

➤ **World leaders reach landmark deal on a global corporate tax rate.**

The Organization for Economic Cooperation and Development on Friday announced a major breakthrough on corporate tax rates, after years of disagreement.

The group of developed nations agreed to a global minimum corporate tax rate of 15%. This marks a huge shift for smaller economies, such as the Republic of Ireland, which have attracted international firms — to a large extent — via a lower tax rate.

“The landmark deal, agreed by 136 countries and jurisdictions representing more than 90% of global GDP, will also reallocate more than USD 125 billion of profits from around 100 of the world’s largest and most profitable MNEs to countries worldwide, ensuring that these firms pay a fair share of tax wherever they operate and generate profits,” the OECD said in a statement Friday.

The breakthrough comes after some changes were made to the original text, notably that the rate of 15% will not be increased later, and that small businesses will not be hit with the new rates.

This helped Ireland — a longtime opponent of raising corporate tax rates — to get on board with the plan.

Hungary, another long-term skeptic about a global tax deal, also changed its mind after receiving reassurances there will be a lengthy implementation period.

Countries now must work out some outstanding details, so the new deal is ready to kick in during 2023.

The agreement is “a once-in-a-generation accomplishment for economic diplomacy,” U.S. Treasury Secretary Janet Yellen said in a statement.

Yellen applauded the many nations who “decided to end the race to the bottom on corporate taxation,” and expressed hope that Congress will use the reconciliation process to quickly put the deal into practice in the U.S.

“International tax policymaking is a complex issue, but the arcane language of today’s agreement belies how simple and sweeping the stakes are: When this deal is enacted, Americans will find the global economy a much easier place to land a job, earn a living, or scale a business,” Yellen’s statement said.

The deal marks a shift in tax policy because it not only imposes a minimum corporate tax rate, but it also forces companies to pay taxes where they operate — not just where they have their headquarters.

The exact formula for working out how much companies will owe across the various jurisdictions is one detail that still needs to be finalized.

The announcement from international leaders also came about partly because of the coronavirus pandemic, which renewed a need for fairer taxation, given that governments are scrambling for new sources of funding.

When elected in 2020, President Joe Biden made it clear he wanted to tax the rich more, attempting to address inequality in the U.S.

➤ **Merck asks FDA to authorize antiviral Covid pill for emergency use.**

Merck said Monday it has asked the Food and Drug Administration to authorize emergency use of its experimental antiviral pill to treat mild to moderate Covid-19 in adults.

The U.S. drugmaker’s request came after phase three clinical trial data released Oct. 1 showed that the medication — known as molnupiravir — reduced the chances that patients newly diagnosed with Covid would be hospitalized by about 50%.

The drug works by inhibiting the replication of the virus inside the body. Unlike Gilead Sciences’ intravenous drug remdesivir, Merck’s molnupiravir can be taken by mouth. If approved by U.S. regulators, it would be the first pill to treat Covid, a potentially game-changing advancement in the fight against the virus, which is killing an average of more than 1,600 Americans per day.

“The extraordinary impact of this pandemic demands that we move with unprecedented urgency, and that is what our teams have done by submitting this application for molnupiravir to the FDA within 10 days of receiving the data,” Merck CEO Robert Davis said in a press release.

The pill could be available to Americans by late this year. Merck, which developed the drug with Ridgeback Biotherapeutics, said it is actively working with regulatory agencies worldwide to submit applications for emergency use or authorization “in the coming months.”

The company agreed earlier this year to supply the U.S. with around 1.7 million courses of molnupiravir if it receives emergency use authorization or full approval from the FDA. According to The New York Times, a five-day course of the medication will cost the federal government about \$700 per patient, a third of the current cost of monoclonal antibodies.

While vaccinations remain the best form of protection against the virus, U.S. officials and health experts hope a pill like Merck's will keep the disease from progressing in those who do get infected and prevent trips to the hospital.

Pills like Merck's are considered a sort of "holy grail" for treatments, Dr. Mike Ryan, executive director of the World Health Organization's Health Emergencies Program, said at a news conference last week.

Other drugmakers are also working on antiviral pills. One created by Pfizer, which developed the first authorized Covid vaccine in the U.S. with BioNTech, could be available by the end of this year, Pfizer CEO Albert Bourla told CNBC in April.

➤ **Lebanon suffers 24-hour blackout, food poisoning, business closures amid fuel crisis.**

Lebanon suffered a total power outage over the weekend, leaving its population of 6 million without centrally generated electricity for 24 hours.

The state electricity company said in a statement that the shutdown of the country's two main power stations, due to fuel shortages, had "directly affected the stability of the power network and led to its complete outage, with no possibility of resuming operations in the meantime."

Power returned late Sunday after the central bank granted the energy ministry \$100 million in credit to buy fuel and keep its plants operating. Officials had warned the outage was likely to last several days.

The crisis is creating a nightmare for the country's residents but has been a long time in the making.

Gas shortages might sound familiar — the U.K. and the rest of Europe are in the throes of a mounting fuel crisis, which has induced panic-buying and erratic behavior among many who had never imagined facing such shortages.

But for Lebanon, the same problem has been a reality for months — it's just another battle in the long list of crises that have left the country with multiple daily power outages, a banking and economic crisis, food shortages, overwhelmed hospitals, and a spiraling currency relying on volatile black market exchange rates.

Walking through the capital Beirut — a once-thriving city often called the "Paris of the Middle East" — at any time of day, one can see shopfronts closed or operating in darkness, with those lucky enough to have access to fuel relying on backup generators to keep the lights on. When the power is out, many shopkeepers will refuse to sell anything but water, as the volatile minute-by-minute changes in the value of the Lebanese lira mean the price of goods can shift from one period of power to the next.

And hundreds of businesses destroyed in the devastating Beirut Port explosion of August 2020 are permanently gone. With little help from the state, gutted bars and other businesses with their entrances blown open and innards full of debris remain fixtures on streets all over the city.

"It's catastrophic," Rabih Daou, a small grocery store owner in Beirut's Geitawy district, told CNBC in late September from his shop, darkened during one of the country's many daily power outages. He pointed to empty refrigerator shelves, where only one small fridge was running, holding a few dairy products.

"We cannot buy a lot of things. We cannot buy cheese and ham, we have to buy them by small pieces, because we don't always have electricity, and the people are always afraid," he added.

A less talked about consequence of Lebanon's fuel and power crisis has been widespread cases of food poisoning, as grocery stores, restaurants and households struggle to keep goods fresh amid electricity failures and the summer heat. Most of Beirut has had no power at night since the start of summer. Meat and dairy consumption have dropped dramatically, residents say.

"They don't want to buy ham and cheese and yogurt, because they are afraid that if we don't have electricity, the food will be not good," Daou said.

Decades of corruption by sectarian party leaders and warlords who still wield power from the days of Lebanon's 1975-1990 civil war have devastated the country's finances and public services.

For years, Lebanon has had daily controlled power outages due to its grossly mismanaged electricity sector. But the Lebanese population was accustomed to this; those who could afford generators used them to keep the power going, including the country's many businesses, and outages were generally predictable and not long lasting.

However, since the onset of the nationwide fuel shortage in early summer, even the backup generators — which run on fuel — cannot always come to the rescue. Many residents can't use their cars, and some lines for gas stations stretch on for miles, occasionally peppered with drivers leaving their vehicles and getting into fights.

Sources: CNBC.com



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Lebanon imports more than 80% of its food and goods, including fuel. The smuggling of fuel to Syria by militant and political group Hezbollah and the hoarding of fuel by other groups and businesses to sell on the black market at higher rates have helped gut the country's supply and inflate prices.

And Lebanon's central bank is now restricting imports of subsidized fuel because it is running out of dollars, which it had used to underpin its economy. The bank has been slow to extend lines of credit to fuel importers and gas stations and has now ended subsidies on diesel.

That's made the commodity unaffordable for many in Lebanon's population of 6 million — 78% of which has fallen into poverty in the last two years, according to the World Bank, in one of the sharpest depressions of modern times.

Lebanon's central bank did not reply to a CNBC request for comment.

The official exchange rate of the Lebanese lira has been pegged at 1,500 lira to the dollar since the 1990s. The actual rate, however, by which cash is exchanged on the black market, veered between 13,000 and 18,000 lira to the dollar in September. It is currently trading around 19,250 to the dollar.

Marwan Sweidan runs a popular ice cream shop called SmushKies in Beirut's Mar Mikhael district. He says he's lucky to be able to afford fuel for his own generators, without which it would be impossible to keep his goods cold and business open. But to do that, he needs dollars.

