

#### ➤ **China's property sector could be turning around, but red-hot growth may be a thing of the past.**

The tide may be turning on China's battered real estate market.

Investor confidence in the sector appears to be improving, as bond trading volumes and prices rose in recent weeks, in part boosted by the government's promise to support the sector and some loosening of policies.

But analysts say China's high-growth property market may be a thing of the past, set to be "changed forever" following the recent shakeup in the sector.

S&P Global Ratings said in an early April report that China's policy crackdown on its residential housing market has "bottomed," but that it will take several quarters for markets to feel the effects of the regulatory easing.

"When China's residential market emerges from this correction, it may be changed forever," S&P said. "We anticipate fewer developers will be able to employ the highly leveraged, fast-churn strategy that brought past success."

Recent reports show that some cities and banks are willing to support real estate again after a plunge in home sales in the last few months. Since March, due to weakening market demand, banks in more than 100 cities in China have lowered mortgage rates by an average of 20 to 60 basis points, Zou Lan, director of the People's Bank of China's financial markets department, told reporters Thursday.

He also noted how Covid had affected some people's income and their ability to pay mortgages on time.

"The government's stance [is] trying to prevent the contagion, preventing the spillover from the real estate sector spillover to the real economy," Gary Ng, Asia-Pacific economist at Natixis, told CNBC in a phone interview earlier this month.

Any change in China's real estate industry has significant implications for the economy since property and related sectors account for roughly a quarter of GDP, according to Moody's. The latest wave of Covid restrictions has added pressure to growth that was already slowing.

"The measures may have been too tight. Now we see this fine tuning of the policy," Ng said. "The worst time is over basically for those developers who are broadly in line with the current regulatory target or framework."

The problems of real estate developers in China came to a head after the authorities rolled out the so-called "three red lines" policy in August 2020, aimed at reining in developers after years of growth fueled by excessive debt. The policy places a limit on debt in relation to a firm's cash flows, assets and capital levels.

While many developers reduced their debt levels accordingly, a result of the policy was that banks became less willing to lend to the sector. Against this backdrop, Evergrande, the world's most indebted developer, fell into default for the first time late last year. As the debt crisis unraveled, other Chinese developers also started showing signs of strain – some missed interest payments, while others defaulted on their debt altogether.

The bond issuance in Asia's high yield bond market, dominated by Chinese real estate developers, slumped in the first quarter of this year. The region issued only \$4.4 billion worth of debt, about 85% lower than a year ago, according to data from Dealogic.

"This was a result of Chinese property developers largely being cut off from the bond market amid a growing number of stressed and distressed situations in the sector," said Dealogic.

However, sentiment turned around slightly in mid-March after China signaled support for its companies and indicated that authorities would work toward stability in its struggling real estate sector.

Bond trading volumes in the real estate debt market jumped to nearly \$700 million in mid-March, a nearly 20% increase from over \$583 million traded in the beginning of the month, according to data from electronic fixed income trading platform MarketAxess.

By late March, volumes increased further to cross \$700 million, before falling back slightly again in April.

Bond prices also rose correspondingly. The Ice Bofa Asian dollar high-yield corporate index has climbed more than 15% in the period between mid-March to the beginning of April.

Three provinces have also loosened their policies, which include removing restrictions on home purchases for those without full local residency status — and that should lift short-term sentiment, said Nomura in a report on April 4.

"These policy relaxation measures are in line with our expectation and confirm the local governments' increasing awareness and efforts to counter the rapid deterioration in the physical property market," Nomura said, citing government data that sales across 30 major cities were down 47% year-on-year in March.

Natixis' Ng said larger developers, especially state-owned ones, can buy land or acquire other real estate assets at cheaper prices now. He noted the firm's analysis found that seven out of 10 land acquisitions year-to-date were by state-owned enterprises, in a sign that the private sector was still struggling.



## Your Weekend Wire

### News Flow

Earlier this month, developer Kaisa announced it entered a strategic cooperation with China Merchants Shekou Industrial Zone Holdings and China Great Wall Asset Management, both of which are state-owned. The agreement is set to include joint ventures and asset acquisitions, a Hong Kong exchange filing showed.

Despite the optimism, the situation ahead for developers could deteriorate further, according to analysts.

S&P pointed out that so far, the policy relaxation has applied to the demand side, and not for supply of units.

“Supply may be limited even if homebuyer sentiment improves because funds are prioritized to complete presold homes and repay debt,” it said in a briefing last week. “Defaults will rise as [the] down cycle persists under the shadow of sluggish sales, [continued] narrower funding channels due to lack of confidence.”

The ratings agency said it believed that 20 developers are now facing a liquidity crunch – and another 4% could be at risk under the joint venture model.

Earlier this year, several developers announced they would not be able to release financial results on time.

Despite news of more support for real estate, Ng said Beijing’s tone remains focused on preventing speculation in the once-hot market, which means home prices aren’t going to increase that much.

As a result, companies that once profited from surging home prices are going to need to adapt, he said. “We will see developers not [be] able to repay their debt.”

The fundamental takeaway from recent developments is that China’s policy toward property investment has changed, the analysts said.

“Over the long term, policy will be guided by the principle that ‘housing is for living, not speculation,’” S&P Global said. “The new business models will, at least to some degree, need to fit that objective.”

Back in October, Eric Xin, managing director at Citic Capital, said at an AVCJ investing conference in Beijing that real estate will likely become a public utility so more people can afford housing in China.

“That’s why you see all the developers are in trouble, because utilities should be dominated by SOEs,” said Xin, also managing partner at Trustrar Capital. “It shouldn’t be a big focus [of] capital. On the other hand, capital should go into innovation.”

#### ➤ **Musk says Twitter board will be paid nothing if he acquires the company.**

Elon Musk said Monday that Twitter’s board of directors won’t be compensated for serving if he acquires the company.

“Board salary will be \$0 if my bid succeeds, so that’s ~\$3M/year saved right there,” Musk said in a tweet.

It’s not clear who would be appointed to serve the board of a Musk-owned Twitter. Currently, Twitter spends about \$2.9 million in cash and stock awards to board members, according to a filing with the SEC. Executives do not receive additional compensation for their seats, so that does not include payments for CEO Parag Agrawal and former chief Jack Dorsey.

