



EMERALD ADVISERS, LLC "ON DA BLOCK"

WEEKLY RECAP OF THE HAPPENINGS IN DEFI, DIGITAL ASSETS AND BLOCKCHAIN

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Weekly Bitcoin Health Matrix (7D MA)

1. Following last week's rise in performance, network activity fell this week. Specifically, active addresses decreased by -8%, new addresses by -5%, transaction count by -6.4%, and daily active supply by -9%. The only activity-related metric that rose was monthly active supply, which ticked up by +12%.
2. BTC's market value fell for the second week. BTC's market cap decreased by -17% week-over-week to \$388B, and average transaction fees – a measurement of network demand – fell by a greater -19.7% this week to an average of \$1.42/tx.
3. BTC's hash rate fell for the second week, dropping by -3.6% week-over-week to 206EH/s. However, miner market capitalization only fell by -16.8% to \$108B, pacing behind the -17% drop in market capitalization. Because prices fell more than miner market capitalization, miners may have slightly increased their holdings. Still, Bitcoin's Miner Outflow to Miner Revenue (MOMR) contradicts this sentiment. The metric saw a +13.2% increase, suggesting that miner optimism may be falling as they are off-loading more coins than they are holding. Moreover, the Bitcoin network mining difficulty dropped by -2.35% on June 22, the second-biggest fall this year, and is expected to fall another -2.14% around July 6.

The Market

1. CoinShares, the digital asset manager, found that crypto firms' total assets under management has reached its lowest level since February 2021. A new report shows investors redeemed \$39 million from digital asset funds in the seven days through June 17.
2. The Canadian Purpose Bitcoin ETF lost half of its assets last Friday due to a suspected margin call. Analysts think this liquidation might have exacerbated bitcoin's crash on Saturday. This was the most severe redemption in a single day since the fund made its debut on the Canadian Stock Exchange in April 2021.

Network and/or Platform Upgrades

1. After the Ropsten testnet underwent its merge on June 8, the first trial run merge in preparation for the Merge on the Ethereum network, the Sepolia testnet is slated to merge next on the Beacon Chain. The Sepolia testnet is now live, but its merge has yet to be scheduled. Testnet merges allow Ethereum developers to understand what might happen after the official merge on the mainnet, as they are designed to replicate operating conditions of the mainnet without affecting the live mainnet. The official Merge of the Ethereum mainnet is slated for August 2022.
2. The Bitcoin network mining difficulty dropped by -2.35% on June 22, which is the second-biggest fall this year. At the same time, the network's global hash rate also dropped by -2.6%.
3. IBEX, an infrastructure provider for Bitcoin's Lightning Network, has onboarded 85 new businesses to the network enabling them to accept bitcoin as payment through their point-of-sale (POS) systems, per a release sent to Bitcoin Magazine.
4. Polygon issued a press release yesterday stating that the platform's network has reached carbon neutrality. The platform achieved this goal through its partnership with KlimaDAO. Based on KlimaDAO's analysis of its network activity, Polygon purchased \$400,000 worth of tokenized credits via the on-chain carbon market and retired them using KlimaDAO's offset aggregator tool. As a result, Polygon offset 104,794 tons of greenhouse gasses.
5. dYdX, a popular crypto derivatives exchange, has unveiled a major plan to expand to its own Cosmos-based blockchain as part of the dYdX V4 update. This decision marks an expansion beyond the Ethereum ecosystem. Founded in 2018, dYdX is currently the largest decentralized derivatives exchange with a trading volume of over \$600 million in the last 24 hours, per CoinGecko data. The exchange currently operates on StarkEx, an Ethereum Layer 2 scaling network developed by Starkware.
6. Ava Labs has launched a new bridge solution allowing users to directly transfer funds between Bitcoin network and Avalanche, a high performance Layer 1 blockchain that offers compatibility with the Ethereum Virtual Machine.

