

➤ **KKR makes \$12 billion approach to take Telecom Italia private.**

Telecom Italia (TIM) has received a 10.8-billion-euro (\$12 billion) approach from U.S. fund KKR aimed at taking Italy's biggest phone group private, the company said on Sunday.

KKR's move comes as TIM's CEO Luigi Gubitosi battles for survival after coming under fire from top investor Vivendi following two profit warnings in three months.

TIM said KKR had set an indicative price of 0.505 euros for its possible buyout offer -- a 45.7% premium to the ordinary shares' closing price on Friday. KKR would also offer the same price for TIM's savings shares.

The TIM board, chaired by former Bank of Italy official Salvatore Rossi, met for several hours on Sunday afternoon but in a short statement it gave no indication of whether it would support the approach. It noted that KKR had termed its action as "friendly" and aimed at winning the backing of the company and of the government.

Italy's Treasury said foreign interest in Italian companies was "positive news for the country" and the market would assess how valid KKR's plan is, were it to materialize.

The government will closely follow developments with a focus on plans for TIM's fixed-line assets, which would be key in determining whether it uses its veto powers.

Rome has special anti-takeover powers to shield companies deemed of strategic importance from foreign bids.

A new owner would also have to assume TIM's 29-billion-euro gross debt.

Gubitosi brought KKR onboard last year in a 1.8-billion-euro deal that handed the New York-based fund a 37.5% stake in FiberCop, the unit holding TIM's last-mile network connecting street cabinets to people's homes.

KKR's plan would see TIM carve out its fixed network to be run as a government-regulated asset along the model used by energy grid company Terna or gas grid firm Snam, two sources close to the matter said earlier on Sunday.

The government wants any plans for TIM's grid to be in line with the goal of rapidly completing broadband rollout across Italy, supported by adequate investments, and protecting jobs, the Treasury said in its statement.

Gubitosi has started looking at ways to squeeze money out of TIM's assets, revisiting a plan to merge TIM's fixed-line grid - its most prized asset - with that of fiber optic rival Open Fiber.

Sponsored by the previous government, that project had run aground under Prime Minister Mario Draghi.

Rome, preparing to tap billions of euros of European Union recovery funds to boost broadband connectivity in Italy, is aware of the need to find a way to shore up the former telecoms monopoly and protect its 42,500 domestic workers.

Vivendi, which is pushing to replace Gubitosi, believes KKR's offer does not adequately value TIM, a person close to the French media group said.

Vivendi, which faces a steep capital loss on its 24% TIM stake after paying on average 1.071 euros a share, remains ready to work alongside Italy's authorities and institutions for TIM's long-term success, a spokesperson said.

Vivendi sees Gubitosi as a short-term solution for TIM, people close to the matter have said. One person said on Sunday KKR's plan may buy Gubitosi a few more months.

Private equity firms CVC and Advent have also studied possible plans for TIM, working with former TIM CEO Marco Patuano, now a senior adviser to Nomura in Italy.

A spokesperson for the two funds said they were open to working with all stakeholders on a solution to strengthen TIM, denying any contacts with Vivendi.

To oversee a strategic asset such as the fixed line, state investor CDP has taken a 9.8% stake becoming TIM's second-largest investor after Vivendi.

TIM's fixed network is also a key asset supporting the debt burden which was cut further below the investment grade level by credit rating agency S&P on Friday.

TIM's revenue have shrunk by a fifth over the past five years hit by aggressive competition at home from rivals such as Iliad, Vodafone, Wind Tre and Fastweb.

➤ **Biden picks Jerome Powell to lead the Fed for a second term as the U.S. battles Covid and inflation.**

Jerome Powell, who guided the Federal Reserve and the nation's economy through the staggering and sudden Covid-19 recession by implementing unprecedented monetary stimulus, is being nominated for a second term as chairman of the U.S. central bank.

President Joe Biden made the announcement Monday morning following weeks of speculation that a push from progressives might see Fed Governor Lael Brainard get the spot.

Acknowledging the political pressure, he faced to nominate a more progressive Democrat than the Republican Powell, Biden said Monday afternoon he settled on Powell because the current economic circumstances present "enormous potential and enormous uncertainty" and require "stability and independence."

Brainard was designated as vice chair of the board of governors; she had been widely expected to get a separate vice chair for supervision post, which oversees the nation's banking system. As vice chair for monetary policy, she would succeed Richard Clarida, whose term expires Jan. 31, 2022, and will oversee a wider swath of policy decisions.

"As I've said before, we can't just return to where we were before the pandemic, we need to build our economy back better, and I'm confident that Chair Powell and Dr. Brainard's focus on keeping inflation low, prices stable, and delivering full employment will make our economy stronger than ever before," Biden said in an earlier statement.

The nominations next head to the Senate for confirmation.

In making the decision, Biden praised the Powell Fed for its "decisive" action in the early days of the pandemic.

The Fed rolled out an unprecedented array of lending programs while also cutting interest rates back to near zero and instituting a monthly bond-buying program that would increase the central bank's holdings of Treasuries and mortgage-backed securities by more than \$4 trillion.

"Chair Powell has provided steady leadership during an unprecedentedly challenging period, including the biggest economic downturn in modern history and attacks on the independence of the Federal Reserve," a White House statement said. "During that time, Lael Brainard – one of our country's leading macroeconomists – has played a key leadership role at the Federal Reserve, working with Powell to help power our country's robust economic recovery."

The announcement coincided with a boost to the stock market while government bond yields were higher across the board.

Markets are watching closely the pace the Fed will follow as it unwinds its massive policy support.

Officials already have indicated they will start paring back the bond purchases, with reductions of some \$15 billion per month that would see the program likely conclude in late spring or early summer 2022.

Interest rate hikes are another matter.

Most Fed officials thus far have said they won't consider raising rates at least until the bond buying taper winds down. However, markets have been looking for a faster timeline for rates, with the initial hike now priced in for June 2022.

"The president chose the status quo for monetary policy and financial regulation," said Mark Zandi, chief economist at Moody's Analytics.

"The Fed's going to slowly but steadily take its foot off the monetary accelerator."

Treasury Secretary Janet Yellen, who also was Powell's immediate predecessor at the Fed's helm, lauded Powell for the way he handled the job in the face of the pandemic crisis, which brought the U.S. not only its steepest but also its shortest recession.

"Over the past few years, Chair Powell has provided strong leadership at the Federal Reserve to effectively meet and address unexpected economic and financial challenges, and I am pleased our economy will continue to benefit from his stewardship," Yellen said.

Though Powell carried the day, it was not without controversy.

The Fed has been under fire lately following an ethics scandal in which multiple officials engaged in trading stocks at a time when the institution was implementing policies aimed at boosting markets. Powell disclosed that he owned municipal bonds, which the Fed also was buying, and he also bought and sold funds tied to the broad stock market indexes.

At the same time, the Fed has been hit with inflation running faster than it had anticipated – in fact, at the sharpest pace in 30 years. Official Fed policy since September 2020 has been to let inflation run somewhat hotter than the standard 2% target if it allows for full and inclusive employment, but prices have been rising well above that level.

Powell has held to the line that inflation will cool off once factors associated with the pandemic return to normal. But the recent readings have raised questions about the so-called average inflation targeting that signaled a historic turn in central bank monetary policy.

Sources: CNBC.com



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The inflation also has come with a rapid economic recovery and a decline in the unemployment rate from a pandemic peak of 14.8% to its current 4.6%.

Presented later Monday afternoon in a joint appearance with Biden, both Powell and Brainard stressed the importance of controlling inflation.

“We know that high inflation takes a toll on families, especially those less able to meet the higher costs of essentials like food, housing and transportation,” Powell said. “So, we use our tools both to support the economy and a strong labor market and to prevent higher inflation from becoming entrenched.”

Brainard added that she is “committed to putting working Americans at the center of my work at the Federal Reserve. This means getting inflation down at a time when people are focused on their jobs and how far their paychecks will go.”

Brainard emerged as a key force in the race over who would carry the Fed through the next four years. She has taken point on several issues important to the Biden administration, particularly the need for the Fed to brace the banking system against disruptive climate change events.

A former undersecretary of the Treasury during the Obama administration, Brainard also has been a strong proponent of a digital dollar to open the financial system to the unbanked.