"You can buy nonsubsidized diesel, but you have to pay for it in dollars," he said. "It's like \$600 a ton; the cost went up a lot, and there are so many new costs that just popped up for electricity, which has made it so much harder." This is the first time Lebanon's government has priced a commodity in dollars.

Antonella Hajj Nicolas, a physics student, spends hours in SmushKies just for the electricity. "Since last night we don't have any electricity at home, the generator doesn't work. This place has electricity and Wi-Fi, so I came to study for my exams for a few days," she told CNBC. As for perishable food, her family can't store that in their home either.

"We don't have food in the fridge because we don't want to get poisoning ... we buy our food each day by day, on the spot," she said.

Lebanon has one of the highest debt-to-GDP ratios in the world.

Since the onset of its financial crisis two years ago, when the country defaulted on its massive debt pile — including \$31 billion in eurobonds that remain outstanding — Lebanon's economy has been in a rapidly accelerating free fall.

Governments and institutions that have pledged aid to the country are still withholding it due to lack of confidence in the government's ability to enact reforms and stamp out corruption, and Western officials have expressed worry at the prospect of further instability or state collapse in a country home to numerous armed political and militant groups.

Mass protests in Lebanon began in October of 2019 as the currency plummeted, eventually losing 90% of its value. Lebanese depositors have been locked out of their foreign currency accounts, and those who kept their deposits in lira have seen their life savings wiped out.

Dede el Hayek, a grandmother who ran a once-busy snack shop in a residential part of Beirut, now spends her days sitting in the shop's darkened entrance alone, occasionally chatting with neighbors. Since she couldn't afford the fuel to keep a generator running, she had to close her business, and now sleeps in a cot in the shop's back storage room.

"I don't have enough money to run the generator. I don't work anymore, for three months," she said, gesturing at empty shelves. "No one comes in here anymore."

➤ **Evergrande plans to roll out electric cars in 2022, sending shares of its auto unit 6% higher.**

The electric vehicle unit of embattled Chinese property developer Evergrande said its first cars will roll off the production line next year.

The debt-laden company said it met with suppliers and the local government in Tianjin, where its production base is, and pledged to push forward with mass production of its Hengchi-branded cars.

Shares of China Evergrande New Energy Vehicle Group were up over 10% in morning trade but pared some of those gains. They were around 6% higher at the lunch break in Hong Kong.

Evergrande has not delivered a single vehicle to customers yet — but it has lofty ambitions. It previously pledged annual production and sales of 1 million cars by 2025.

Tianjin's local government said it would coordinate with financial institutions to support Evergrande and help the company achieve mass production.

Sources: CNBC.com



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The parent company Evergrande Group is struggling to pay off \$300 billion of liabilities. It is the world's most indebted property developer and has already missed several bond payments. Fears that the company could default have roiled global markets as some investors are worried it may have contagion effects and hurt the global economy.

Confidence in Evergrande has plummeted.

Last month, Evergrande NEV said there were delays to suppliers of its electric vehicle unit and that some projects across the group have been suspended. Evergrande said it is looking for new investors.

The Chinese firm said it has tested various models of its Hengchi car throughout the year.

But the automaker is entering an extremely competitive electric car market in China and will face off against upstarts such as Nio and Xpeng and established players like BYD and Tesla.

U.S.-listed start-up Xpeng said Monday it has produced 100,000 cars, six years after the company launched.

➤ **Facebook whistleblower behind major leak is going to testify in Europe.**

The Facebook whistleblower who leaked internal company research showing that Instagram can be harmful for teens is set to testify in Europe.

Hot on the heels of her appearance in Congress, Frances Haugen is now set to give evidence to lawmakers in British Parliament, according to a statement released on Monday.

She will appear in a parliamentary committee on Oct. 25, marking the first time she has given testimony in Europe, the statement said.

Haugen, a former Facebook product manager, told a Senate panel last week that leadership at the company prioritizes "profits before people," and called on lawmakers to intervene.

It comes after the whistleblower leaked internal Facebook studies to the Wall Street Journal, in which the company found its Instagram app is harmful to teenage girls.

Over the weekend, Facebook's chief spokesperson Nick Clegg said the social media firm would introduce new features to nudge teens away from harmful content and encourage users spending long periods of time on Instagram to "take a break."

"There needs to be greater transparency on the decisions companies like Facebook take when they trade off user safety for user engagement," said Damian Collins, British member of parliament and chair of the joint committee on the government's Online Safety Bill.

Collins made a name for himself in 2018, when he took Facebook to task over the Cambridge Analytica scandal in a series of parliamentary hearings.

The U.K. government is now introducing new legislation that would impose a duty of care on digital giants to ensure they monitor and act against illegal or harmful material online. Failure to do so could result in fines of up to 10% of annual global revenue or £18 million (\$24 million), whichever is higher.

Meanwhile, EU lawmakers have also invited Haugen to appear at a Nov. 8 hearing on whistleblowers in tech, though it's not yet clear if she's accepted their request.

"Whistleblowers like Frances Haugen show the urgent need to set democratic rules for the online world in the interest of users," Anna Cavazzini, chair of the European Parliament's internal market and consumer protection committee, said in a statement Monday.

"Her revelations lay bare the inherent conflict between the platform's business model and users' interests."

The European Union has plans of its own to regulate Big Tech. The bloc is working to introduce two landmark laws — the Digital Services Act and Digital Markets Act — designed to stamp out toxic content and increase competition.

➤ **IMF cuts its global growth forecast, citing supply disruptions and the pandemic.**

The International Monetary Fund is now less optimistic about the global economy for 2021, but still sees reasonable growth over the medium term.

In its World Economic Outlook, published Tuesday, the Fund said it expects global gross domestic product to grow by 5.9% this year — 0.1 percentage point lower than its July estimate. For next year, the IMF has kept its global growth projection at 4.9%.

The revised outlook for this year comes amid supply chain issues in advanced economies and a worsening health situation in emerging countries.

Sources: CNBC.com

“This modest headline revision masks large downgrades for some countries,” Gita Gopinath, chief economist at the IMF, said in an accompanying blogpost.

“The outlook for the low-income developing country group has darkened considerably due to worsening pandemic dynamics. The downgrade also reflects more difficult near-term prospects for the advanced economy group, in part due to supply disruptions.”

The United States is one of the countries in this position; the IMF has cut its growth estimates for the country this year by 1 percentage point to 6%. The growth outlooks for Spain and Germany were also cut by 0.5 percentage points each, and Canada’s was reduced by 0.6 percentage points.

Beyond 2022, however, the IMF forecasts a moderate global growth level of 3.3% over the medium term.

The IMF said it was particularly concerned about the different paces of recovery in advanced and emerging economies.

Its estimates show that while advanced economies could exceed their pre-pandemic levels in 2024, developing countries, excluding China, could remain 5.5% below their pre-pandemic forecast.

“These divergences are a consequence of the ‘great vaccine divide’ and large disparities in policy support,” Gopinath said.

“While over 60% of the population in advanced economies are fully vaccinated and some are now receiving booster shots, about 96% of the population in low-income countries remain unvaccinated.”

Consumer prices have risen substantially over the last couple of months on the back of supply chain disruptions and higher commodity prices, notably gas.

In the U.S., consumer prices rose 5.4% in July from a year earlier — matching the largest jump since August 2008 — before easing slightly in August. Meanwhile, in the euro zone, inflation reached a 13-year high in September.

This rising inflation has ramped up the pressure on central banks to ease off their monetary stimulus programs quicker than anticipated.

“Inflation risks are skewed to the upside and could materialize if pandemic-induced supply-demand mismatches continue longer than expected,” the Fund warned in its report.

As a result, the IMF warned that, “although central banks can generally look through transitory inflation pressures and avoid tightening until there is more clarity on underlying price dynamics, they should be prepared to act quickly if the recovery strengthens faster than expected or risks of rising inflation expectations become tangible.”

➤ **‘It’s scientific nonsense’: Russia denies claims it stole Covid vaccine blueprint from the UK.**

Russia has vehemently denied new accusations claiming that Russian spies stole the “blueprint” for the Oxford-AstraZeneca vaccine and used it to create its own Sputnik V shot, with the head of Russia’s sovereign wealth fund calling the claims “scientific nonsense.”

There have been fresh reports in the British press this week alleging that U.K. security services told British ministers they had solid proof that Russia stole the blueprint for the British-made vaccine and used it to create Sputnik V.

