News Flow

➢ Oil prices jump again on Russia-Ukraine fears, as IEA calls for cut in energy usage.

Oil prices jumped even higher on Monday after Russia-Ukraine talks appeared to yield no sign of progress, and markets continued to fret over tight supply — sparking a call by the International Energy Agency to reduce oil demand.

Crude futures were up more than 3% on Monday morning during Asia trading — international benchmark Brent crude was at $111.46, and U.S. futures at $108.25.

Oil prices have been volatile in recent weeks – soaring to record highs in March before tumbling more than 20% last week to touch below $100. They jumped again in the latter half of last week to rise above that level.

In a note on Monday, Mizuho Bank said two factors were pushing oil prices higher: lingering Russia-Ukraine uncertainty as well as hopes that China's latest Covid impact could be less dire than anticipated amid expectations of easing restrictions. The key hub of Shenzhen partially opened up Friday, as five districts were allowed to restart work and resume public transportation, Reuters reported.

Ukrainian and Russian officials have met intermittently for peace talks, which have so far failed to progress to key concessions. Still, Ukrainian President Volodymyr Zelenksyy has called for another round of talks with Moscow.

"If these attempts fail, that would mean that this is a third world war," Zelenskyy told CNN's Fareed Zakaria in an interview that aired Sunday morning.

"The breakdown of peace talks between Russia and Ukraine saw crude oil prices extend their rebound on Friday," ANZ Research analysts Brian Martin and Daniel Hynes wrote in a Monday note. "However, it failed to offset the losses earlier in the week, with Brent crude ending down more than 4%."

Meanwhile, tight supply continued to worry markets, sparking a call by the International Energy Agency (IEA) on Friday for "emergency measures" to reduce oil usage.

The Russia-Ukraine war has led to worries over supply disruptions as a result of U.S. sanctions on Russian oil and gas. The U.K. and European Union also said they would phase out Russian fossil fuels. Russia supplied 11% of global oil consumption and 17% of global gas consumption in 2021, and as much as 40% of Western European gas consumption in the same period, according to statistics from Goldman Sachs.

European Union governments are set to meet U.S. President Joe Biden this week as the EU considers an oil embargo on Russia over the unprovoked invasion of Ukraine.

The Commonwealth Bank of Australia warned Monday that oil prices have fallen below recent peaks because markets are still largely pricing oil by "assessing the likelihood of a diplomatic solution to the Ukraine conflict."

"Physical shortages, linked to current sanctions on Russia, though will eventually play a more dominant role in oil price determination," said Vivek Dhar, the bank's director of energy commodities research, in a note.

"The industry's apparent inability to fill any potential gap has seen calls for consumption to be reduced," the ANZ Research analysts said.

OPEC+ in its latest report showed some producers are still falling short of their supply quotas, with Reuters citing sources who said that the alliance missed its targets by more than 1 million barrels a day.

In a 10-point plan, the IEA's suggestions to reduce oil demand included reducing speed limits for vehicles, working from home for up to three days a week, and avoiding air travel for business.

"We estimate that the full implementation of these measures in advanced economies alone can cut oil demand by 2.7 million barrels a day within the next four months, relative to current levels," the IEA said Friday.

➢ Russia backs down on demands in Iran nuclear deal talks, making revival of 2015 pact imminent.

Russia has walked back its threat to torpedo the revival of the 2015 Iranian nuclear deal over recent sanctions imposed over its invasion of Ukraine, reopening the way to an agreement after nearly a year of talks.

The parties involved in the pact, formally known as the Joint Comprehensive Plan of Action, or JCPOA, were reportedly close to reaching a deal in Vienna until the U.S. and EU imposed sweeping sanctions on Russia over its invasion of Ukraine. Moscow then demanded that future trade with Iran not be impacted by Western sanctions, prompting the talks to be suspended last week.

Russian Foreign Minister Sergei Lavrov said Tuesday that he had "received written guarantees" from the U.S. that its demands would be met, meaning the talks will likely proceed. The nearly simultaneous release of British-Iranian dual nationals from years of Iranian detention back to the U.K. and a reported U.K. repayment of a decades-old $530 million debt to Iran have improved prospects for an agreement.

"Deal could come together quite quickly — potentially as soon as this week," analysts at political risk consultancy Eurasia Group wrote in a note Wednesday.
"Russia's decision to moderate its demands clears the most significant hurdle in front of the JCPOA's revival," the analysts wrote, putting the odds of a deal passing at an optimistic 80%. "The release of the two British-Iranian prisoners is another positive signal that talks are nearing a conclusion," they said.

With the U.S. terminating its imports of Russian oil and the EU looking to reduce its energy dependency on Moscow, Iranian crude is looking more alluring — as is the crude from other heavily sanctioned countries like Venezuela, which has reportedly been in energy discussions with U.S. officials.
A return to the 2015 deal, which originally lifted sanctions on Iran in return for limits on its nuclear program, would see the return of Iranian oil to the market at a time when energy supply shortages and geopolitical volatility have brought crude prices to their highest in more than a decade.
This would "boost global oil supplies and could put downwards pressure on prices," James Swanston, Middle East and North Africa economist at London-based firm Capital Economics, wrote in a note Thursday, adding that "it may also help to ease geopolitical tensions in the region." Still, a return to previous production levels will take time.
Commodities analysts at S&P Global Platts predict that if sanctions were to be lifted on Iran immediately, it could export an additional 500,000 barrels of oil per day to markets from April to May of this year, with that figure reaching an additional 1.3 million barrels per day by the end of this year.
Iran was the fifth-largest producer in OPEC in 2020. Before the Donald Trump administration unilaterally ditched the deal in 2018 and re-imposed crippling sanctions on Iran's economy, the country was producing 3.8 million barrels of oil per day. This later dropped to as low as 1.9 million barrels and is currently about 2.4 million barrels per day, according to the Atlantic Council — though most of this has had to remain in storage rather than be exported due to the sanctions.
Since the U.S. withdrawal from the deal, Tehran has made significant progress in terms of its nuclear activity, increasing uranium enrichment and stockpiles far beyond the parameters of the 2015 agreement.
This means it has shrunk its "breakout time," or the amount of time it would take to be able to build a nuclear bomb. Iran's leaders said its advances would continue as long as U.S. sanctions aren't lifted.

Eleven months after negotiations restarted, with the U.S and Iran not speaking directly but through European mediators, the remaining sticking points relate mostly to sanctions-related issues, including whether Iran's Islamic Revolutionary Guard Corps will continue to be designated by the U.S. as a Foreign Terrorist Organization list.
"But these are unlikely to prove insurmountable," Eurasia's analysts say, considering that both Washington and Tehran want a deal.
The prospect of a return to the deal has not sat well with Washington's Arab Gulf allies, particularly Saudi Arabia and the United Arab Emirates, two of OPEC's leading crude producers and longtime adversaries of Iran. The two reportedly did not take President Joe Biden's calls as he attempted to convince them to increase their oil production to alleviate soaring prices.
OPEC has not indicated any move to upping its production beyond pre-planned increases agreed between OPEC members and their non-OPEC allies, led by Russia, in 2021.

- **Warren Buffett's Berkshire Hathaway agrees to buy insurance company Alleghany for $11.6 billion.**

Warren Buffett is making moves.

Berkshire Hathaway said Monday morning it agreed to buy insurance company Alleghany for $11.6 billion, or $848.02 per share, in cash. The conglomerate said the deal "represents a multiple of 1.26 times Alleghany's book value on December 31, 2021," as well as a 16% premium to Alleghany's average stock price in the past 30 days. The deal is expected to close in the fourth quarter of this year.
Alleghany shares rallied more than 15% in the premarket. Through its subsidiaries, Alleghany is involved in a number of different insurance businesses, including wholesale specialty, property and casualty and reinsurance.

"Berkshire will be the perfect permanent home for Alleghany, a company that I have closely observed for 60 years," Buffett, Berkshire's chairman and CEO, said in a statement.
Alleghany CEO Joseph Brandon — who previously led Berkshire-owned General Re — hailed the deal as a "terrific transaction for Alleghany's owners, businesses, customers, and employees," noting that "the value of this transaction reflects the quality of our franchises and is the product of the hard work, persistence, and determination of the Alleghany team over decades."
The deal may surprise some Berkshire shareholders, as Buffett and his right-hand man — vice chairman Charlie Munger — have expressed frustration in their search for a big acquisition. In his 2022 annual letter to shareholders, Buffett said he and Munger found little that "excites" them in terms of large acquisitions.
To be sure, $11.6 billion is a small number when compared with Berkshire's massive cash hoard of $146.72 billion at the end of 2021.
"This is Berkshire's largest full acquisition in a while, although the amount being spent ($11.6B) is relatively small and certainly doesn't constitute the type of 'elephant deal' Buffett has repeatedly talked about," Adam Crisafulli of Vital Knowledge said in a note.
Monday's deal comes after Berkshire's Class A shares hit a record high last week, closing above $500,000 for the first time.

➢ Saudi Aramco's full-year profit more than doubles on soaring oil prices.

Saudi Arabian oil giant Aramco reported blowout full-year earnings on Sunday, posting a more than doubling in year-on-year net profit to $110 billion.
Aramco's 2021 net income increased by 124% to $110 billion in 2021, compared to $49 billion in 2020, citing higher crude oil prices, stronger refining and chemicals margins, and the consolidation of its chemicals business, SABIC's, full-year results.
The numbers were in line with expectations, with analysts surveyed by Reuters forecasting net income of $109.7 billion for the full year. Aramco shares on the Saudi Tadawul Exchange rose almost 4% in Sunday trading after the result.
"Our strong results are a testament to our financial discipline, flexibility through evolving market conditions and steadfast focus on our long-term growth strategy, which targets value growth for our shareholders," Aramco CEO Amin Nasser said in the results release.

Aramco benefitted from surging oil prices during 2021, with international benchmark Brent crude rising above $80 a barrel by the end of the year, up roughly 50% for the 12-month period. Supply shortages added to a complex slew of factors driving major uncertainty across the energy and commodity complex, even before Russia's invasion of Ukraine.
"Although economic conditions have improved considerably, the outlook remains uncertain due to various macro-economic and geopolitical factors," he added. It comes after the IEA warned that the oil market was heading for its "biggest supply crisis in decades" as Russian sanctions hit, and buyers shun its exports.
"We see healthy oil demand. Unfortunately, there is shrinking global spare capacity, combined with low inventories and a lack of investment," Nasser said on an earnings call Sunday. He also blamed "a transition plan that is totally unrealistic" for the current pricing dynamic.
The result and earnings call also came just hours after Saudi authorities confirmed another attack on Aramco facilities on Sunday, with Houthi rebels using missiles and drones to target at least six sites across Saudi Arabia, including an Aramco fuel depot and a liquefied natural gas plant.
"There were no injuries or fatalities, and no impact on the company's supplies to customers," Nasser said.
"We've demonstrated our ability to respond swiftly and effectively," Nasser said, pointing to Aramco's response to a major attack on its facilities in 2019. "We were able to restore operations rapidly, while ensuring reliability of supply to our customers."

