



EMERALD ADVISERS, LLC "ON DA BLOCK"

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

STEVEN E. RUSSELL, ESQ. | PORTFOLIO MANAGER

Networks

1. Arbitrum responsible for 62% of all Ethereum transactions. Ethereum scaling solution Arbitrum has seen surging activity since deploying a network upgrade in August. Is an airdrop close? https://blockworks.co/arbitrum-now-responsible-for-62-of-all-ethereum-transactions/?__s=zc8psui11b95debv0u6&utm_source=drip&utm_medium=email&utm_campaign=Royalties+For+Thee%2C+Not+For+Me
2. Blockchain development firm Enya released a Layer 2 scaling solution called Boba Network on BNB Chain. SushiSwap, one of the largest decentralized exchanges (DEXs), will launch on the BNB Chain version of Boba Network as a launch partner. <https://www.theblock.co/post/181713/layer-2-solution-boba-network-integrates-with-bnb-chain>
3. Malta-based startup Stasis completed integration with XRP Ledger to expand the settlement layers it uses to facilitate cross-border payments with its euro-backed stablecoin, EURS. <https://www.theblock.co/post/181553/stasis-euro-stablecoin-xrp-ledger>

Regulation

1. The Digital Services Act has been published in the Official Journal of the European Union, sweeping in a new era in the regulation of digital services. The DSA complements the Digital Markets Act (DMA), which entered into force on November 1, 2022. Together, the DSA and the DMA are designed to regulate digital services in the EU, along with already existing laws. <https://thepayers.com/payments-general/european-union-adopts-the-digital-services-act--1258951#>



2. Gibraltar's financial regulator is exploring whether it needs to further regulate stablecoins and DeFi lending after the recent collapses of Terra and crypto lenders like Celsius. <https://www.coindesk.com/policy/2022/11/01/gibraltar-will-focus-on-stablecoins-and-defi-lending-after-market-turmoil/>
3. Stablecoin issuer Circle received an in-principle license from the Monetary Authority of Singapore (MAS), allowing it to operate as a payments company in the country. <https://www.coindesk.com/policy/2022/11/02/singapore-grants-stablecoin-issuer-circle-in-principle-license-to-offer-payment-products/>
4. USDP stablecoin issuer Paxos can offer crypto products and services in Singapore after securing the license under the nation's Payment Services Act. <https://www.coindesk.com/policy/2022/11/02/stablecoin-issuer-paxos-receives-operating-license-from-singapore-regulator/>
5. The Swiss financial regulator is extending money-laundering checks for crypto transactions despite significant pushback from the country's users. The new rule requires customers to prove their identity for crypto transactions above \$1,000. <https://www.coindesk.com/policy/2022/11/02/switzerland-sticks-to-tougher-id-checks-for-crypto-to-cash-transactions/>

General News

1. Israel-based social trading network eToro has bought portfolio management business Bullsheet to increase the customer's visibility into their accounts. <https://thepaypers.com/cryptocurrencies/etoro-acquires-portfolio-management-business-bullsheet-1258926>
2. Moneygram to enable users to buy, sell and hold cryptocurrency via mobile app. <https://cointelegraph.com/news/moneygram-to-enable-users-to-buy-sell-and-hold-cryptocurrency-via-mobile-app>
3. Pick n Pay, one of South Africa's largest supermarket chains, now reportedly allows customers to pay with BTC using any Lightning Network-enabled app. <https://www.timeslive.co.za/news/south-africa/2022-11-01-pick-n-pay-lets-you-pay-for-groceries-using-bitcoin-here-are-stores-where-its-accepted/>
4. Decentralized storage network Filecoin partnered with Protocol Labs and other participants within the Web3 ecosystem to launch the Decentralized Storage Alliance. One of the main goals of the newly formed alliance is to help Web2 enterprises transition to Web3 through education, advocacy, and best practices. <https://www.businesswire.com/news/home/20221031005042/en/Decentralized-Storage-Alliance-Launches-to-Bridge-Chasm-Between-Web2-and-Web3>

NFTs

1. Yesterday, GameStop officially announced the launch of its NFT marketplace with Immutable X.
https://www.ledgerinsights.com/gamestop-nft-marketplace-officially-launches/?__s=zc8psui11b95debv0u6&utm_source=drip&utm_medium=email&utm_campaign=Royalties+For+Thee%2C+Not+For+Me
2. The NFL's first official blockchain-enabled video game released gameplay footage ahead of an NFT drop and a 2023 launch.
<https://www.theblock.co/post/181731/nfl-crypto-video-game-kick-off-draws-closer>
3. Goblin Sax, a DAO for NFT finance, acquired instant loans app Fluid, which it will rebrand as Goblin Lend, to build out an instant loans service alongside its existing peer-to-peer NFT lending service. <https://www.theblock.co/post/182175/goblin-sax-dao-to-offer-instant-nft-backed-loans>