The Sun tabloid newspaper first reported the allegations made by the British security services although Downing Street declined to comment. It’s not the first time that Russia has been accused of trying to steal and hack Covid vaccine data, but Moscow has repeatedly denied the accusations, with RDIF calling the latest report “fake” and a “blatant lie.”

The head of the country’s sovereign wealth fund, RDIF, echoed that sentiment on Wednesday, calling the accusations a “scientific nonsense.”

“There is no merit [to these claims] and we’re very clear about this,” Kirill Dmitriev told CNBC on Wednesday. “This report is a complete scientific nonsense; it has zero merit and frankly it’s a lie.”

Calling the report “nonsense from anonymous sources,” Dmitriev said the latest accusations were part of a “smear campaign against Sputnik V because some politicians don’t like Russia and because some big pharma companies, who are afraid of the success of Sputnik V, continue to attack Sputnik V and Sputnik Light [its one-dose booster shot] from day one, so we’re used to these attacks,” he told CNBC’s “Street Signs Europe.”

Dmitriev insisted that the developers behind Sputnik V wanted to be partners with other vaccine producers and cited a joint clinical trial taking place with AstraZeneca (to determine if mixed Covid vaccine doses work), noting “we believe in a joint approach to working with other vaccine producers and Sputnik V is a partner to other vaccines.”



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The Russian Direct Investment Fund, or RDIF, is one of the world's leading sovereign funds with a reserved capital of \$10 billion under management. The fund backed the development of Russia's main coronavirus vaccine, Sputnik V, which was the first Covid vaccine in the world to be authorized — by Russia — in August 2020.

The Sputnik V vaccine has been the subject of suspicion — first over its clinical data and efficacy — and most recently, accusations over its origin and development.

Interim analysis of phase 3 clinical trials of the shot, involving 20,000 participants and published in the peer-reviewed medical journal The Lancet in early February, found that it was 91.6% effective against symptomatic Covid-19 infection.

Still, the vaccine has not been authorized for use by drug authorities in the U.S., U.K. and EU. The World Health Organization has said it is still assessing the vaccine but has not indicated when it might grant the shot emergency use listing.

Not to be deterred, Russia has developed several other Covid vaccines and has since worked on a one-shot "Sputnik Light" vaccine designed to be used as a booster shot. In August, RDIF said Sputnik Light had proved "highly effective against Covid among more than 320,000 subjects who had received the vaccine based on the data collected by July 30, 2021." It cited an efficacy rate of 93.5%.

RDIF's Dmitriev told CNBC that Russia expects the Sputnik V vaccine to be approved by the end of 2021 and that he hopes the one-shot Sputnik Light could soon be used as a booster shot in conjunction with other vaccines.

"We've seen very positive signals from the WHO lately and they really appreciate what we are doing ... 'Sputnik Light' can be a booster to other vaccines such as AstraZeneca and Moderna to many other vaccines, so we believe in a very positive solution with the WHO as early as the fall ... definitely we expect an approval very soon," he said.

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Source: Refinitiv



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➤ **Fed says it could begin 'gradual tapering process' by mid-November.**

Federal Reserve officials could begin reducing the extraordinary help they've been providing to the economy by as soon as mid-November, according to minutes from the central bank's September meeting released Wednesday.

The meeting summary indicated members feel the Fed has come close to reaching its economic goals and soon could begin normalizing policy by reducing the pace of its monthly asset purchases.

In a process known as tapering, the Fed would reduce the \$120 billion a month in bond buys slowly. The minutes indicated the central bank probably would start by cutting \$10 billion a month in Treasuries and \$5 billion a month in mortgage-backed securities. The Fed is currently buying at least \$80 billion in Treasuries and \$40 billion in MBS.

The target date to end the purchases should there be no disruptions would be mid-2022.

The minutes noted "participants generally assessed that, provided that the economic recovery remained broadly on track, a gradual tapering process that concluded around the middle of next year would likely be appropriate."

"Participants noted that if a decision to begin tapering purchases occurred at the next meeting, the process of tapering could commence with the monthly purchase calendars beginning in either mid-November or mid-December," the summary said.

The Fed next meets Nov. 2-3. Starting the tapering process in November is on the aggressive side of market expectations.

The minutes said members' estimates "were consistent with a gradual tapering of net purchases being completed in July of next year."

"If they announce [tapering] in November, I don't see why they would wait. Just go ahead and get going," said Kathy Jones, chief fixed income strategist at Charles Schwab. Jones said she was a bit surprised by a notation in the minutes that "several" members "preferred to proceed with a more rapid" tapering pace.

"That would be pretty aggressive," she said. "There must be some outspoken people who are pretty concerned that they need to move even faster."

St. Louis Fed President James Bullard is one such member, telling CNBC on Tuesday that he thinks tapering should be more aggressive in case the Fed needs to raise interest rates next year to combat persistent inflation.

At the September policymaking session, the committee voted unanimously to hold the central bank's benchmark short-term borrowing rate at zero to 0.25%.

The committee also released the summary of its economic expectations, including projections for GDP growth, inflation and unemployment. Members scaled back their GDP estimates for this year but upped their outlook for inflation, and indicated they expect unemployment to be lower than earlier estimates.

In the "dot plot" of individual members' expectations for interest rates, the committee indicated it could begin raising interest rates as soon as 2022. Markets currently are pricing in the first rate hike for next September, according to the CME FedWatch tool. Following the release of the minutes, traders increased the likelihood of a September hike to 65% from 62%.

Officials, though, stressed that a tapering decision should not be seen as implying pending interest rate hikes.

However, some members at the meeting showed concern that current inflation pressures might last longer than they had anticipated. Traders are pricing in a 46% chance of two rate hikes in 2022.

"Most participants saw inflation risks as weighted to the upside because of concerns that supply disruptions and labor shortages might last longer and might have larger or more persistent effects on prices and wages than they currently assumed," the minutes stated.

The document noted that "a few participants" said there could be some "downside risks" for inflation as long-standing factors that have kept prices in check come back into play. The majority of Fed officials have been holding to theme that the current price increases are transitory and due to supply chain bottlenecks, and other factors likely to subside.

Inflation pressures have continued, though, with a reading Wednesday showing that consumer prices are up 5.4% over the past year, the fastest pace in decades.

Source: Refinitiv



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➤ **Goldman Sachs says oil prices could be higher for much longer.**

Oil prices could stay at higher levels in the years to come as demand rebounds while supply remains tight, according to Goldman Sachs' head of energy research.

Damien Courvalin, who is also a senior commodity strategist, said the market fundamentals warrant higher prices and that the bank's forecast for Brent crude is \$85 per barrel for the next several years.

"This is not a transient winter shock like it could be for gas. This is actually the beginning of a material repricing higher for oil," he told CNBC's "Street Signs Asia" on Thursday.

Goldman Sachs' base case is for Brent to hit \$90 per barrel by the end of the year.

U.S. crude futures were up 1.26% at \$81.45 per barrel, while international benchmark Brent crude futures gained 1.24% to trade at \$84.21 per barrel on Thursday afternoon in Asia.

The oil market is in "the longest deficit we've seen in decades," and demand will continue to outstrip supply in winter, said Courvalin. The lack of upstream investment in oil supply while demand grows points to "sustained high prices" at least in the year ahead, he added.

What's happening in the coal market — where prices are at record highs because supply shrank faster than demand — is a "warning sign" for oil, Courvalin said.

Oil drilling activity hasn't recovered much on the supply side, while demand is growing, he said, describing the market as being in an "entrenched deficit."

"We're facing potential multi-year deficits and the risk of significantly higher prices," he said.

There needs to be a realization that the transition to cleaner energy will take a long time, and that calls to stop investing in hydrocarbon supply will only create "much higher energy prices in the coming years," he said.

Despite oil futures climbing more than 60% this year and hitting multi-year highs, Courvalin said oil producers haven't increased supply.

"Demand is rebounding further, and we need to really start to see that investment," he said.

Shale producers, however, are focused on returning cash to shareholders.

"That's the key to the sustainability of higher prices," he said, adding that he sees oil demand hitting new record highs in 2022 and 2023.

"The fundamentals actually very much support the view of higher prices than we've seen, pretty much since 2014," he said.