Aramco also declared a fourth quarter dividend of $18.8 billion, to be paid in the first quarter of 2022. The dividend is covered by a rise in free-cash flow to $107.5 billion in 2021, compared to $49.1 billion in 2020.
Aramco said it would recommend that $4 billion in retained earnings be used to pay bonus shares to investors, subject to approval. Under the recommendation, shareholders would receive one bonus share for every 10 shares owned. As a result, the total dividend for 2021 is $75 billion in cash, in addition to bonus shares.
The profit figures are a stark contrast from the company's 2020 earnings, which saw a 44% drop on the previous year due to demand collapse brought on by the coronavirus pandemic.
Nasser at the time described Aramco's 2020 financial year as one of its most "challenging years" in recent history.

The company also said it would invest to increase crude oil production capacity to 13 million barrels per day by 2027, expand its liquid to chemical production, and look to increase gas production by more than 50% by 2030.
Aramco has also said it wants to achieve net-zero Scope 1 and Scope 2 greenhouse gas emissions across its wholly-owned operated assets by 2050. Scope 1 refers to direct emissions from sources owned or controlled by the company, while Scope 2 covers indirect emissions from the generation of purchased power consumed by the company.
“We’re doing our part, but it’s not enough. Other players in the industry also need to do their part and increase investment,” Nasser said, saying demand for oil will continue to accelerate in coming years.
Capital expenditure in 2021 was $31.9 billion, an increase of 18% from 2020, primarily driven by increased activities in relation to crude oil increments, the Tanajib Gas Plant and development drilling programs. Aramco expects 2022 capital expenditure to be approximately $40-50 billion, with further growth expected until around the middle of the decade.

- **Europe is talking about joining the Russian oil embargo.**

Europe will consider joining a US-led embargo of Russian oil this week as the West looks for new ways to punish President Vladimir Putin for waging his devastating war in Ukraine.

At a series of meetings beginning Monday, EU leaders will discuss whether to dump by far the biggest supplier of oil to the region, having already committed to cutting Russian natural gas use by 66% this year.
"We have to discuss how we can support Ukraine even further, politically, economically, with humanitarian aid, security wise, everything is on the table. So, we can ensure that we will do what we can to stop Putin and his aggression against Ukraine," Denmark's Foreign Minister Jeppe Kofod told reporters. "It's important with economic sanctions to continue along that track."
Russia is the world's second biggest exporter of oil, behind Saudi Arabia, and despite the chilling effect of unprecedented Western financial sanctions and an embargo announced by the United States and the United Kingdom, it continues to earn hundreds of millions of dollars a day from energy exports.
"I think it is unavoidable to start talking about the energy sector. And we can talk about oil, because it is the biggest revenue to the Russian budget," Lithuania's Foreign Minister Gabrielius Landsbergis said as he arrived in Brussels for a meeting with his EU counterparts.
Other EU states support the idea of hitting Russia's most valuable asset with sanctions.
"Looking at the extent of the destruction in Ukraine right now, it's very hard — in my view — to make the case that we shouldn't be moving into the energy sector, particularly oil and coal, in terms of interrupting normal trade in that space," said Irish Foreign Minister Simon Coveney.
The European Union currently depends on Russia for about 40% of its natural gas. Russia also supplies about 27% of oil imports, and 46% of coal imports.

Earlier this month, EU leaders said the bloc couldn't yet join the United States in banning Russian oil, because of the impact that would have on households and industries already grappling with record high prices. Instead, they said they would work toward a deadline of 2027 for ending the bloc's dependency on Russian energy.
There's also a risk that Russia could retaliate by restricting exports of natural gas. Deputy Prime Minister Alexander Novak said this month that Moscow could cut off the supply of gas to Germany via the Nord Stream 1 pipeline as retribution for Berlin blocking the new Nord Stream 2 pipeline project.
Still, political opinion may be hardening in Europe as Russia steps up its attacks on Ukraine's cities, killing hundreds of civilians and forcing millions to flee their homes.
Much will come down to countries like Germany, Russia's biggest energy customer in Europe, as well as others that buy a lot of its gas, such as Hungary and Italy.
German Foreign Minister Annalena Baerbock said the country was "working at full speed" to end its dependence on Russia but, like some other EU countries, couldn't stop buying Russian oil from one day to the next.
"If we could, we would do it automatically," she said.

News Flow

Even without an EU embargo — and any potential Russian counter — the world is facing its biggest energy supply shock in decades, according to the International Energy Agency. It said last week that Russia could be forced to curtail crude oil production by 30% starting next month because of slumping demand.
Canada, the United States, the United Kingdom and Australia have already banned imports of Russian oil, affecting roughly 13% of Russia's exports. And moves by major oil companies and global banks to stop dealing with Moscow following the invasion are forcing Russia to offer its crude at a huge discount.
The Paris-based IEA, which monitors energy supplies for the world's leading developed economies, said Russian output could drop by 3 million barrels per day.
"The implications of a potential loss of Russian oil exports to global markets cannot be understated," the IEA said in its monthly report.

➢ Powell says 'inflation is much too high' and the Fed will take 'necessary steps' to address.

Federal Reserve Chairman Jerome Powell on Monday vowed tough action on inflation, which he said jeopardizes an otherwise strong economic recovery.
"The labor market is very strong, and inflation is much too high," the central bank leader said in prepared remarks for the National Association for Business Economics.
The speech comes less than a week after the Fed raised interest rates for the first time in more than three years in an attempt to battle inflation that is running at its highest level in 40 years.
Reiterating a position the Federal Open Market Committee made Wednesday in its post-meeting statement, Powell said interest rate hikes would continue until inflation is under control. He said the increases could be even higher if necessary than the quarter-percentage point move approved at the meeting.
"We will take the necessary steps to ensure a return to price stability," he said. "If we conclude that it is appropriate to move more aggressively by raising the federal funds rate by more than 25 basis points at a meeting or meetings, we will do so. And if we determine that we need to tighten beyond common measures of neutral and into a more restrictive stance, we will do that as well."
A basis point is equal to 0.01%. FOMC officials indicated that 25 basis point increases are likely at each of their remaining six meetings this year. However, markets are pricing in about a 50-50 chance the next hike, at the May meeting, could be 50 basis points.

Stocks slipped to their lows of the session after Powell's remarks while Treasury yields rose.

The sudden policy tightening comes with inflation as measured by the consumer price index running at 7.9% on a 12-month basis. A gauge that the Fed prefers still has prices up 5.2%, well above the central bank's 2% target.
As he has before, Powell ascribed much of the pressures coming from Covid pandemic-specific factors, in particular escalated demand for goods over services that supply could not meet. He conceded that Fed officials and many economists "widely underestimated" how long those pressures would last.
While those aggravating factors have persisted, the Fed and Congress provided more than $10 trillion in fiscal and monetary stimulus since the pandemic's start. Powell said he continues to believe that inflation will drift back to the Fed's target, but it's time for the historically easy policies to end.
"It continues to seem likely that hoped-for supply-side healing will come over time as the world ultimately settles into some new normal, but the timing and scope of that relief are highly uncertain," said Powell, whose official title now is chairman pro tempore as he awaits Senate confirmation for a second term. "In the meantime, as we set policy, we will be looking to actual progress on these issues and not assuming significant near-term supply-side relief."
Powell also addressed the Russian invasion of Ukraine, saying it is adding to supply chain and inflation pressures. Under normal circumstances, the Fed generally would look through those types of events and not alter policy. However, with the outcome unclear, he said policymakers have to be wary of the situation.
"In normal times, when employment and inflation are close to our objectives, monetary policy would look through a brief burst of inflation associated with commodity price shocks," he said. "However, the risk is rising that an extended period of high inflation could push longer-term expectations uncomfortably higher, which underscores the need for the Committee to move expeditiously as I have described."

Powell had indicated last week that the FOMC also is prepared to begin running off some of the nearly $9 trillion in assets on its balance sheet. He noted the process could begin as soon as May, but no firm decision has been made.

➢ Central banks face tough decisions after Russia's invasion. Not everyone's sure they'll get it right.

Just as many central banks had set their sights on normalizing monetary policy as economies emerged from the coronavirus pandemic, Russia's invasion of Ukraine threw them another curveball.
The U.S. Federal Reserve last week approved its first interest rate hike in more than three years and penciled in further increases at each of its six remaining policy meetings this year, as it looks to rein in soaring inflation.
The Bank of England imposed its third consecutive rate hike but struck a relatively dovish tone, with the Russia-Ukraine conflict and its upward pressure on energy prices expected to keep inflation higher for longer.
European Central Bank President Christine Lagarde said last week that policymakers have "extra space" between the planned end of the ECB's quantitative easing program this summer and a first hike to the cost of borrowing in more than a decade. The ECB earlier this month surprised markets by announcing it would end its asset purchase program in the third quarter of 2022.
So, while the Bank of England offered a slightly dovish surprise after its more hawkish start out of the blocks, the Fed and the ECB both surprised on the hawkish side, evidencing the balancing act facing policymakers.
Central banks the world over have been caught cold by a surge in inflation in the aftermath of the pandemic, which has sent annual consumer price increases to multi-decade – and in some cases, record – highs.

The risk, economists have suggested, is that by tightening policy aggressively even as growth is threatened by the conflict and financial conditions and the labor market tighten, central banks could inadvertently trigger "stagflation" — a period of high inflation, low growth and high unemployment.
However, most seem to have prioritized reining in inflation over concerns about economic growth and have remained undeterred so far by the potential impacts of the war.
Hugh Gimber, global market strategist at JPMorgan Asset Management, said Thursday that the latest round of central bank meetings showed policymakers are feeling "uncomfortably behind the curve" and are eager to normalize policy.
"Yet while policymakers have been talking tough, in reality monetary policy remains very supportive of growth despite the latest rate increases. They may be talking the talk on tightening, but they're yet to really walk the walk," Gimber said.
This time last year, Gimber noted, patience was a central theme in policymakers' messaging, meaning any policy error was likely to be the result of their moving too slowly rather than too quickly.
"Yet a year on, inflation is now running at multi-decade highs and labor markets have staged a remarkable recovery. 'Patience' has been abandoned – 'optionality' is the new buzzword," he said.
"Further policy tightening lies ahead, and the central banks want the option to move more quickly if inflationary pressures don't show signs of easing."