The Tesla and SpaceX CEO has been on a tear to acquire Twitter. After building up more than 9% in stock, Musk offered to buy Twitter in a deal valued at about \$43 billion. In response, Twitter adopted a limited duration shareholder rights plan, often referred to as a “poison pill,” to fend off a potential hostile takeover. Musk may also be considering a potential tender offer to Twitter shareholders to take control of the company.

The outspoken executive has argued Twitter needs to be “transformed” into a private company so it can become a forum for free speech. He’s also said that Twitter’s board members’ interests “are simply not aligned with shareholders” and that the board “owns almost no shares” of the company.

#### ➤ **Price of corn hits 9-year high as surge in commodities continues.**

The surging price of corn hit another milestone on Monday morning as the cost of global commodities continues to push higher.

The contracts for July corn futures were trading above \$8 per bushel on Monday, the highest level since September 2012. The contracts were trading near \$6 per bushel at the start of the year.

Corn is just one of several agriculture commodities that has seen surging prices in recent weeks, in part due to the war in Ukraine. Ukraine is a major exporter of wheat and other items, such as sunflower oil, while Russia is a key producer of wheat and many of the chemicals used in fertilizer.

That is leading futures traders to bet that higher input costs and more demand for corn as a substitute food item will drive up the price. Even prior to the war, agricultural commodities were seeing some upward pressure amid supply chain disruptions and high transportation costs that are contributing to inflation throughout the economy. Drought in the western U.S. and elsewhere in the world has also driven prices higher.

In addition to global supply concerns hitting agricultural commodities broadly, corn also has a potential source of additional demand. President Joe Biden announced last week that his administration would temporarily allow the sale of higher-ethanol gasoline over the summer to offset rising energy costs. Summer is typically one of the highest demand periods for gasoline in the U.S.

The rising price of corn and other food commodities are contributing to the highest inflation rate the U.S. has seen since the 1980s, leading the Federal Reserve to start raising interest rates. Some economists and Wall Street strategists are worried that, in the process of trying to slow inflation, the central bank could tip the country into a recession.

The World Bank warned earlier this month that global food insecurity was likely to rise this year due to the higher prices.

### ➤ **IMF cuts global growth forecasts on Russia-Ukraine war, says risks to economy have risen sharply.**

The International Monetary Fund on Tuesday cut its global growth projections for 2022 and 2023, saying the economic hit from Russia's unprovoked invasion of Ukraine will "propagate far and wide."

The Washington-based institution is now projecting a 3.6% GDP rate for the global economy this year and for 2023. This represents a 0.8 and 0.2 percentage point drop, respectively, from its forecasts published in January.

"Global economic prospects have been severely set back, largely because of Russia's invasion of Ukraine," Pierre-Olivier Gourinchas, economic counsellor at the IMF, said in a blogpost Tuesday, marking the release of the IMF's latest World Economic Outlook report.

Russia launched its invasion of Ukraine on Feb. 24 with officials like NATO's Jens Stoltenberg noting that Moscow is hoping to gain control of the whole of its neighbor.

"The effects of the war will propagate far and wide, adding to price pressures and exacerbating significant policy challenges," Gourinchas said in his blogpost.

The World Bank also cut its global growth expectations earlier this week, now estimating a growth rate of 3.2% from 4.1% for 2022.

The United States, Canada, the U.K. and the European Union have imposed several rounds of sanctions targeting Russian banks, oligarchs and energy.

The IMF said these penalties will have "a severe impact on the Russian economy," which estimated that the country's GDP will fall by 8.5% this year, and by 2.3% in 2023.

However, the Fund has forecast an even bleaker assessment for the Ukrainian economy.

"For 2022, the Ukrainian economy is expected to contract by 35%," the IMF said in its latest economic assessment, while adding that more precise analysis on the economic hit were "impossible to obtain."

"Even if the war were to end soon, the loss of life, destruction of physical capital, and flight of citizens will severely impede economic activity for many years to come," the institution said.

More broadly, Russia's decision to invade Ukraine has intensified supply shocks to the global economy, while also bringing about new challenges.

"Russia is a major supplier of oil, gas, and metals, and, together with Ukraine, of wheat and corn. Reduced supplies of these commodities have driven their prices up sharply," the Fund said Tuesday.

This is expected to hurt lower-income households globally and lead to higher inflation for longer than previously anticipated. The IMF estimates the inflation rate will reach 7.7% in the United States this year and 5.3% in the euro zone.

"The risk is rising that inflation expectations drift away from central bank inflation targets, prompting a more aggressive tightening response from policymakers," the Fund said.

The U.S. Federal Reserve expects to hike interest rates six more times in 2022, while the European Central Bank confirmed last week it is ending its asset purchase program in the third quarter.

However, this monetary tightening could be accelerated if inflation remains high.

The latest IMF economic outlook also points to concerns about the 5 million Ukrainian refugees that have sought support in neighboring countries, such as Poland, Romania and Moldova, and the ensuing economic pressures for these nations from supporting them.

#### ➤ **Netflix shares crater 25% after company reports it lost subscribers for the first time in more than 10 years.**

Netflix on Tuesday reported a loss of 200,000 subscribers during the first quarter — its first decline in paid users in more than a decade — and warned of deepening trouble ahead.

The company's shares cratered more than 25% in extended hours after the report on more than a full day's worth of trading volume. Fellow streaming stocks Roku, Spotify and Disney also tumbled in the after-hours market after Netflix's brutal update.

Netflix is forecasting a global paid subscriber loss of 2 million for the second quarter. The last time Netflix lost subscribers was October 2011.

"Our revenue growth has slowed considerably," the company wrote in a letter to shareholders Tuesday. "Streaming is winning over linear, as we predicted, and Netflix titles are very popular globally. However, our relatively high household penetration — when including the large number of households sharing accounts — combined with competition, is creating revenue growth headwinds."

Netflix previously told shareholders it expected to add 2.5 million net subscribers during the first quarter. Analysts had predicted that number would be closer to 2.7 million. During the same period a year ago, Netflix added 3.98 million paid users.

Co-CEO Reed Hastings said the company is exploring lower-priced, ad-supported tiers in a bid to bring in new subscribers after years of resisting advertisements on the platform.

Here are the key numbers from the first-quarter report:

- **EPS:** \$3.53 vs, \$2.89, according to a Refinitiv survey of analysts.
- **Revenue:** \$7.87 billion vs. \$7.93 billion, according to a Refinitiv survey of analysts.
- **Global paid net subscriber additions:** A loss of 200,000 compared with 2.73 million adds expected, according to StreetAccount estimates.