Source: Refinitiv

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The week ahead

Date	Time	Country	Indicator Name	Period	Reuters Poll	Prior	SmartEstimate®	Predicted Surprise
18.10.2021	14:15	Canada	House Starts, Annualized	Sep		260.2k		
18.10.2021	15:15	United States	Industrial Production MM	Sep	0.3%	0.4%	0.22%	-0.08%
18.10.2021	15:15	United States	Capacity Utilization SA	Sep	76.5%	76.4%	76.48%	-0.02%
18.10.2021	16:00	United States	NAHB Housing Market Indx	Oct	76	76	75.9	-0.1

Date	Time	Country	Indicator Name	Period	Reuters Poll	Prior	SmartEstimate®	Predicted Surprise
19.10.2021	14:30	United States	Building Permits: Number	Sep	1.724M	1.721M	1.7030M	-0.0210M
19.10.2021	14:30	United States	Housing Starts Number	Sep	1.630M	1.615M	1.6225M	-0.0075M

Date	Time	Country	Indicator Name	Period	Reuters Poll	Prior	SmartEstimate®	Predicted Surprise
20.10.2021	08:00	United Kingdom	CPI MM	Sep		0.7%		
20.10.2021	08:00	United Kingdom	CPI YY	Sep		3.2%		
20.10.2021	08:00	United Kingdom	RPI MM	Sep		0.6%		
20.10.2021	08:00	United Kingdom	RPI YY	Sep		4.8%		
20.10.2021	08:00	United Kingdom	RPIX YY	Sep		4.9%		
20.10.2021	08:00	Germany	Producer Prices MM	Sep		1.5%		
20.10.2021	08:00	United Kingdom	PPI Input Prices MM NSA	Sep		0.4%		
20.10.2021	08:00	Germany	Producer Prices YY	Sep		12.0%		
20.10.2021	08:00	United Kingdom	PPI Input Prices YY NSA	Sep		11.0%		
20.10.2021	08:00	United Kingdom	PPI Output Prices MM NSA	Sep		0.7%		
20.10.2021	08:00	United Kingdom	PPI Output Prices YY NSA	Sep		5.9%		
20.10.2021	08:00	United Kingdom	PPI Core Output MM NSA	Sep		1.0%		
20.10.2021	08:00	United Kingdom	PPI Core Output YY NSA	Sep		5.3%		
20.10.2021	14:30	Canada	CPI Inflation MM	Sep		0.2%		
20.10.2021	14:30	Canada	CPI Inflation YY	Sep		4.1%		
20.10.2021	14:30	Canada	CPI BoC Core YY	Sep		3.5%		
20.10.2021	14:30	Canada	CPI BoC Core MM	Sep		0.2%		

Date	Time	Country	Indicator Name	Period	Reuters Poll	Prior	SmartEstimate®	Predicted Surprise
21.10.2021	08:45	France	Business Climate Mfg	Oct		106		
21.10.2021	09:30	Sweden	Unemployment Rate	Sep		8.5%		
21.10.2021	12:00	United Kingdom	CBI Trends - Orders	Oct		22		
21.10.2021	14:30	United States	Initial Jobless Clm	11 Oct, w/e				
21.10.2021	14:30	United States	Cont Jobless Clm	4 Oct, w/e				
21.10.2021	14:30	United States	Philly Fed Business Indx	Oct		30.7		
21.10.2021	16:00	United States	Existing Home Sales	Sep	5.98M	5.88M	5.977M	-0.003M
21.10.2021	16:00	United States	Exist. Home Sales % Chg	Sep		-2.0%		

Source: Refinitiv

Your Weekend Wire

The week ahead

Date	Time	Country	Indicator Name	Period	Reuters Poll	Prior	SmartEstimate®	Predicted Surprise
22.10.2021	01:01	United Kingdom	GfK Consumer Confidence	Oct		-13		
22.10.2021	01:30	Japan	CPI, Core Nationwide YY	Sep		0.0%		
22.10.2021	01:30	Japan	CPI, Overall Nationwide	Sep		-0.4%		
22.10.2021	02:30	Japan	Jibun Bank Mfg PMI Flash	Oct		51.5		
22.10.2021	08:00	United Kingdom	Retail Sales MM	Sep		-0.9%		
22.10.2021	08:00	United Kingdom	Retail Sales Ex-Fuel MM	Sep		-1.2%		
22.10.2021	08:00	United Kingdom	Retail Sales YY	Sep		0.0%		
22.10.2021	08:00	United Kingdom	Retail Sales Ex-Fuel YY	Sep		-0.9%		
22.10.2021	09:15	France	Markit Mfg Flash PMI	Oct		55.0		
22.10.2021	09:15	France	Markit Serv Flash PMI	Oct		56.2		
22.10.2021	09:15	France	Markit Comp Flash PMI	Oct		55.3		
22.10.2021	09:30	Germany	Markit Mfg Flash PMI	Oct		58.4		
22.10.2021	09:30	Germany	Markit Service Flash PMI	Oct		56.2		
22.10.2021	09:30	Germany	Markit Comp Flash PMI	Oct		55.5		
22.10.2021	10:30	United Kingdom	Flash Composite PMI	Oct		54.9		
22.10.2021	10:30	United Kingdom	Flash Manufacturing PMI	Oct		57.1		
22.10.2021	10:30	United Kingdom	Flash Services PMI	Oct		55.4		
22.10.2021	14:30	Canada	Retail Sales MM	Aug		-0.6%		
22.10.2021	14:30	Canada	Retail Sales Ex-Autos MM	Aug		-1.0%		
22.10.2021	15:45	United States	Markit Mfg PMI Flash	Oct		60.7		
22.10.2021	15:45	United States	Markit Svcs PMI Flash	Oct		54.9		
22.10.2021	15:45	United States	Markit Comp Flash PMI	Oct		55.0		

Sources: Refinitiv

Your Weekend Wire Figures

Currencies

EURUSD	1.1608	Weekly Change
Week Low	Week High	
1.1525	1.1624	0.34%

GBPUSD	1.3772	Weekly Change
Week Low	Week High	
1.357	1.3772	1.18%

EURCHF	1.0710	Weekly Change
Week Low	Week High	
1.0681	1.0746	-0.16%

AUDUSD	0.7423	Weekly Change
Week Low	Week High	
0.7293	0.7439	1.63%

USDCHF	0.9225	Weekly Change
Week Low	Week High	
0.9195	0.9313	-0.51%

USDCAD	1.2355	Weekly Change
Week Low	Week High	
1.2337	1.2498	-0.91%

USDTRY	9.1893	Weekly Change
Week Low	Week High	
8.9170	9.24	2.36%

EURGBP	0.8428	Weekly Change
Week Low	Week High	
0.8426	0.8518	-0.81%

Indices and Commodities

Eurostoxx 50	4 176.70
Week Change	YTD
1.81%	15.94%

Gold	1775.4
Week Change	YTD
1.09%	-6.45%

SMI	11 950.19
Week Change	YTD
1.08%	11.11%

WTI	82.2300
Week Change	YTD
3.32%	72.68%

S&P 500	4 462.79
Week Change	YTD
1.07%	18.16%

US 10Y Yield	1.5615
Week bp Change	YTD bp Change
-3.60	63.099

VIX	15.89
Week Change	YTD
-10.18%	-25.89%

EU 10Y Yield	-0.1700
Week bp Change	YTD bp Change
0.50	34.54

Sources: Bloomberg/Refinitiv



Your CRYPTO Weekend Wire

Crypto Market Cap: \$2,409,241,782,723

Dominance*: BTC: 46.2% ETH: 18.4%

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

News Flow

➤ **Jamie Dimon says bitcoin is 'worthless'.**

Jamie Dimon, JPMorgan Chase chairman and CEO, isn't a fan of bitcoin, the largest cryptocurrency by market value.

"I personally think that bitcoin is worthless," Dimon said during an Institute of International Finance event on Monday, CNBC Pro reported. But "I don't want to be a spokesperson — I don't care. It makes no difference to me," he said. "Our clients are adults. They disagree. That's what makes markets. So, if they want to have access to buy yourself bitcoin, we can't custody it, but we can give them legitimate, as clean as possible, access."

He's held true to that statement: In February 2019, JPMorgan said it would roll out a digital currency called JPM Coin, and in October 2020, the firm created a new unit for blockchain projects. In August, it started giving its wealth management clients access to crypto funds, CNBC reported.

For his part, however, Dimon has held firm in his anti-crypto outlook.

Recently, he told Axios CEO Jim VandeHei that bitcoin has "no intrinsic value." And although he thinks bitcoin will be around long term, "I've always believed it'll be made illegal someplace, like China made it illegal, so I think it's a little bit of fool's gold."

