remarked on the lack of regulatory clarity surrounding digital assets, and asked Yellen to define digital assets for tax-accounting purposes.

Yellen deflected the question, saying that the IRS was in the process of issuing "detailed regulations that will answer that question." This upcoming report is one of several the Treasury Department has promised in recent months, including a highly anticipated report on stablecoins set to be released in the coming weeks. An IRS spokesperson referred CoinDesk to the Treasury Department when asked for comment.

The issue of financial privacy was also a theme at Thursday's hearing, with three representatives – Reps. David Kustoff (R-Tenn.), Trey Hollingsworth (R-Ind.) and William Timmons (R-S.C.) – bringing up concerns about a push by the IRS to enact new regulations requiring banks to report annual inflows and outflows from all accounts with over \$600.

Yellen confirmed the IRS' plans, saying they were necessary to address an estimated \$7 trillion tax gap.

"Yes, we have proposed both augmenting the resources of the IRS ... so that the IRS gets insight into opaque sources of income."

Sources: [Bloomberg/Refinitiv/cnbc.com/coinmarketcap.com/Newsnow.com](https://www.bloomberg.com/news/articles/2021-08-12/dbsv-receives-licence-as-major-payment-institution)



# Your CRYPTO Weekend Wire

## News Flow

### ➤ Société Générale proposes historic \$20M DAI loan in exchange for bond tokens.

One of France’s leading banks has turned to decentralized finance pioneer MakerDAO to propose the submission of bond tokens as collateral for a loan of the DAI stablecoin.

The historic proposal called “Security Tokens Refinancing” was submitted to Maker’s governance forums by the international bank on Oct.1. It would be the first major collaboration between a traditional bank and a DeFi protocol and could open the door for closer integration between the two sectors.

Société Générale (SG) labeled it as the “first experiment at the crossroads between regulated and open-source initiatives.”

The bank has proposed that it provides “OFH” security tokens (obligations de financement de l’habitat) which are characterized as covered bonds under French law and backed by home loans.

These would be used to collateralize a \$20 million loan in Maker’s DAI stablecoin which would be mediated by several legal entities and mature in six to nine months.

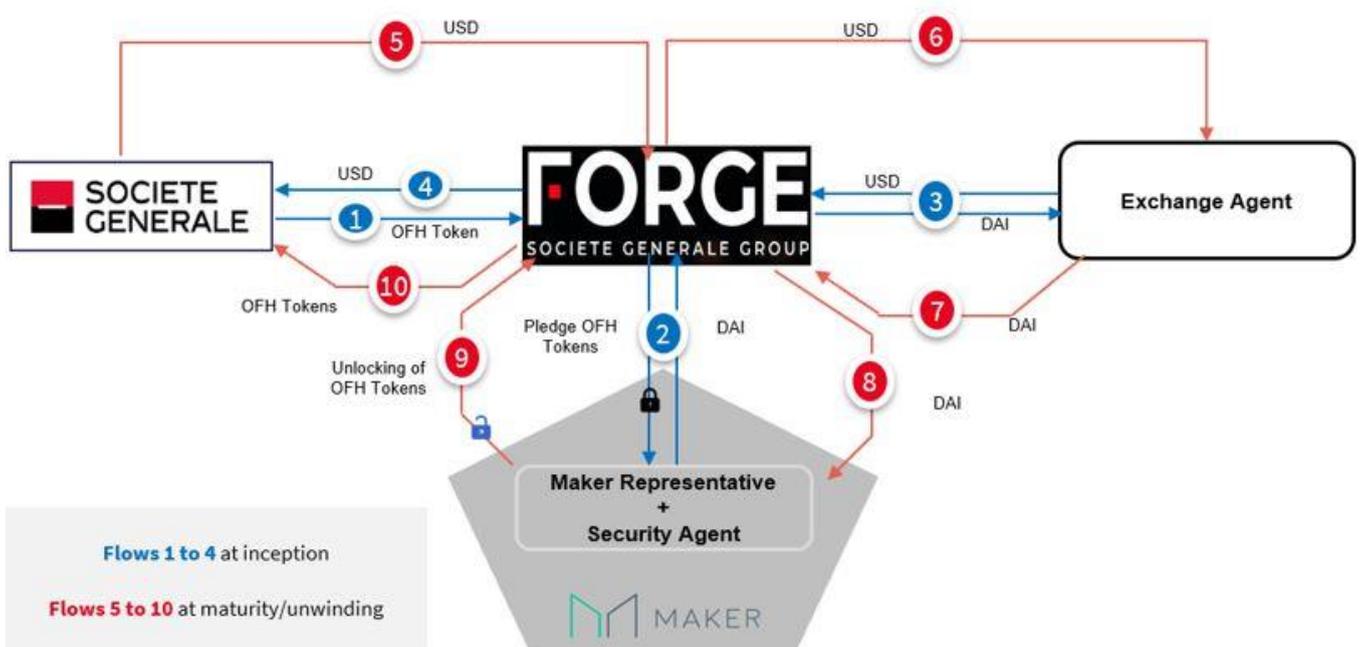
The Ethereum-based security tokens were issued in May 2020 with a nominal amount of 40 million Euro (\$46.3M) and a fixed rate of 0%. They mature in May 2025 and have the top credit rating of AAA by rating agencies Moody’s and Fitch.