The company said that the suspension of its service in Russia and the winding-down of all Russian paid memberships resulted in a loss of 700,000 subscribers. Excluding that impact, the company said it would have seen 500,000 net additions during the most recent quarter.

Netflix also cited growing competition from recent streaming launches by traditional entertainment companies, as well as rampant password sharing for the recent stall in paid subscriptions.

The company estimates that in addition to its 222 million paying households, access is being shared with more than 100 million additional households through account sharing. It warned a global crackdown could be coming.

Netflix was an earlier winner when Covid lockdowns sent families inside and searching for entertainment. But the company now says pandemic-era gains "clouded the picture" for the company and that it's seeing a downturn as people return to more normalized out-of-home activities.

To continue to gain share in the market, Netflix has increased its content spend, particularly on originals. To pay for it, it's hiked prices of its service. The company said Tuesday those price changes are helping to bolster revenue but were partially responsible for a loss of 600,000 subscribers in the U.S. and Canada during the most recent quarter.

While the company is exploring other options for growth, such as adding video games, analysts and investors are wondering what else Netflix can do to bolster profits.

The company's revenue increased nearly 10% to \$7.87 billion but fell short of analysts' expectations of \$7.93 billion.

Net income during the quarter ended March 31 fell 6.4% to \$1.6 billion, down from \$1.7 billion the year prior. Excluding items, the company earned \$3.53 per share, well above the \$2.89 per share analysts had expected, according to a Refinitiv survey.

The company's free cash flow amounted to \$802 million during the quarter, up from \$692 million a year earlier.

#### ➤ **IMF warns of further market sell-offs as central banks adjust policy.**

The International Monetary Fund has warned of more market sell-offs as central banks try to combat higher inflation and ease back on pandemic stimulus measures.

Market players had started the year on an optimistic footing, predicting some economic momentum on the back of an easing of Covid-19 restrictions, which would likely provide a boost to stocks. However, since Russia's unprovoked invasion of Ukraine on Feb. 24 that outlook has worsened — with further supply chain shocks and energy price rises.

"There is certainly a risk of further sell-offs," Tobias Adrian, director for monetary and capital markets at the IMF, told CNBC Tuesday.

“The intended consequences of monetary tightening is to tighten financial conditions to slow down economic activity and I would not be surprised if we were to see a certain amount of readjustment of asset valuations going forward and that could be in equity markets as well as in corporate bond markets and sovereign markets,” he added.

The Fund’s warning comes at a time of high uncertainty for some of the key central banks.

The U.S. Federal Reserve expects to hike interest rates six more times in 2022, while the European Central Bank confirmed last week it is ending its asset purchase program in the third quarter.

However, this monetary tightening could be accelerated if inflation remains high, which could impact market moves. The euro zone, for instance, registered another record level in inflation numbers last month at 7.5% on an annual basis; and the U.S. reported its highest consumer price figures since 1981.

“The risk is rising that inflation expectations drift away from central bank inflation targets, prompting a more aggressive tightening response from policymakers,” the IMF said Tuesday at its latest World Economic Outlook report.

In its latest economic assessment, the IMF said high inflation will be around for longer than previously anticipated. It also estimated the inflation rate will reach 7.7% in the United States this year and 5.3% in the euro zone.

#### ➤ **Musk to explore potential tender offer for Twitter, has \$46.5B in committed financing for deal.**

Elon Musk is exploring whether to commence a tender offer for Twitter, according to a new securities filing.

In an updated filing published on Thursday, Musk said that given the lack of response from Twitter’s board, he is now exploring a tender offer to purchase some or all shares of the company directly from its shareholders.

The filing says Musk has received commitments for \$46.5 billion to help finance the potential deal. Musk has secured about \$25.5 in debt financing through Morgan Stanley Senior funding and other firms, and Musk said he has committed about \$21 billion in equity financing. The other participating firms include Bank of America, Barclays, MUFG, Société Générale, Mizuho Bank and BNP Paribas.

Musk has not yet determined he will make a tender offer for Twitter or whether he will take other steps to further the proposal, the filing states.

Representatives from Twitter didn’t immediately respond to a request for comment.

Last week, Musk offered to buy Twitter for \$54.20 a share, or about \$43 billion. On Friday, Twitter adopted a limited duration shareholder rights plan, often referred to as a “poison pill,” in an effort to fend off a potential hostile takeover.

Musk, who’s CEO of Tesla and SpaceX, in recent weeks has amassed a more than 9% stake in the company. Twitter then extended an offer to Musk to join the board, but on the condition that Musk couldn’t buy more than 14.9% of the firm. Musk reversed course and instead made a bid to take Twitter private.

CNBC’s David Faber explained on “Squawk on the Street” that Musk will be unable to finalize a tender offer for Twitter with the poison pill defense in place.

“You have to have a negotiation with the board,” Faber said. “That is yet to happen.”

Musk first teased a tender offer on Monday, when he posted a cryptic tweet that said, “Love Me Tender.”

#### ➤ **Powell says taming inflation ‘absolutely essential,’ and a 50-basis point hike possible for May.**

Federal Reserve Chairman Jerome Powell affirmed the central bank’s determination to bring down inflation and said Thursday that aggressive rate hikes are possible as soon as next month.

“It is appropriate in my view to be moving a little more quickly” to raise interest rates, Powell said while part of an International Monetary Fund panel moderated by CNBC’s Sara Eisen. “I also think there is something to be said for front-end loading any accommodation one thinks is appropriate. ... I would say 50 basis points will be on the table for the May meeting.”

Powell’s statements essentially meet market expectations that the Fed will depart from its usual 25 basis point hikes and move more quickly to tame inflation that is running at its fastest pace in more than 40 years. A basis point equals 0.01 percentage point.

However, as Powell spoke, market pricing for rate increases got somewhat more aggressive.



## Your Weekend Wire

### News Flow

Expectations for a 50-basis point move in May rose to 97.6%, according to the CME Group's FedWatch Tool. Traders also priced in an additional hike equivalent through year's end that would take the fed funds rate, which sets the overnight borrowing level for banks but also is tied to many consumer debt instruments, to 2.75%.

Stocks also fell, sending the Dow industrials down more than 400 points and the Nasdaq, with its rate-sensitive tech stocks, lower by more than 2%. Treasury yields pushed higher, with the benchmark 10-year note most recently at 2.9%.

