



INSIGHT

DIGITAL ASSETS

a fundstrat company

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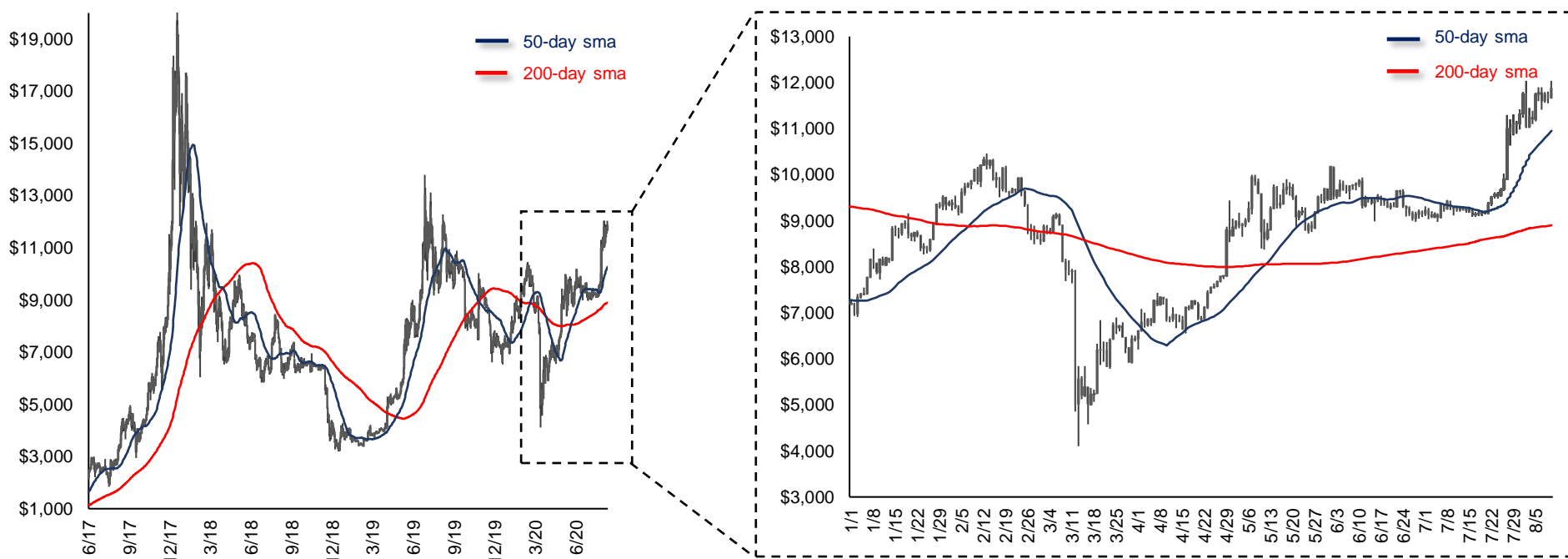
For inquiries, contact Sales at 212-293-7140 or via email inquiry@fundstrat.com.

