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Everything about the recent Bitcoin Spot ETF Approval in the USA

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## BITCOIN ETF

# Finally approved: Bitcoin Spot ETFs Debut with \$4 Billion Trading on U.S. Exchanges

*Mottis Fabrizio*

Bitcoin trading volumes surged on Thursday 11<sup>th</sup> of January as the first 10 U.S. exchange-traded funds (ETFs) offering direct exposure to the cryptocurrency finally debuted on exchanges.

Combined trading of the nine new ETFs and the \$28 billion Grayscale Investments Bitcoin trust surpassed \$4 billion on the New York Stock Exchange, Nasdaq and Cboe. Within 90 minutes of the market opening, Grayscale's Bitcoin ETF alone accounted for approximately \$1 billion in trading, about half of the total activity. BlackRock reported, that

the iShares Bitcoin ETF also saw over \$1 billion in trading by the end of the day.

The trading frenzy followed the Securities and Exchange Commission's approval of these ETFs on January 10<sup>th</sup>, which provide a convenient way for everyday investors to gain exposure to Bitcoin. Despite the \$4 billion in trading, some of the activity was likely rotational, with investors moving out of Grayscale's flagship Bitcoin trust. The debut of these spot Bitcoin ETFs marks a significant development in the cryptocurrency market, providing new opportunities for investors and contributing to the broader acceptance of digital assets in traditional financial markets.



*Increased trading volume after first trading day. But overall, a slight sell-the-news event: the long-awaited Bitcoin spot ETFs are approved.*

## Fake Bitcoin ETF Approval Tweet under Investigation

*Mottis Fabrizio*

In a recent development, the FBI is investigating the hack of the Securities and Exchange Commission's (SEC) social media account that falsely claimed approval of multiple Bitcoin exchange-traded funds (ETFs). The SEC, which later confirmed the hack, is cooperating with law enforcement, including the FBI, to address the incident. The misleading post briefly impacted Bitcoin prices. It highlighted the potential market impact of such security breaches and raised questions about the SEC's cybersecurity measures.

The false announcement came ahead of the SEC's official approval of a Bitcoin ETF, the most anticipated event by crypto

investors for years. Despite skepticism from SEC Chairman Gary Gensler, the regulator's involvement as an authorized participant in BlackRock's Bitcoin ETF further highlights the complex relationship between traditional financial institutions and the cryptocurrency market.

The incident underscores concerns about the security of financial information dissemination in the digital age, especially since the SEC's social media account lacked basic security measures such as two-factor authentication, which Gensler personally deemed important just a few weeks back. The financial community is closely monitoring the SEC's response to this breach, as it could lead to changes in how financial information is handled in the evolving cryptocurrency landscape.

While the SEC's official approval of the Bitcoin ETF was the positive development the crypto community anticipated for years, the hack serves as a reminder of the challenges and uncertainties



*The hack of the "X" account is now a FBI case.*

When integrating digital assets into traditional financial systems. It also highlights the need for robust cybersecurity measures as traditional finance and the crypto market increasingly intersect.

## Grayscale court cases played a big role in ETF Approval

*Baruffol, Tim*

On 29 August 2023, the D.C. Court of Appeals ruled in favor of Grayscale, finding that the SEC's 2021 denial of its spot Bitcoin ETF application was "arbitrary and capricious". This ruling forced the SEC to reconsider its stance on cryptocurrency ETFs. Gensler acknowledged the impact of this legal development, admitting that "circumstances have changed", leading to the recent approvals.

The approval of Grayscale's Bitcoin Trust (GBTC) to trade as a spot ETF on NYSE Arca from 11 January is particularly noteworthy. It opens the door for mainstream investors to gain regulated exposure to crypto assets, a milestone made possible in large part by Grayscale's persistent legal efforts.

The decision, which came with Gensler's deciding vote in a close 3-2 vote within the Commission, marks a seismic shift in the regulatory landscape for cryptocurrencies. In an interview with CNBC's Squawk Box, Gensler emphasized the Commission's respect for the rule of law and the courts



*US Grayscale court case was indeed clearing the way for the Bitcoin Spot ETF Approval*

suggesting that the Grayscale ruling was a key factor in this change of direction. However, he reiterated that this approval was not an endorsement of Bitcoin. In June 2022, the SEC had rejected Grayscale's application to convert its GBTC into a spot

Bitcoin ETF, citing concerns about the product's ability to prevent fraudulent and manipulative acts. This led to Grayscale's legal challenge and subsequent victory in August 2023.