At its March meeting, the Fed approved a 25-basis point move, but officials in recent days have said they see a need to move more quickly with consumer inflation running at an annual pace of 8.5%.

"Our goal is to use our tools to get demand and supply back in synch, so that inflation moves down and does so without a slowdown that amounts to a recession," Powell said. "I don't think you'll hear anyone at the Fed say that that's going to be straightforward or easy. It's going to be very challenging. We're going to do our best to accomplish that."

"It's absolutely essential to restore price stability," he added. "Economies don't work without price stability."

The Fed had resisted raising rates through 2021 even though inflation was running well above the central bank's 2% longer-run target. Under a policy framework adopted in late 2020, the Fed said it would be content with letting inflation running hotter than normal in the interest of achieving full employment that was inclusive across income, racial and gender demographics.

Until several months ago, Powell and Fed officials had insisted that inflation was "transitory" and would dissipate as Covid pandemic-related factors such as clogged supply chains and outsized demand for goods over services abated. However, Powell said those expectations "disappointed" and the Fed has had to change course.

"It may be that the actual [inflation] peak was in March, but we don't know that, so we're not going to count on it," he said. "We're really going to be raising rates and getting expeditiously to levels that are more neutral and then that are actually tight ... if that turns out to be appropriate once we get there."

These will be Powell's last remarks before the May 3-4 meeting of the Federal Open Market Committee, which sets interest rates. He is the latest Fed official to say rapid action is needed to take down inflation.

Along with the rate hikes, the Fed is expected soon to start reducing the amount of bonds it is holding. The central bank's balance sheet now stands at close to \$9 trillion, primarily consisting of Treasuries and mortgage-backed securities.

Discussions at the March meeting indicated the Fed eventually will allow \$95 billion of proceeds from maturing bonds to roll off each month. Powell noted that the other than pernicious inflation, the U.S. economy is "very strong" otherwise. He characterized the labor market as "extremely tight, historically so."

Earlier in the day, he referenced former Fed Chairman Paul Volcker, who battled inflation in the late 1970s and early '80s with a series of rate hikes that ultimately led to a recession. Volcker "knew that in order to tame inflation and heal the economy, he had to stay the course," Powell said.

The Volcker Fed ultimately took the benchmark rate to nearly 20%; it currently sits in a range between 0.25% and 0.50%.

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# Your Weekend Wire

## The week ahead

Date	Time	Country	Indicator Name	Period	Reuters Poll	Prior	SmartEstimate®	Predicted Surprise
25.04.2022	10:00	Germany	Ifo Expectations New	Apr		85.1		
25.04.2022	10:00	Germany	Ifo Curr Conditions New	Apr		97.0		
25.04.2022	10:00	Germany	Ifo Business Climate New	Apr		90.8		
25.04.2022	15:00	Belgium	Leading Indicator	Apr		0.4		

Date	Time	Country	Indicator Name	Period	Reuters Poll	Prior	SmartEstimate®	Predicted Surprise
26.04.2022	01:30	Japan	Unemployment Rate	Mar		2.7%		
26.04.2022	01:30	Japan	Jobs/Applicants Ratio	Mar		1.21		
26.04.2022	14:30	United States	Durables Ex-Transport	Mar		-0.6%		
26.04.2022	14:30	United States	Durable Goods	Mar		-2.1%		
26.04.2022	15:00	United States	CaseShiller 20 YY	Feb		19.1%		
26.04.2022	15:00	United States	CaseShiller 20 MM SA	Feb		1.8%		
26.04.2022	16:00	United States	New Home Sales-Units	Mar		0.772M		
26.04.2022	16:00	United States	Consumer Confidence	Apr		107.2		

Date	Time	Country	Indicator Name	Period	Reuters Poll	Prior	SmartEstimate®	Predicted Surprise
27.04.2022	08:00	Germany	GfK Consumer Sentiment	May		-15.5		
27.04.2022	08:00	Sweden	Unemployment Rate	Mar		7.9%		
27.04.2022	08:45	France	Consumer Confidence	Apr		91		
27.04.2022	16:00	United States	Pending Sales Change MM	Mar		-4.1%		

Date	Time	Country	Indicator Name	Period	Reuters Poll	Prior	SmartEstimate®	Predicted Surprise
28.04.2022	01:50	Japan	Retail Sales YY	Mar		-0.8%		
28.04.2022	01:50	Japan	Industrial O/P Prelim MM SA	Mar				
28.04.2022	07:00	Japan	Housing Starts YY	Mar		6.3%		
28.04.2022	08:00	Sweden	Retail Sales YY	Mar		2.9%		
28.04.2022	08:00	Sweden	Retail Sales MM	Mar		-0.1%		
28.04.2022	08:00	Sweden	GDP YY Prelim	Q1		5.2%		
28.04.2022	08:00	Sweden	GDP QQ Prelim	Q1		1.1%		
28.04.2022	09:00	Sweden	Consumer Confidence SA	Apr		73.5		
28.04.2022	09:00	Sweden	Overall Sentiment	Apr		110.3		
28.04.2022	09:30	Sweden	Riksbank Rate	28 Apr				
28.04.2022	10:00	Italy	Consumer Confidence	Apr		100.8		
28.04.2022	11:00	Belgium	GDP QQ	Q1		0.5%		
28.04.2022	14:00	Germany	HICP Prelim YY	Apr		7.6%		
28.04.2022	14:00	Germany	HICP Prelim MM	Apr		2.5%		
28.04.2022	14:00	Germany	CPI Prelim YY	Apr		7.3%		
28.04.2022	14:00	Germany	CPI Prelim MM	Apr		2.5%		
28.04.2022	14:30	United States	Cont Jobless Clm	11 Apr, w/e				
28.04.2022	14:30	United States	Initial Jobless Clm	18 Apr, w/e				
28.04.2022	14:30	United States	Core PCE Prices Advance	Q1		5.0%		
28.04.2022	14:30	United States	GDP Advance	Q1		6.9%		
28.04.2022		Japan	JP BOJ Rate Decision	28 Apr				