The White House statement stressed the importance of progressive for the Fed in the years to come.

Biden said that Powell and Brainard “also share my deep belief that urgent action is needed to address the economic risks posed by climate change and stay ahead of emerging risks in our financial system.”

“Fundamentally, if we want to continue to build on the economic success of this year, we need stability and independence at the Federal Reserve – and I have full confidence after their trial by fire over the last 20 months that Chair Powell and Dr. Brainard will provide the strong leadership our country needs,” he added.

Biden still has more work to do on the Fed: There is one vacant position on the board of governors, while the Clarida vacancy will need to be filled come January. He also will need to name a vice chair for supervision, a post the departing Randal Quarles had held until his term expired in October. The White House indicated Monday that those moves will be announced in early December.

The initial congressional reaction to Monday’s news was positive.

Sen. Sherrod Brown (D-Ohio), who chairs the pivotal Senate Banking Committee that will first hear the nominations, said, “I look forward to working with Powell to stand up to Wall Street and stand up for workers, so that they share in the prosperity they create.”

Pennsylvania Republican Patrick Toomey said he will support Powell though he noted he has had disagreements with central bank policies.

The news is likely a disappointment to progressives including Sen. Elizabeth Warren, D-Mass., who said in September that the Fed’s role in relaxing banking regulations in recent years makes Powell a “dangerous man” and that she would oppose his renomination.

Biden recently met with Warren to discuss the appointments, according to a source familiar with the matter.

Two other Democratic senators, Sheldon Whitehouse of Rhode Island and Jeff Merkley of Oregon, also said they would oppose Powell.

President Donald Trump appointed Powell to the position in 2018 in somewhat of a surprise. Trump chose to pass over then-Chair Janet Yellen, an unusual move in that Fed leaders are rarely removed after just one term. Former President Barack Obama initially appointed Powell to a 14-year term as governor in 2014.

Though Trump nominated Powell, he later fired withering criticism at the Fed chief when the central bank raised interest rates seven times in 2017 and 2018. The former president went as far as to call the Fed policymakers “boneheads” for trying to normalize policy as the economy recovered.

As for Brainard, she is now widely expected to be named vice chair of supervision, a key Fed post to oversee the nation’s banking system.

The Fed is empowered by Congress to fulfill two mandates: Maximize U.S. employment and keep inflation stable. Its leaders, known as governors, are nominated by the president and vote on how to adjust interest rates, regulate the nation’s largest banks and monitor the health of the economy.

To combat the spike in unemployment and recession that began in the spring of 2020, the central bank slashed interest rates and began buying some \$120 billion in Treasury bonds and mortgage-backed securities every month. It also instituted a variety of lending programs aimed at keeping fixed income markets functioning after they endured significant stress at the beginning of the pandemic.

Economists credit that quick and sizable response for stabilizing financial markets and later repressing long-term interest rates. Lower interest rates make it easier for corporations to take on loans to build new factories, or for individuals to buy homes or cars.

Sources: CNBC.com

“Under Powell the Fed has placed more emphasis on having the economy operate at maximum employment,” Mike Feroli, chief U.S. economist at JPMorgan, said via email.

“This is a goal progressive economists have long advocated and a goal which is presumably consistent with Biden’s agenda.”

Treasury Secretary Janet Yellen, one of Biden’s top economic advisors and a counselor on his Fed nominations, told CNBC earlier this month that she is happy with the Fed chief’s work. Yellen was the first woman to serve as the Fed’s chair and is the country’s first female Treasury secretary.

“I talked to him about candidates and advised him to pick somebody who is experienced and credible,” Yellen said. “I think that Chair Powell has certainly done a good job.”

Powell is also popular on Capitol Hill, where lawmakers on both sides of the aisle have praised his leadership and amiability since he took over for Yellen in February 2018.

➤ **‘Vaccinated, recovered or dead’: Germany gives stark winter warning to its people.**

Germany’s health minister has issued a stark warning to the country’s public, telling citizens that vaccination was the key to their survival.

“Some would say this is cynical but probably by the end of this winter, pretty much everyone in Germany will be vaccinated, recovered or dead ... That’s the reality,” Jens Spahn told a press conference in Berlin on Monday.

Blaming “the very contagious delta variant” for the country’s rapid surge in infections, which is seen as its fourth wave of the pandemic, Spahn said “that is why we so urgently recommend vaccination.”

Germany is considering whether to implement stricter Covid-19 measures and even a partial lockdown like its neighbor, the Netherlands, as cases soar. On Monday, more than 30,000 new cases were recorded, according to the Robert Koch Institute for infectious diseases.

In the meantime, Germany has one of the lower vaccination rates in western Europe with 68% of its adult population fully vaccinated, but only 7% having received a booster shot. Boosters are needed as we know that the immunity offered by vaccines wanes after around six months.

Spahn told Germans not to be picky about which vaccine they wanted to receive, saying “some vaccinating physicians say BioNTech is the Mercedes of the vaccines and Moderna is the Rolls-Royce,” Deutsche Welle reported.

“There is enough vaccine for all upcoming vaccinations,” Spahn said. “And both vaccines work.”

Germany deploys both the Pfizer-BioNTech shot (BioNTech is a German company and Germans have tended to prefer this shot) as well as the Moderna vaccine, AstraZeneca-University of Oxford vaccine and the Janssen (Johnson & Johnson) shot.

Covid vaccines greatly reduce the risk of severe infection, hospitalization and death but some countries in Europe have experienced greater vaccine hesitancy than others. And there is increasing segregation now when it comes to access to public spaces for vaccinated and unvaccinated people.

Outgoing Chancellor Angela Merkel also issued her own warning to the country on Monday, stating that current Covid rules were “not enough” to stop the fourth wave and that stronger action needed to be taken.

“We have a highly dramatic situation — the current rules are not enough,” Merkel told a meeting of leaders of her conservative Christian Democratic Union party, Reuters reported.

Having met with the leaders of Germany’s 16 federal states, which have largely determined their own Covid response measures during the pandemic, Merkel called on state premiers to decide on tougher restrictions by Wednesday.

Germany has already implemented stricter Covid rules in recent days. Last Thursday, Merkel and the country’s 16 state premiers agreed a new package of measures to tackle the virus, with restrictions introduced for unvaccinated people in areas of the country where hospital admissions exceed a certain threshold.

Merkel noted at the time that “many of the measures we are announcing would not be necessary if more people were vaccinated.” She said the country was also considering making it mandatory for hospital staff to be vaccinated, and that free Covid testing would resume.

Several states and cities have already imposed stricter rules requiring the public to show Covid passes, which have an individual’s vaccination status or if they’ve just recovered from the virus (also widely known as “2G rules” as they refer to whether people are vaccinated — “geimpft” in German — or recovered, “genesen”) in order to access bars, restaurants and other public venues like movie theaters or museums.



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Germany is not alone in witnessing a rapid increase in Covid cases as winter sets in, with Europe as a whole seeing soaring infections, prompting many countries to tighten rules.

Austria has re-imposed a full lockdown with citizens asked to work from home and non-essential shops closed, while the Netherlands' partial lockdown sees bars and restaurants closed at 8 p.m. (among other rules) and is meant to last until early December, although it could be extended.

Many countries are increasingly relying on Covid passes to keep leisure activities and businesses open, although critics say they are segregating societies down vaccination lines.

Europe has been rocked by protests in the last few weeks against fresh restrictions, with demonstrations breaking out in Brussels, Vienna, Rome and Amsterdam last weekend.

The region's Covid crisis has not been lost on the U.S. which only recently lifted an international travel ban that had prohibited visitors from 33 countries, including the U.K. and much of Europe. On Monday, the U.S. State Department warned Americans not to travel to Germany due to the "very high level of Covid-19 in the country."

The advisory came after the U.S. Centers for Disease Control and Prevention issued a statement to "avoid travel to Germany. If you must travel to Germany, make sure you are fully vaccinated before travel."

"Because of the current situation in Germany, even fully vaccinated travelers may be at risk for getting and spreading Covid-19 variants," the CDC warned. The same level of travel warning applies to the U.K., Austria, the Netherlands, Slovakia, Denmark and Norway among other European countries.