Digital Assets Weekly

August 11, 2020

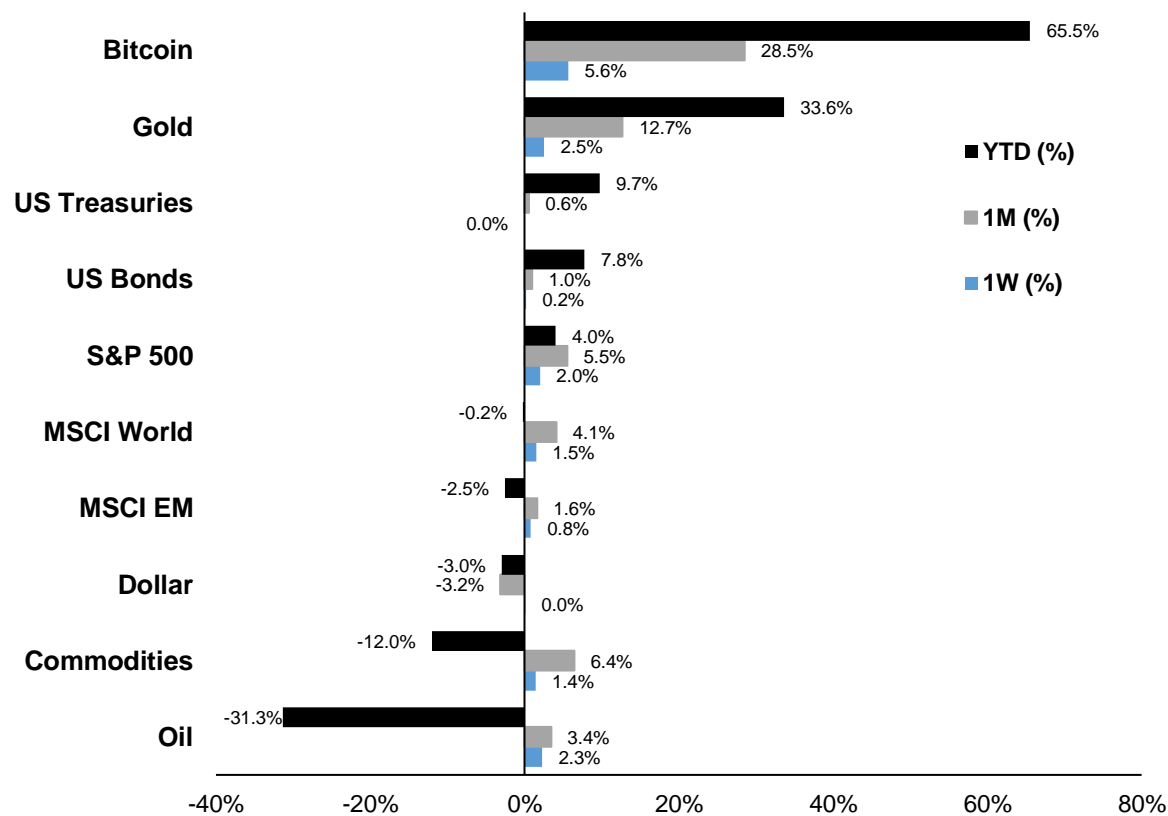
Bitcoin Performance

For the second time in two weeks, Bitcoin climbed above \$12,000. Overall, it finished the week ended 8/11 up 5.6% at \$11,878. Notably, it traded above \$11,000 for the entire week for this first time since August 2019.