Dimon also told VandeHei that he thinks "regulators are going to regulate the hell out of it."

He may be right: Recently, the U.S. government has had a heightened focus on regulating cryptocurrency markets. On Friday, Bloomberg reported that the Biden administration is weighing an executive order that would direct federal agencies to study and offer recommendations on the crypto market.

However, though increased regulation may happen, Federal Reserve Chairman Jerome Powell clarified at the end of September that he has no intention to ban bitcoin in the U.S.

Some financial experts contend that well-thought-out regulation would be beneficial in the U.S. "If people want crypto to become more of a mainstream asset, then I think [regulation is] a necessary first step," Anjali Jariwala, certified financial planner, certified public accountant and founder of Fit Advisors, previously told CNBC Make It.

However, cryptocurrency supporters are wary of further regulation — they worry that certain regulatory framework may stifle crypto innovation in the U.S. and push business overseas.

Bitcoin is currently trading at around \$57,501, according to CoinMarketCap, with a market value of more than \$1 trillion.

➤ **FTX.US expands NFT marketplace to support Solana tokens.**

FTX.US's NFT marketplace has expanded support to the Solana blockchain, enabling users to trade, deposit and withdraw nonfungibles that conform to the Metaplex token standard.

The U.S. registered branch of FTX announced the expanded functionality on Oct. 11, revealing the marketplace also plans to support Ethereum-based tokens soon. The marketplace is open to both U.S. and non-U.S. customers from a long list of jurisdictions; however, New York residents are unable to sign up for the platform.

Brett Harrison, the president of FTX.US, said that the firm is looking to provide "simpler, safer and easier tools" for mainstream users to trade NFTs via its marketplace.

In addition to supporting crypto assets, users can purchase or bid on NFTs via bank transfers, wire transfers and credit card transactions. The pricing for newly minted NFTs on the marketplace are listed in USD, Solana (SOL), or Ether (ETH).

FTX charges a 2% fee on all NFT sales and does not charge a listing fee.

Both FTX and the company's U.S. subsidiary initially launched NFT marketplaces with limited functionality last month. Users could only create or trade NFTs minted using an interface reminiscent of Microsoft Paint, leading to a flood of hastily cobbled together sketches depicting cartoon fish being uploaded to the platform.

On Oct. 12, Harrison tweeted that the marketplace's expanded functionality is only available on its U.S.-based platform at this stage. Users must provide Identity documents and proof of residence to the exchange in order to deposit and withdraw from FTX's NFT platform.

The platform also outlines that any NFT project of collection that "distributes or advertises the distribution of royalties" to NFT holders will be rejected, suggesting FTX.US is wary of regulators classifying its NFTs as investment products.

Sources: [Bloomberg/Refinitiv/cnbc.com](https://www.bloomberg.com/news/articles/2021-10-11-ftx-us-expands-nft-marketplace-to-support-solana-tokens)



Your CRYPTO Weekend Wire

News Flow

NFTs are seeing increasingly mainstream adoption, with the Texas Democratic Party launching a partnership with marketplace Front Row to raise funds for progressive political candidates and causes through the sale of non-fungible tokens on Oct. 11. “NFTs will become a powerful addition to any political fundraising effort, and the launch of our marketplace will give Democrats across the country a fundraising advantage that its counterparts do not have,” said Front Row co-founder, Parker Butterworth.

➤ **Soccer NFT Platform Sorare Is Being Investigated by UK Gambling Regulator.**

Sorare, the fast-growing European fantasy soccer and digital collectible platform, is being investigated by the U.K. Gambling Commission.

The gambling watchdog of the United Kingdom warned in a consumer information notice dated Oct. 8 that Sorare’s business operates “outside of the gambling regulations that a licensed operator should comply with” and that consumers are advised to take this into account when deciding whether to use the platform.

The notice goes on to say that the Gambling Commission is looking into whether Sorare should be required to have a gambling license or if its services don’t constitute gambling.

While the company doesn’t offer any traditional forms of sports gambling, the speculative nature of their digital trading cards – whose values are largely driven by player performance – skirt the line of categorization.

In its official statement regarding the investigation, Sorare said it is “very confident [it] does not offer any forms of regulated gambling” and that it has confirmed this with legal experts since the company’s inception.

Sorare added that “we will always engage and have an open dialogue with authorities who reach out to us to learn more about our game. We believe this is the responsible way to grow our game and community globally.”

The Paris-based non-fungible token (NFT) giant raised \$680 million in a Series B funding round at a \$4.3 billion valuation in September.

➤ **Coinbase Co-Founder’s Venture Firm Raising \$1.5B Fund.**

Paradigm, the cryptocurrency venture capital firm led by Coinbase co-founder Fred Ehrsam, is looking to raise a \$1.5 billion fund for startup investments, according to documents seen by CoinDesk.

An investor deck said the firm’s fundraising push will close on Nov. 12.

The revamped war chest could place Paradigm near the top of the pack as venture capital flows into the crypto sector with unprecedented velocity. VCs have placed \$17 billion in crypto investments in the first half of 2021, “dwarfing” the \$5.5 billion from the same period last year, according to a recent report from Bank of America.

In addition to the funds raised from Paradigm’s limited partners, the deck mentioned a minimum general partner commitment of 1%. The fund could come in between \$1.25 billion and \$1.5 billion, according to the deck.

A person familiar with Paradigm’s efforts said the firm had recently been doing the rounds among family offices in Silicon Valley.

Earlier this year, VC powerhouse Andreessen Horowitz (a16z) announced it had raised \$2.2 billion for its third crypto fund, making it the industry’s largest ever.

Paradigm did not respond to requests for comment.

➤ **Bakkt crypto exchange partners with Google for payments.**

Users who hold debit cards issued by cryptocurrency exchange Bakkt will be able to convert their crypto balances to make fiat payments using Google Pay.

In a Friday announcement, Bakkt said it had partnered with Google to allow its users to purchase goods and services using Bitcoin (BTC) and other cryptocurrencies through the Google Pay wallet and payment system. In addition, Bakkt plans to build new analytics and geolocation functionality on its platform using Google Cloud tools. The exchange hopes that the features will expand loyalty redemption options “while providing Bakkt partners with valuable consumer behavior patterns.”

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

“This partnership is a testament to Bakkt’s strong position in the digital asset marketplace, to empower consumers to enjoy their digital assets in a real-time, secure, reliable manner,” said Bakkt CEO Gavin Michael.

According to Google, “millions” of retailers currently accept Google Pay as a form of payment, potentially giving Bakkt users the ability to pay in crypto at “supermarkets, pharmacies, restaurants, clothing stores, gas stations, beauty shops” and others. The Bakkt partnership follows major crypto exchange Coinbase's June announcement that Apple Pay and Google Pay would offer support for its Coinbase Card. Gemini has allowed its users to purchase crypto with Apple Pay and Google Pay since April.

Launched by the Intercontinental Exchange in 2018, Bakkt first offered BTC futures contracts exclusively to accredited investors. In March, the platform released a payments app allowing users to use crypto to make purchases, designed to “amplify consumer spending, reduce payment costs, and bolster merchant loyalty programs.”

➤ **Crypto Lender Celsius Network Raises \$400M in a Bid to Reassure Regulators.**

Cryptocurrency lender Celsius Network has raised \$400 million in equity funding in a move to reassure regulators of the credibility of the business.

The investment was led by equity firm WestCap and Canadian pension fund Caisse de dépôt et placement du Québec (CDPQ), the Financial Times (FT) reported Tuesday.

Celsius Network has been subject to multiple moves by state regulators in the U.S in response to its lending products.

Last month, Celsius Network received a cease-and-desist order from Kentucky’s securities regulator over interest earned on certain crypto accounts. The regulator says the accounts violate securities laws and fail to disclose to customers what happens to their deposits and whether they are protected.

CEO Alex Mashinsky told the FT: “It’s not the \$400m. It’s the credibility that comes with the people who wrote those cheques.”

Celsius did not immediately respond to CoinDesk’s request for comment.

➤ **Sam Bankman-Fried Hands Control of Crypto Trading Firm Alameda to Two Deputies.**

Sam Bankman-Fried is stepping back from his quant trading shop Alameda Research to make room for two co-CEOs: Caroline Ellison and Sam Trabucco.

The pair, both traders with pre-crypto ties to Bankman-Fried, will oversee Alameda’s vast network of trading, yield farming, startup investments and market-making. Alameda is one of the crypto-landscape’s trading behemoths, booking a \$1 billion profit last year, according to Forbes.