➤ **Turkish lira plummets to 'insane' historic low after President Erdogan sparks sell-off.**

Turkey's lira dropped to another record low of 12.49 to the dollar on Tuesday, a level once unfathomable and well past what was just last week deemed the "psychological" barrier of 11 to the dollar.

"Insane where the lira is, but it's a reflection of the insane monetary policy settings Turkey is currently operating under," Tim Ash, senior emerging markets strategist at Bluebay Asset Management, said in a note in response to the news.

The lira was trading at 12.168 to the greenback at 1 p.m. local time on Tuesday.

The sell-off was triggered after Turkish President Recep Tayyip Erdogan defended his central bank's continued contentious interest rate cuts amid rising double-digit inflation. He labeled the move as part of an "economic war of independence," rejecting calls from investors and analysts to change course.

Inflation in Turkey is now near 20%, meaning basic goods for Turks — a population of roughly 85 million — have soared in price and their local currency salaries are severely devalued. The lira has lost nearly 40% of its value this year and 20% since the start of last week alone, according to Reuters.

For perspective, at this time in 2019, the lira was trading at roughly 5.6 to the dollar. And that was already making news, as it was a dramatic drop in value from the mid-2017 level of 3.5 to the dollar.

Turkey's currency has been in a downward slide since early 2018, thanks to a combination of geopolitical tensions with the West, current account deficits, shrinking currency reserves, and mounting debt — but most importantly, a refusal to raise interest rates to cool inflation.

Erdogan has long described interest rates as "the enemy," rejecting economic orthodoxy to insist that raising rates actually worsens inflation, rather than the other way around.

Investors fear the lack of independence of Turkey's central bank, whose monetary policies are seen as being largely controlled by Erdogan. He has fired three central bank chiefs in roughly two years over policy differences.

Semih Tumen, a former central bank deputy governor who Erdogan dismissed in October, sharply criticized the president's moves.

"We need to abandon this irrational experiment, which has no chance of success, and return to quality policies that will protect the value of the Turkish lira and protect the welfare of the Turkish people," Tumen wrote on Twitter, according to a translation.

The latest sharp downturn began last Thursday when the central bank cut rates by 100 basis points to 15%. It's cut rates by 400 basis points since September alone.

According to ratings agency Fitch, in August 57% of Turkey's central government debt was foreign currency linked or denominated, meaning paying that debt becomes more painful as the lira continues to drop in value.

Sources: CNBC.com



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“We are seeing a perverse economic experiment of what happens when a central bank has effectively no monetary policy,” Ash said. “Erdogan has taken away the ability of the CBRT (Central Bank of Turkey) to hike policy rates.”

➤ **Not since Americans came home from World War II has inflation run through the economy like it is now.**

Not since Americans came home from World War II has inflation percolated through the U.S. economy like it is now, and it could continue to do so for months to come.

That’s because the pandemic hit the economy like a sledgehammer, shattering the normal way business is conducted and consumers live their lives. The disruptions for many businesses have been difficult to repair, and the return to normal has been challenging due to supply chain disruptions and labor shortages.

“You had a very quick and abrupt shift in the economy,” said Michael Gapen, chief U.S. economist at Barclays. “And it takes time to retool. It’s a super tanker. It takes time to turn.”

Companies and consumers across the country are feeling the hit from rising prices and goods shortages, and many businesses are adjusting the way they operate.

Frank Barbera, president of Barbera Homes in the Albany, N.Y. area, said this period of rising prices is unique in the 30-year history of his family business.

“The costs definitely went up faster than the price. Our average home is up over \$60,000 and that’s just hard costs passed along. The average two-by-four for example over the course of the past year from July 2020 to roughly the same period in 2021, went from \$4.30 to \$11.36,” he said. The two-by-four is now about 50% lower but lumber is still volatile.

Barbera said other building materials have also gone higher, including a 20% increase in insulation this year.

Homebuilder Chris Carr said his construction company has changed the way it buys some materials for the homes he builds in New Jersey beach towns, like Avalon and Stone Harbor.

“We’ve acquired more storage space so we can store all the things we are buying. We’re buying truckloads of roofing materials” plumbing supplies and other materials, said Carr, owner of McLaughlin Construction.

“Before we were just-in-time purchasers, and so for certain aspects of a home we can’t do that anymore.”

Pent up demand, changing lifestyles and a load of stimulus money created a surge in demand for all kinds of goods. But that demand has met a supply network that was also damaged by the pandemic and is struggling to return to a more normal level of activity. Labor shortages and logistics problems are compounding the situation.

Gapen said the consumption of core goods is now about 17% to 20% above pre-pandemic levels and core services demand has not yet recovered. Core goods exclude food and energy.

“It’s like any economy in any situation would be in trouble if its citizens were requiring it to produce 20% more goods in one year’s time,” he said. Post-pandemic consumers changed their lifestyles. Many fled to suburbs and beyond, moved into houses, and furnished home offices. They also needed cars.

“It’s the greatest historical anomaly in the relationship between core goods and services prices that we’ve seen since the end of World War II,” said Gapen. “I think the World War II experience is the closest parallel to what we’re seeing.”

Soldiers returned home in the late 1940s, and the demand for everything from housing to clothing soared. “You had to rejigger the economy and re-employ all those people. What happened is you had an inflation boost for two or three years,” Gapen said. “By the end of the ’40s, you were flirting with deflation.”

The debate among economists is how much of this pandemic era inflation will linger and how much of it will be temporary. In October, the consumer price index was up 6.2% year-over-year, the highest in 31 years. Core CPI, excluding food and energy, was up 4.6%.

Goods prices across the board have been rising. The price of gasoline in October was up about 50% over last year. Used cars were up 26%, and new cars were up nearly 10% year-over-year.

The index for meats, poultry, fish and eggs jumped 11.9% while beef prices were up 20% from a year ago in October.

“It’s a relative demand story. Three [core] goods categories are responsible for most of that inflation - autos, used autos and household furnishings. Bigger durable items,” he said.

Source: Refinitiv



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For decades, core goods prices have fallen relative to services. “It’s just really unusual to see this surge in goods prices and trend because of things like technology innovations and globalization had meant that you may pay more for that computer, but the computer you have today is far more powerful than the one you had 20 years ago,” Gapen said.

Apparel and appliances are two areas where globalization has resulted in lower price trends. According to Moody’s Analytics, relative to the overall consumer price index, the price of appliances is down 46% since the year 2000, meaning appliance prices are higher but they are 46% lower than consumer prices. Apparel prices are also higher, but they are 43% lower than consumer prices in that period.

An area where prices have risen very rapidly was hospital services, where prices are 92% higher than overall consumer prices since 2000. Gapen notes that normally consumers tend to halt purchases of durables in more traditional downturns, leading to price declines of core goods. But as the economy recovers from its downturn, household demand for durables tends to increase, bringing prices back up. But the pandemic was unusual and instead it boosted goods prices relative to services, raising concerns about how long prices will rise.

Mark Zandi, chief economist at Moody’s Analytics, does expect to see a decline in prices in some categories next year.

Meanwhile, the inflation could feed on itself as consumers and businesses acquire hard-to-get items, making prices go even higher. But that cycle should break once producers catch up, inventories build, and overproduction could cause prices to drop.

He therefore expects inflation to ultimately fall back to about 2.5% for core CPI, excluding food and energy.

“It may take until early 2023, but I think we’ll settle into 2.5% core CPI. I think there’s a possibility that prices are lower again. I think energy prices will come in, vehicle prices will come in and various building materials will come in,” he said.

But still, there is a risk they won’t.

“If these spikes in prices do affect inflation expectations and get embedded in wage price dynamics then we have a problem,” Zandi said. “I don’t think we’re there. I think this is garden variety supply shocks which result in big price spikes but that sows the seeds of future declines.”

“At that point you have prices coming back down to earth, and that’s the dynamic I think we’re going to see,” he said.

Shelter costs are an area where many renters would expect to see a sharp increase, but they rose just 3.5% year over year in October in the CPI. The category includes rents and owners equivalent rent and makes up about a third of CPI.

Rent is one area where economists expect to see continued price increases, even as other categories fall. According to Apartment List, rents between the beginning of the year and October were up 16% nationally, and CPI data should start to catch up.