Source: FSInsight, CoinMarketcap

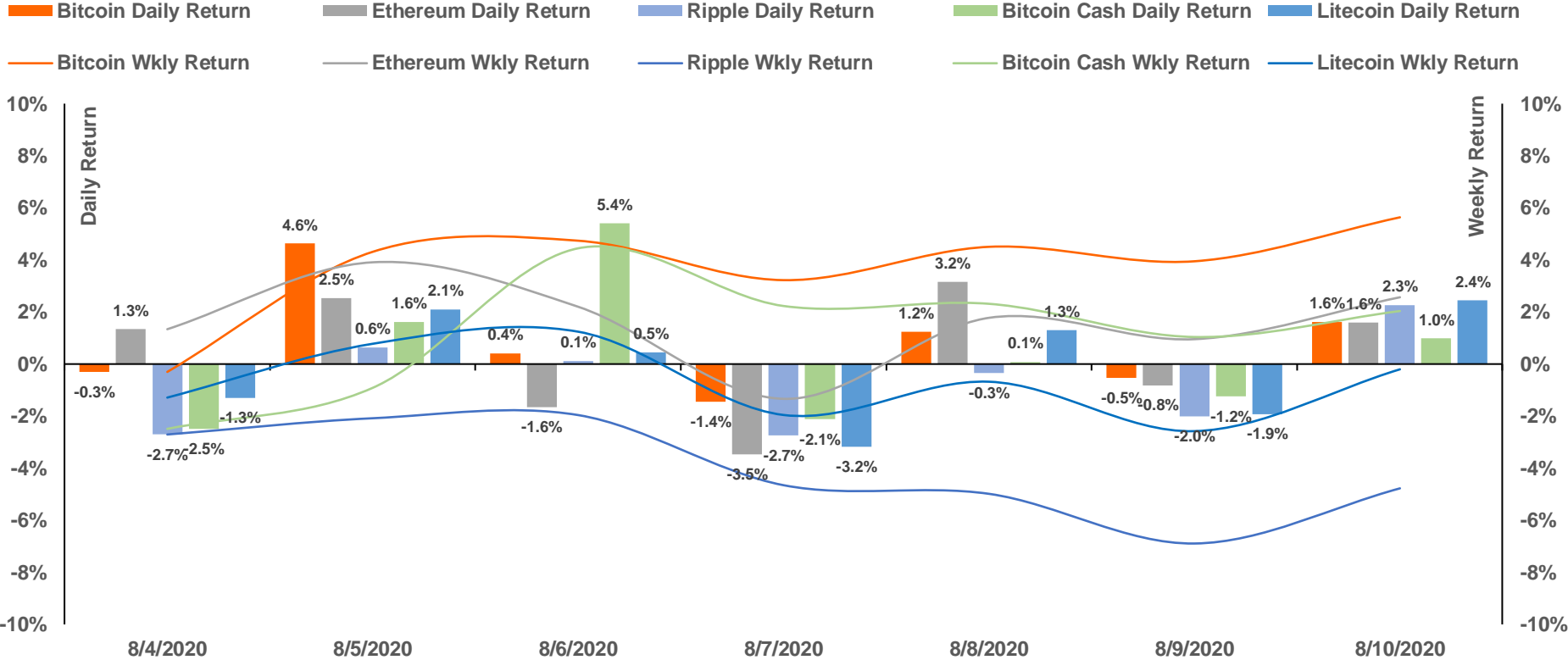
Performance across asset classes



Source: FSInsight, CoinMarketcap

Major Crypto Asset Performance

Bitcoin led all other major crypto assets by 3% - 9% this week. Ripple (XRP) was the worst performing asset and declined 4.8% on the week.