## BlackRock buys 11'500 Bitcoin during Market selloff

*Baruffol Tim*

Global asset management giant BlackRock has reportedly acquired a staggering 11,500 Bitcoins during the recent cryptocurrency market dip, marking a significant development since the launch of its spot Bitcoin ETF. Analysts at Invest Answers have shed light on the potential consequences of this massive acquisition, highlighting the likelihood of a supply shortage in the bitcoin market.

The Invest Answers analysis reveals that BlackRock's purchase volume is equivalent to absorbing approximately 13 days of Bitcoin production, considering that only 900 Bitcoins are issued per day. This revelation has raised concerns about a potential supply shortage, especially considering that the average trading volume of the iShares Bitcoin Trust (IBIT) Spot ETF is only 25% within a two-day period. Extrapolating this data and considering the



*BlackRock stacked up their own supply of Bitcoins as marked slightly sold off after ETF launches.*

influence of other players such asayscale Bitcoin Trust (GBTC), it is estimated that a staggering 46,000 Bitcoins may have been removed from the system over the same two days. If this trend continues, the Bitcoin market could face a severe supply crunch, with an estimated 23,000 Bitcoins being absorbed daily - a rate approximately 25.5 times the daily production of Bitcoin. The surge in acceptance by US ETFs,

coupled with additional demand from retail investors and global ETFs, signals a tightening of available Bitcoin supply.

Despite the inherent volatility in the price of Bitcoin, the underlying asset remains resilient. BlackRock CEO Larry Fink has recently expressed a changed view on Bitcoin, recognizing it as a "viable asset class". More on that in the next Article.

## BlackRock CEO Larry Fink Advocates for Ethereum ETF

*Baruffol Tim*

In a recent interview with CNBC's Squawk Box, BlackRock's CEO Larry Fink expressed his support for the creation of an Ethereum ETF. Fink sees considerable value in the concept of an Ethereum ETF, seeing it as a crucial step towards the wider adoption of tokenization. "These are just steppingstones to tokenization, and I really think that's where we're going," Fink said in the interview. The CEO, known for leading BlackRock, one of the world's largest asset management firms, emphasized the potential benefits of tokenization in addressing issues related to money laundering and corruption.

Tokenization involves representing real-world or digital assets in the form of tokens on a blockchain. Fink sees this technology

as a powerful tool in the fight against corruption, particularly in areas such as money laundering. By creating a transparent and traceable ledger, tokenization has the potential to revolutionize the financial space and address concerns around illicit activity.

Fink also clarified his view on cryptocurrencies, stating that he sees them as an asset class rather than a traditional currency. Specifically, he referred to Bitcoin as "an asset class that protects you from fears of geopolitical risk", drawing parallels between Bitcoin and gold as safe havens in times of uncertainty.

While expressing his belief in the potential of digital currencies, Fink acknowledged that he expressed his view on Bitcoin as a safe store of value rather than a medium of exchange. He emphasized Bitcoin's role in wealth preservation and its responsiveness to global geopolitical concerns, comparing it to the historical significance of gold as a safe asset class.

As the cryptocurrency landscape continues to evolve, BlackRock's support for an Ethereum ETF underscores the growing acceptance of digital assets in mainstream finance, with tokenization emerging as a transformative force in shaping the future of the financial industry.



*Fink sees a lot of potential in a Ethereum spot ETF.*

## Ether Makes a Leap Over \$2.4K as Traders Position for Ether ETF Potential



*The crypto market seems to expect an upcoming approval of ETH Spot ETFs in the USA.*

*Grünig, Gian*

On the day of Bitcoin ETF approval 10<sup>th</sup> of January, both Ether (ETH) and native tokens of Ethereum-based applications experienced a surge. This is driven by traders speculating on the potential approval of an Ether exchange-traded fund (ETF) following the approval of several Bitcoin ETFs.

Ether reached over \$2,400, marking a 5% increase in 24 hours on January 10th. Concurrently, Bitcoin saw a 2.2% dip most likely due to the fake tweets from the temporarily hacked U.S. Securities and Exchange Commission's X account, causing notable volatility in Bitcoin trading. BlackRock had previously filed an S-1 form for its iShares Ethereum Trust, a spot

Ether ETF. Traders in the crypto community are positioning themselves for a potential Ether-focused product, anticipating the first opportunity for professional U.S. investors to gain spot exposure to the blockchain's token without direct ownership.