“That’s being affected by the pandemic but regardless of whether there’s a pandemic or not, rent prices would have accelerated because of an affordable housing shortage,” said Zandi. “The pandemic made it worse because you have all these millennials that went back to live with their parents or doubled up when the pandemic hit. They’re all starting out on their own, forming households and renting.”

Zandi said rent is adding a half percentage point to his 2.5% CPI forecast, and that is the factor that could keep inflation above the Fed’s 2% target.

Builders, like Barbera, are still seeing strong demand for single family houses even with much higher prices. In order to meet demand, Barbera is carefully managing what he builds.

“We limited our lot releases so in some neighborhoods we stopped selling temporarily or we limited the amount of lots we put on the market at one time so that we could have better control over not only costs but labor, making sure we could produce what we’re selling,” he said. “We have been fortunate. We have a very stable trade base, but everyone is working 24/7 just to keep up.”

He’s hoping prices will start to stabilize.

“Other than lumber, I cannot foresee any of the products we’re currently using coming down in price, and I don’t see labor coming down. It will find its peak, but materials have not leveled off yet,” Barbera said.

But for small businesses, the challenge is to operate effectively.

“With the price increases we’ve seen, we had a lot of homeowners who have said ‘holy smoke, this is expensive!’ Then it’s our job to make them understand what the trigger points were that made it expensive,” said Carr. “Other than lumber, every other material we’re seeing is going up in price. On a weekly basis, we’re getting price increase notices. It’s a very volatile market.”

Carr emphasizes that the volatility, except with lumber, has been one way. “I’m not getting 2% to 3% price notices from these suppliers. I’m getting 10% to 15% increases multiple times a year,” he said. Carr said depending on the home, the cost is 25% to 50% higher in the past two years. “Land values have increased. The whole package has increased.”

Source: Refinitiv



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➤ Olaf Scholz replaces outgoing German chancellor Angela Merkel as a new coalition is announced.

A coalition deal has been announced in Germany after almost two months of talks following the country's inconclusive federal election in September.

Olaf Scholz, the center-left Social Democratic Party's candidate, will be Germany's next chancellor, replacing Angela Merkel who has led Germany for 16 years.

The agreement between the SPD, the Greens and the Free Democratic Party, will see them govern together in a three-way coalition for the first time. The alliance has been described as a "traffic light" coalition in reference to the parties' traditional colors.

Christian Lindner, the head of the pro-business FDP, is set to be the next finance minister, according to the deal which was announced Wednesday afternoon and will now be voted on by the different parties. The Green Party's co-leaders, Annalena Baerbock and Robert Habeck, are poised to take on the roles of foreign minister and economy and climate minister, respectively.

"The first traffic light [in Germany] was erected in Berlin in 1924 in Potsdamer Platz. At that time, it was still an unusual technology. 'Can it work?' people asked skeptically," Scholz told a press conference in Berlin on Wednesday, according to a Reuters translation.

"Today, the traffic light is indispensable when it comes to regulating things clearly and providing the right orientation and ensuring that everyone moves forward safely and smoothly. My ambition as chancellor is that this traffic light alliance will play a similarly groundbreaking role for Germany," he added.

The draft coalition agreement covers a wide range of climate policies — including plans to adopt a climate protection program by the end of 2022, utilize all suitable roofs for solar energy and the intention to align an expansion of its power network with a new renewables target.

Germany will try to dedicate 2% of its land surface to wind power infrastructure and will continue to exclude nuclear power from its energy mix, a policy that deviates from the policy of its neighbor France. The agreement also said Germany would stop funding the promotion of renewable energy once its coal exit was achieved.

It said immigrants shall be eligible to apply for German citizenship after five years in the country and Scholz confirmed Wednesday that Germany will keep its constitutional debt brake — this basically forces leaders to present budgets without structural deficits or a very limited deficit.

The new coalition said it would launch a parliamentary investigation into the Afghanistan evacuation operation. The country will remain part of NATO's nuclear-sharing agreement under the new government, the deal noted, and the Greens will have the right to nominate the country's European commissioner if the EU Commission's president is not from Germany, as is currently the case with Ursula von der Leyen.

The parties have vowed to modernize Germany, which is Europe's largest economy, with a priority placed on the transformation into a greener, more digitalized economy, as well as infrastructure investment.

German businesses are anxious to see what this transformation means for them, in terms of energy prices and business costs.

Outgoing leader Angela Merkel's conservative alliance, the Christian Democratic Union and Christian Social Union, will now see itself go into opposition.

Holger Schmieding, chief economist at Berenberg Bank, described the alliance as a "continuity coalition."

"New faces need not mean a major change in policies. We expect the new government to continue the gradual tilt towards more government spending on pensions and investment as well as a green transformation that has been the hallmark of the last eight years of Merkel's 16-year reign as chancellor," he said in a note Wednesday.

Like Merkel's "grand" coalition of center-right CDU-CSU and center-left SPD, the new government includes parties from both sides of the political divide, he noted.

"In terms of numbers, the center-left (SPD and Greens) is much stronger and the center-right (FDP instead of CDU/CSU) much weaker in the new government than before. But on many issues, notably domestic and European fiscal policies, the FDP often advocated a harder line than Merkel did. As a result, we always expected the compromises struck between the new coalition partners to be quite similar to what a continuation of the old government would have delivered."

Source: Refinitiv

➤ **U.S. blacklists dozens of Chinese tech firms citing national security concerns.**

The Biden administration added a dozen Chinese companies to its trade blacklist on Wednesday, citing national security as well as foreign policy concerns.

Eight technology entities based in China were added to the list for their alleged role in assisting the Chinese military's quantum computing efforts and acquiring or attempting "to acquire U.S. origin-items in support of military applications."

U.S. officials have long complained that Chinese companies are beholden to the People's Republic of China and collect sensitive information on behalf of the People's Liberation Army. The Chinese Communist Party has previously said that it does not engage in industrial espionage.

The Commerce Department also listed 16 entities and individuals operating in China and Pakistan for their work on Islamabad's nuclear and ballistic missile program. In all, the Biden administration added 27 entities and individuals located in the People's Republic of China, Pakistan, Russia, Japan and Singapore.

"Global trade and commerce should support peace, prosperity, and good-paying jobs, not national security risks," wrote U.S. Secretary of Commerce Gina Raimondo in a statement. "The Department of Commerce is committed to effectively using export controls to protect our national security."

The Chinese Embassy in Washington did not immediately respond to CNBC's request for comment.

The Department of Commerce's entity list places trade restrictions on individuals and entities believed to engage in unfavorable or unethical activity.

Your Weekend Wire

The week ahead

Date	Time	Country	Indicator Name	Period	Reuters Poll	Prior	SmartEstimate®	Predicted Surprise
29.11.2021	00:50	Japan	Retail Sales YY	Oct		-0.6%		
29.11.2021	10:00	Italy	Producer Prices YY	Oct		13.3%		
29.11.2021	10:30	United Kingdom	BOE Consumer Credit	Oct		0.231B		
29.11.2021	10:30	United Kingdom	Mortgage Lending	Oct		9.524B		
29.11.2021	14:00	Germany	CPI Prelim MM	Nov		0.5%		
29.11.2021	14:00	Germany	CPI Prelim YY	Nov		4.5%		
29.11.2021	14:00	Germany	HICP Prelim MM	Nov		0.5%		
29.11.2021	14:00	Germany	HICP Prelim YY	Nov		4.6%		
29.11.2021	14:30	Canada	Producer Prices MM	Oct		1.0%		
29.11.2021	16:00	United States	Pending Sales Change MM	Oct	1.0%	-2.3%	0.40%	-0.60%