# Your Weekend Wire

## The week ahead

Date	Time	Country	Indicator Name	Period	Reuters Poll	Prior	SmartEstimate®	Predicted Surprise
29.04.2022	07:30	France	GDP Preliminary QQ	Q1		0.7%		
29.04.2022	07:30	France	Consumer Spending MM	Mar		0.8%		
29.04.2022	08:00	Germany	Import Prices YY	Mar		26.3%		
29.04.2022	08:00	Germany	Import Prices MM	Mar		1.3%		
29.04.2022	08:00	United Kingdom	Nationwide house price yy	Apr		14.3%		
29.04.2022	08:00	United Kingdom	Nationwide house price mm	Apr		1.1%		
29.04.2022	08:30	Switzerland	Retail Sales YY	Mar		12.8%		
29.04.2022	08:45	France	Producer Prices MM	Mar		1.1%		
29.04.2022	08:45	France	CPI (EU Norm) Prelim YY	Apr				
29.04.2022	09:00	Germany	GDP Flash YY NSA	Q1		1.8%		
29.04.2022	09:00	Germany	GDP Flash QQ SA	Q1		-0.3%		
29.04.2022	09:00	Switzerland	Official Reserves Assets CHF	Mar		1 010 299.13M		
29.04.2022	09:00	Switzerland	KOF Indicator	Apr		99.7		
29.04.2022	10:00	Italy	GDP Prelim YY	Q1		6.2%		
29.04.2022	10:00	Italy	GDP Prelim QQ	Q1		0.6%		
29.04.2022	10:30	United Kingdom	Mortgage Lending	Mar		4.673B		
29.04.2022	10:30	United Kingdom	BOE Consumer Credit	Mar		1.876B		
29.04.2022	11:00	Italy	CPI (EU Norm) Prelim YY	Apr				
29.04.2022	11:00	Italy	CPI (EU Norm) Prelim MM	Apr				
29.04.2022	11:00	Italy	Consumer Price Prelim YY	Apr				
29.04.2022	11:00	Italy	Consumer Price Prelim MM	Apr				
29.04.2022	12:00	Italy	Producer Prices YY	Mar		32.8%		
29.04.2022	14:30	United States	Employment Costs	Q1		1.0%		
29.04.2022	14:30	United States	Core PCE Price Index MM	Mar		0.4%		
29.04.2022	14:30	United States	Consumption, Adjusted MM	Mar		0.2%		
29.04.2022	14:30	United States	Personal Consump Real MM	Mar		-0.4%		
29.04.2022	14:30	United States	Personal Income MM	Mar		0.5%		
29.04.2022	14:30	Canada	GDP MM	Feb		0.2%		
29.04.2022	15:45	United States	Chicago PMI	Apr		62.9		
29.04.2022	16:00	United States	U Mich Sentiment Final	Apr				

Source: Refinitiv

# Your Weekend Wire Figures

## World Currencies/PM & World Bonds

World Currencies	Last	5D Change	YTD Change
<u>EURUSD</u>	1.0819	0.08%	-4.85%
<u>EURCHF</u>	1.0334	-1.34%	0.40%
<u>EURGBP</u>	0.8397	-1.41%	0.19%
<u>EURJPY</u>	0.9552	-1.27%	-4.43%
<u>USDCHF</u>	128.39	-1.50%	-10.37%
<u>USDJPY</u>	1.2669	-0.47%	-0.25%
<u>USDCAD</u>	14.7434	-0.71%	-9.76%
<u>USDTRY</u>	1.2884	-1.35%	-4.79%
<u>GBPUSD</u>	0.7302	-1.26%	0.54%
<u>AUDUSD</u>	0.6678	-1.27%	-2.17%
<u>NZDUSD</u>	0.6678	-1.27%	-2.17%

Precious Metals	Last	5D Change	YTD Change
<u>Gold</u>	1 936.31	-2.12%	5.86%
<u>Silver</u>	24.19	-5.30%	3.80%
<u>Platinum</u>	942.67	-5.06%	-2.69%
<u>Palladium</u>	2 408.73	1.51%	26.45%

World Bonds	Last	5D Change	YTD Change
<u>US 10Y</u>	2.90	2.65%	92.21%
<u>EUR 10Y</u>	0.93	10.10%	623.73%
<u>Swiss 10Y</u>	0.89	4.56%	762.22%
<u>UK 10Y</u>	1.95	3.34%	101.03%

## Indices & Commodities

World Indices	Last	5D Change	YTD Change
<u>Dow Jones</u>	34 792.76	0.66%	-4.25%
<u>S&amp;P 500</u>	4 393.66	-1.19%	-7.82%
<u>Nasdaq</u>	13 174.65	-3.44%	-15.79%
<u>Eurostoxx 50</u>	3 869.46	1.08%	-9.98%
<u>FTSE 100</u>	7 574.34	-0.09%	2.57%
<u>CAC 40</u>	6 619.62	1.18%	-7.46%
<u>DAX</u>	14 272.14	1.39%	-10.15%
<u>SMI</u>	12 286.23	-0.75%	-4.58%
<u>Nikkei</u>	27 105.26	0.04%	-5.86%
<u>Hang Seng</u>	20 638.52	-3.44%	-11.79%
<u>CSI 300</u>	4 013.25	-4.19%	-18.77%

World Commodities	Last	5D Change	YTD Change
<u>WTI Crude</u>	102.35	-1.39%	36.09%
<u>Brent Crude</u>	106.77	-1.44%	37.27%
<u>Copper</u>	467.85	-0.54%	4.82%
<u>Nat Gas (HH)</u>	6.838	-1.71%	83.32%
<u>Corn</u>	804	0.59%	35.52%
<u>Wheat</u>	1066.25	-0.16%	35.52%
<u>Soybean</u>	1751.25	0.17%	38.34%
<u>Coffee</u>	226	-0.94%	31.80%
<u>Cotton</u>	136.8	-1.29%	-0.04%
<u>Sugar</u>	19.64	-1.16%	21.49%

Sources: Bloomberg



# Your CRYPTO Weekend Wire

**Crypto Market Cap:** \$1,884,431,065,708

**Dominance\*:** BTC: 41.1% ETH: 19.3%

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

## News Flow

### ➤ **BlackRock's Newest Investment Paves The Way For Digital Assets On Wall Street.**

Five years ago, BlackRock's chairman Larry Fink famously called bitcoin an "index of money laundering." In the years since, the world's largest asset manager, tending some \$10 trillion in client funds, has largely stayed away from digital assets.