Alameda Research was Bankman-Fried’s launchpad into the crypto big leagues. He created the firm in 2017 to exploit crypto arbitrage opportunities, hiring Ellison, who worked with him at Jane Street, in 2018, and Trabucco, a Susquehanna bond trader and friend from MIT, one year later.

Their ascendance is more a formalization of Alameda’s C-suite than a reorganization, according to Trabucco. He said Bankman-Fried has been fully dedicated to running his crypto exchange FTX since it launched in 2020.

“Once FTX got started, it was sort of using all his time,” Trabucco said.

He provided an estimate of Bankman-Fried’s current time allocations: “2% on Alameda; 98% on FTX.”

Nothing much will change at Alameda now that he and Ellison are formally in control, Trabucco said. The firm, which trades billions of dollars in crypto markets daily, will still be focused on generating ludicrously large returns.

“Everything we do is because we think it will make us money,” Trabucco said. He described an opportunistic firm ready to act on whichever strategy best achieves that goal.

For the last few months, the best route has been riding the volatility game in the “normal crypto markets.”

“Really short term, that’s what I expect us to be doing,” Trabucco said. But it has no shortage of money-making means.

Alameda is to the crypto market what Citadel and Susquehanna are for traditional equities: a behind-the-scenes quant-trading and market-making giant. But those firms refuse to touch crypto; Ken Griffin of Citadel says the U.S. crypto regulatory landscape is just too murky to play with. Trabucco is less spooked by regulatory concerns. He’s based in Hong Kong.

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



Your CRYPTO Weekend Wire

News Flow

➤ **Stripe Is Hiring a Crypto Team 3 Years After Ending Bitcoin Support.**

Payments company Stripe has begun assembling a crypto engineering team to chart its future in digital assets.

The team – described in LinkedIn posts and job listings – will be run by Guillaume Poncin, Stripe’s former head of engineering for banking and financial products. He is looking to hire at least four staffers to help plot Stripe’s crypto strategy.

Those engineers “will design and build the core components that we need to support crypto use cases,” the job posts said. “Crypto is a brand-new team at Stripe.”

Stripe’s relatively modest hiring push (it has 4,000 employees) comes amid a surge in crypto payments integrations across online retailers and even social media platforms. Stripe, the crypto startup behind Twitter’s new bitcoin tipping feature, is preparing to release its payments API in an aggressive bid for mass crypto adoption.

The team may be new but Stripe’s interest in crypto stretches back years. A payments giant whose API supports millions of digital storefronts, it made headlines in 2014 when it supported bitcoin – an industry first. Stripe abandoned that service four years later.

But a source told CoinDesk that Stripe never left crypto. The company continued to watch the digital assets space develop, weighing if and how to participate again. In recent months it has shown increasing interest in non-fungible tokens (NFTs), the source said.

One thing on the company’s mind is a need to avoid picking favorites, the source said. Stripe already supports an array of more traditional online payment options. It wants to remain tech-neutral when it comes to crypto, the source said.

It was slightly less cautious in early 2018. Ending Stripe’s bitcoin era with a pledge to maybe integrate Stellar, which it seed-funded years earlier, the company’s announcement boosted Stellar’s native currency, XLM, 20% in a day.

Stripe is aware of its influence in online payments. The firm has said it processes hundreds of billions of dollars in e-commerce annually; that 90% of American adults have utilized it; that its API (which still contains code to facilitate bitcoin transactions) is used hundreds of millions of times a day.

“Many businesses and users already rely on and trust in Stripe,” the crypto job post said. “This gives us a massive opportunity to be at the forefront of a new wave of innovation.”

➤ **U.S. officially the top destination for bitcoin miners, beating out China for the first time.**

The U.S. is now the number one destination for bitcoin miners, eclipsing China for the first time ever. While it was already trending in that direction, new data from Cambridge University released early Wednesday makes it official.

As of July, 35.4% of bitcoin’s hashrate – an industry term used to describe the collective computing power of miners – is in the United States, according to the Cambridge Centre for Alternative Finance. That’s a 428% increase from September 2020.

America partly has China to thank for its newfound dominance in the mining industry.

Twelve months ago, China was the market leader in terms of hashrate – by a long shot. But Beijing’s crypto crackdown in the spring took half the world’s bitcoin miners offline practically overnight.

Miners started fleeing China en masse, heading to the cheapest energy sources on the planet in what was dubbed “the great mining migration.” A whole lot of them ended up in America.

The newly-released Cambridge data zeroes out China’s average monthly share of the global hashrate in July – a major reversal from September 2020, when China captured about 67% of the market.

“The whole narrative of China controls bitcoin is now completely destroyed,” said Boaz Sobrado, a London-based fintech data analyst.

The U.S. ticks a lot of boxes for migrant bitcoin miners searching for a new home.

For one, states like Texas boast some of the world’s lowest energy prices, which is a major incentive to miners who compete in a low-margin industry, where their only variable cost is typically energy.

The U.S. is also flush with renewable power sources.

Washington state is a mecca for hydro powered mining farms. New York produces more hydroelectric power than any other state east of the Rocky Mountains, and it counts its nuclear power plants toward its 100% carbon-free electricity goal. Meanwhile, Texas’ share of renewables is growing over time, with 20% of its power coming from wind as of 2019. The Texas grid also continues to rapidly add more wind and solar power.

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



Your CRYPTO Weekend Wire

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Miners across the country have also harnessed nuclear power. Some are latching their rigs to otherwise stranded energy, like natural gas going to waste in oil fields across Texas. This reduces greenhouse gas emissions and generates money for the gas providers and miners. This shift toward zero-emission, clean energy sources has already begun to recast the narrative among skeptics that bitcoin is bad for the environment.

“Mining is price sensitive, so as to seek out the lowest-cost power and the lowest-cost power tends to be renewable because if you’re burning fossil fuels ... it has extraction, refinement and transport costs,” Blockstream CEO Adam Back said.

Besides lower electricity costs, some U.S. states like Texas also have crypto-friendly policymakers and an adequate supply of hosting infrastructure.

The state has a deregulated power grid with real-time spot pricing that lets customers choose between power providers, and crucially, its political leaders are pro-crypto. Those are dream conditions for miners who want a kind welcome and cheap energy sources.

“If you’re looking to relocate hundreds of millions of dollars of miners out of China, you want to make sure you have geographic, political, and jurisdictional stability. You also want to make sure there are private property rights protections for the assets that you are relocating,” said Darin Feinstein, co-founder of Core Scientific.

America’s rise to the top is also a case of luck meeting preparation. The U.S. has been quietly boosting its hosting capacity for years.

Before bitcoin miners started coming to America, companies across the country made a gamble that eventually, if adequate infrastructure were in place, they would set up shop in the U.S.

That gamble is paying off.

When bitcoin crashed in late 2017 and the wider market entered a multi-year crypto winter, there wasn’t much demand for big bitcoin farms. U.S. mining operators saw their opening and jumped at the chance to deploy cheap money to build up the mining ecosystem in the States.

“The large, publicly-traded miners were able to raise capital to go make big purchases,” said Mike Colyer, CEO of digital currency company Foundry, which helped bring over \$300 million of mining equipment into North America.

Feinstein says that in the last 18 months, there has been a serious growth of mining infrastructure in America. “We’ve noticed a massive uptick in mining operations looking to relocate to North America, mostly in the U.S.,” continued Feinstein.

Companies like North American crypto mining operator Core Scientific kept building out hosting space all through the crypto winter to ensure the capacity to plug in new gear, according to Colyer.

“A majority of the new equipment manufactured from May 2020 through December 2020 was shipped to the U.S. and Canada,” he said.

Alex Brammer of Luxor Mining, a cryptocurrency pool built for advanced miners, points out that maturing capital markets and financial instruments around the mining industry also played a big role in the industry’s quick ascent in the U.S. Brammer says many of these American operators were able to start rapidly expanding once they secured financing by leveraging a multi-year track record of profitability and existing capital as collateral.

Covid also played a role.

Though the global pandemic shut down large swaths of the economy, the ensuing stimulus payments proved a boon for U.S. mining companies.

“All the money printing during the pandemic meant that more capital needed to be deployed,” explained bitcoin mining engineer Brandon Arvanaghi.

“People were looking for places to park their cash. The appetite for large-scale investments had never been bigger. A lot of that likely found its way into bitcoin mining operations in places outside of China,” continued Arvanaghi.