Date	Time	Country	Indicator Name	Period	Reuters Poll	Prior	SmartEstimate®	Predicted Surprise
30.11.2021	00:30	Japan	Jobs/Applicants Ratio	Oct		1.16		
30.11.2021	00:30	Japan	Unemployment Rate	Oct		2.8%		
30.11.2021	00:50	Japan	Industrial O/P Prelim MM SA	Oct		-5.4%		
30.11.2021	06:00	Japan	Housing Starts YY	Oct		4.3%		
30.11.2021	08:45	France	Consumer Spending MM	Oct		-0.2%		
30.11.2021	08:45	France	GDP QQ Final	Q3		3.0%		
30.11.2021	08:45	France	CPI (EU Norm) Prelim YY	Nov		3.2%		
30.11.2021	08:45	France	Producer Prices MM	Oct		1.7%		
30.11.2021	09:00	Italy	GDP Final QQ	Q3		2.6%		
30.11.2021	09:00	Italy	GDP Final YY	Q3		3.8%		
30.11.2021	09:00	Switzerland	KOF Indicator	Nov		110.7		
30.11.2021	09:00	Switzerland	Official Reserves Assets CHF	Oct		1 007 560.04M		
30.11.2021	09:55	Germany	Unemployment Chg SA	Nov		-39k		
30.11.2021	09:55	Germany	Unemployment Rate SA	Nov		5.4%		
30.11.2021	11:00	Italy	Consumer Price Prelim MM	Nov		0.7%		
30.11.2021	11:00	Italy	Consumer Price Prelim YY	Nov		3.0%		
30.11.2021	11:00	Italy	CPI (EU Norm) Prelim MM	Nov		0.9%		
30.11.2021	11:00	Italy	CPI (EU Norm) Prelim YY	Nov		3.2%		
30.11.2021	14:30	Canada	GDP QQ Annualized	Q3		-1.1%		
30.11.2021	14:30	Canada	GDP MM	Sep		0.4%		
30.11.2021	15:00	United States	CaseShiller 20 MM SA	Sep		1.2%		
30.11.2021	15:00	United States	CaseShiller 20 YY	Sep		19.7%		
30.11.2021	15:45	United States	Chicago PMI	Nov		68.4		
30.11.2021	16:00	United States	Consumer Confidence	Nov	111.8	113.8	112.39	0.59

Your Weekend Wire

The week ahead

Date	Time	Country	Indicator Name	Period	Reuters Poll	Prior	SmartEstimate®	Predicted Surprise
01.12.2021	00:50	Japan	Business Capex (MOF) YY	Q3		5.3%		
01.12.2021	01:30	Japan	Jibun Bank Mfg PMI	Nov				
01.12.2021	08:00	United Kingdom	Nationwide house price mm	Nov		0.7%		
01.12.2021	08:00	United Kingdom	Nationwide house price yy	Nov		9.9%		
01.12.2021	08:00	Germany	Retail Sales MM Real	Oct		-2.5%		
01.12.2021	08:00	Germany	Retail Sales YY Real	Oct		-0.9%		
01.12.2021	08:30	Switzerland	CPI MM	Nov		0.3%		
01.12.2021	08:30	Switzerland	CPI YY	Nov		1.2%		
01.12.2021	08:30	Sweden	PMI Manufacturing Sect	Nov		64.4		
01.12.2021	09:00	Netherlands	PMI - Manufacturing	Nov		62.5		
01.12.2021	09:30	Switzerland	Manufacturing PMI	Nov		65.4		
01.12.2021	09:45	Italy	Markit/IHS Mfg PMI	Nov		61.1		
01.12.2021	09:50	France	Markit Mfg PMI	Nov				
01.12.2021	09:55	Germany	Markit/BME Mfg PMI	Nov				
01.12.2021	10:30	United Kingdom	Markit/CIPS Mfg PMI Final	Nov				
01.12.2021	14:15	United States	ADP National Employment	Nov	460k	571k	460.3k	0.3k
01.12.2021	14:30	Canada	Building Permits MM.	Oct		4.3%		
01.12.2021	15:30	Canada	Markit Mfg PMI SA	Nov		57.7		
01.12.2021	15:45	United States	Markit Mfg PMI Final	Nov				
01.12.2021	16:00	United States	Construction Spending MM	Oct	0.4%	-0.5%	0.46%	0.06%
01.12.2021	16:00	United States	ISM Manufacturing PMI	Nov	61.0	60.8	61.12	0.12
01.12.2021	16:00	United States	ISM Mfg Prices Paid	Nov		85.7		

Date	Time	Country	Indicator Name	Period	Reuters Poll	Prior	SmartEstimate®	Predicted Surprise
02.12.2021	08:30	Switzerland	Retail Sales YY	Oct		2.5%		
02.12.2021	10:00	Italy	Unemployment Rate	Oct		9.2%		
02.12.2021	14:30	United States	Initial Jobless Clm	22 Nov, w/e				
02.12.2021	14:30	United States	Cont Jobless Clm	15 Nov, w/e				

Source: Refinitiv

Your Weekend Wire

The week ahead

Date	Time	Country	Indicator Name	Period	Reuters Poll	Prior	SmartEstimate®	Predicted Surprise
03.12.2021	01:30	Japan	Services PMI	Nov		50.7		
03.12.2021	08:45	France	Industrial Output MM	Oct		-1.3%		
03.12.2021	09:45	Italy	Markit/IHS Svcs PMI	Nov		52.4		
03.12.2021	09:50	France	Markit Serv PMI	Nov				
03.12.2021	09:50	France	Markit Comp PMI	Nov				
03.12.2021	09:55	Germany	Markit Services PMI	Nov				
03.12.2021	09:55	Germany	Markit Comp Final PMI	Nov				
03.12.2021	10:30	United Kingdom	Markit/CIPS Serv PMI Final	Nov				
03.12.2021	10:30	United Kingdom	Reserve Assets Total	Nov		200 923.27M		
03.12.2021	14:30	United States	Non-Farm Payrolls	Nov	550k	531k	547.7k	-2.3k
03.12.2021	14:30	United States	Private Payrolls	Nov	528k	604k	547.7k	19.7k
03.12.2021	14:30	United States	Unemployment Rate	Nov	4.5%	4.6%	4.43%	-0.07%
03.12.2021	14:30	United States	Average Earnings MM	Nov	0.4%	0.4%	0.44%	0.04%
03.12.2021	14:30	United States	Average Earnings YY	Nov	5.0%	4.9%	5.03%	0.03%
03.12.2021	14:30	United States	Average Workweek Hrs	Nov	34.7	34.7	34.73	0.03
03.12.2021	14:30	Canada	Employment Change	Nov		31.2k		
03.12.2021	14:30	Canada	Unemployment Rate	Nov		6.7%		
03.12.2021	15:45	United States	Markit Comp Final PMI	Nov				
03.12.2021	15:45	United States	Markit Svcs PMI Final	Nov				
03.12.2021	16:00	United States	Factory Orders MM	Oct	0.5%	0.2%	0.67%	0.17%
03.12.2021	16:00	United States	ISM N-Mfg PMI	Nov	65.5	66.7	65.56	0.06

Sources: Refinitiv

Your Weekend Wire Figures

Currencies

EURUSD	1.1314	Weekly Change
Week Low	Week High	
1.1187	1.1316	0.20%

GBPUSD	1.3333	Weekly Change
Week Low	Week High	
1.3279	1.3457	-0.89%

EURCHF	1.0439	Weekly Change
Week Low	Week High	
1.0434	1.0513	-0.35%

AUDUSD	0.7131	Weekly Change
Week Low	Week High	
0.7114	0.7273	-1.42%

USDCHF	0.9224	Weekly Change
Week Low	Week High	
0.9226	0.9373	-0.66%

USDCAD	1.2795	Weekly Change
Week Low	Week High	
1.2627	1.2799	1.24%

USDTRY	12.3613	Weekly Change
Week Low	Week High	
10.9555	13.4913	10.12%

EURGBP	0.8482	Weekly Change
Week Low	Week High	
0.8381	0.8491	1.06%

Indices and Commodities

Eurostoxx 50	4 117.82
Week Change	YTD
-0.63%	20.61%

Gold	1798.0623
Week Change	YTD
-2.52%	-5.27%

SMI	12 235.08
Week Change	YTD
-0.76%	16.31%

WTI	70.5200
Week Change	YTD
-6.90%	48.09%

S&P 500	4 619.47
Week Change	YTD
0.07%	25.17%

US 10Y Yield	1.509
Week bp Change	YTD bp Change
-2.10	67.25

VIX	26.47
Week Change	YTD
3.74%	-18.33%

EU 10Y Yield	-0.3350
Week bp Change	YTD bp Change
-0.50	18.05



Your CRYPTO Weekend Wire

Crypto Market Cap: \$2,577,418,479,493

Dominance*: BTC: 41.8% ETH: 20%

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

News Flow

➤ **El Salvador plans to create a 'Bitcoin City' and raise \$1 billion via a 'Bitcoin Bond'.**

El Salvador plans to construct a "Bitcoin City" near a volcano that will be funded by the cryptocurrency, the country's President Nayib Bukele announced Saturday.