DeFi

1. JP Morgan Onyx, DBS and SBI Digital Asset executed trials for foreign exchange transactions and government bond trades using modified public lending protocol Aave and the decentralized exchange (DEX) Uniswap on the Polygon blockchain.
https://www.ledgerinsights.com/jp-morgan-dbs-sbi-digital-asset-complete-defi-tokenization-trials-on-public-blockchain/?__s=zc8psui11b95debv0u6&utm_source=drip&utm_medium=email&utm_campaign=Royalties+For+Thee%2C+Not+For+Me
2. DeFi yield platform PieDAO filed a proposal to its community for a phased buyback of its tokens after ending the protocol's liquidity mining program in Oct. The goal is to prevent a further price decline, although the token is already down -98%.
<https://www.theblock.co/post/181636/piedao-proposes-token-buyback-after-ending-liquidity-mining-program>

Metaverse

1. The Open Metaverse Alliance (OMA3) officially launched, offering memberships across two tiers: sponsor and creator. A decentralized autonomous organization (DAO) will govern the group. OMA3 includes Animoca Brands, The Sandbox (one of its subsidiaries), and several brands the company has invested in, including Alien Worlds, Dapper Labs, Splinterlands, Star Atlas, and Upland. <https://www.theblock.co/post/181648/open-metaverse-alliance-membership-web3-builders>

Hacks

1. A Twitter user by the name "Burak" (@brqgoo) sent a large swath of the Lightning Network into turmoil on Tuesday morning when he allegedly created a non-standard Bitcoin transaction that prevented users from opening new Lightning channels (connections between Lightning nodes). <https://www.coindesk.com/tech/2022/11/02/rogue-actor-disrupts-lightning-network-with-a-single-transaction/>

2. Lending protocol Solend reported a market manipulation attack on three of its lending pools. The project said that the attack resulted in bad debt to the tune of \$1.26 million. https://www.theblock.co/post/182055/solend-exploited-attack?__s=zc8psui11b95debv0u6&utm_source=drip&utm_medium=email&utm_campaign=Royalties%20For%20Thee,%20Not%20For%20Me
3. Panama-based crypto exchange Deribit halted withdrawals after hackers made off with \$28 million in Bitcoin, Ethereum, and Circle's USDC. <https://decrypt.co/113334/crypto-exchange-deribit-hacked-28m-bitcoin-ethereum-usdc>

CBDCs

1. Wednesday the BIS Innovation Hub announced Project Mariana, a new research initiative exploring DeFi. The participants include the Banque de France, the Monetary Authority of Singapore (MAS) and the Swiss National Bank. It will use automated market makers (AMM) for foreign exchange as part of cross border payment trials using wholesale central bank digital currency (CBDC). https://www.ledgerinsights.com/swiss-singapore-french-central-banks-to-try-defi-for-fx-in-cross-border-cbdc/?__s=zc8psui11b95debv0u6&utm_source=drip&utm_medium=email&utm_campaign=Royalties+For+Thee%2C+Not+For+Me
2. The Reserve Bank of India has begun a wholesale digital rupee pilot, with a retail trial set to follow within weeks. <https://www.finextra.com/newsarticle/41237/india-begins-digital-rupee-pilot>
3. According to China's Central Bank Governor Yi Gang, privacy protection is one of the top issues among the many remaining regarding the use of China's CBDC, the digital yuan. Yi Gang said, "We must strike a delicate balance between protecting privacy and combating illicit activities." <https://www.coindesk.com/policy/2022/10/31/privacy-protection-a-top-issue-for-digital-yuan-chinas-central-bank-governor/>

Any company and/or security mentioned herein is included because of their business dealings using cryptocurrencies or distributed ledger technology and are included for general discussion purposes. Emerald does not recommend their purchase or sale. Companies issuing securities held in accounts managed by Emerald's affiliated advisory firms may appear in this newsletter from time to time based solely on their activity in the industry or news worthy events generated by their business operations.

This newsletter is furnished for informational/educational use only by Emerald Advisers, LLC, its affiliates (collectively "Emerald") and its clients. It does not constitute the provision of investment, legal or tax advice. It is not prepared with respect to the specific investment objectives, financial situation or particular needs of any specific person. The information contained in this newsletter was obtained from sources deemed reliable. Such information is not guaranteed as to its accuracy, timeliness or completeness by Emerald. Any opinions contained in this newsletter represent the judgment of the authors as of the publication date and are subject to change without notice. Past performance is no guarantee of future results. Neither the information in this newsletter nor any opinion expressed herein constitutes an offer nor recommendation to buy or sell any security or financial instrument.

CONTACT US

Phone: 1-800-722-4123
info@teamemerald.com

3175 Oregon Pike | Leola, PA 17540
King of Prussia, PA | Pittsburgh, PA | Cleveland, OH

WWW.TEAMEMERALD.COM