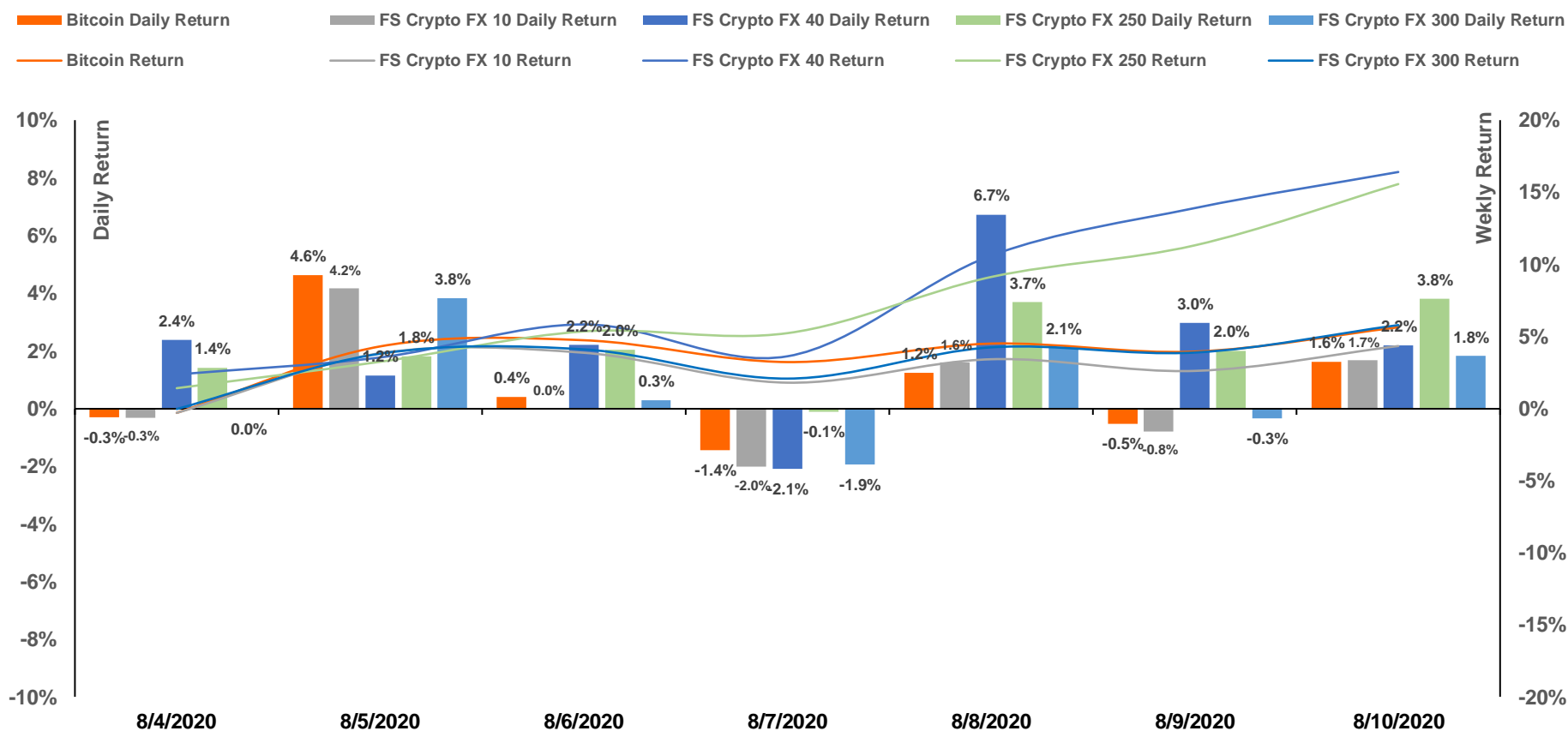


Source: FSInsight, CoinMarketcap

FS Crypto Indices Weekly Performance

FS Crypto FX 40 and FS Crypto FX 250 led all other size-based indices by ~10% this week.

- FS Crypto FX 40 outperformance was driven by Tezos (+39.7%), Chainlink (+46.7%), and IOTA (+21.2%) while outperformance of the FX Crypto FX 250 was driven by MINDOL (+ 69.3%) and Lisk (+21.6%).



Source: FSInsight, CoinMarketcap

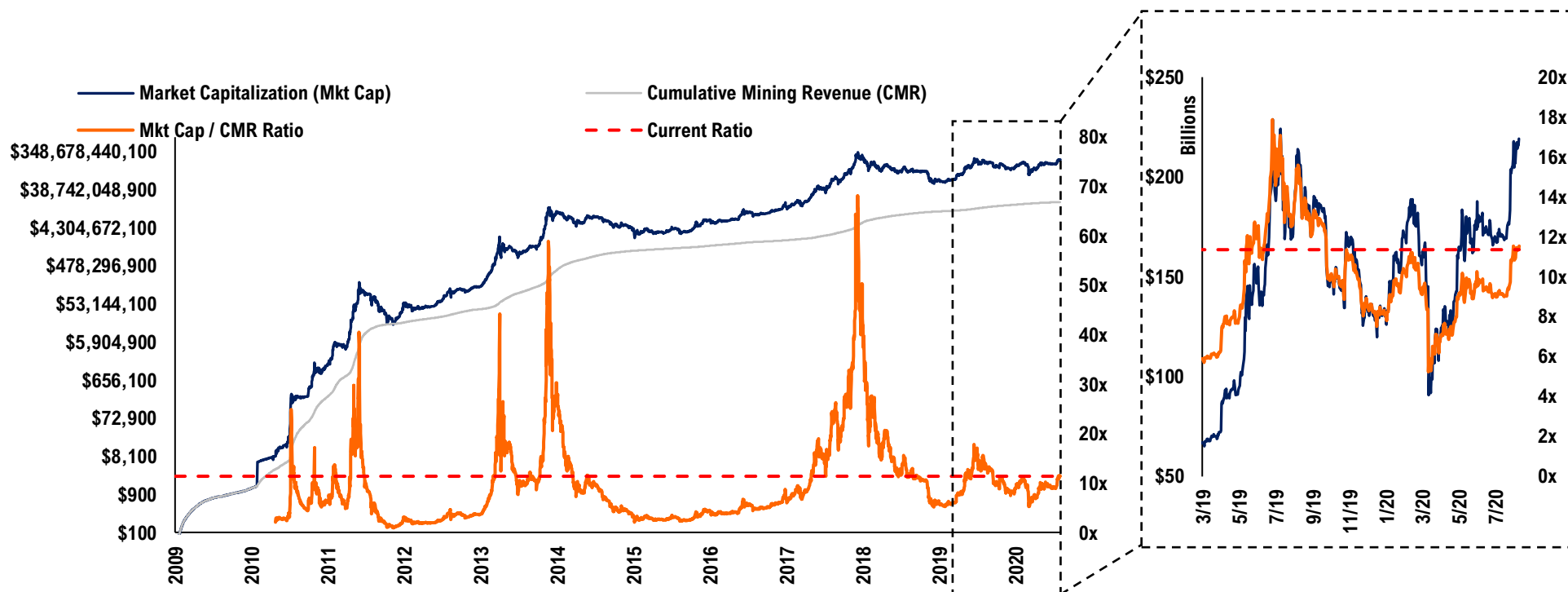
Major Crypto Asset and FS Crypto Indices Perf.