The city will have residential and commercial areas, services, entertainment, restaurants and an airport and will be built near Conchagua volcano in southeastern El Salvador.

Construction will begin in 2022 and the city will have no taxes except from value added tax (VAT).

In June, El Salvador passed a law making it the first country in the world to accept bitcoin as legal tender. But not all its population is on board with the move.

In September, thousands of people took the streets to protest the law, fearing the introduction of the cryptocurrency could lead to instability in the central American nation.

The country has also launched a bitcoin wallet to allow citizens to use the cryptocurrency.

Separately, El Salvador plans to raise about \$1 billion via a "Bitcoin Bond" in partnership with Blockstream, a digital assets infrastructure company. Half of the funds will be used to buy bitcoin, while the other \$500 million will go toward energy and bitcoin mining infrastructure, the government said.

Mining is the energy-intensive process of creating new bitcoin by solving cryptographic puzzles. El Salvador said it plans to use geothermal energy from the volcano to power this.

Samson Mow, chief strategy officer at Blockstream, said that there is a five-year lock-up on the bond which is designed to take \$500 million of bitcoin off the market for that period.

Investors in the bond will get an annual special dividend, Blockstream said.

Bitcoin has fallen about 16% from its record high of \$68,990.90 which it reached earlier this month, but it is still up more than 90% this year.

➤ **Ripple seeing 'good progress' in SEC case over XRP, outcome expected next year.**

Fintech company Ripple is making great strides in its legal feud with the U.S. Securities and Exchange Commission, CEO Brad Garlinghouse told CNBC on Monday.

Garlinghouse said he expects the case, which centers on XRP, the world's seventh-biggest cryptocurrency, will likely reach a conclusion next year.

"We're seeing pretty good progress despite a slow-moving judicial process," he told CNBC's Dan Murphy.

"Clearly we're seeing good questions asked by the judge. And I think the judge realizes this is not just about Ripple, this will have broader implications."

Garlinghouse said he was hopeful there would be closure next year.

Ripple, which is based in San Francisco, generated a lot of buzz during the crypto frenzy of late 2017 and 2018, which saw the prices of bitcoin, ether and other cryptocurrencies skyrocket to record highs.

XRP, a token Ripple is closely associated with, benefited from that rally, hitting an all-time high above \$3. It's since declined dramatically from that price but is riding the latest crypto wave with a more than 370% gain year-to-date

Ripple's technology is designed to let banks and other financial services firms send money across borders faster and at a lower cost. The company also markets another product that utilizes XRP for cross-border payments called On-Demand Liquidity.

The SEC is concerned about Ripple's ties to XRP, alleging the company and its executives sold \$1.3 billion worth of the tokens in an unregistered securities offering. But Ripple contends that XRP should not be considered a security, a classification that would bring it under much more regulatory scrutiny.

It comes as regulators around the world are taking a closer look at crypto, a market that is still largely unregulated but has boomed in the last year.

Garlinghouse said the United Arab Emirates, Japan, Singapore and Switzerland were examples of countries showing "leadership" when it comes to regulating crypto, while China and India have cracked down on the industry.

Sources: [Bloomberg/Refinitiv/cnbc.com](https://www.bloomberg.com/news/articles/2021-09-17/el-salvador-plans-bitcoin-city)



Your CRYPTO Weekend Wire

News Flow

“In general, the direction of travel is very positive,” Garlinghouse said.

Brady Dougan, the former CEO of Credit Suisse, said regulation is a key area in crypto that’s likely to develop over time.

“It’s a market that’s early in its development,” Dougan, who now runs fintech firm Exos, told CNBC. “I think it’s a healthy market and it’s one that will continue to develop in a positive way.”

Ripple, a privately-held company, was last valued at \$10 billion and counts the likes of Alphabet’s venture capital arm GV, Andreessen Horowitz and Japan’s SBI Holdings as investors.

➤ **Junk-Rated El Salvador’s ‘Bitcoin Bonds’ Look Explosive.**

While El Salvador’s new bitcoin-linked bond may be one of the highest-yielding fixed-income instruments globally, it might turn out to be riskier than the country’s outstanding government bonds, which are already categorized as junk-grade.

Some experts said the new offering might struggle to attract investors, especially because the bond appears to pay interest at a lower rate than the country’s conventional dollar-denominated bonds.

El Salvador President Nayib Bukele announced the plans on Saturday to issue a \$1 billion “Bitcoin Bond” with a 10-year maturity on the Liquid Network. Half of the money raised will be used to purchase bitcoin, and the rest will fund construction of a new “Bitcoin City” along the Gulf of Fonseca near a volcano.

The bond – developed by Blockstream and processed by Bitfinex – will offer a 6.5% coupon, or the rate of annual interest payments. In addition, investors will receive dividends generated by staggered liquidation of bitcoin holdings, which will begin from the sixth year. The annualized yield back to investors could reach 146% in the 10th year, according to Blockstream projections.

Compare that with the benchmark 10-year yield on El Salvador’s outstanding government bonds, currently around 13%, according to Marc Ostwald, chief economist and global strategist at ADM Investor Services International (ADMISI).

For further context, the U.S. 10-year Treasury, considered by many global authorities and bond investors to have pristine creditworthiness, yields about 1.5%.

But the new El Salvador bond’s projected performance is based on Blockstream models suggesting that bitcoin will rally to \$1 million in the next five years – an aggressive target given that the cryptocurrency is currently trading around \$58,000.

Some investors might be betting that the lockup period – wherein \$500 million of bitcoin would be out of circulation – might itself contribute to a fresh bull run.

“Anyone buying this bitcoin-backed bond is betting on the cryptocurrency in a very big way, ignoring the credit market currently signaling that El Salvador is very much facing a distressed-debt situation,” Ostwald told CoinDesk in an email.

Prices for the country’s outstanding government bonds due in 2032 traded above 110 cents on the dollar in April – well above the par value – and have been declining ever since. Recently, they were changing hands below 75 cents on the dollar, providing a very relevant example of just how volatile emerging-market bonds can be.

Credit-rating firms have already cast the Central American country’s bitcoin foray as a negative.

El Salvador adopted bitcoin as legal tender in June. A month later, Moody’s downgraded the country’s long-term, foreign-currency issuer and senior unsecured ratings to Caa1 from B3, citing the decision to adopt bitcoin as a sign of weak governance. Obligations rated Caa1 are judged to be junk-grade – of poor standing and subject to very high credit risk.

The latest announcement to issue bitcoin-backed bonds may draw further ire from rating agencies and international partners.

“I suspect that El Salvador bonds are sufficiently risky and adding bitcoin on top of that precludes most retail investors and more institutional investors,” Marc Chandler, chief market strategist at Bannockburn Global Forex, told CoinDesk in an email.

Charlie Morris, CIO of ByteTree Asset Management, said issuing bonds linked to bitcoin could further isolate El Salvador.

“That is dangerous because if the plan goes wrong, who will save the day?” Morris said, adding that Blockstream’s million-dollar forecast for bitcoin (BTC) is extremely optimistic.

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



Your CRYPTO Weekend Wire

News Flow

According to Bannockburn’s Chandler, the country’s new bitcoin bonds appear to be a gimmick to achieve lower interest rates. Borrowing costs tend to be higher in indebted nations with weak economic growth such as El Salvador, Greece, Sri Lanka and Mozambique. Each of these nations offers a double-digit yield on their benchmark 10-year bond. However, by allocating half of the proceeds from the debt sale to bitcoin, the El Salvador government is giving investors a share of the cryptocurrency’s possible price upside. That might help explain why investors would be willing to buy the country’s new bitcoin bonds at a lower yield than what they would get from El Salvador’s conventional outstanding bonds. According to Chandler, “the desperate attempt” could work but would require getting lucky on bitcoin, whose intrinsic value, or lack thereof, continues to be debated. Chandler says that other countries should follow El Salvador’s lead but probably won’t. “I doubt that as I doubted many corporate treasurers would buy bitcoins as Tesla did,” he said.