Stablecoins

1. Tether, the issuer of the largest U.S. dollar-pegged stablecoin, plans to expand its offerings with the introduction of GBPT, a stablecoin pegged to the British pound, according to a press release.
2. USDD, a so-called "algorithmic" stablecoin that's meant to always be worth \$1, plunged as low as 93 cents on Sunday. The situation has led to fears that USDD may suffer the same fate as terraUSD, a similar token that collapsed in May.

General News

1. In a Monday announcement, exchange-traded fund issuer ProShares said its Short Bitcoin Strategy ETF would be available for trading on the New York Stock Exchange, or NYSE, starting Tuesday under the ticker BITI. The vehicle will allow U.S. investors to bet against Bitcoin (BTC) using futures contracts, given the cryptocurrency's performance in a single day as measured by the Chicago Mercantile Exchange Bitcoin Futures Index.
2. Bitcoin investment firm NYDIG and professional services giant Deloitte said they will work together to help businesses of different sizes incorporate digital assets into their operations, according to an announcement Tuesday.
3. FTX is acquiring Canadian crypto trading platform Bitvo. The deal is set to close in the third quarter of this year, pending regulatory approval.
4. Teller Protocol, a startup focused on bringing real world assets into decentralized finance (DeFi), is working with real estate veteran Tower Fund Capital. The partnership allows DeFi liquidity providers to earn interest using USDC stablecoins via Tower Fund Capital, a Securities and Exchange Commission (SEC)-Reg D private lender for real estate investment loans with a \$140 million debt fund, the companies said on Tuesday.
5. The new platform, titled Engage Raise, is set to launch in July and will allow federal candidates to raise campaign cash solely through cryptocurrencies.
6. Future House Studios, a Utah Virtual Reality, and Metaverse company has shown its commitment to the future of blockchain technology by minting its office deed as an NFT, the first time an office building has been put on blockchain and the first time using a new legal model that promises to allow real property to remain and transact indefinitely on blockchains with substantially reduced transaction costs.
7. Roxe Holdings, a blockchain-based payment company, is close to going public with a special purpose acquisition company (SPAC) merger, according to a Reuters report Tuesday (June 21) that cited sources familiar with the matter. The company is looking at merging with Goldenstone Acquisition for a combined valuation of \$3.65 billion. Roxe's services connect banks, payment firms and remittance companies, helping to facilitate cross-border payments with private blockchain tokens. It doesn't make use of cryptocurrencies due to the volatility.
8. Binance.US will offer zero-fee bitcoin (BTC) trading as it seeks to attract more users. The exchange plans to eliminate the charges for more tokens in the future.
9. Jerome Powell, chairman of the Federal Reserve, told a Senate committee Wednesday that officials at the US central bank are watching the crypto market closely amid a period of heightened volatility.

10. US banking giant Citigroup has partnered with Switzerland-based crypto infrastructure firm Metaco to pilot and develop a digital asset custody platform.
11. Australian-based cryptocurrency exchange BTC Markets has become the first crypto company in the country to gain a financial services license. The license was issued by the country's financial regulator, the Australian Securities and Investments Commission (ASIC), to BTC Markets' sister company BTCM Payments.
12. Elon Musk, chief executive at both Tesla (TSLA) and SpaceX, said Tuesday that SpaceX will accept Dogecoin (DOGEUSD) for some merchandise, after Tesla made a similar move in January.
13. The Reserve Bank of India (RBI) is looking to develop a proof-of-concept blockchain project focused on trade financing, alongside multiple top Indian banks, the Economic Times reported on Thursday. The project will aim to prevent tampering with documents like letters of credit (LC) by issuing digital versions of them.