	January 1/31/2020	February 2/29/2020	March 3/31/2020	April 4/30/2020	May 5/31/2020	June 6/30/2020	July 7/31/2020	WTD 7/20/2020	WTD 7/27/2020	WTD 8/3/2020	WTD 8/10/2020	YTD 8/10/2020
Largest Assets												
Bitcoin	30.6%	-8.3%	-25.0%	34.5%	9.0%	-3.1%	24.0%	-0.8%	20.5%	1.7%	5.6%	65.6%
Ethereum	40.2%	22.2%	-39.3%	55.0%	11.9%	-2.5%	53.4%	-1.2%	36.8%	19.3%	2.6%	207.7%
Ripple	24.2%	-3.3%	-24.4%	21.5%	-4.7%	-13.3%	48.0%	-1.9%	15.5%	37.5%	-4.8%	53.1%
Bitcoin Cash	84.6%	-17.9%	-28.8%	13.9%	-4.8%	-6.7%	35.2%	-3.8%	21.0%	9.8%	2.0%	48.3%
Litecoin	65.3%	-13.9%	-32.9%	18.2%	-2.0%	-9.5%	41.0%	-4.2%	27.6%	9.0%	-0.2%	41.8%
FS Size Indexes												
FS Crypto 10	34.3%	26.5%	-8.0%	24.2%	33.8%	28.2%	65.4%	30.4%	58.3%	68.8%	76.1%	76.1%
FS Crypto 40	45.5%	45.4%	-0.8%	31.7%	49.7%	54.8%	106.1%	87.3%	99.3%	114.0%	149.1%	149.1%
FS Crypto 250	20.2%	21.2%	-13.8%	7.5%	22.4%	26.5%	59.5%	51.2%	52.2%	66.1%	91.9%	91.9%
FS Crypto 300	34.6%	27.5%	-7.7%	24.0%	34.4%	29.9%	67.9%	35.1%	60.8%	71.7%	81.6%	81.6%
FS Crypto Agg.	34.4%	27.4%	-7.8%	23.9%	34.4%	30.0%	67.9%	35.5%	60.8%	71.6%	81.7%	81.7%

Source: FSInsight, CoinMarketcap

Market Cap to Cumulative Mining Rewards (CMR)