Crypto investors may also think twice before taking the gambit because they likely already have experience buying bitcoin directly. “While crypto enthusiasts will doubtless be buyers, the simple question is would they rather own the underlying or be happy to take the encumbrance of a clearly distressed sovereign debt, let alone any geological risk of ‘Bitcoin City’ being located next to a volcano,” ADMISI’s Ostwald said. “I guess that brings a whole new meaning to ‘explosive.’” Laurent Kssis, a crypto exchange-traded fund expert and director of CEC Capital, said the bitcoin-backed bonds might be a good deal for investors who are already motivated to buy emerging market debt – government bonds of Russia, Mexico, India, Brazil and other less-developed nations. The benchmark bonds in these nations yield between 6% to 9%. However, for more risk-averse crypto traders, holding bitcoin might be a better option – as outlandish as that might sound to some investors used to lower volatility in traditional markets. “It is safer and may appreciate more than the bond,” Kssis said. “Bear in mind that the bond could/may default and may be classified as junk status so many investors may not be able to invest.”

➤ **Latin American E-Commerce Giant Mercado Libre to Enable Crypto Investments in Brazil.**

Mercado Libre, the largest e-commerce company in Latin America by market value, will enable users in Brazil to buy, sell and hold cryptocurrencies, the company confirmed to CoinDesk on Monday.

Bloomberg Law first reported the news in a story earlier in the day that Mercado Libre co-founder and CEO Marcos Galperin retweeted. In a written statement, Mercado Libre said that it was entering the cryptocurrency environment in Brazil together with “a world-class custodian,” although it didn’t specify with whom it would partner for this service. The company added that it is “analyzing all financial and regulatory aspects surrounding this technology.”

Mercado Libre has been hinting for months about bolstering its crypto services. In August, Osvaldo Gimenez, Mercado Pago president, said in an interview with Bloomberg Linea that bitcoin and Ethereum “could be a revolution in finance.”

Galperin said on Twitter that users of both Mercado Libre, the Brazilian branch of the company, as well as Mercado Pago, its fintech arm, will be able to “buy, store and sell crypto” starting this week.

The company made the feature available to a small group of Brazilian users in November and plans to launch it more widely in the coming weeks, according to Tulio Oliveira, vice president of Mercado Pago, Bloomberg Law reported on Monday.

In May, the company, which trades on Nasdaq as MELI, disclosed a \$7.8 million bitcoin purchase that was part of its treasury strategy. One month earlier, its Argentine real estate platform launched a special section for the sale and purchase of properties with bitcoin.

Mercado Pago’s digital wallet has 16.8 million unique users, according to information provided by Mercado Libre in its third-quarter report of 2021.

Sources: [Bloomberg/Refinitiv/cnbc.com/coinmarketcap.com/Newsnow.com](https://www.bloomberg.com/news/articles/2021-11-15/mercado-libre-to-enable-crypto-investments-in-brazil)



Your CRYPTO Weekend Wire

News Flow

➤ **Twitter, Discord to support Solana NFT gallery embed with Audius Web 3.0.**

California-based music streaming platform Audius released new functionality that allows artists and fans to embed nonfungible tokens (NFTs) on various blogs and social media platforms such as Twitter and Discord.

The “embedded” functionality aims to improve fan engagement for musicians through NFT adoption and Web 3.0 integrations. To enable the feature, artists need to connect their Audius accounts with Phantom wallet, a crypto wallet centered around the Solana ecosystem.

The blockchain-based music streaming platform hosts popular mainstream artists including Katy Perry, Nas and The Chainsmokers and has witnessed more than sevenfold growth in the number of users in 2021.

While social media platforms allow the use of JPEG images, the embed functionality offered by Audius displays the NFT metadata, which can be used by artists to market and sell their talent.

While third-party entities continue to experiment with features to attract an established crypto community on social media platforms, Twitter has set an in-house team to invigilate decentralized applications, cryptocurrencies and blockchain.

As Cointelegraph reported on Nov. 10, Interchain Foundation council member Tess Rinearson announced to join Twitter’s Bluesky project for “exploring how ideas from crypto communities can help us push the boundaries of what’s possible with identity, community, ownership and more.”

On Nov. 19, Twitter and Square CEO and co-founder Jack Dorsey released a white paper on a soon-to-be-launched decentralized Bitcoin (BTC) exchange, tbDEX.

➤ **Stripe says it’s open to accepting crypto for payments, three years after ending bitcoin support.**

Stripe isn’t ruling out accepting cryptocurrency as a method of payment in the future, according to co-founder John Collison.

The online payments company ended support for bitcoin payments in 2018, citing the digital coin’s notoriety for volatile price swings and a lack of efficiency in making everyday transactions.

“Crypto obviously means a lot of different things to a lot of different people,” Collison said at a CNBC-moderated panel at the Fintech Abu Dhabi festival on Tuesday.

Collison said there were some aspects to crypto — such as its use as a speculative investment — that are “not that relevant to what we do at Stripe.”

But he added: “There have been a lot of developments of late with an eye to making cryptocurrencies better and, in particular, scalable and acceptable cost as a payment method.”

Asked whether Stripe would start accepting crypto as a method of payment again, Collison said: “We don’t yet, but I think it’s not implausible that we would.”

The company recently formed a team dedicated to exploring crypto and “Web3,” a buzzword in tech that refers to a new, decentralized version of the internet.

The effort is being led by Guillaume Poncin, Stripe’s head of engineering. Earlier this month, the company appointed Matt Huang, co-founder of crypto-focused venture capital firm Paradigm, to its board of directors.

Collison said there are several innovations emerging in digital assets that have potential, including solana — a competitor to ethereum, the world’s second-biggest digital currency — to “Layer 2” systems like bitcoin’s Lightning Network, which aim to speed up transactions and process them at a lower cost.

Founded in 2009, Stripe has quickly become the largest privately-held fintech company in the U.S. The company was last valued at \$95 billion and counts the likes of Baillie Gifford, Sequoia Capital and Andreessen Horowitz as investors.

The company, which processes payments for the likes of Google, Amazon and Uber, has expanded into a number of other areas in finance lately, including loans and tax management.

Sources: [Bloomberg/Refinitiv/cnbc.com](https://www.bloomberg.com/news/articles/2021-11-19/twitter-discord-to-support-solana-nft-gallery-embed-with-audius-web-3-0) | [coinmarketcap.com/Newsnow.com](https://www.coinmarketcap.com/newsnow.com)

➤ **India might tighten crypto rules instead of imposing an outright ban, crypto exchange boss says.**

India is set to propose a new cryptocurrency bill in parliament, and investors are trying to make sense of what this might mean for the future of virtual coins in South Asia's largest economy.

Lawmakers may ultimately opt to impose tough regulations on the crypto market instead of an outright ban on private coins, according to a top executive at Zebpay, one of India's largest crypto exchanges.

"My belief is that we will have coherent regulation, but on the tougher side," said Avinash Shekhar, co-CEO of Zebpay, told CNBC's "Squawk Box Asia" on Thursday.

A parliamentary bulletin dated Nov. 23 showed that the government plans to introduce a new bill aimed at regulating digital currencies when Parliament begins its winter session starting Monday.

Through that bill, India is seeking to ban most private cryptocurrencies as well as to establish a framework for creating an official digital currency to be issued by the Reserve Bank of India. However, it will allow "for certain exceptions to promote the underlying technology of cryptocurrency and its uses," the bulletin said.

The central bank is considering a digital Indian rupee that could reportedly launch a pilot in the second quarter of 2022.

Shekhar told CNBC that in the last eight to nine months, the government's stance on cryptocurrencies changed after officials consulted with various stakeholders including crypto exchange operators.

"There has been lots of positive vibes from the government. We met the finance committee of Parliament around two weeks back," he said. "The message or the feelers which we are getting from the government is that they're looking for some kind of regulation — strict regulation, but not a complete ban."

In March, India was considering a law that would ban cryptocurrencies, fine anyone trading in the country or even holding such digital assets, Reuters reported, citing a senior government official.

Since then, New Delhi has changed its stance slightly and is now trying to discourage trading in crypto by imposing hefty capital gains and other taxes, according to the news agency.