Mario Centeno, Portuguese central bank governor and member of the ECB Governing Council, told CNBC last week that the conditions for a rate lift-off had not yet been met, with the normalization process remaining "neutral" and "data-dependent."
Centeno said the euro area outlook depends on the duration of the conflict and the effects of Western sanctions against Russia.
"Unemployment is probably the best indicator for the European economy these days. We have a very strong labor market coming out of the recession — it was usually supported by fiscal policy measures, that's why I think that's why coordination is a very important issue in Europe," Centeno said, suggesting that governments and central banks need to remain in lockstep.
"Even if it's not probably the most likely scenario today, a scenario with low growth and high inflation is not out of the possibilities in the near future, and we must be very careful," he added.
In the tug of war between supporting growth and containing inflation, policymakers appear to be favoring the latter. Brunello Rosa, CEO & head of research at Rosa & Roubini, agreed with this approach and the "division of labor" required between monetary and fiscal policy, telling CNBC that inflation is a more immediate threat.
"If you shave off some tenths of a percentage point or even a full percentage point of growth, due to the sanctions and potential effects of the war, you will still have a growth rate that is optically acceptable, I would say," he told CNBC last week.

“Instead, what is not optically acceptable is inflation reaching 8% in the U.S., 6% in Europe, 7% in the U.K., and what’s the danger of that? That higher inflation gets entrenched and then you enter that wage price spiral that nobody wants to. Are we closer to that? Yes, we are.”

Neil Shearing, chief economist at Capital Economics, echoed this view in a research note on Monday, but said the more aggressive hikes in interest rates now being projected by Fed officials have raised concerns that the economy could be tipped into recession.
“This in turn raises the more general question as to whether, given the headwinds posed by the war in Ukraine and the spread of the Omicron variant in China, recoveries in major advanced economies are strong enough to withstand monetary tightening,” Shearing said.
He added that the lessons from history – notably the eight tightening cycles since the late 1970s in the U.S., five in the U.K. and three in the euro area – are “troubling.”
“This makes 16 tightening cycles in total – 13 of which have ended in recession. Soft landings are hard to achieve,” he added.

- **Evergrande's crisis continues: $2 billion seized, earnings delayed.**

Banks have seized $2 billion in cash from Evergrande, the ailing Chinese real estate developer said Tuesday as it announced a delay to the publication of its annual earnings.
Evergrande said that it won't be able to meet the March 31 deadline for publishing audited results for 2021, a year which saw it default on its debts as prices and activity in China's vast real estate sector slumped.
One of its units — Evergrande Property Services — said some of its lenders had unexpectedly claimed around 13.4 billion yuan ($2.1 billion) of its bank deposits that were pledged as collateral for "third party guarantees.“
It didn't specify who the lenders were, saying only that the banks had taken control of the cash. The property services unit said it would establish an independent committee to investigate.
The real estate developer is one of China's largest and its most indebted with more than $300 billion of total liabilities, including about $19 billion outstanding offshore bonds held by international asset managers and private banks on behalf of their clients.
Evergrande was declared by Fitch Ratings to be in default in December — a downgrade that the ratings agency said reflected the company's inability to pay interest due on two dollar-denominated bonds.
In 2020, Beijing started cracking down on excessive borrowing by developers in a bid to rein in their high leverage and curb runaway housing prices. But the sector's problems escalated significantly last fall when Evergrande began warning the markets urgently of liquidity problems.
There's evidence now that the Chinese government is taking a leading role in guiding Evergrande through a restructuring of its debt and sprawling business operations.
But some of the company's international creditors have been losing patience.
A group of overseas bondholders threatened in January to take legal action over the "opaque" debt restructuring process. They said they would "seriously consider enforcement actions" after Evergrande failed to engage substantially with them about reorganizing its operations.
Evergrande has another interest payment due on Wednesday.
The company said in its exchange filing that "audit work has not yet been completed," and "drastic changes" in the operational environment and the Covid-19 pandemic had led to delays in preparing its earnings. It will publish them "as soon as practicable" after the audit has been completed, it said.
Other major developers are also having trouble meeting the March 31 deadline for earnings.
Sunac China and Shimao China, which ranked No. 3 and No. 12 in property sales last year, said Monday that they would also have to delay publishing their annual results. Both cited Covid-related restrictions, such as quarantines and travel restrictions, for holding up the audit process.
Ronshine China, which was among the top 30 developers last year, also said it won't be able to file audited results by March 31 as its original auditor had resigned, according to an exchange filing by the company on Monday. Ronshine China said later that day it has hired a new auditor and will publish audited results "as soon as practicable."

News Flow

➢ UK inflation hits fresh multi-decade high of 6.2% on surging energy prices.

U.K. inflation came in at an annual 6.2% in February, its highest since March 1992, as soaring food, fuel and energy costs continue to deepen the country's cost of living crisis.
February's Consumer Price Index print was above consensus expectations among economists polled by Refinitiv for a 5.9% annual figure, and vastly outstripped January's previous 30-year high of 5.5%.
On a monthly basis, CPI inflation was 0.8%, exceeding expectations for a 0.6% rise and marking the largest monthly CPI increase between January and February since 2009.
The Bank of England has hiked interest rates at three consecutive monetary policy meetings, raising the costs of borrowing from its historic low of 0.1% to 0.75%, as it looks to contain runaway inflation without stomping out economic growth.
The Monetary Policy Committee delivered a more dovish tone than expected by the market last week, highlighting the squeeze on household incomes amid a sharp rise in commodity prices following Russia's invasion of Ukraine. Policymakers now expect inflation to peak at 8% in the second quarter of 2022.
The Consumer Prices Index including owner occupiers' housing costs (CPIH) — the preferred metric of the Office for National Statistics — rose by 5.5% in the 12 months to February 2022, up from 4.9% in the 12 months to January.
"The largest upward contributions to the February 2022 CPIH 12-month inflation rate came from housing and household services (1.39 percentage points, principally from electricity, gas and other fuels, and owner occupiers' housing costs) and transport (1.26 percentage points, principally from motor fuels and second-hand cars)," the ONS explained in its report on Wednesday.

British Finance Minister Rishi Sunak is under pressure to address the cost-of-living crisis when he delivers his Spring Statement later Wednesday.
A planned 10% increase to National Insurance (a tax on earnings) kicks in for many workers in April, while at the same time the U.K.'s energy price cap soars 54% to accommodate higher costs of oil and gas, exacerbating the squeeze on household income as consumer prices continue to head north and Russia's war in Ukraine shows little sign of abating.
"This morning's inflation data shows just how dire the situation is, and there is a clear need for the government to act to help save many from slipping into financial difficulty as their wages are quickly swallowed up," said Paul Craig, portfolio manager at Quilter Investors.
"Markets and developed economies are continuing to battle soaring inflation alongside the uncertainty surrounding Russia's war on Ukraine. Given the delicate market environment, investors will need to watch the data and markets closely and allocate accordingly."
Dan Boardman-Weston, chief investment officer at BRI Wealth Management, noted that while fuel costs remain a major contributor to U.K. inflation, the weight of their contribution to the overall rate appears to be slowing.
"The data continues to point towards another few months of rises in the rate of inflation, but we expect this to ease as we head into the summer. Given the strength of the labour market and the overall economy, it seems inevitable that the Bank of England will continue down the path of further rate rises," Boardman-Weston said.
"Raising rates at a time of high household bills and rising taxes could stifle the economic recovery by putting the consumer under too much pressure though. The Bank will need to carefully balance the need to try and tame inflation whilst not tipping the economy into a recession."

➢ French energy giant TotalEnergies to stop buying Russian oil by year-end.

French energy giant TotalEnergies said on Tuesday that it would stop buying Russian oil and oil products by the end of 2022 at the latest, according to a press release from the company.
Given the worsening situation in Ukraine and the existence of alternative sources of supply for Europe, TotalEnergies has unilaterally decided not to enter or renew any contracts for the purchase of Russian oil and oil products, in order to stop all purchases of Russian oil or oil products as soon as possible and by the end of 2022 at the latest," the statement said.
The company however cautioned that it will continue to purchase natural gas from Russia.
"Unlike oil supply, it appears that Europe's gas logistics capacities make it difficult to do without Russian gas in the next two to three years without affecting the continent's energy supply," Total said in the statement.
The company said it will mobilize oil products from other places, especially diesel produced by the Satorp refinery in Saudi Arabia.
TotalEnergies' contracts for Russian oil accounted for 12% of Russia's diesel exports to the European Union in 2021, according to the statement.

The company reiterated that it doesn't operate any oil or gas fields or liquified natural gas plants in Russia and is moving toward a gradual suspension of its activities in Russia, according to the statement. Among the 11 employees sent to various Russian oil and gas companies where TotalEnergies is a minority shareholder, three remain with the country.
It also announced that it will stop funding the Arctic LNG 2 project, located in Russia's Siberian coast and will put its commercial developments in batteries and lubricants in Russia on hold.

- **U.S. to sanction over 300 Russian elites and block Russian central bank gold.**

The United States plans to sanction approximately 400 Russian individuals and entities, including more than 300 lawmakers from the Russian lower house of parliament, the Duma and Russian elites, a senior Biden administration official said Thursday.
As Russia's unprovoked and increasingly brutal invasion of Ukraine enters its second month Thursday, the G-7 group of major economies and the European Union will also announce new measures to crack down on Russian efforts to evade current sanctions, including those on its central bank.
The EU and G-7 will also inform international organizations that from this point forward, they are no longer to operate within Russia under "business as usual" standards, said the official, who requested anonymity in order to preview announcements that had not yet been made public.
"Our purpose here is to methodically remove the benefits and privileges Russia once enjoyed as a participant in the international economic order," said the official.
President Joe Biden will announce the measures during a speech before NATO on Thursday, the first of three major addresses he will deliver during his day in Brussels.

Biden will also announce a new set of American efforts to aid the Ukrainian people, said the senior White House aide.

Chief among them, the United States is "prepared to provide more than $1 billion in new funding towards humanitarian assistance for those affected by Russia's war in Ukraine and its severe impacts around the world," said the official, without detailing how or when the money would be spent.
Biden will also announce a new commitment of funds to help protect global food security, which has been thrown into chaos by Russia's invasion because both Moscow and Kyiv are some of the world's largest exporters of grain.
Through the U.S. government's Feed the Future initiative, the Biden administration will provide $11 billion over the next 5 years to address threats to food security and prevent malnutrition, the official said.
The lion's share of Ukraine's grain exports currently go to Africa and Asia, and the American funds will be deployed to many of the countries where the population is especially vulnerable to a rise in food prices.