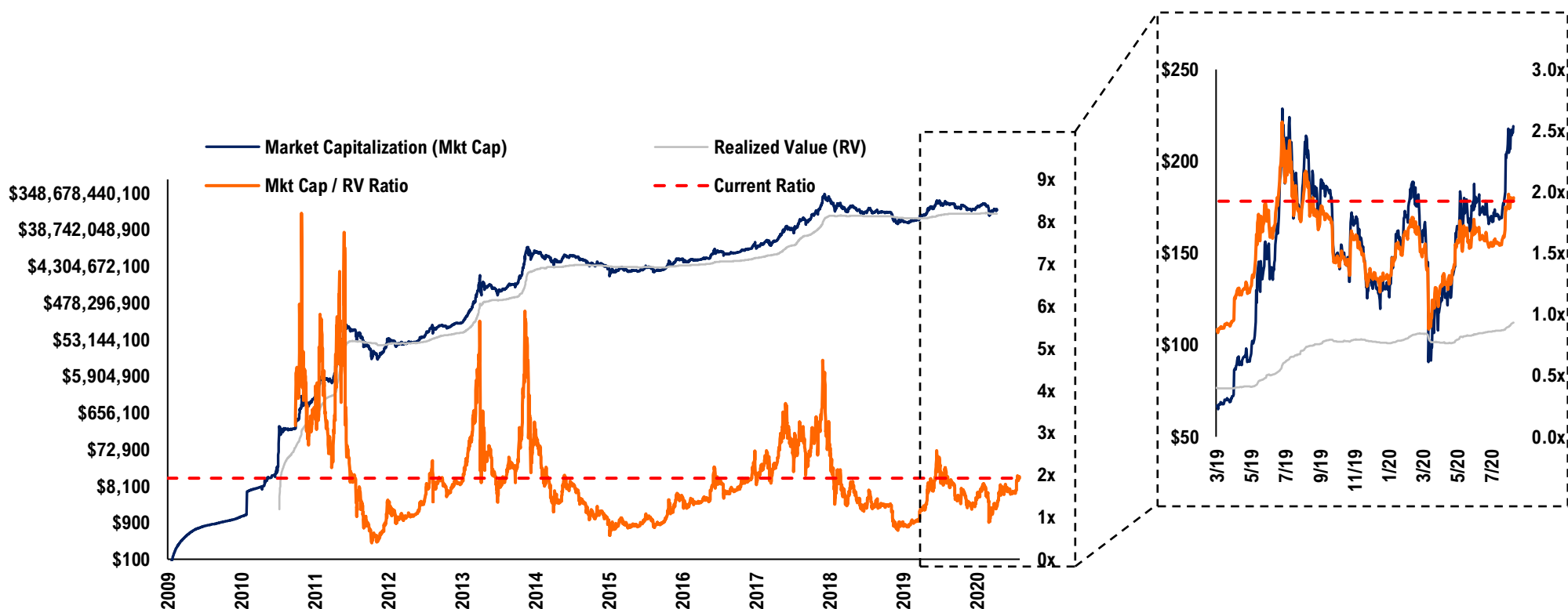
Bitcoin's Mkt Cap/CMR ratio increased 5.2% week over week from 11.0x to 11.5x.



Source: FSInsight, CoinMarketca; A full description of the Price/CMR valuation methodology can be found [here](#).

Market Cap to Realized Value

Bitcoin's Mkt Cap/RV ratio increased 4.0% week over week from 11.0x to 11.5x.



Source: FSInsight, CoinMarketcap; A full description of realized value can be found [here](#).

Public Comparable Valuations

		Market Data						Network Metrics						Valuation Multiples					
		Price (\$)			Market Cap (\$B)			Cumulative Mining Revenue (CMR)			Realized Value (RV)			Mkt Cap / CMR			Mkt Cap / RV		
		Current	Prior	Chg%	Current	Prior	Chg%	Current	Prior	Chg%	Current	Prior	Chg%	Current	Prior	Chg%	Current	Prior	Chg%
Bitcoin	BTC	\$11,870	\$11,236	5.6%	\$219.1	\$207.3	5.7%	\$19.0	\$18.9	0.4%	\$112.2	\$110.4	1.6%	11.5x	11.0x	5.2%	2.0x	1.9x	4.0%
Ethereum	ETH	\$395	\$385.5	2.6%	\$44.3	\$43.2	2.7%	\$7.4	\$7.3	0.7%	\$30.5	\$29.6	3.0%	6.0x	5.9x	1.9%	1.5x	1.5x	-0.4%
Ripple	XRP	\$0.29	\$0.31	-4.8%	\$29.5	\$30.9	-4.8%	n/a	n/a	n/a	\$43.5	\$43.5	0.1%	n/a	n/a	n/a	0.7x	0.7x	-4.8%
Bitcoin Cash	BCH	\$302	\$296	2.0%	\$5.6	\$5.5	2.1%	\$1.5	\$1.5	0.1%	\$4.9	\$4.8	0.5%	3.7x	3.6x	2.0%	1.1x	1.1x	1.6%
Litecoin	LTC	\$58	\$58	-0.2%	\$3.8	\$3.8	-0.1%	\$1.4	\$1.4	0.2%	\$4.4	\$4.4	0.1%	2.7x	2.7x	-0.3%	0.9x	0.9x	-0.2%
Median				2.0%			2.1%			0.3%			0.5%	4.8x	4.8x	1.9%	1.1x	1.1x	-0.2%
Mean				2.8%			2.8%			0.2%			1.0%	6.0x	5.8x	1.5%	1.2x	1.2x	2.2%