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



Your CRYPTO Weekend Wire

News Flow

➤ **SEBA Bank Introduces Program for Clients to Earn Yield on Crypto.**

Digital-asset platform SEBA Bank has introduced a product that will allow clients to earn yield on their crypto holdings.

The Zug, Switzerland-based firm's SEBA Earn will let institutions generate income from proof-of-stake protocols such as Polkadot, Tezos and Cardano, with other networks being added over time.

The platform will also enable investors to lend bitcoin and ether through SEBA Bank, the company said Wednesday.

Swiss financial regulator FINMA-licensed SEBA says it will be the first fully regulated bank to offer investors access to yields in decentralized finance (DeFi) protocols.

Launched in 2018 as a crypto-first banking service, SEBA offers cryptocurrency trading and custody to institutional clients. It received a Swiss banking license from FINMA in 2019, the first time a company whose core business was in digital assets was licensed as such by the regulator.

➤ **Polkadot Sets Date for Hotly Anticipated Parachain Auctions.**

The much-anticipated parachain auction process, where projects are allocated slots for building on the Polkadot cryptocurrency network, kicks off next month.

The first of the auctions is slated to begin on Nov. 11, according to the Polkadot Council. A proposal was submitted to the governance forum minutes ago.

Stepping back, the parachain auction process is an important milestone in realizing Ethereum co-founder Gavin Wood's vision for an interconnected blockchain framework. (Parachains have already been running successfully on Polkadot's already-live "canary" network, Kusama, with 11 parachain slot auctions taking place since the launch of Statemine on June 3.)

"Almost exactly five years after the vision of a heterogeneous multichain framework was first outlined in the Polkadot [white paper], parachains are now officially ready for launch on Polkadot," Polkadot founder Robert Habermeier said in a blog post shared with CoinDesk.

The last technical steps to complete before launching parachains on Polkadot were the finalization of parachain disputes and Polkadot's full code audit, both of which have now been completed, according to Habermeier.

The ongoing Kusama parachain auctions have seen some 2.4 million KSM, Kusama's native token, contributed to crowd loans by more than 49,000 unique addresses. DOT, the native asset of the Polkadot network, will be used in the upcoming auctions.

A gaggle of decentralized projects have won parachain slots so far, including decentralized identity protocol Kilt and decentralized finance (DeFi) building blocks such as Acala's Karura Network, Moonbeam's Moonriver Network, Astar's Shiden Network and Phala's Khala Network.

In terms of which projects are at the front of the queue for a Polkadot slot, Habermeier told CoinDesk via Telegram:

"While I obviously can't vouch for any parachain or try to predict winners, Polkadot's parachain auction model certainly benefits projects that are able to gather substantial community support through its crowd loan mechanism. We saw this on Kusama, and I suspect we will see similar excitement for the early parachains on Polkadot."

The DOT required to obtain a slot is purely based on an efficient market mechanism, said Habermeier. "That said," he added, "the economics of Polkadot are designed so that a target of 20% of DOT end up bonded on behalf of parachains over time."

As with Kusama, each seven-day auction on Polkadot will consist of a starting period of one day and 21 hours, followed by an ending period of five days. Bidding ends on the seventh day, when the precise moment of the auction's close is determined retroactively by an on-chain, verifiable random function (VRF).

The auction can end at any point during the ending period, which prevents last-minute "auction sniping" for better price discovery.

The first five projects to win an auction would be onboarded to Polkadot simultaneously on Dec. 15, 2021, rather than being onboarded immediately following each auction (as has occurred on Kusama). Each auction on Polkadot will assign a parachain slot for a total of 96 weeks (divided into eight 12-week lease periods) as opposed to Kusama's 48 weeks.

Sources: [Bloomberg/Refinitiv/cnbc.com](https://www.bloomberg.com/news/articles/2021-11-08/seba-bank-introduces-crypto-yield-program)/[coinmarketcap.com](https://www.coinmarketcap.com/news)/[Newsnow.com](https://www.newsnow.com)



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According to this proposal, which is now going through a public referendum, the first batch of five auctions will take place with one new auction each week.

A second batch of six auctions will follow with one new auction every two weeks. The second batch of six auctions would be onboarded for lease period seven, which begins March 9, 2022.

The rolling weekly auction process beginning on Nov. 11 will run until the number of parachains on Polkadot equals not more than 75% of those on Kusama, according to Polkadot representatives.

This conservative approach regarding how many parachains can be onboarded during the first three months is necessary, said Habermeier, since the initial production release code is not necessarily fully mature and may still contain uncaught bugs.

The Kusama parachain launch was a dress rehearsal, said Habermeier, and he hoped any chaotic elements will be ironed out for the main event.

“Similar to how the Kusama genesis launch was a bit chaotic – as advertised – we hope the lessons we learned and bugs we squashed in the Kusama parachain launch lead to a comparably ‘boring’ parachain launch on Polkadot,” he said.

➤ **ARK, 21Shares Team Up for Bitcoin Futures ETF Application to SEC.**

Cathie Wood’s ARK Investment Management and investment-product firm 21Shares are part of a new application to the U.S Securities and Exchange Commission (SEC) to list a bitcoin futures exchange-traded fund (ETF).

The Wednesday filing was submitted by Alpha Architect ETF Trust, with 21Shares listed as the fund’s sub-adviser.

ARK Investment will provide marketing support, but not make investment decisions or provide investment advice, the filing said.

If the application is successful, the ARK 21Shares Bitcoin Futures Strategy ETF will list on the Cboe BZX Exchange under the ticker symbol “ARKA.”

ARK and 21Shares previously joined the race to get a bitcoin ETF approved, filing with the SEC to list the “ARK 21Shares Bitcoin ETF” in June.

With no ETF directly investing in bitcoin yet approved by the US market regulator despite over a dozen applications this year alone, attention has been drawn to funds that invest in the bitcoin futures market, something SEC Chair Gary Gensler has suggested would have a greater chance of winning approval.

➤ **G7 leaders issue central bank digital currency guidelines.**

Group of Seven advanced economic nations has been discussing central bank digital currencies (CBDCs) this week, concluding that they should “do no harm” and meet rigorous standards.

Finance leaders from the G7 met in Washington on Oct. 13 to discuss central bank digital currencies and endorsed 13 public policy principles regarding their implementation.

The G7, which comprises Canada, France, Germany, Italy, Japan, the U.K., and the U.S., mandated that any newly launched CBDCs should “do no harm” to the central bank’s ability to maintain financial stability.

It added that CBDCs would complement cash and could act like liquid, safe settlement assets in addition to anchoring existing payments systems. Digital currencies must be energy efficient and fully interoperable on a cross-border basis, the statement added.

Leaders from the G7 nations confirmed that they had a shared responsibility to minimize “harmful spillovers to the international monetary and financial system.”

CBDC issuance should be “grounded in long-standing public commitments to transparency, rule of law, and sound economic governance,” the statement continued. A G7 nation has yet to issue a CBDC but several such as the United Kingdom are actively researching the technology and economic impacts.

Echoing a similar statement made by the larger G20, they reiterated that no global stablecoin project should begin operation until it addresses legal, regulatory, and oversight requirements. The comments may be in reference to Facebook’s planned Diem cryptocurrency which has raised red flags for financial leaders and central bankers.

Sources: [Bloomberg/Refinitiv/cnbc.com/coinmarketcap.com/Newsnow.com](https://www.bloomberg.com/news/articles/2021-10-13/g7-leaders-endorse-13-principles-for-cbdc)



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The U.S. has been dragging its feet with CBDC plans and the Federal Reserve remains highly skeptical about digital dollars. As reported by Cointelegraph in September, America is in danger of being left behind technologically and financially if it doesn't start seriously considering its own CBDC.

China is already way ahead of the pack with its digital yuan, and its latest crackdown on crypto is likely to be part of its grand plans to further promote and control central bank monetary flows.

➤ Russia's Putin says crypto has 'value' — but maybe not for trading oil.

Russian President Vladimir Putin thinks cryptocurrencies have value — but he's not convinced they can replace the U.S. dollar in settling oil trades.

Some months ago, Russia's deputy prime minister, Alexander Novak, suggested the country could move away from greenback-denominated crude contracts if the U.S. continues to impose targeted economic sanctions.

Asked whether bitcoin or another cryptocurrency could be used as an alternative to the dollar, Putin said it's "too early to talk about the trade of energy resources in crypto."

"I believe that it has value," he told CNBC's Hadley Gamble at the Russia Energy Week event in Moscow Wednesday. "But I don't believe it can be used in the oil trade."