Your Weekend Wire

The week ahead

Date	Time	Country	Indicator Name	Period	Reuters Poll	Prior	SmartEstimate®	Predicted Surprise
29.03.2022	01:30	Japan	Unemployment Rate	Feb		2.8%		
29.03.2022	01:30	Japan	Jobs/Applicants Ratio	Feb		1.20		
29.03.2022	08:00	Germany	GfK Consumer Sentiment	Apr		-8.1		
29.03.2022	08:00	Sweden	Retail Sales YY	Feb		5.1%		
29.03.2022	08:00	Sweden	Retail Sales MM	Feb		4.5%		
29.03.2022	08:45	France	Consumer Confidence	Mar		98		
29.03.2022	10:30	United Kingdom	Mortgage Lending	Feb		5.920B		
29.03.2022	10:30	United Kingdom	BOE Consumer Credit	Feb		0.608B		
29.03.2022	15:00	United States	CaseShiller 20 YY	Jan		18.6%		
29.03.2022	15:00	United States	CaseShiller 20 MM SA	Jan		1.5%		
29.03.2022	16:00	United States	JOLTS Job Openings	Feb		11.263M		
29.03.2022	16:00	United States	Consumer Confidence	Mar	106.6	110.5	107.35	0.75

Date	Time	Country	Indicator Name	Period	Reuters Poll	Prior	SmartEstimate®	Predicted Surprise
30.03.2022	01:50	Japan	Retail Sales YY	Feb		1.6%		
30.03.2022	08:00	Germany	Import Prices YY	Feb		26.9%		
30.03.2022	08:00	Germany	Import Prices MM	Feb		4.3%		
30.03.2022	09:00	United Kingdom	Business invest YY	Q4		-0.8%		
30.03.2022	09:00	United Kingdom	Business Invest QQ	Q4		0.9%		
30.03.2022	09:00	United Kingdom	GDP YY	Q4		6.5%		
30.03.2022	09:00	United Kingdom	GDP QQ	Q4		1.0%		
30.03.2022	09:00	Switzerland	KOF Indicator	Mar		105.0		
30.03.2022	09:00	Sweden	Consumer Confidence SA	Mar		88.9		
30.03.2022	09:00	Sweden	Overall Sentiment	Mar		113.0		
30.03.2022	10:00	Italy	Producer Prices YY	Feb		32.9%		
30.03.2022	10:00	Italy	Consumer Confidence	Mar		112.4		
30.03.2022	14:00	Germany	HICP Prelim YY	Mar		5.5%		
30.03.2022	14:00	Germany	HICP Prelim MM	Mar		0.9%		
30.03.2022	14:00	Germany	CPI Prelim YY	Mar		5.1%		
30.03.2022	14:00	Germany	CPI Prelim MM	Mar		0.9%		
30.03.2022	14:15	United States	ADP National Employment	Mar		475k		
30.03.2022	14:30	United States	Core PCE Prices Fnal	Q4		5.0%		
30.03.2022	14:30	United States	GDP Deflator Final	Q4		7.2%		
30.03.2022	14:30	United States	GDP Final	Q4		7.0%		

Source: Refinitiv

BANKMED (SUISSE) s.a.

BankMed (Suisse) SA
Rue du Mont-Blanc 3, P.O. Box 1523, 1201 Geneva, Switzerland
Tel: +41 22 906 06 06| Fax: +41 22 906 06 07
info@bankmed.ch | www.bankmed.ch | VAT: CHE-103.519.492

Your Weekend Wire

The week ahead

Date	Time	Country	Indicator Name	Period	Reuters Poll	Prior	SmartEstimate®	Predicted Surprise
31.03.2022	01:50	Japan	Industrial O/P Prelim MM SA	Feb		-0.8%		
31.03.2022	07:00	Japan	Housing Starts YY	Feb		2.1%		
31.03.2022	08:00	United Kingdom	Nationwide house price yy	Mar		12.6%		
31.03.2022	08:00	United Kingdom	Nationwide house price mm	Mar		1.7%		
31.03.2022	08:30	Switzerland	Retail Sales YY	Feb		5.1%		
31.03.2022	08:45	France	Producer Prices MM	Feb		4.6%		
31.03.2022	08:45	France	CPI (EU Norm) Prelim YY	Mar		4.2%		
31.03.2022	08:45	France	Consumer Spending MM	Feb		-1.5%		
31.03.2022	09:00	Germany	Retail Sales YY Real	Feb		10.3%		
31.03.2022	09:00	Germany	Retail Sales MM Real	Feb		2.0%		
31.03.2022	09:00	Switzerland	Official Reserves Assets CHF	Feb		1 016 732.98M		
31.03.2022	09:55	Germany	Unemployment Rate SA	Mar		5.0%		
31.03.2022	09:55	Germany	Unemployment Chg SA	Mar		-33k		
31.03.2022	10:00	Italy	Unemployment Rate	Feb		8.8%		
31.03.2022	11:00	Italy	CPI (EU Norm) Prelim YY	Mar		6.2%		
31.03.2022	11:00	Italy	CPI (EU Norm) Prelim MM	Mar		0.8%		
31.03.2022	11:00	Italy	Consumer Price Prelim YY	Mar		5.7%		
31.03.2022	11:00	Italy	Consumer Price Prelim MM	Mar		0.9%		
31.03.2022	14:30	United States	Cont Jobless Clm	14 Mar, w/e				
31.03.2022	14:30	United States	Initial Jobless Clm	21 Mar, w/e				
31.03.2022	14:30	United States	Core PCE Price Index MM	Feb		0.5%		
31.03.2022	14:30	United States	Consumption, Adjusted MM	Feb		2.1%		
31.03.2022	14:30	United States	Personal Consump Real MM	Feb		1.5%		
31.03.2022	14:30	United States	Personal Income MM	Feb		0.0%		
31.03.2022	14:30	Canada	GDP MM	Jan		0.0%		
31.03.2022	15:45	United States	Chicago PMI	Mar		56.3		

Source: Refinitiv

BANKMED (SUISSE) s.a.

BankMed (Suisse) SA
Rue du Mont-Blanc 3, P.O. Box 1523, 1201 Geneva, Switzerland
Tel: +41 22 906 06 06| Fax: +41 22 906 06 07
info@bankmed.ch | www.bankmed.ch | VAT: CHE-103.519.492

Your Weekend Wire

The week ahead

Date	Time	Country	Indicator Name	Period	Reuters Poll	Prior	SmartEstimate®	Predicted Surprise
01.04.2022	01:50	Japan	Tankan All Sm Capex Est	Q1	-5.9%	5.1%	-3.51%	2.39%
01.04.2022	01:50	Japan	Tankan Sm Non-Mf Outlook DI	Q1	-8	-6	-9.5	-1.5
01.04.2022	01:50	Japan	Tankan Small Non-Mf Idx	Q1	-9	-4	-9.0	0.0
01.04.2022	01:50	Japan	Tankan Sm Mf Outlook DI	Q1	-8	-1	-8.9	-0.9
01.04.2022	01:50	Japan	Tankan Small Mf Idx	Q1	-7	-1	-6.7	0.3
01.04.2022	01:50	Japan	Tankan All Big Capex Est	Q1	4.4%	9.3%	4.85%	0.45%
01.04.2022	01:50	Japan	Tankan big non-mf outlook DI	Q1	8	8	7.4	-0.6
01.04.2022	01:50	Japan	Tankan Big Non-Mf Idx	Q1	5	9	4.4	-0.6
01.04.2022	01:50	Japan	Tankan Big Mf Outlook DI	Q1	10	13	10.7	0.7
01.04.2022	01:50	Japan	Tankan Big Mf Idx	Q1	12	18	11.2	-0.8
01.04.2022	02:30	Japan	JibunBK Mfg PMI Final SA	Mar				
01.04.2022	08:30	Switzerland	CPI YY	Mar		2.2%		
01.04.2022	08:30	Switzerland	CPI MM	Mar		0.7%		
01.04.2022	08:30	Sweden	PMI Manufacturing Sect	Mar		58.6		
01.04.2022	09:00	Netherlands	PMI - Manufacturing	Mar		60.6		
01.04.2022	09:30	Switzerland	Manufacturing PMI	Mar		62.6		
01.04.2022	09:45	Italy	Markit/IHS Mfg PMI	Mar		58.3		
01.04.2022	09:50	France	Markit Mfg PMI	Mar				
01.04.2022	09:55	Germany	Markit/BME Mfg PMI	Mar				
01.04.2022	10:30	United Kingdom	Markit/CIPS Mfg PMI Final	Mar				
01.04.2022	14:30	United States	Average Workweek Hrs	Mar		34.7		
01.04.2022	14:30	United States	Average Earnings YY	Mar		5.1%		
01.04.2022	14:30	United States	Average Earnings MM	Mar	0.4%	0.0%	0.42%	0.02%
01.04.2022	14:30	United States	Unemployment Rate	Mar	3.7%	3.8%	3.72%	0.02%
01.04.2022	14:30	United States	Private Payrolls	Mar		654k		
01.04.2022	14:30	United States	Non-Farm Payrolls	Mar	400k	678k	449.7k	49.7k
01.04.2022	15:30	Canada	Markit Mfg PMI SA	Mar		56.6		
01.04.2022	15:45	United States	Markit Mfg PMI Final	Mar				
01.04.2022	16:00	United States	ISM Mfg Prices Paid	Mar		75.6		
01.04.2022	16:00	United States	ISM Manufacturing PMI	Mar		58.6		
01.04.2022	16:00	United States	Construction Spending MM	Feb		1.3%		

Source: Refinitiv

BANKMED (SUISSE) s.a.

BankMed (Suisse) SA
Rue du Mont-Blanc 3, P.O. Box 1523, 1201 Geneva, Switzerland
Tel: +41 22 906 06 06| Fax: +41 22 906 06 07
info@bankmed.ch | www.bankmed.ch | VAT: CHE-103.519.492

Your Weekend Wire
Figures

Currencies

EURUSD	1.0998	Weekly Change
Week Low	Week High	-0.53%
1.0961	1.1069	

GBPUSD	1.3189	Weekly Change
Week Low	Week High	0.07%
1.3121	1.3298	

EURCHF	1.0203	Weekly Change
Week Low	Week High	-0.91%
1.0196	1.0322	

AUDUSD	0.7520	Weekly Change
Week Low	Week High	1.73%
0.7375	0.7536	

USDCHF	0.9276	Weekly Change
Week Low	Week High	-0.41%
0.9261	0.9375	

USDCAD	1.2519	Weekly Change
Week Low	Week High	-0.66%
1.251	1.2623	

USDTRY	14.8373	Weekly Change
Week Low	Week High	0.31%
14.7350	14.869	

EURGBP	0.8338	Weekly Change
Week Low	Week High	-0.57%
0.8296	0.8416	

Indices and Commodities

Eurostoxx 50	3 895.47
Week Change	YTD
0.52%	-3.47%

Gold	1951.16
Week Change	YTD
1.58%	8.36%

SMI	12 139.74
Week Change	YTD
-0.44%	-5.78%

WTI	109.3700
Week Change	YTD
4.03%	43.76%

S&P 500	4 262.26
Week Change	YTD
1.28%	-5.16%

VIX	21.71
Week Change	YTD
-9.22%	25.84%

Sources: Bloomberg/Refinitiv

BANKMED (SUISSE) s.a.