MakerDAO founder Rune Christensen said he had “no clue” about this proposal, adding that “this is one of multiple recent examples in Maker Governance of how the post-foundation model of organization is proving to be more scalable.”

SG stated that the loan would be a “pilot use case,” with the goal of helping to “shape and promote an experiment under the French legal framework,” and “enhance a profitable service and foster liquidity for digital bonds.”

SG Forge, a regulated subsidiary of the bank that deals with crypto assets, is managing the proposal which is based on the open-source framework CAST (Compliant Architecture for Security Tokens).

The legal framework for the deal is complex as it needs to integrate an institutional financial organization with a decentralized governance-based network. A flowchart provided by the bank details six separate entities involved in the process. These include the registrar Société Générale Forge, the bank itself SG, MakerDAO, a legal representative for the DeFi protocol, security agent DIIS Group, and a third-party exchange agent.



Sources: [Bloomberg/Refinitiv/cnbc.com/coinmarketcap.com/Newsnow.com](https://www.bloomberg.com/news/articles/2020-10-01/societe-generale-proposes-20-million-dai-loan-in-exchange-for-bond-tokens)



# Your CRYPTO Weekend Wire

## News Flow

The proposal is currently being discussed and will move to a formal governance vote in the weeks to come. It is not the first time Société Générale has dabbled with Ethereum-based security tokens. In April 2019, the bank's SG Forge unit issued a 100 million Euro bond as an OFH security token on Ethereum.

### ➤ **DeFi bug accidentally gives \$90 million to users, founder begs them to return it.**

About \$90.1 million has mistakenly gone out to users of popular DeFi staking protocol Compound after an upgrade gone epically wrong. Now, the founder is making a plea — and issuing a few threats — to incentivize the voluntary return of the platform's crypto tokens. "If you received a large, incorrect amount of COMP from the Compound protocol error: Please return it," Robert Leshner, founder of Compound Labs, tweeted late Thursday. "Keep 10% as a white-hat. Otherwise, it's being reported as income to the IRS, and most of you are doxxed," continued the tweet. The price of Compound's native token, COMP, initially plunged nearly 13% in a day on news of the bug, but it's since gained background. Whether reward recipients choose to return many millions of dollars to the platform remains to be seen, though if history is any indication, it is certainly possible.

"Alchemix [another decentralized finance, or DeFi, protocol] had a similar incident a few months back where they gave out more rewards than intended," blockchain security researcher Mudit Gupta told CNBC. "Almost everyone who got the extra rewards refunded the extra." What is different here is that the Alchemix exchange lost just \$4.8 million. But Gupta remains hopeful.

"This makes me optimistic that people will refund most of COMP tokens, as well, but you can never be sure," he said. DeFi protocols like Compound are designed to recreate traditional financial systems such as banks and exchanges using blockchains enriched with self-executing smart contracts.

On Wednesday, Compound rolled out what should have been a pretty standard upgrade. But soon after implementation, it was clear that something had gone seriously wrong.

"The new Comptroller contract contains a bug, causing some users to receive far too much COMP," explained Leshner in a tweet. "There are no admin controls or community tools to disable the COMP distribution; any changes to the protocol require a 7-day governance process to make their way into production," he added, indicating that no fix could take effect for seven days.

Gupta, a core developer at decentralized crypto exchange SushiSwap, said in a tweet that the entire episode could be blamed on a "one-letter bug" in the code.

Compound made clear that no supplied or borrowed funds were at risk, but that did little to soften the blow. Protocol users en masse began reporting massive windfalls. Soon after Leshner's tweet about the bug, \$29 million worth of COMP tokens were claimed in one transaction. Another claimed that they received 70 million COMP tokens into their account, or about \$20.8 million at the time of their post.

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### ➤ **El Salvador just started mining bitcoin with volcanoes for the first time ever – and they've already made \$269.**

El Salvador has mined 0.00599179 bitcoin, or about \$269, with power harnessed from a volcano. President Nayib Bukele – who has banked his political future on a nationwide bitcoin experiment – tweeted early Friday morning that this is the country's maiden voyage into volcano-powered bitcoin mining.