So, when Fink wrote in his annual letter to shareholders, published in late March, that the havoc caused by Russia's invasion of Ukraine could accelerate the adoption of digital currencies, many interpreted it as a sign that the financial behemoth is finally warming up to crypto. Now, in addition to managing the primary cash reserves of USD Coin (USDC), a \$50 billion digital asset available on blockchains including Ethereum, Solana, Algorand, Stellar, Avalanche and Flow, and pegged to the value of the U.S. dollar, BlackRock has entered a broader strategic partnership with Boston-based Circle, one of the primary issuers of USDC. This was announced yesterday alongside a \$400 million funding round raised by Circle from BlackRock, Fidelity Management and Research, Marshall Wace LLP and Fin Capital. Circle is planning to make a public debut via a SPAC deal, valued at \$9 billion, by the end of this year.

While BlackRock declined to comment on the particulars of the deal, according to today's Q1 earnings call, it is looking at more than just cryptocurrencies and stablecoins, towards asset tokenization and permissioned blockchains. In June, it was reported that BlackRock was looking to hire a blockchain lead.

This partnership is also noteworthy because it is the first digital assets engagement that involves the balance sheet of BlackRock, Inc. itself. Previously, the asset manager was credited with having exposure to crypto through a 7.3% stake in MicroStrategy, the largest corporate holder of bitcoin with nearly \$5 billion worth of the cryptocurrency, and a few dozen contracts of CME bitcoin futures, USD cash-settled contracts based on a once-a-day reference rate of the U.S. dollar price of bitcoin. But those investments were made through BlackRock's subsidiaries or funds that manage clients' assets.

Speaking to Forbes, CEO of Circle, Jeremy Allaire said the partnership will "explore ways to apply USDC in traditional capital markets." Though Allaire added that the relationship has been developing for almost a year he did not disclose what percentage of the stablecoin's reserves BlackRock is managing or other details of the partnership.

Such implementations could help drive additional revenue back to Circle and BlackRock. In financial documents released with the announcement of the revised SPAC deal in February, Circle expects its USDC reserves to generate \$438 million in income in 2022, swelling to \$2.2 billion in 2023.

The deal is also a major nod of approval to USDC. Its market capitalization has swollen from \$4 billion at the beginning of last year to over \$50 billion today but has yet to catch up with Tether's \$82.5 billion. Despite the lack of transparency about the size and composition of its reserves and regulatory oversight, Tether managed to maintain its position as a preferred stablecoin among crypto investors in large part due to its early arrival in 2014.

USDC, launched by Circle and Coinbase four years later, was also criticized for its opacity in declaring its reserves, specifically when it came to the size and creditworthiness of commercial paper and corporate bonds underpinning the asset. However, last August it adjusted its risk strategy and pledged to only back the asset with physical cash and treasuries. It has also applied to become a national bank.

Now, with BlackRock's support, the stablecoin hopes to find a footing as the go-to digital asset for traditional financial institutions and investors.

The collaboration is "potentially a huge step forward in how dollar digital currency can work not just in the digital asset arena, but increasingly also in traditional finance," said Allaire.

### ➤ **Metaverse Startup The Sandbox Looks to Raise \$400M at \$4B Valuation.**

Metaverse firm The Sandbox is looking to raise \$400 million at a valuation of more than \$4 billion, according to a Bloomberg report on Tuesday.

The platform is in talks with new and existing investors, the report said, citing people familiar with the matter.

The Sandbox is a platform built on the Ethereum blockchain which allows users to buy, sell, trade and own assets in a virtual world. Assets are bought and sold in the form of non-fungible tokens (NFTs) and can represent plots of land, cars, art and other property.

Among its recent users was global bank HSBC which last month bought a plot of land in The Sandbox which it planned to develop to engage with sports, e-sports and gaming gains.

The platform's native token SAND is priced at \$2.82 at the time of writing and boasts a market capitalization of around \$3.27 billion, according to data by CoinMarketCap.

The Sandbox, which is majority-owned by blockchain gaming firm Animoca Brands, raised \$93 million in a Series B round last November led by SoftBank.

The platform did not immediately respond to CoinDesk's request for comment.

#### ➤ **US Secret Service seizes more than \$102 million in crypto assets.**

The U.S. Secret Service is cracking down on illicit digital currency transactions, seizing more than \$102 million in cryptocurrency from criminals in connection with fraud-related investigations.

David Smith, assistant director of investigations, said agents and analysts actively track the flow of Bitcoin and other cryptocurrencies on the blockchain, like an old-fashioned surveillance. Best known for protecting presidents, the Secret Service also conducts financial and cybercrime investigations.

"When you follow a digital currency wallet, it's not different than an email address that has some correlating identifiers," Smith said in an interview at the agency's headquarters. "And once a person and another person make a transaction, and that gets into the blockchain, we have the ability to follow that email address or wallet address, if you will, and trace it through the blockchain."

The seizure of more than \$102 million in crypto has occurred in 254 cases since 2015, according to statistics compiled by the agency.

Those cases include an investigation with the Romanian National Police in which 900 victims across the U.S. were targeted. That scheme involved posting false ads on popular online auctions and sales websites for luxury items that did not exist, and the delivering of invoices supposedly from reputable companies, making it appear the transactions were real. The perpetrators then engaged in a money-laundering scheme in which victims' funds were converted into digital assets, the Secret Service said.

Other cases targeted a Russian cybercrime syndicate that used a crypto exchange to launder funds as well as a ransomware operation tied to Russian and North Korean criminals in which Bitcoin payments by U.S. companies to stop the attacks were sent to the suspects' crypto wallets.

"One of the things about cryptocurrency is it moves money at a faster pace than the traditional format," Smith said, adding that the quick pace of transactions makes it attractive to both American consumers and criminals. "What criminals want to do is sort of muddy the waters and make efforts to obfuscate their activities. What we want to do is to track that as quickly as we can, aggressively as we can, in a linear fashion."

Smith was interviewed inside the agency's Global Investigative Operations Center, known as the "GIOC," in which agents and analysts track cryptocurrency transactions worldwide in a secure room at the agency's headquarters. He compared the illicit digital money trail to looking at a "house of mirrors."

Once the Secret Service pins down the illegal activity, it works to "dig a little deeper into those transactions and deconstruct [them]," Smith said. "You send me something bad on an email, I know there's some criminal activity associated with that email address, I can deconstruct, find whatever tidbits of information that you used when you initially logged in or signed up for that email address."