BankMed (Suisse) SA
Rue du Mont-Blanc 3, P.O. Box 1523, 1201 Geneva, Switzerland
Tel: +41 22 906 06 06| Fax: +41 22 906 06 07
info@bankmed.ch | www.bankmed.ch | VAT: CHE-103.519.492

Crypto Market Cap: $1,992,400,454,141

Dominance*: BTC: 41.9% ETH: 18.8%

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

News Flow

➢ Goldman Sachs Conducts First Over-the-Counter Crypto Trade With Galaxy.

Goldman Sachs, the Wall Street heavyweight, completed an over-the-counter cryptocurrency-related trade with the digital-asset financial company Galaxy Digital, in a transaction that the firms are characterizing as a first.

The New York-based Galaxy disclosed the trade in a press release on Monday. The transaction was described in the statement as a bitcoin (BTC) non-deliverable option, a type of cash-settled cryptocurrency options trade.

"This marks the first OTC crypto transaction by a major bank in the U.S. as Goldman Sachs continues expanding its cryptocurrency offerings, demonstrating the continued maturation and adoption of digital assets by banking institutions," Galaxy said.

The deal represents the continuation of Galaxy's relationship with Goldman Sachs, according to the statement.

In March of last year, CoinDesk reported that Goldman Sachs reopened its crypto trading desk after a three-year hiatus, under growing demand from institutional clients.

Last June, Galaxy announced that it would serve as Goldman's liquidity provider for bitcoin futures block trades on the CME exchange.

Earlier this month, CoinDesk reported that Goldman was offering interested clients access to an ether (ETH) fund issued by Galaxy. Galaxy founder and CEO Michael Novogratz worked at Goldman for 11 years, according to a bio on his company's website.

➢ Naomi Osaka Becomes Latest FTX 'Ambassador,' Joining Tom Brady and More.

Naomi Osaka is the latest celebrity athlete to join Sam Bankman-Fried's crypto empire.

Osaka joins the likes of seven-time National Football League champion Tom Brady, two-way baseball phenom Shohei Ohtani and National Basketball Association legend Stephen Curry on FTX's growing roster of sports ambassadors.

"In addition to becoming an FTX global ambassador, Osaka will receive an equity stake in FTX Trading Limited and will be receiving compensation in crypto," a press release said Monday.

Osaka's first crypto venture came last August, when the tennis champ released a non-fungible token (NFT) collection in partnership with DraftKings.

As part of the deal, Osaka will wear the FTX logo during future competitions, according to a press release.

Osaka is the first major female athlete to join FTX's sports ambassador campaign. Supermodel Gisele Bundchen joined FTX as its environmental and social initiatives adviser in June 2021.

➢ SEC pushes decisions on WisdomTree's and One River's applications for spot Bitcoin ETFs.

The United States Securities and Exchange Commission has extended its window to approve or disapprove spot Bitcoin (BTC) exchange-traded fund (ETF) applications from asset managers WisdomTree and One River.

According to separate Friday filings, the SEC will push the deadline for approving or disapproving a rule change allowing shares of the WisdomTree Bitcoin Trust and One River Carbon Neutral Bitcoin Trust to be listed on the Cboe BZX Exchange and New York Stock Exchange Arca, respectively. The regulator said it would extend its window for the decision on WisdomTree's Bitcoin investment vehicle to May 15 and One River's to June 2.

The spot BTC ETF application from WisdomTree followed the SEC rejecting a similar offering from the asset manager in December 2021 after several delays. The regular said at the time that the BZX exchange did not provide enough data to conclude the crypto market is resistant to manipulation, or address concerns about possible sources of fraud and manipulation. WisdomTree filed for another spot BTC ETF listing in February 2022.

In contrast, One River's BTC investment vehicle will be nearing its final deadline in 2022 after the firm filed for a proposed rule change listing on NYSE Arca on Oct. 5. The commission was expected to reach a decision or extend its deliberation window on the crypto ETF by April 3 but chose to push the deadline for an additional 60 days, to June 2, 2022. The SEC can extend the deliberation window or open the application up to public comment for up to 240 days before delivering a final decision.

The Commission finds that it is appropriate to designate a longer period within which to issue an order approving or disapproving the proposed rule change so that it has sufficient time to consider the proposed rule change and the issues raised in the comments that have been submitted in connection therewith," said the SEC regarding One River's application.

BankMed (Suisse) SA
Rue du Mont-Blanc 3, P.O. Box 1523, 1201 Geneva, Switzerland
Tel: +41 22 906 06 06| Fax: +41 22 906 06 07
info@bankmed.ch | www.bankmed.ch | VAT: CHE-103.519.492

News Flow

Regulators in the U.S. have continued to deny applications to list spot Bitcoin ETFs but also gave the green light to investment vehicles linked to BTC derivatives for the first time in October 2021. On March 11, the SEC rejected crypto ETF applications from New York Digital Investment Group and Global X. However, some BTC "strategy" ETF applications have had more success, with the regulator in 2021 approving the listing of shares of funds from Valkyrie, ProShares and VanEck.

➢ UK watchdog puts 50 crypto companies on notice over 'misleading' ads.

Over 50 cryptocurrency companies have been sent enforcement notices by the U.K.'s advertising watchdog as part of a regulatory crackdown on promotions in the industry.
The Advertising Standards Authority said Tuesday it has told the firms to review their ads and make sure they are in compliance with the rules. It also threatened firms with targeted sanctions if "problem ads" persist after May 2.
This would include reporting non-compliant advertisers to another regulator, the Financial Conduct Authority.
In its notice to the companies, the regulator gave guidance stating advertisers must make clear digital assets are unregulated in the U.K. Firms must not urge people to buy bitcoin or another cryptocurrency in their ads or create the "fear of missing out" on an investment, the ASA added.
The ASA didn't name the companies it has contacted but said it has previously banned ads from the likes of crypto platform Coinbase and pizza chain Papa John's over concerns they misled consumers.
"This is a 'red alert' priority issue for us, and we've recently banned several crypto ads for misleading consumers and for being socially irresponsible," the ASA said in a statement Tuesday.
It comes as Britain takes a tougher line on the crypto industry. The government in January said it would bring crypto ads under the same rules for financial promotions, a move that would require advertisers in the industry to be authorized by regulators.
Regulators have also proposed limiting crypto ads in such a way that consumers may only respond to them if they qualify as high-net-worth individuals or sophisticated investors, a move that has been criticized by industry representatives.

A consultation from the Financial Conduct Authority with the industry on regulation of crypto ads is set to expire on Wednesday.

Global Digital Finance, an industry body that includes crypto exchanges Coinbase and Bitfinex, said it has sent a letter to U.K. Finance Minister Rishi Sunak expressing some concerns.
"Rather than attempting to broaden the scope of existing legislation, stifling the market and attracting unintended consequences, a new bespoke regime should be implemented," Lavan Thasarathakumar, Global Digital Finance's director of government and regulatory affairs, said in the letter.
"This regime would include obligations for how cryptoasset promotions should be communicated and more generally would provide clarity on how cryptoasset firms should conduct themselves and how regulators should supervise them."
Separately, a deadline for crypto firms to be registered with the FCA is set to elapse on Mar. 13. Several companies, including Revolut and Copper, face the prospect of having to wind down their crypto operations in the U.K. if their application is not approved in time.

➢ Why Some Bitcoin Devs Say Lasers Can Cut Mining's Energy Costs.

Bitcoin's energy use has long been a hot-button issue. Now some developers say the solution could lie in a more energy-efficient form of computer processing that, perhaps appropriately, uses lasers.
When we consider Bitcoin's energy use, really, the discussion should focus on emissions. Industry participants have worked toward improving transparency in that category the past couple of years. If we look even further back, Hal Finney – who received the first bitcoin transaction ever from the system's creator, Satoshi Nakamoto – said he was "thinking about how to reduce CO2 emissions from a widespread Bitcoin implementation" in 2009.

News Flow

Most arguments about remediating Bitcoin's emissions problem center around:

* Outright banning it.
* Cleaning up its energy mix.
* Switching from proof-of-work (PoW) to a consensus mechanism that doesn't require heavy use of electricity to work, typically proof-of-stake (PoS) – a transition Ethereum has been planning to carry out since 2015.

Rarely discussed is the possibility of changing to a different type of PoW.
Bitcoin Optech, a working group of developers that produces free educational materials, pointed out in its Jan. 5, 2022, newsletter that Bitcoin Improvement Proposal (BIP) 52 was officially brought into the discussion for a proposed hard fork, or major change to Bitcoin. BIP 52 aspires to shift expenses from electricity costs or operating expenses to hardware costs or capital expenditures. This shift would be achieved through what is known as "optical proof-of-work," or oPoW, a proposal created by Michael Dubrovsky, Bogdan Penkovsky - both contributors to the non-profit PoWx - and an assistant professor at New York University's Courant Institute of Mathematical Sciences, Marshall Ball (among others).

n short, oPoW would change the proof-of-work algorithm used by Bitcoin now to one dubbed "HeavyHash" that is most efficiently computed using a new class of photonic processors. The motivation behind oPoW is to "decouple Bitcoin mining from energy and make it feasible outside of regions with low electricity costs." This shift, proponents argue, would improve geographic distribution of computing power, or hashrate; decrease barriers to entry for new miners; and quell any fears of climate-related pushback as Bitcoin proliferates and grows in popularity, since the switch would reduce Bitcoin's energy demand.
It is worth mentioning before we go further that optical proof-of-work is still not fully developed and has not been used in practice in a Bitcoin testnet, or an experimental environment for software changes. There is a live implementation of oPoW called oBTC, which is based on an oPoW-modified Bitcoin codebase published by PoWx in March 2021. It is not actively marketed or managed by oPoW's creators, but there is a community of supporters who mine and trade oBTC. Additionally, PoWx is collaborating with optical computing companies, including Lightelligence, to explore commercialization of an oPoW miner and is testing HeavyHash on a demo platform.