On Tuesday, the president posted a flashy 25-second teaser video, which includes shots of a government-branded shipping container full of bitcoin mining rigs, technicians installing and plugging in ASIC miners, as well as sweeping landscape aerials of an energy factory in the thick of a forest, bordering a volcano.

The video, which has since gone viral with more than 2.3 million views, is captioned simply with "First steps..." If the Central American state is, indeed, minting new coin, it will mean that Bukele has made good on a promise first made in June, when he said that he had instructed state-owned geothermal electric company, LaGeo SA de CV to "put up a plan to offer facilities for #Bitcoin mining with very cheap, 100% clean, 100% renewable, 0 emissions energy from our volcanos."

Sources: [Bloomberg/Refinitiv/cnbc.com](https://www.bloomberg.com/news/articles/2021-01-28/el-salvador-mines-bitcoin-with-volcano) | [coinmarketcap.com/Newsnow.com](https://www.coinmarketcap.com/newsnow.com)



## Your CRYPTO Weekend Wire

### News Flow

Bukele indicated in his tweet on Friday that the mining project was still a work in progress and that they are in the process of “testing and installing” new mining equipment.

The president also provided a breakdown of the mining rewards so far.

Volcano-powered bitcoin mining has been a thing for a while.

“It’s just geothermal energy,” explained bitcoin miner Alejandro de la Torre, who recently made the move from China to Texas. “Iceland has been doing it since the very, very beginning of bitcoin mining.”

El Salvador is literally dubbed the “land of the volcanoes,” and already, geothermal energy accounts for nearly a fourth of its domestic energy production, according to official data.

The move by El Salvador is also a boon for the larger debate around bitcoin’s carbon footprint.

“A fully renewable, untapped energy resource has been put to work strictly because of bitcoin,” said bitcoin mining engineer Brandon Arvanaghi. “Bitcoin is the greatest accelerant to renewable energy development in history.”

This foray into mining comes just weeks after El Salvador became the first country to declare bitcoin legal tender.

As part of the rollout, the government added hundreds of bitcoin to its balance sheet and launched its own national virtual wallet — called “Chivo,” or Salvadoran slang for “cool” — which offers no-fee transactions and allows for quick cross-border payments.

CNBC reached out to President Bukele to ask about his plans for state-sponsored bitcoin mining, and we didn’t hear back.

#### ➤ SEC Delays Decision on 4 Bitcoin ETFs.

The U.S Securities and Exchange Commission (SEC) has delayed its decision on four proposals for bitcoin exchange-traded funds (ETFs).

The SEC gave notice on Sep. 29 that it is extending the initial review period by an additional 45 to 60 days for these applications, “so that it has sufficient time to consider the proposed rule change and any comments.”

The applications are those of Global X, WisdomTree, Kryptoin and Valkyrie. The new deadline dates for the SEC to make its decisions are Nov. 21 (Global X), Dec. 8 (Valkyrie), Dec. 11 (WisdomTree) and Dec. 24 (Kryptoin).

These are just some of the more than a dozen applications the SEC has received for ETFs linked to bitcoin from financial service firms.

Among the four to have their review periods extended this week, Valkyrie is the only one that is an ETF linked to the bitcoin futures market rather than the performance of bitcoin itself.

SEC chair Gary Gensler has repeatedly suggested that bitcoin futures ETFs may have a better chance of gaining regulatory approval than those that invest in spot bitcoin.

Sources: [Bloomberg/Refinitiv/cnbc.com/coinmarketcap.com/Newsnow.com](https://www.bloomberg.com/news/articles/2021-09-29/sec-delays-bitcoin-etf-decisions)



# Your CRYPTO Weekend Wire

## Figures and Charts

BankMed Advisory published on TradingView.com, Oct 01, 2021 13:57 UTC  
 Bitcoin / U.S. Dollar, 1D, COINBASE 043828.89 H48000.00 L43287.44 C47110.00 +3285.57 (+7.50%)



<b>BTC</b>	<b>46 881.63</b>	<b>Weekly Change</b>
Week Low	Week High	<b>8.65%</b>
40 769.43	47 893.49	
<b>Circulating Supply</b>		
		18 831 375.00
<b>Market Cap</b>		
\$		886 883 411 672.00

BankMed Advisory published on TradingView.com, Oct 01, 2021 13:57 UTC  
 Ethereum / U.S. Dollar, 1D, COINBASE 03001.14 H3281.50 L2967.41 C3210.25 +209.79 (+6.99%)



	<b>3 189.52</b>	<b>Weekly Change</b>
Week Low	Week High	<b>4.99%</b>
2741.55	3280.25	
<b>Circulating Supply</b>		
		117 748 980.00
<b>Market Cap</b>		
\$		377 919 909 948.00

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



# 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 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](https://blockspot.io/crypto-dictionary)

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