Investigators are finding thieves will transfer stolen Bitcoin and other digital currencies into stablecoins. So, in order to track this activity, they are watching the market. "Because, you know, the criminals, they're humans too. They want to avoid some of that market volatility associated with some of the major coins," he said.

#### ➤ **Bitcoin 'tribalism' is holding the crypto industry back, Ripple CEO says.**

"Tribalism" around bitcoin and other cryptocurrencies is holding back the entire \$2 trillion market, according to the boss of blockchain firm Ripple.

"Polarization isn't healthy in my judgement," Ripple CEO Brad Garlinghouse said in a CNBC-hosted fireside chat at Paris Blockchain Week Summit last week.

"I own bitcoin, I own ether, I own some others. I am an absolute believer that this industry is going to continue to thrive."

"All boats can rise," Garlinghouse added.

Garlinghouse, a former Yahoo executive, compared the crypto industry today to the dotcom era of the late 1990s and early 2000s.



# Your CRYPTO Weekend Wire

## News Flow

“Yahoo could be successful and so could eBay ... They’re solving different problems,” he said. “There’s different use cases and different audiences and different markets. I think a lot of those parallels exist today.”

There are now tens of thousands of cryptocurrencies in circulation, worth a combined \$2 trillion, according to CoinGecko data.

Some digital coins have attracted quite a dedicated following — not least bitcoin, whose hardcore advocates are often referred to as “maximalists.”

Twitter co-founder Jack Dorsey and MicroStrategy CEO Michael Saylor are among the so-called maximalists who support only bitcoin and not other cryptocurrencies.

Garlinghouse said such maximalism has meant the crypto industry has “fractured representation” when it comes to lobbying U.S. lawmakers.

Last month, President Joe Biden signed an executive order calling on the government to examine the risks and benefits of cryptocurrencies.

“The lack of coordination in Washington, D.C., amongst the crypto industry, I find to be shocking,” he said.

Ripple is often linked with XRP, a cryptocurrency the company uses for cross-border payments.

The company owns a majority of the 100 billion XRP tokens in circulation, which it periodically releases from an escrow account to keep prices stable.

Ripple is in court with the Securities and Exchange Commission over allegations that it illegally sold over \$1 billion worth of XRP in an unregistered securities offering. The company argues XRP should be considered a virtual currency, not a security.

### ➤ **Australia’s First Bitcoin ETF to Be Listed Next Week.**

Cosmos Asset Management’s Bitcoin ETF, Australia’s first bitcoin exchange-traded fund, will be listed on the Cboe equities trading platform next week, Australian Financial Review reported on Tuesday.

ASX Clear, the clearing house at the center of Australian capital markets, has confirmed it has four market participants that will cover initial margin requirements of 42%.

A notice will be sent to market participants on Wednesday, the newspaper said, citing Hamish Treleaven, ASX’s chief risk officer.

That will allow the product to start trading on April 27. The Cosmos fund invests in crypto through the Purpose Bitcoin ETF that listed on the Toronto Stock Exchange last November.

There is speculation of \$1 billion in inflows when the ETF goes live in Australia next week, the newspaper reported.

Cosmos has two existing products, including the Global Digital Miners Access ETF, which trades on Cboe Australia with net assets of \$2.1 million, and the unlisted Bitcoin Wholesale Access Fund.

ASX Clear’s approval for approving the Cosmos Bitcoin ETF may pave the way for the National Stock Exchange of Australia to begin listing bitcoin ETFs.

### ➤ **FTX Plan Said to Face CFTC Roundtable Next Month.**

The FTX proposal to directly clear the trades of its derivatives customers will get an informal hearing on May 23, according to a person familiar with the Commodity Futures Trading Commission’s (CFTC) plan.

With the 60-day public comment period coming to an end on May 11, the U.S. regulator will invite representatives of the company and others who have a stake in the decision to a public roundtable, said the person, who spoke on condition of anonymity because the event hasn’t yet been announced. The open discussion will invite public commentary from proponents and critics without carrying the force of a hearing.

CFTC spokesman Steven Adamske declined to comment on the plan, and an FTX official couldn’t be reached for comment.

Chairman Rostin Behnam has said his agency is taking a cautious approach to the application from FTX.US to allow its trading platform to directly clear derivatives that are backed by margin. He suggested the application could be the first of many, and if approved could have major implications. The industry, though, has been optimistic about the tone Behnam struck at a recent Congressional hearing.

“This proposal could end up leading to more efficient trading execution, less risk in the system,” Behnam told lawmakers last month at the House Agriculture Committee, adding that he’s required to foster “responsible innovation,” and FTX’s idea wouldn’t seem to violate commodities laws.



# Your CRYPTO Weekend Wire

## News Flow

The CFTC held more than two dozen roundtables when it was trying to establish an array of new rules after the Dodd-Frank Act sought to prevent a repeat of the 2008 financial crisis. This time, the agency is weighing the key crypto matter with a new slate of commissioners – four members having been sworn in during March and April after recent Senate confirmations.

The agency has already received dozens of comment letters, such as one from the founders of BlockTower Capital, who argued that FTX's idea "will reduce the over-reliance on the current gatekeepers to trading markets." The comment period, however, runs for three more weeks, and the proposal is expected to have critics among more established exchanges.

### ➤ **Germany's Commerzbank Applies for Local Crypto License.**

Germany's Commerzbank (CBK) applied for a crypto license earlier this year, a spokesperson for the bank told local media. This would make it the first major bank in Germany to move towards crypto adoption.

Local media outlet Börsen-Zeitung said that a spokesperson from the bank confirmed on April 14 that it "applied for the crypto custody license in the first quarter of 2022."

The application is to get authorization to offer exchange services along with custody and protection of crypto-assets.

Commerzbank is Germany's second-largest listed bank and is partly owned by the government.

Germany had brought in a new law, effective Jan. 1, 2020, that would encourage German Banks to offer crypto services. The law required any business seeking to offer crypto services in Germany to seek a license from BaFin, Germany's Federal Financial Supervisory Authority.

BaFin has received 25 applications for approval as a crypto custodian so far but has only approved four so far.

### ➤ **Goldman Sachs Eyes Collaboration With Crypto Exchange FTX as CEOs Meet.**

Sam Bankman-Fried, the founder and CEO of crypto exchange FTX, met Goldman Sachs CEO David Solomon in the Caribbean to discuss potential collaborations between the two firms, the Financial Times reported Thursday.