There are many benefits of Bitcoin's energy-intensive construction, namely robustness and anti-fragility, for example. That said, just because proof-of-work has worked well throughout Bitcoin's history doesn't mean that other ideas should be dismissed on sight. Bitcoin is a technology and technology changes.
First and foremost, lasers have shown promise in making computation more efficient. Photons enable a higher bandwidth than electrons when used in computers, which is why fiber internet (powered by flashing lights through glass cables) is faster than "regular internet." While there is some disagreement about the feasibility of laser-based computers replacing semiconductor-based ones outright, optical computation could theoretically improve performance. Not to mention it fits the "laser eyes" meme popular among bitcoiners.
From a business perspective, oPoW makes a lot of sense. Instead of having capital expenditure and operating expenses taking an equal share in running a bitcoin mine, the cost shifts toward upfront investment. As a result, oPoW Bitcoin hardware would be markedly more expensive than current machines. That investment could be more easily financed, as lenders would have expensive equipment to collateralize against, and the cost of operations would be predictable because miners would be less sensitive to changes in energy availability and pricing. As such, cash flow pressures would be further eased as pricier equipment allows companies to run additional depreciation expense through their financial statements – an accounting trick, in practice, that nonetheless has real financial consequences.
Additionally, if the technology worked it would make energy a less important piece of Bitcoin's composition. Notwithstanding the genuine benefits of an energy-intensive blockchain, a shift away from energy consumption would unquestionably ease political pressures, especially in the United States and the European Union, where a regulator has called for a ban on proof-of-work crypto mining and the parliament seriously considered such draconian measures (though ultimately rejected them). In this scenario, politicians and regulators might conceivably warm to Bitcoin if one of their major points of contention were to fall away.

Proponents of oPoW also argue that the shift away from energy dependency would improve the geographic distribution of bitcoin mining since it would no longer be concentrated in places with cheap, abundant energy. Instead, it would be mined wherever capital is available to be put to work to mine bitcoin. This would make Bitcoin less susceptible to aggressive swings in hashrate if, say, a coal mine explodes in China or the Kazakh government shuts down the internet.

Another argument oPoW proponents make is that the main source of Bitcoin's network security comes from game theory as opposed to its energy use. The idea here is that bitcoin miners are compelled to be good actors; otherwise, their mining equipment and bitcoin would become worthless if a successful attack on the network were carried out. Right now, it is practically impossible to rent enough machines to control 51% of Bitcoin hashrate in order to attack the network, so an attacker would have to be a large owner of mining assets. With that in mind, shifting even more of the cost of mining to capital expenditure would increase the overall security of the system.

Lastly, a hard fork, or backward-incompatible code change, is not necessarily required for the Bitcoin network to test and eventually implement oPoW. It's theoretically possible to add oPoW to Bitcoin as a soft fork, one that would allow users to run the old version without causing a split in the network. This is a potentially important point, as hard fork proposals have historically been highly contentious among bitcoiners. The most famous example is the Bitcoin Cash hard fork that stemmed from the virulent debate over block size and the block capacity enhancement of Segregated Witness in 2017.

In a soft-fork test phase, miners could ensure that most mining revenue would be earned using the current mining algorithm and a small percentage using oPoW. This could create sufficient incentive for oPoW to be stress-tested and to incentivize the manufacture of dedicated oPoW miners. If this test phase were successful, the breakdown could be adjusted over time such that oPoW accounts for up to 100% of Bitcoin's mining activity. If unsuccessful, it could be phased out.

….

- **The NFL will now let teams seek limited blockchain sponsorships, but cryptocurrency promotion remains banned.**

The National Football League, in a memo issued Tuesday, granted teams limited permission to seek blockchain sponsorships, a partial reversal from late last summer, as the technology grows in popularity among the organization's fans and athletes.

The league said it made the decision to allow "promotional relationships without undertaking excessive regulator or brand risk" after it completed an evaluation of the technology. The permissions, which are subject to the NFL's approval, exclude stadium signage. For now, restrictions remain in place for specific cryptocurrencies and fan tokens, which can be exchanged for merchandise and experiences.

"Clubs will continue to be prohibited from directly promoting cryptocurrency," the memo reads.

The NFL's decision also comes after its recent lobbying push related to blockchain. CNBC reported in February that the NFL lobbied the Securities and Exchange Commission on "issues related to blockchain technology" from July through December 2021. The NFL also lobbied the White House Office and the Departments of Justice and Commerce.

"In this evolving regulatory environment, it remains essential that we proceed carefully when evaluating potential commercial opportunities involving blockchain technologies and conduct appropriate diligence on all potential partners and their business models," the memo reads.

The memo comes days ahead of the NFL's annual meetings, which start Saturday in Florida. The league will update team owners on business initiatives, including the revised blockchain guidelines. It's the first time the league will hold the meetings in person since 2019 due to the pandemic.

CNBC obtained a copy of the memo issued by NFL chief revenue officer Renie Anderson and chief media business officer Brian Rolapp. The update comes after the NFL and the players union stuck a deal with blockchain company Dapper Labs to produce video collectibles. Panini has the league's NFT trading card rights. In addition, the NFL approved media partners to allow blockchain advertisements during its games for the first time during the 2021 season.

Joe Ruggiero, the NFL's head of consumer products, told CNBC the team deals with blockchain companies will not exceed three years, "so that it gives us flexibility for the long-term." Ruggiero added the NFL could put its official blockchain rights on the marketplace, too.

It's unclear how much the NFL would seek. CNBC previously reported that the National Basketball Association struck a deal with Coinbase worth $192 million over four years. Likewise, cryptocurrency platform FTX's $10 million deal with the NBA's Golden State Warriors could be a blueprint for potential deals between blockchain-linked companies and NFL teams under the newly issued guidance.

"We're extremely bullish on blockchain technology," Ruggiero said. "We think that it has a lot of potential to really shape innovation, shape fan engagement over the course of the coming decade."
Blockchain tech serves as digital ledgers similar and is used for cryptocurrencies like bitcoin. It also effectively gives virtual collectibles like nonfungible tokens, or NFTs, unique and non-hackable certificates of authenticity. Tuesday's memo also granted teams limited permissions on NFTs.
"Subject to League approval, Clubs may now accept advertising (without use of club marks and logos, unless in connection with a League NFT deal) for NFTs and NFT companies," the memo reads. Yet the league will continue to prohibit teams from "engaging in product licensing arrangements or sponsorships for NFTs or NFT companies (other than as permitted in connection with League-level NFT partnerships)," it adds.
NFL stars such as Tom Brady and Rob Gronkowski have capitalized from the blockchain marketplace with NFT deals. Brady's NFT platform, Autograph, raised $170 million in January, according to Bloomberg.
E-commerce giant Fanatics – which the NFL co-owns –invested in NFT company Candy Digital. That firm launched in 2021 and locked up Major League Baseball NFT rights. In October, CNBC reported Candy Digital is valued at $1.5 billion after a raise from investors, including NFL legend Peyton Manning.
Ruggiero said the NFL would continue to evaluate its remaining restrictions on blockchain-related technologies.
"Everything is changing so quickly – we all have to be looking at the next areas of innovation," he said. "So, we're spending a lot of time looking at where the future might go."

- **Bitcoin's Correlation to S&P 500 Hits 17-Month High.**

The perennial debate of whether bitcoin (BTC) is a gold-like haven asset, or a risky investment may heat up as the cryptocurrency's sensitivity to stock markets has increased amid concerns that the Federal Reserve's aggressive tightening plans may tip the U.S. economy into recession.
The 90-day correlation between bitcoin and Wall Street's benchmark equity index, the S&P 500, rose to 0.49% on Friday, the highest since October 2020, according to data tracked by Arcane Research.
"Bitcoin's correlation to the S&P 500 has only been higher for five days in BTC's history, showing that the current correlation regime is unprecedented in BTC's history," according to Arcane Research's weekly newsletter published on Tuesday.
The correlation has strengthened alongside a relentless tightening of the U.S. Treasury yield curve, a sign the Fed may have a hard time avoiding much-feared stagflation with rapid-fire interest rate rises without destabilizing the economy. The yield curve, represented by the spread between the 10- and two-year yields, is now just 20 basis points (bp) short of inversion, a recession indicator.
So, the long-held crypto market belief of bitcoin being a digital haven is yet to come to fruition.
"I wish I could say that crypto is really responding to fundamentals [high inflation], but I think the chief fundamental here is the crypto is responding to the rise in equity prices," Marc Chandler, managing director and chief market strategist at Bannockburn Global Forex, told CoinDesk TV when asked about bitcoin's recent rise.
The cryptocurrency has risen 8% since the Fed raised borrowing costs by 25bp last Wednesday and raised inflation forecasts. The move has some wondering whether investors are parking money in the cryptocurrency to hedge against inflation.
However, the ascent seems to have been powered by the uptick in the stock markets. The S&P 500 has risen 6% since the Fed rate hike and the tech-heavy Nasdaq index has rallied by 8.7%, according to data provided by charting platform TradingView.
"What I am interested in is the change in bitcoin and change in Nasdaq and what you find is the correlation is over 60%," Chandler said. "The stock market [has been] going bid."
According to Noelle Acheson, head of market insights at CoinDesk's sister company Genesis Global Trading, macroeconomic and geopolitical uncertainties seem to be keeping bitcoin from drawing store of value bids.
"One of the main reasons is uncertainty. Bitcoin is a volatile asset, and in times of uncertainty, harnessing that volatility – which is usually a feature, not a bug – is difficult enough to dissuade even the most experienced volatility traders. This is especially acute in the current market, given that the uncertainty is driven largely by the war in Europe, and it is hard to predict outcomes when we do not know if the news emerging from the conflict zone is trustworthy," Acheson said in a LinkedIn post.

News Flow

"The outlook for rates is also a source of significant market uncertainty, as last week's hike of 25bp will not make a dent in the inflation already hurting consumers' pockets, let alone that which is yet to come," Acheson added.
Bitcoin was last seen trading near $42,180, representing a 0.8% drop on the day. Since late January, the cryptocurrency has been restricted between $36,000 to $45,000.
Per Acheson, bitcoin needs "either renewed speculation or new macro investment to be able to break out of the current range."

➢ Ray Dalio's Bridgewater Investing in Crypto Fund.