"Cryptocurrency is not supported by anything as of yet," Putin said. "It may exist as a means of payment, but I think it's too early to say about the oil trade in cryptocurrency."

The Russian leader also flagged cryptocurrencies' massive consumption of energy as a potential barrier to their use. Bitcoin requires lots of computing power to process transactions and mint new tokens.

➤ Crypto could cause 2008-level meltdown, Bank of England official warns.

The Bank of England's deputy governor for financial stability, Jon Cunliffe, has warned that cryptocurrencies could spark a global financial crisis unless tough regulations are introduced.

In a speech Wednesday, Cunliffe likened the rate of growth of the cryptoasset market, from \$16 billion five years ago to \$2.3 trillion today, to the \$1.2 trillion subprime mortgage market in 2008.

"When something in the financial system is growing very fast, and growing in largely unregulated space, financial stability authorities have to sit up and take notice," he said.

Cunliffe acknowledged that governments and regulators must be careful not to overreact or classify new approaches as "dangerous" simply because they are different, and also noted that crypto technologies offer a prospect of "radical improvements" in financial services.

However, he contended that although financial stability risks remain limited for now, the current applications of cryptoassets pose a financial stability concern since the majority "have no intrinsic value and are vulnerable to major price corrections."

Bitcoin and Ethereum, the two largest cryptocurrencies, plunged more than 30% in value earlier this year before recovering, and have proven extremely volatile since their creation. Prices are susceptible to a variety of external triggers, from comments by Tesla CEO Elon Musk to regulatory crackdowns by the Chinese government.

"The crypto world is beginning to connect to the traditional financial system, and we are seeing the emergence of leveraged players. And, crucially, this is happening in largely unregulated space," Cunliffe said.

His comments echo those of Bank of England Governor Andrew Bailey in May, who cautioned that cryptocurrency investors should be prepared to lose all their money due to the assets' lack of "intrinsic value."

The U.K.'s Financial Conduct Authority has also warned of the risky nature of crypto investment.

Cunliffe said the risk to financial stability could grow rapidly if the market continues to expand at such a pace, but the scale of those risks will be determined by the speed of response by regulators and governments.

The price of bitcoin has fallen by 10% in a single day on almost 30 occasions in the past five years, he pointed out, the largest of which was a fall of nearly 40% after a cyber-incident at Seychelles-based bitcoin and cryptocurrency exchange BitMEX.

Sources: [Bloomberg/Refinitiv/cnbc.com/coinmarketcap.com/Newsnow.com](https://www.bloomberg.com/news/articles/2021-09-02/putin-says-crypto-has-value-but-maybe-not-for-trading-oil)



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“The forward-looking question is what could result from such events, if these cryptoassets continue to grow at scale, if they continue to become more integrated into the traditional financial sector and if investment strategies continue to become more complex?” Cunliffe said.

Central to whether major price corrections can be absorbed by the system, saddling some investors with painful losses but avoiding a knock-on impact on the real economy, depends primarily on interconnectedness and leverage, Cunliffe argued.

Both were present in the subprime mortgage market prior to 2008, enabling the knock-on effects that ultimately brought the global economy to its knees, and both are becoming increasingly prominent in the crypto space, Cunliffe suggested. He said it will be down to authorities to manage this increasing risk and ensure that the system is resilient to major corrections.

“Although crypto finance operates in novel ways, well-designed standards and regulation could and should enable risks to be managed in the crypto world as they are managed in the world of traditional finance,” Cunliffe said.

Many regulators around the world have begun work to establish a public policy framework through which to manage the exponential growth of cryptoassets, but Cunliffe said this must be pursued as a matter of urgency.

“Technology and innovation have driven improvement in finance throughout history. Crypto technology offers great opportunity. As [Ralph Waldo] Emerson said: ‘if you build a better mousetrap the world will beat a path to your door’,” he said.

“But it has to be a truly better mousetrap and not one that simply operates to lower standards — or to no standards at all.”

➤ Elon Musk’s Tesla is already \$1 billion in profit from holding Bitcoin.

Tesla’s bold foray into the Bitcoin (BTC) market has been paying off in 2021 as BTC’s price has been rallying in October to hit over \$58,000 on Oct. 14.

Tesla currently holds roughly 43,200 BTC, worth roughly \$2.5 billion at today’s prices, according to online monitoring resource Bitcoin Treasuries. This is approximately 65% or \$1 billion more than what the carmaker paid in February when Elon Musk’s company revealed that it had added \$1.5 billion in BTC to its balance sheet.



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



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In Q2, Tesla sold 10% of its Bitcoin holdings — about 46,000 BTC — at a reported average price of around \$50,000 per token. In its Q2 earnings report, the company notified that it had booked gains worth \$128 million from its Bitcoin sale.

Following the latest Bitcoin price rebound, Tesla's net profits from its crypto holdings came out to be as much as its income from Q2. In detail, Tesla reported \$1.14 billion in net profit for Q2, the first time it ever crossed the \$1-billion mark. The income was a part of \$11.96 billion in revenue that Tesla made mostly by selling cars — about \$10.21 billion. The remaining \$354 million came from the sales of regulatory credits.

Tesla revealed on Oct. 1 that it had delivered 241,300 electric vehicles during Q3, compared to 201,250 vehicles in the previous quarter. Combined with Tesla's Bitcoin profits, expectations are high for blockbuster earnings set to be released after the market closes on Oct. 19. "We think Q3 will be TSLA's strongest quarter ever," said Piper Sandler analyst Alexander Potter.

Thus far, Tesla's Bitcoin strategy has been very successful, providing a case study of how other corporates could replace a portion of their cash reserves with BTC.

That said, several companies that invested in Bitcoin before Tesla have seen even greater gains.

For instance, business intelligence firm MicroStrategy purchased around \$3.15 billion worth of Bitcoin in multiple buying rounds. With its first purchase dating back to Aug. 11, 2020, the company's net Bitcoin profits are now near \$6.3 billion, almost doubling its investment. Jack Dorsey's payment service firm, Square, has also seen considerable gains from holding Bitcoin, now worth over \$442 million from its \$220-million investment.

Additionally, Canada-based crypto mining firm Hut 8 Mining Corp has seen its \$39.3-million Bitcoin purchase increase in value by more than 600%, reaching around \$250 million. Back in June, the company also revealed plans to hold 5,000 BTC by 2022.

➤ **Bitcoin Spikes After Bloomberg Reports SEC Won't Block Futures ETF.**

Bitcoin rallied late Thursday following a Bloomberg report that a bitcoin futures exchange-traded fund (ETF) will clear the U.S. Securities and Exchange Commission (SEC).

The top cryptocurrency was up 3.5% in less than an hour, nearing \$60,000 for the first time since May, according to CoinGecko.

The SEC is reviewing around 40 bitcoin ETF filings with multiple decision deadlines on futures-linked products hitting next week. According to Bloomberg, the regulator is expected to approve at least some of them, clearing the way for trading to begin.

The SEC does not need to take any formal action to approve the filings. Under federal law, applications can become effective if the SEC allows a mandated deadline to pass by without requesting changes or directing the aspiring issuer to pull the filing.

Bloomberg named applications by ProShares and Invesco as two proposals that may be allowed to launch under this law next week.

Sources: [Bloomberg/Refinitiv/cnbc.com/coinmarketcap.com/Newsnow.com](https://www.bloomberg.com/news/articles/2021-10-01-bitcoin-futures-etf-will-clear-the-sec)



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Figures and Charts

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 Bitcoin / U.S. Dollar, 1D, COINBASE OS7359.51 H60347.00 L56867.11 C59928.69 +2569.18 (+4.48%)



BTC	59 895.95	Weekly Change
Week Low	Week High	8.23%
53 950.01	60 353.25	
Circulating Supply		
		18 844 268.00
Market Cap		
		\$ 1 114 658 397 128.00

TradingView

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 Ethereum / U.S. Dollar, 1D, COINBASE O1791.06 H3860.00 L3734.44 C3807.01 +15.35 (+0.40%)



	3 805.95	Weekly Change
Week Low	Week High	8.04%
3373.56	3859.98	
Circulating Supply		
		117 934 043.00
Market Cap		
		\$ 444 868 328 518.00

TradingView

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



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A

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

B

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



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

C

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

D

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

Sources: blockspot.io/crypto-dictionary



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

E

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

F

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

H

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



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I

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

K

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

M

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



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N

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

O

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

P

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



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Q

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

S

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

T

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



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Glossary

W

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

Y

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

Sources: blockspot.io/crypto-dictionary

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