The two chief executives discussed Goldman Sachs advising FTX, which was valued at \$32 billion in January, on future funding rounds and taking a role in a potential initial public offering (IPO), according to the report, which cited people familiar with the matter.

Solomon also offered Goldman Sachs' advice to FTX in discussions with regulators in the U.S. FTX filed a proposal with the Commodity Futures Trading Commission in March that would allow it to directly clear trades of its derivatives customers. The regulator will give the proposal an informal hearing on May 23.

The two also discussed collaborating on market making in crypto trades. Market making involves setting buy and sell prices on certain assets to facilitate trades and provide liquidity.

The discussions demonstrate the increasing interest mainstream financial institutions are taking in the crypto industry after Goldman Sachs led the IPO of crypto exchange Coinbase last year.

### ➤ **Sanctions threaten to cripple Russia's multibillion-dollar crypto industry.**

Sanctions imposed on Russia over the country's unprovoked invasion of Ukraine could hamper the growth of its multibillion-dollar crypto sector, according to experts.

This week, U.S. officials targeted Russian bitcoin mining firm BitRiver in its latest round of sanctions aimed at hurting Russia's economy. The Treasury Department's Office of Foreign Assets Control says it is concerned Russia may monetize its vast oil reserves and other natural resources for power-intensive crypto mining as a way to raise funds and get around western sanctions.

"This is a powerful signal from OFAC that it will use every tool in its arsenal to prevent Russia from evading sanctions through crypto," David Carlisle, vice president of policy and regulatory affairs at crypto compliance firm Elliptic, said in an emailed note.

The sanctions will cripple BitRiver and its various subsidiaries, blocking them from accessing U.S. crypto exchanges or mining equipment. Crypto mining — the process of validating new digital currency transactions — requires specialized computers that consume lots of energy.

The move shows U.S. officials are "deeply concerned that Russia could leverage its natural resources to conduct crypto mining to evade sanctions," something Iran and North Korea have been known to engage in the past, Carlisle said.

The potential exploitation of bitcoin production for Russian sanctions evasion remains a key concern for global regulators, including the International Monetary Fund.



## Your CRYPTO Weekend Wire

### News Flow

“Crypto mining, while nowhere near a replacement for the assets frozen by Russian sanctions, avoids the fiat-to-crypto ‘on-ramps’ and crypto-to-fiat ‘off-ramps’ at centralized virtual currency exchanges, thereby bypassing sanctions screening,” said Anand Sithian, counsel at Crowell & Moring and a former trial attorney in the criminal division of the Department of Justice’s asset forfeiture and money-laundering section.

Separately, Binance, the world’s largest crypto exchange, said it is limiting its service for Russian users in response to the fifth wave of EU sanctions on Moscow.

Russian Binance accounts with over 10,000 euros in digital currency will be prevented from making deposits or trades and can only withdraw funds, the company said.

“While these measures are potentially restrictive to normal Russian citizens, Binance must continue to lead the industry in implementing these sanctions,” Binance said in an update on its website. “We believe all other major exchanges must follow the same rules soon.”

Russia is home to a huge cryptocurrency market. The Kremlin estimates Russians own roughly 10 trillion rubles (\$124 billion) worth of digital assets.

It’s not clear where this data comes from, but there is growing evidence that Russians are turning to crypto as an alternative to the ruble as the currency crashes in response to the country’s economic isolation.

According to data from CryptoCompare, ruble-denominated crypto trading volumes reached 111.4 billion rubles (\$1.4 billion) in March, much higher than in earlier months. Activity has dipped in April, with total month-to-date volume reaching only 19.2 billion rubles. Binance was the most popular exchange for ruble-crypto volume in March, accounting for 77% of trades.

In the six months ending March 2022, ruble-crypto trading volume topped 420 billion rubles, or more than \$5 billion, according to CryptoCompare.

Meanwhile, Cambridge University figures show the country is a powerhouse in the field of crypto mining.

In August 2021, Russia accounted for about 11% of the global processing power used for minting new units of bitcoin, according to the Cambridge Centre for Alternative Finance, making it the third-biggest mining hub behind Kazakhstan.

Given Kazakhstan’s political unrest led to internet shutdowns that knocked bitcoin miners offline, there’s a chance Russia’s share of the sector may be even higher now.

However, there could end up being an exodus of miners from Russia to the “stans” — Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, and Uzbekistan — where they may “utilize stranded gas to power their operations,” Charles Hayter, CEO of CryptoCompare, told CNBC.

The Russian government has a “love-hate relationship” with digital assets, Hayter said. While Russia’s central bank is pushing for a ban on the use and mining of cryptocurrencies, President Vladimir Putin wants to regulate them instead.

According to Hayter, the Russian regime and its oligarchs “might see digital assets as a way to fund activities outside of Russia.”

Source: [Click on the link on each article title to be redirected to the original website.](#)



# Your CRYPTO Weekend Wire

## Figures and Charts

Published on TradingView.com, Apr 22, 2022 07:22 UTC

Bitcoin / U.S. Dollar, 1D, BITSTAMP O:40497.00 H:40799.97 L:40237.07 C:40485.10 -14.34 (-0.04%)  
Vol: 294



Crypto	Last	5D Change	YTD Change
Bitcoin	40 527.15	0.63%	-12.53%
Ethereum	3 011.52	-1.14%	-18.36%

Published on TradingView.com, Apr 22, 2022 07:23 UTC

Ethereum / U.S. Dollar, 1D, BITSTAMP O:2985.05 H:3022.32 L:2970.25 C:2996.53 +11.71 (+0.39%)  
Vol: 2,19K



Sources: Bloomberg / Trading View



# Your CRYPTO Weekend Wire Glossary

## A

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

## B

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



# Your CRYPTO Weekend Wire Glossary

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

## C

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

## D

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

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



# Your CRYPTO Weekend Wire Glossary

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

## E

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

## F

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

## H

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



# Your CRYPTO Weekend Wire Glossary

## I

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

## K

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

## M

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



# Your CRYPTO Weekend Wire

## Glossary

### N

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

### O

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

### P

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



# Your CRYPTO Weekend Wire Glossary

## Q

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

## S

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

## T

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



# Your CRYPTO Weekend Wire Glossary

## W

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

## Y

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

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

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