Bridgewater Associates is preparing to back its first crypto fund.
The world's largest hedge fund is planning to back an external vehicle, two people told CoinDesk. It has no current intention of directly investing in crypto assets itself, one of the sources said.
It's the clearest signal to date that the world's largest hedge fund, currently with $150 billion in assets under management (AUM), is taking crypto seriously as an asset class – aside from founder Ray Dalio's announcement in May 2021 of a personal investment in bitcoin (BTC).
That said, the size of Bridgewater's investment is minuscule compared to its total AUM, one of the sources said, and other prominent crypto investors are in talks to invest in the fund.
When reached last month by CoinDesk, a Bridgewater spokesperson said the firm did not currently have plans to invest in cryptocurrencies – despite four people saying the hedge fund giant was due to enter the space by mid-2022.
"While we won't comment on our positions, we can say Bridgewater continues to actively research crypto but is not currently planning on investing in crypto," a Bridgewater representative told CoinDesk via email on Feb. 22. Bridgewater issued a report on institutional crypto trends in January.
The spokesperson did not provide a response to a request for comment sent Monday.
Connecticut-based Bridgewater was founded in 1975 by Harvard Business School graduate Dalio from his Manhattan apartment. Something of a talismanic figure in the world of investing, he has been public about personally holding bitcoin, referring to it as "one hell of an invention."
Bridgewater is plotting a similar path to London-based hedge fund Marshall Wace, which was reported to be standing up a crypto fund, along the same lines as Point72 and Brevan Howard.
Some sources were light on details about the tie-up, but the people CoinDesk spoke with agreed on a rough timeline for Bridgewater's crypto debut.
"Bridgewater is in a first-half plan this year," said one of the people in February. "They're planning on having a small slug of their fund deployed directly into digital assets."
Another person familiar with the hedge fund's crypto trading plans said: "Bridgewater is looking to get involved. They are doing serious diligence: liquidity, service providers and whatnot."

➢ Crypto.com becomes official sponsor of 2022 FIFA World Cup in Qatar.

FIFA, an international governing body for many major soccer tournaments, has announced that cryptocurrency exchange Crypto.com will be an official sponsor of its next World Cup in Qatar.
In a Wednesday announcement, the association said Crypto.com's branding will appear both inside and outside of stadiums for the FIFA World Cup Qatar 2022 scheduled to begin in November. The crypto exchange will provide opportunities for its users to attend matches and win official merchandise as part of the sponsorship.
According to FIFA chief commercial officer Kay Madati, the deal will help grow the games "on a global scale," citing Crypto.com's partnerships with other entities around the world. In November, the exchange inked a deal to rename the Los Angeles-based sports and entertainment venue Staples Center to the Crypto.com Arena for 20 years. Crypto.com has also partnered with the Australia Football League in a $25 million deal, signed a $100-million sponsorship agreement with Formula 1 and inked a 10-year $175 million sponsorship agreement with the Ultimate Fighting Championship.

News Flow

Though trading cryptocurrencies including Bitcoin (BTC) has been largely illegal in Qatar since the country's central bank announced a ban in 2018 — and reaffirmed in January 2020 by the Qatar Financial Centre Regulatory Authority — Crypto.com is likely to reach a more international crowd given the popularity of soccer on the world stage. FIFA reported that more than 3.5 billion people watched the 2018 FIFA World Cup in Russia, with more than a billion watching the final between France and Croatia.
With less than eight months until the World Cup begins, the event has been shadowed by allegations of corruption and bribery going back to the bidding process for Qatar 2022. In April 2020, the United States Department of Justice indicted three individuals connected to "the payment and receipt of bribes and kickbacks" for FIFA's selection of countries to host the World Cup, including in Russia in 2018 and the upcoming tournament in Qatar. In addition, the international non-governmental organization Human Rights Watch has alleged abuse and slave like conditions for workers hired to build the infrastructure for the event.

➢ The metaverse may bring new cyber risks. Here's what companies can do.

Imagine discussing a confidential multimillion-dollar deal with your boss. The conversation ends, and you both leave.
A while later, you both meet again, and you mention your earlier conversation — but your boss has absolutely no recollection of the deal.

What just happened?

In the metaverse, this might mean you were the victim of a hacked avatar or deepfake, said Prabhu Ram, head of the industry intelligence group at CyberMedia Research, a research and consulting firm. Deepfakes refer to manipulated digital figures that look or sound like someone else.
The metaverse has drawn hype in recent months, with companies like Meta, formerly known as Facebook, and Ralph Lauren, rushing to get their foot in the door. But unless cybersecurity risks in the metaverse are addressed, these companies may not see the success they're hoping for.
Cybercrime in the real world is already becoming more rampant.
Cybersecurity firm Check Point reported a 50% increase in overall attacks per week on corporate networks in 2021 compared to a year earlier. As businesses rush to plant their flag in the metaverse, not all may realize the full dangers of this new world, said Ram.
"Since the contours and potential of metaverse are yet to be fully realized, the overt concerns around privacy and security issues in the metaverse remain confined to only a few 'tech-aware' companies," Ram said.
"As new attack vectors emerge, they will require a fundamental realignment of today's security paradigms to identify, verify and secure the metaverse," he added.

JPMorgan released a white paper in February which recognized user identification and privacy safeguards as important elements for interacting and transacting in the metaverse.
"Verifiable credentials [should be] easily structured to enable easier identification of fellow community or team members, or to enable configurable access to varying virtual world locations and experiences," according to the white paper.
Gary Gardiner, who is head of security engineering for Asia-Pacific and Japan at Check Point Software Technologies, agreed.
The same mindset for internet security needs to be applied to the metaverse, he said, adding that security protocols should be as user-interactive as possible.
People are looking at blockchain to identify users, or "using tokens that could be assigned by an organization, or biometrics in a headset you're wearing so there's that level of trust, so you actually know who you're talking to," he said.
Gardiner also suggested having "little exclamation marks" above avatars' heads to signal that a person is untrustworthy.

As users leave trails of data around the metaverse, one major problem in the real world may also cross into the virtual reality world — the invasion of user privacy by tech companies.
The 2018 Facebook and Cambridge Analytica scandal, for example, saw millions of users' data harvested and used without consent. In the metaverse, there may be even more data available for these companies to feed on if strict regulations are not put in place to protect users.

When users are wearing devices like virtual reality headsets, organizations can collect data such as their head and eye movement or their voice, said Philip Rosedale, founder of Second Life, an online world that allows people to hang out, eat and shop virtually.
"Meaning within a few seconds, we can identify it is you exactly wearing the device. This is a very serious potential privacy problem for the virtual world," he said.

Microsoft co-founder Bill Gates predicted in a blog post in December that within the next two to three years, most virtual meetings will move to the metaverse.
For businesses to safely operate in the metaverse, Gardiner said, it's important to train staff well.
"The weakest point in any organization from a cybersecurity perspective is the user," he explained.
If an attack hits the metaverse, users will be in a stronger position if they have that level of training and understanding of what is suspicious, he said.
While companies should implement risk mitigation strategies, both Rosedale and Gardiner said that maintaining privacy ultimately depends on the type of security platforms and safety models the metaverse puts in place for organizations.
Citing LinkedIn, a professional networking site, as an example, Rosedale said users will need to be able to use a "web of trust" to exchange information with others to establish trust more easily.
Identifying people, you trust and sharing that information with other trusted people will allow you to assess whether you have friends in common with someone new, he added.
Meanwhile, Gardiner said companies involved in designing the metaverse will have to work together to establish a common standard that will enable security protocols to be deployed effectively.
"The foundation [of the metaverse] has to be done well because if the foundation is weak and it's not done well, people will lose confidence in the platform and we'll stop using it," Gardiner said.

- **'A total disaster': Crypto firms face being booted from the UK as a key deadline approaches.**

A slew of cryptocurrency companies could be forced to wind down their business in the U.K. if they fail to register with the finance watchdog ahead of a key deadline next week.
From Mar. 31, firms operating crypto services in Britain must be registered with the Financial Conduct Authority, which is tasked with overseeing how digital asset firms combat money laundering.
Last year, the regulator extended the deadline allowing firms on a temporary register to continue trading while they sought full authorization — it'll close once the deadline passes. The FCA said many crypto companies had withdrawn their applications as they were not meeting the required anti-money laundering standards.
Now, with just days to go until the new deadline elapses, the fate of firms on the temporary register — including $33 billion fintech firm Revolut and Copper, a crypto start-up that counts former U.K. Finance Minister Philip Hammond as an advisor — hangs in the balance.

Many industry insiders have expressed frustration with the FCA's handling of the crypto register.
One lawyer advising crypto companies on their applications said the regulator had been slow to approve applications and was often unresponsive, a sentiment echoed by other figures in the sector.
"The process has been a total disaster from the FCA's side of things," the lawyer told CNBC, speaking on the condition of anonymity due to the sensitive nature of the matter.
An FCA spokesperson said it has approved just 33 crypto firms' applications so far. More than 80% of the firms it has assessed to date have either withdrawn their applications or been rejected.
"We've seen a high number of the cryptoasset businesses applying for registration not meeting standards there to help ensure firms are not used to transfer and or disguise criminal funds," the spokesperson said.
"Firms that do not meet the expected benchmark can withdraw their application. Firms that decide not to withdraw have the right to appeal our decision to refuse, including through the courts."

News Flow

Gemini, the crypto exchange operated by Tyler and Cameron Winklevoss, was among the first firms to get approved by the FCA.
Blair Halliday, Gemini's head of U.K., said the licensing regime is important as it provides customers the assurance that they're dealing with a firm that has undergone rigorous scrutiny.
"Getting a crypto asset registration in place was a critical step for crypto in this country," Halliday told CNBC. "It gave firms that really have that desire to seek regulatory approvals something to demonstrate as a key differentiator."
Crypto industry association Global Digital Finance's Lavan Thasarathakumar said there has been "a lot of frustration" over the process.
"Fundamentally, it has been too slow," Thasarathakumar said, adding that the FCA has been dealing with a "huge backlog" of applications for the register.
And some companies are still withdrawing their applications.
That includes B2C2, the London-based crypto trading firm, which recently withdrew from the FCA's temporary register. Since Monday, all of B2C2's spot trading activity has shifted to the company's U.S. entity. The firm said its derivatives business is unaffected as it is handled by an FCA-authorized subsidiary.
"We are committed to ensuring this move causes as little disruption as possible and are working closely with our clients to ensure they continue to have a seamless trading experience with us," a B2C2 spokeswoman told CNBC via Telegram.
Firms that have had their applications rejected by the FCA can appeal, but the process is a long one and could need to go through the courts.
A tribunal recently sided with the FCA's decision to refuse an application from the crypto exchange Gidiplus.