Source: FSInsight, CoinMarketcap

Digital Asset Investment Vehicles & Stocks

Name	Ticker	Price	Market Cap	52W Range (High - Low)	Avg. Daily Volume (10 day)	7D Return	P/B Ratio
Investment Vehicles							
Grayscale Bitcoin Trust	GBTC	\$ 13.7	\$ 5,791,583,008	\$14.8 - \$5	\$ 108,156,219	2.6%	1.2x
Grayscale Ethereum Trust	ETHE	\$ 96.5	\$ 2,008,840,454	\$259.5 - \$21.5	\$ 21,246,028	-12.0%	2.6x
Grayscale Ethereum Classic Trust	ETCG	\$ 10.1	\$ 130,713,608	\$23.8 - \$6.2	\$ 2,214,927	-17.8%	1.6x
Grayscale Digital Large Cap Fund	GDLC	\$ 25.4	\$ 165,698,395	\$37.6 - \$3.5	\$ 4,508,617	12.1%	3.5x
The Bitcoin Fund	QBTC.U	\$ 15.6	\$ 100,399,963	\$15.9 - \$10	\$ 1,943,885	15.2%	1.2x
Mining Companies							
Canaan	CAN	\$ 2.3	\$ 370,066,667	\$13 - \$1.8	\$ 11,103,692	-14.6%	55.1x
Marathon Patent Group	MARA	\$ 4.4	\$ 133,793,801	\$5.3 - \$0.4	\$ 211,802,128	15.9%	12.9x
Hive Blockchain	HVBTF	\$ 0.4	\$ 134,551,195	\$0.4 - \$0.1	\$ 819,695	-12.3%	-
Hut8 Mining	HUT	\$ 1.2	\$ 117,045,507	\$2.6 - \$0.5	\$ 1,072,272	3.4%	3.3x
Riot Blockchain	RIOT	\$ 4.1	\$ 195,768,083	\$4.6 - \$0.5	\$ 74,777,753	18.0%	3.9x
TAAL Distributed Information Technologies	TAAL	\$ 1.8	\$ 41,774,367	\$3.7 - \$1	\$ 20,641	-6.2%	1.0x
Financial Services							
Galaxy Digital	BRPHF	\$ 2.6	\$ 779,132,940	\$3.9 - \$0.4	\$ 542,473	7.5%	-
Overstock.com	OSTK	\$ 95.6	\$ 3,855,026,706	\$112.6 - \$2.5	\$ 669,212,793	15.2%	27.7x
Silergate Capital	SI	\$ 14.1	\$ 262,660,589	\$17 - \$7.6	\$ 2,590,901	0.9%	1.0x
Square	SQ	\$ 139.3	\$ 61,801,713,766	\$158.4 - \$32.3	\$ 1,969,569,218	3.4%	32.0x

Source: FSInsight, CoinMarketcap

Digital Asset Investment Vehicles & Stocks

Noteworthy this week:

TAAL Distributed Information Technologies (OTCQX: TAALF; CSE: TAAL): TAAL announced that one of its operating subsidiaries has filed a second patent application with the United Kingdom patent office for its newly acquired Layer 1 token blockchain technology. Layer 1 tokens are validated by computers operating on the blockchain directly, unlike more common Layer 2 token systems which require separate Layer 2 protocol servers. The filing furthers TAAL's goal of working with our enterprise clients and development partners to expand BSV's smart contracting ecosystem.

Grayscale Ethereum Trust (OTCQX: ETHE): Despite Ethereum's positive market performance in recent weeks, the OTC traded ETHE product has seen a reduction in its premium to NAV, which currently hovers at ~130%; its lowest value since late January 2020 and well below its highs around 900% in June.