Prime Minister Narendra Modi this month gave a keynote address at the Australian Strategic Policy Institute's The Sydney Dialogue where he said all democratic nations must work together on crypto to "ensure it does not end up in wrong hands, which can spoil our youth."

When Finance Minister Nirmala Sitharaman was asked by the Hindustan Times if India should have its own cryptocurrency, she reportedly said, "We have to be cautious; but we have to think it through."

Shekhar from Zebpay said officials have been talking about tough regulations because "they want to obviously control this and don't let crypto become a currency, so to say."

He explained that potential regulations would have to address the needs of India's retail investors — while there is no official data currently available, media reports suggest there are about 15 million to 20 million crypto investors in the country.

"The other side, which is not being talked about too much, is innovation in the technology," Shekhar said, adding that many innovators are still waiting to enter the crypto market.

"With regulation coming in, I think that will be a major area where I think multibillion dollar companies will be created in India," he added.

➤ **Grayscale Says Metaverse Is a Trillion Dollar Market Opportunity.**

The metaverse may represent an over \$1 trillion annual revenue market opportunity, crypto investment giant Grayscale said in a report, without specifying the timeline.

The report, which was published on Thursday, is dubbed "The Metaverse, Web 3.0 Virtual Cloud Economies." The report investigates the opportunity that will arise from the intersection of trends in gaming and lifestyle with blockchain's potential to provide infrastructure for digital worlds.

Projects like Decentraland allow people to interact, govern and earn tokens, and get real world benefits for their time spent online, Grayscale said. People are spending more and more time online, and they concurrently spend money to build social status within digital realms, the company added.

Revenue from virtual gaming worlds could grow to \$400 billion in 2025, from \$180 billion in 2020, Grayscale said. The overwhelming majority of that \$400 billion will be in-game spending, compared to spending on premium games, the company noted.

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 Q3, total fundraising for crypto was \$8.2 billion, \$1.8 billion of which went to Web 3 and non-fungible tokens (NFTs), Grayscale said. Fundraising for gaming applications overshadowed all other verticals of NFTs in the third quarter, hitting around \$1 billion. “Compared to the \$10 billion that companies like Facebook plan to invest, and the amounts that could follow from other companies and venture capitalists, the Metaverse is in its early innings,” Grayscale said. The report was authored by Grayscale’s Head of Research David Grider and Research Analyst Matt Maximo. They defined the metaverse as “interconnected, experiential, 3D virtual worlds where people located anywhere can socialize in real-time to form a persistent, user-owned, internet economy spanning the digital and physical worlds.”

➤ **Report claims each Solana TX uses less energy than 2 Google searches.**

A transaction on the Solana network takes less energy than two Google searches, and 24 times less energy than charging your phone, according to a Nov. 25 report by the Solana Foundation.

The report states that a single transaction on its network uses 0.00051 kWh, or 1,836 Joules, of energy. According to Google, an average search uses 0.0003 kWh or 1,080 Joules of energy.

Perhaps more surprisingly, the report claims the entire Solana network uses an estimated 3,186,000 kWh per year, which is equivalent to the average electricity usage of 986 American households.

In May, the Solana Foundation contracted Robert Murphy to write the report in order to “frame the environmental impact” of transactions on the Solana network. Murphy is the founder of Othersphere and was formerly an Energy Specialist at the World Bank.

The Solana network is less decentralized than Bitcoin or Ethereum with 1,196 validator nodes that process an estimated 20 million transactions per year. The report states the Foundation will further reduce the network’s energy usage by implementing a program before the end of this year to become carbon-neutral and offset the environmental footprint of the ecosystem. No additional information was provided on whether the network plans to purchase carbon offsets or reduce its emissions.

As Solana (SOL) relies on a Proof of Stake consensus mechanism, the network is far less energy intensive than those relying on the Proof of Work mining method such as Bitcoin (BTC) and Ethereum (ETH). Statista estimates that a single BTC transaction uses an average of 4,222,800,000 joules.

It should be noted that networks technically do not use any amount of energy for an individual transaction. The energy usage of the network can be the same whether it processes one transaction or one million. However, it is often used as a rough, if contested, comparison,

With that in mind, one Ethereum transaction uses about 644,004,000 joules based on the average number of transactions and amount of energy required to run the network. According to Statista, the energy consumption of one ETH transaction is comparable to “more than several thousands of VISA card transactions.”

However, Eth2 is expected to use about 99% less energy than the current mainnet following the switch to Proof of take.

Another low-energy alternative is Ripple (XRP), which uses 28,440 Joules per transaction. Ripple says that for every million transactions on its network, the amount of energy used could’ve powered a light bulb for 79,000 hours.

For the same number of transactions, the energy used by BTC could power a light bulb for 4.51 billion hours. For this reason, Ripple claims that XRP is 57,000 times more efficient than BTC.

➤ **Bitcoin enters bear market territory as risk assets plunge on new Covid variant.**

Bitcoin fell sharply alongside other assets on Friday, hitting a six-week low and officially entering bear market territory.

The world’s biggest cryptocurrency sank 8% in the last 24 hours to \$54,177, according to Coin Metrics data, its lowest level since early October. Bitcoin is down 20% from an all-time high of nearly \$69,000 which it hit earlier this month.

Bear markets are typically defined by a 20% decline or more from recent highs.

Other cryptocurrencies also plunged Friday. Ether, the second-biggest crypto, fell nearly 11% to \$4,027, while XRP slumped 11% to around 94 cents.

Sources: [Bloomberg/Refinitiv/cnbc.com/coinmarketcap.com/Newsnow.com](https://www.bloomberg.com/news/articles/2021-11-25/solana-network-uses-less-energy-than-two-google-searches)



Your CRYPTO Weekend Wire

News Flow

Digital currencies are falling in tandem with other risk assets amid panic over a new, heavily-mutated variant of the coronavirus first detected in South Africa.

The World Health Organization on Thursday gave a briefing on the new variant, which is known as B.1.1.529 and is thought to contain more than 30 mutations. The U.K. and other nations have suspended flights from six African countries in response.

Global stock markets were sinking Friday, with European stocks set for their worst session in more than a year and U.S. stock futures down sharply.

Investors are retreating from riskier assets for the relative safety of bonds, with U.S. Treasury yields moving sharply lower. Bond yields move inversely to prices.

Bitcoin has often been described by its proponents as “digital gold,” a reference to the yellow metal’s status as a so-called safe haven asset. Crypto investors say the virtual currency offers a store of value as well as a hedge against inflation.

It’s worth noting that bitcoin is a volatile asset and has been known to experience price swings of more than 10% on a single day.

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



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Figures and Charts

BankMed-Advisory published on TradingView.com, Nov 26, 2021 15:52 UTC

Bitcoin / U.S. Dollar: 1D, COMBASE Q:58994.72 H:9194.00 L:53531.00 C:54455.18 -4532.09 (-7.68%)
Vol: 17.355K
SMA: (8, 50, 100, 200, close, close, close, close) 57625.86 60720.94 53965.08 45992.82



BTC	54 415.50	Weekly Change
Week Low	Week High	-8.57%
53 540.17	60 051.81	
Circulating Supply		18 883 393.00
Market Cap		1 075 131 433 980.00
\$		

TradingView

BankMed-Advisory published on TradingView.com, Nov 26, 2021 15:53 UTC

Ethereum / U.S. Dollar: 1D, COMBASE Q:4527.03 H:4655.53 L:3915.00 C:4075.22 -450.65 (-9.96%)
Vol: 229.095K
SMA: (8, 50, 100, 200, close, close, close, close) 4285.23 4201.16 3765.20 3145.15



	4 068.99	Weekly Change
Week Low	Week High	-7.02%
3917.85	4556.33	
Circulating Supply		118 493 434.00
Market Cap		514 228 742 642.00
\$		

TradingView

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



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Your CRYPTO Weekend Wire Glossary

A

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

B

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



Your CRYPTO Weekend Wire Glossary

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

C

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

D

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

Sources: blockspot.io/crypto-dictionary



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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.



Your CRYPTO Weekend Wire Glossary

I

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

K

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

M

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



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N

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

O

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

P

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



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Q

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

S

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

T

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



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W

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

Y

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

Sources: blockspot.io/crypto-dictionary

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