NFTs

1. EBay has continued its push into digital collectibles by acquiring U.K.-based NFT marketplace KnownOrigin. Terms of the acquisition were not disclosed. The move comes one month after eBay released its debut collection of NFTs.
2. Shopify is leaning into NFTs as the future of e-commerce. They are launching NFT-gated storefronts as a new feature for brands looking to make their stores more exclusive, Shopify announced Wednesday.
3. Uniswap Labs said it has acquired NFT marketplace aggregator Genie in a push to support trading of non-fungible tokens "soon." This is a new market for the decentralized exchange, which has become a go-to platform for token swaps.
4. Decentralized exchange (DEX) aggregator ParaSwap announced Monday it's releasing a peer-to-peer non-fungible token (NFT) trading app, the first of its kind on Apple's App Store.
5. BitGo has launched an NFT hot wallet and custody solution for developers, retail marketplaces and institutions, the digital asset security and liquidity provider announced Wednesday. BitGo is launching the solution in partnership with Parallel Finance, a decentralized lending and staking protocol.
6. Gucci acquired \$25,000 worth of RARE tokens as a buy-in to join SuperRareDAO, a decentralized organization overseeing the governance of SuperRare's Community Treasury. Through its partnership with SuperRareDAO, the luxury retailer plans to launch an exhibition called "Vault Artspace," which will display NFT artworks by 29 artists.

Metaverse

1. KPMG is stepping into the metaverse by opening its first collaboration hub between its U.S. and Canadian units. The move follows PwC Hong Kong, which bought some virtual real estate represented as a NFT, in the metaverse.
2. Meta (FB), Microsoft (MSFT), Nvidia (NVDA), Unity (U), Sony (SONY), and 30 other companies are coming together to build the infrastructure for an interoperable metaverse. According to a press release on Tuesday, the forum will focus on pragmatic, action-based projects and open-source tooling to accelerate the adoption of metaverse standards, while also developing consistent terminology and deployment guidelines.

Hacks/Exploits

1. Blockchain intelligence firm Chainalysis has launched a Crypto Incident Response Program to assist organizations that have been targeted by hackers and ransomware to recover their funds.

Crypto Mining

1. Black Hills Energy, a Wyoming subsidiary of public utility company Black Hills Corp., will provide power to a bitcoin mining operation in Cheyenne, Wyoming for at least five years. Black Hills Energy will service up to 75 megawatts of electricity to the mining operation. The mining operation will be the largest bitcoin mining operation in Wyoming. Any customers of Black Hills Energy who have their power disrupted will receive a \$2 credit adjustment per kilowatt per hour under this agreement. Black Hills Energy's agreement is the first under the Blockchain Interruptible Service tariff, which the Wyoming Public Service Commission approved in 2019.
2. Republicans on the U.S. Senate Banking Committee and House Financial Services Committee signed a letter addressed to the Environmental Protection Agency (EPA) to oppose the message sent by Democrats back in April 2022. The letter asks environmental regulators to conduct "a comprehensive analysis as it relates to understanding the potential environmental effects of digital asset mining" and requests that the US government should not disrupt American leadership in the sector.
3. Despite the bear market for crypto, Aspen Creek Digital Corp., a new bitcoin miner, has started mining at a six-megawatts solar-powered facility in the western part of Colorado. Aspen Creek was founded in January, and its mining operation is co-located at a solar farm that has a capacity of 10 megawatts. The company wants to start with mining bitcoin at its data center and eventually offer computing services to other businesses, according to a statement shared with CoinDesk.

Central Bank Digital Currencies (CBDCs)

1. The Nikkei reported that Japanese blockchain firm Soramitsu has landed feasibility studies for central bank digital currency (CBDC) with both Vietnam and the Philippines.
2. The Hong Kong Monetary Authority (HKMA) announced Project Sela to research cybersecurity in retail central bank digital currency (CBDC). The HKMA will be working on this joint project with the Bank of Israel (BOI), and Bank for International Settlements Innovation Hub (BISIH)
3. Qatar's central bank announced that it is "still in the foundation stage" of exploring the issuance of a Central Bank Digital Currency (CBDC). The country is currently researching the pros and cons of issuing a CBDC as well as searching for the right platform and technology to do so. ng Kong Centre.

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