Mauricio Magaldi, global strategy director for crypto at the fintech consultancy 11:FS, said the current regulatory direction of the U.K. puts the country at risk of falling behind the U.S., European Union and other regions.
President Joe Biden has signed an executive order calling for coordination from the government on oversight of digital currencies, while EU lawmakers recently voted down a proposal that would have effectively banned bitcoin mining in the bloc.
"While major jurisdictions are spotting the opportunity and the risk, the U.K. is emphasizing the risk," Magaldi told CNBC. "By moving too fast and too narrow, rules and timeframes create hurdles to crypto firms that could potentially displace them from the U.K. market."
Industry representatives fear this could put the U.K. at a disadvantage at a time when it is vying to be a global leader in financial innovation post-Brexit. The country is home to a thriving fintech industry, attracting nearly $12 billion in investment last year.
But fast-growing fintechs like Revolut and Copper may soon be forced to wind down their crypto activities in Britain and move offshore if they don't make it onto the full register. Both companies declined to comment when contacted by CNBC.
Firms like PayPal and Coinbase, which sell crypto services in the U.K. through overseas subsidiaries, will be unaffected.

- **BlackRock's Fink says Russia-Ukraine war could accelerate use of cryptocurrencies.**

Russia's invasion of Ukraine could accelerate the adoption of digital currencies by central banks, according to BlackRock's Larry Fink.
The CEO of the $10 trillion-asset money manager called it one of the "less discussed" outcomes of the war, which began one month ago, in his annual letter to shareholders Thursday.
"The war will prompt countries to re-evaluate their currency dependencies," he said. "Even before the war, several governments were looking to play a more active role in digital currencies and define the regulatory frameworks under which they operate."
Fink cited the U.S. Federal Reserve as an example, which recently published a white paper examining the pros and cons of a potential U.S. central bank digital currency.
"A global digital payment system, thoughtfully designed, can enhance the settlement of international transactions while reducing the risk of money laundering and corruption," Fink added. "Digital currencies can also help bring down costs of cross-border payments, for example when expatriate workers send earnings back to their families."
After the war began and the U.S. imposed sanctions on Russia targeting its central bank, crypto was thrusted into the spotlight. Transactions on centralized bitcoin exchanges in both the Russian ruble and the Ukrainian hryvnia surged to their highest levels in months after the war began, and stablecoins like Tether showed they can play a more important role as a safe haven asset – or in circumventing sanctions.

News Flow

BlackRock clients have shown “increasing interest” in digital currencies, including stablecoins and “the underlying technologies” – also known as blockchain – Fink said. The company has been studying the emerging asset class to “to understand how they can help us serve our clients” as a result.

Fink didn’t specify any digital currencies the company is studying. Digital currency as a group has broken out into several different emerging asset classes in the past year including bitcoin itself, other alternative cryptocurrencies, smart contracts platforms like Ethereum, decentralized finance tokens, central bank digital currencies, stablecoins and NFTs.

The BlackRock CEO has previously spoken with optimism about the future of “digital currencies” but has remained cautious about bitcoin and its volatility. In November he told CNBC’s “Squawk Box” he’s “not a student of bitcoin and where it’s going to go” but added “I do believe there is a huge role for a digitized currency.”

BankMed (Suisse) SA
Rue du Mont-Blanc 3, P.O. Box 1523, 1201 Geneva, Switzerland
Tel: +41 22 906 06 06| Fax: +41 22 906 06 07
info@bankmed.ch | www.bankmed.ch | VAT: CHE-103.519.492

Your CRYPTO Weekend Wire

Figures and Charts

BTC	44 142.36	Weekly Change
Week Low	Week High	7.55%
40 520.99	44 389.17	
Circulating Supply		
		18 993 212.00
Market Cap		
$		836 251 474 115.00

	3 135.60	Weekly Change
Week Low	Week High	10.90%
2819.01	3148.60	
Circulating Supply		
		120 102 634.00
Market Cap		
$		375 485 325 250.00

BANKMED (SUISSE) s.a.

BankMed (Suisse) SA
Rue du Mont-Blanc 3, P.O. Box 1523, 1201 Geneva, Switzerland
Tel: +41 22 906 06 06| Fax: +41 22 906 06 07
info@bankmed.ch | www.bankmed.ch | VAT: CHE-103.519.492

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.

Sources: blockspot.io/crypto-dictionary

BankMed (Suisse) SA
Rue du Mont-Blanc 3, P.O. Box 1523, 1201 Geneva, Switzerland
Tel: +41 22 906 06 06| Fax: +41 22 906 06 07
info@bankmed.ch | www.bankmed.ch | VAT: CHE-103.519.492

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

BankMed (Suisse) SA
Rue du Mont-Blanc 3, P.O. Box 1523, 1201 Geneva, Switzerland
Tel: +41 22 906 06 06| Fax: +41 22 906 06 07
info@bankmed.ch | www.bankmed.ch | VAT: CHE-103.519.492

Your CRYPTO Weekend Wire
Glossary

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

E

- **ERC-20:** ERC20 coins are all tokens on the Ethereum blockchain. These coins are also supported by most Ethereum wallets.

- **ETF:** ETF is an abbreviation for 'Exchange-Traded-Fund' or a listed fund on a stock exchange. This is a tradable product (security) that follows the price of an underlying asset. Examples are an equity index, a basket of certain securities, bonds and commodities. There are several applications for a Bitcoin ETF, but none of these has yet been approved by the SEC in the United States of America.

- **Ethereum:** Ethereum (ETH) is 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.

Sources: blockspot.io/crypto-dictionary

BankMed (Suisse) SA
Rue du Mont-Blanc 3, P.O. Box 1523, 1201 Geneva, Switzerland
Tel: +41 22 906 06 06| Fax: +41 22 906 06 07
info@bankmed.ch | www.bankmed.ch | VAT: CHE-103.519.492

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.

Sources: blockspot.io/crypto-dictionary

BankMed (Suisse) SA
Rue du Mont-Blanc 3, P.O. Box 1523, 1201 Geneva, Switzerland
Tel: +41 22 906 06 06| Fax: +41 22 906 06 07
info@bankmed.ch | www.bankmed.ch | VAT: CHE-103.519.492

Your CRYPTO Weekend Wire
Glossary

N

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

O

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

P

- **Paper Wallet:** A paper wallet is an alternative to a hardware or software wallet. It is a piece of paper or a PDF containing the information to access the cryptocurrency in that wallet. It normally consists of a 'public key' and a 'private key'.

- **Permissioned Blockchain/ledger:** Anyone can mine Bitcoins because it is a public blockchain. This is not the case with a permissioned blockchain. There is a layer above it that determines which entity can write transactions in a block. The XRP coin from the company Ripple Labs is an example of such a blockchain and has CGI, MIT and Microsoft as approved entities for example. These are called "transaction validators".

- **PoA (Proof of Authority):** PoA stands for 'Proof of Authority'. This is a validation method to process transactions and blocks in a blockchain only by approved accounts. These are known as 'validators' and run specific software to store the transactions in blocks. Since the identity is linked to the system, it can contribute to more trust.

- **Private Key:** A private key in the crypto space can be defined as the combination of letters and numbers that corresponds to a specific public key. The private key can be used to gain access to the assets on that public key, also known as the wallet address. Once you share your private key with somebody, store it on your computer in plain text or type it in a website or app, you risk losing all your funds stored on its a corresponding public address.

- **Public Key:** A public key in the crypto space can be defined as a combination of letters and numbers and forms the address to which the cryptocurrencies or tokens can be sent to. Everybody who knows the public key of somebody can see the assets stored on that address. Only the owner of the corresponding private key can send those assets out.

Sources: blockspot.io/crypto-dictionary

BankMed (Suisse) SA
Rue du Mont-Blanc 3, P.O. Box 1523, 1201 Geneva, Switzerland
Tel: +41 22 906 06 06| Fax: +41 22 906 06 07
info@bankmed.ch | www.bankmed.ch | VAT: CHE-103.519.492

Your CRYPTO Weekend Wire
Glossary

Q

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

S

- **Satoshi Nakamoto:** Satoshi Nakamoto is the alias of the creator of Bitcoin, who wants to remain anonymous. Nobody knows who it is. It could be a person, a group, a company or even a government. It is quite likely that it is a person because there are people who have communicated with him or her via e-mail.

- **SEC:** SEC is the abbreviation of 'Securities and Exchange Commission'. This is an independent government organization of the United States of America. The SEC holds the primary responsibility regarding the financial markets. They enforce the federal securities laws, propose new rules and regulate the US financial markets.

- **Stablecoin:** Stablecoins are tokens or cryptocurrencies attempting to have a minimized volatility of its price. It usually tries to keep a stable price of a related asset like USD for example. It can be backed by the related asset or replicated using smart contracts. Stablecoins are usually pegged to fiat money, but it's also possible to be pegged to precious metals like gold or silver, or even other assets. It enables an easily accessible way to store crypto wealth, temporarily, in a more stable asset during market volatility instead of using the traditional financial ecosystem. Fiat withdrawals can take a few days and could be costly as well.

T

- **Tether:** The Tether is often abbreviated as USDT on exchanges. This is a non-government regulated 'stablecoin' with a value of around 1 US dollar. The company behind this coin claims that every Tether in circulation is covered with real dollars on their bank account.

- **Total Supply:** The 'total supply' indicates the number of coins already in circulation, supplemented with the coins that are not tradable yet. So, it only applies to coins already in existence. This is different from the 'max supply', in which future coins are included. The total supply is greater than or equal to the 'circulating' supply'. It can consist of tradable and non-tradable coins, such as reserved or not yet released coins for the team or investors.

- **Transaction Fee:** The 'transaction fee' is the amount that must be paid to execute transactions on the Blockchain. This fee is usually paid to the 'Miners', but sometimes they are burned. There are also several cryptocurrencies, where you don't have to pay a fee.

Sources: blockspot.io/crypto-dictionary

BankMed (Suisse) SA
Rue du Mont-Blanc 3, P.O. Box 1523, 1201 Geneva, Switzerland
Tel: +41 22 906 06 06| Fax: +41 22 906 06 07
info@bankmed.ch | www.bankmed.ch | VAT: CHE-103.519.492

Your CRYPTO Weekend Wire
Glossary

W

- **Wallet:** A 'wallet' is a place to store cryptocurrencies encrypted. There are several variants, such as a paper wallet, hardware wallet or software wallet. Each coin has one or more supported wallets.

- **Whale:** A 'whale' is someone with a very large position in a coin.

- **Whitepaper:** A 'whitepaper' is a document that is almost always written for the launch of a new coin through an ICO. All aspects of a coin should be explained here: how it is used, for what and sometimes also the price expectation. After the ICO new versions can be released if the situation changes.

Y

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

Sources: blockspot.io/crypto-dictionary

BANKMED (SUISSE) s.a.

BankMed (Suisse) SA
Rue du Mont-Blanc 3, P.O. Box 1523, 1201 Geneva, Switzerland
Tel: +41 22 906 06 06| Fax: +41 22 906 06 07
info@bankmed.ch | www.bankmed.ch | VAT: CHE-103.519.492