Square (NYSE: SQ): Square reported earnings on 8/8. Outperformance to estimates was primarily driven by Cash App which saw its revenue increase 140% YoY (excluding Bitcoin sales). Bitcoin revenue/gross profit were up 7x/8x respectively year over year. SQ ended the quarter with more than 30M monthly transacting Cash App users and 7M active Cash Card holders; double the level from the prior year period. Shares rallied following the earnings beat and made a new all-time high around \$158.4 on Wednesday.

Galaxy Digital Holdings Ltd. (TSX: GLXY): Galaxy announced that it will report 2Q earning on Friday, August 14th.

Marathon Patent Group (NASDAQ: MARA): Was added to our tracking list this week.

Source: FSInsight, CoinMarketcap

Winners & Losers

Loser

Ethereum Classic (ETC) – Last Thursday, Ethereum Classic (ETC) suffered its second 51% attack in just five days. The first attack occurred on August 1 and resulted in a misappropriation of 807,260 ETC (worth about \$5.6 million). Bitquery estimates that the attacker paid about \$204,000 to acquire the hash power for the attack. The second, most recent attack resulted in \$1.7MM worth of ETC being misappropriated and the reorganization of 4,236 blocks, or about 15 hours worth of blockchain history.

Winner

MicroStrategy Incorporated (Nasdaq: MSTR) – The largest independent publicly-traded business intelligence company, announced that it has purchased 21,454 bitcoins worth approximately \$250 million. The purchase of Bitcoin was made in conjunction with a broader capital allocation strategy announced in July which aimed to return excess cash to shareholders via share buybacks and invest up to \$250M in one or more alternative investments.

Michael J. Saylor, CEO, MicroStrategy commented: *“This investment reflects our belief that Bitcoin, as the world’s most widely-adopted cryptocurrency, is a dependable store of value and an attractive investment asset with more long-term appreciation potential than holding cash. Since its inception over a decade ago, Bitcoin has emerged as a significant addition to the global financial system, with characteristics that are useful to both individuals and institutions. MicroStrategy has recognized Bitcoin as a legitimate investment asset that can be superior to cash and accordingly has made Bitcoin the principal holding in its treasury reserve strategy.”*

Source: FSInsight, CoinMarketcap

Financing & M&A Activity

Noteworthy this week:

Uniswap – The Brooklyn based decentralized exchange protocol raised \$11M in a Series A. According to Uniswap, this investment round will help them build Uniswap V3, which aims to dramatically increase the flexibility and capital efficiency of the protocol.

Dapper Labs – The Vancouver based development studio behind CryptoKitties raised \$12M for further development of its Flow Blockchain which aims to address scalability challenges the company faced on Ethereum. The most recent round brings the Company's total funding amount to \$51MM and new investors in this round include Coinbase Ventures, BlockTower Capital and several NBA players.

<u>Announced Date (Link)</u>	<u>Company Name</u>	<u>Financing Round</u>	<u>Financing Amount</u>	<u>Investors (Lead)</u>
8/11/20	1inch.exchange	Seed	\$2,800,000	<i>Binance Labs, FTX, Galaxy Digital, Dragonfly Capital, and several others</i>
8/7/20	Uniswap	Series A	\$11,000,000	<i>Andreessen Horowitz, Version one Ventures, Varitant Alternative Income Fund, Union Square Ventures, Others</i>
8/6/20	Dapper Labs	Series A	\$12,000,000	<i>Andreessen Horowitz, BlockTower Capital, Coinbase Ventures, Several NBA players and several others</i>
8/6/20	Alpha5	Seed	\$1,500,000	<i>FBG Capital, CMT Digital, Altonomy, SNZ Holding, Bollinger Investment Group, Nima Capital, Polychain Capital (existing investor).</i>
8/6/20	IDEX	Seed	\$2,500,000	<i>G1 Ventures, Borderless Capital, Collider Ventures, Gnosis.</i>
8/5/20	Reflexer Labs	Seed	\$1,700,000	<i>Paradigm, a16z crypto, Standard Crypto</i>

Source: FSInsight, CoinMarketcap

Recent Reports & Events

Access Fundstrat's recent crypto insights if you missed them by clicking below or visiting FS Insight:

- Tom Lee: [Fundstrat's Tom Lee on why boomers are buying gold while Millennials are trading bitcoin](#)
- David Grider: [Digital Assets Weekly: July 29th](#)

Source: FSInsight

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