Tokens like Lido's LDO and RocketPool's RPL briefly gained up to 17%, with both protocols allowing users to stake Ether and earn around 4.5% in annualized staking rewards. Layer 2 network tokens, such as Mantle's MNT and Optimism's OP, also saw gains of up to 9%, offering users cheaper and faster transactions than the main Ethereum blockchain.

However, market observers noted that an Ether ETF was still more of a probability than a certainty as of January 10th. While ETH is considered a likely candidate after Bitcoin, analysts caution that specific tokens like LIDO, ENS, and MKR could experience upward movements as traders position themselves for the potential of an ETH ETF.

## Dimon's Contradictory Bitcoin Skepticism

*Mottis, Fabrizio*

JPMorgan CEO Jamie Dimon remains skeptical of Bitcoin, dismissing its intrinsic value and as-sociating it primarily with illegal activities. Despite Dimon's negative stance, JPMorgan is playing a key role as an authorized participant in BlackRock's recently approved Spot Bitcoin ETF. This partnership underscores the growing involvement of major financial institutions in the crypto space.

Additionally, JPMorgan launched its digital token, JPM Coin, in 2019, demonstrating the bank's commitment to innovative crypto solutions despite Dimon's reservations.

JPMorgan's contradictory position reflects the broader industry trend of traditional financial giants acknowledging the inevitability of crypto exposure.

Despite Dimon's skepticism, market dynamics and client demand are forcing JPMorgan to navigate the crypto landscape, highlighting the complex relationship between traditional and decentralized finance.

## South Korea raises concerns over US-Bitcoin ETF

*Grünig, Gian*



*Skeptical of Bitcoin spot ETF trading: South Korea*

In response to the approval of Bitcoin ETF's in the United States, South Korea's Financial Services Commission (FSC) issued a warning to local financial entities involved in Bitcoin ETF intermediation. The FSC emphasized potential conflicts with the government's stance on virtual assets and Capital Markets Act regulations. While the South Korean regulatory landscape for cryptocurrencies is still evolving, the FSC signaled its intent to review and possibly update regulations in alignment with global developments, particularly in the United States. Despite the U.S. approval of spot Bitcoin ETFs, South Korea maintains its national ban on Bitcoin ETFs and other cryptocurrencies. The FSC

reiterated that local financial institutions cannot engage in cryptocurrency-related activities, including owning or investing in them, and launching ETFs. This decision reflects the FSC's commitment to financial market stability and investor protection, even in the face of global developments. South Korea continues to restrict cryptocurrency-related investment activities. The regulatory framework in South Korea prioritizes the protection of domestic investors by preventing illegal fund flows, money laundering, and speculative behaviors. As part of this broader strategy, there is a recent proposal to ban the use of credit cards for cryptocurrency purchases, aiming to limit crypto traders' access to foreign exchanges.



*Jeonju, South Korea at dawn*

## SWITZERLAND

## Bitcoin Spot ETF approval reminds: Switzerland is way ahead

*Baruffol, Tim*

Switzerland has established itself as a pioneer in Bitcoin and related technologies in the past decade. Although the recent approval of Bitcoin ETFs in the United States signifies global progress, Switzerland has long had a such Bitcoin Spot ETFs for Institutional Investors.

The Swiss blockchain sector, which comprises more than 1,100 companies, has been active for a long time. Of note in this landscape is the launch of a comparable Bitcoin investment product by 21Shares five years ago, which currently manages \$2.4 billion in assets. This is a testament to Switzerland's forward-thinking approach to the development of blockchain technologies.

Beyond Bitcoin, the Swiss blockchain community is actively working on Web3 - the envisioned decentralized version of the World Wide Web. This conceptualization envisages a future in which both information and cryptographically secured assets can circulate freely.

The pivotal role of the Swiss government, particularly in Zug, in fostering a



*Zug, Switzerland. Home of the infamous "Krypto Valley"*

conducive environment for blockchain innovation is evident. Former Federal Councilors Johann Schneider-Ammann and Ueli Maurer have been instrumental in advocating for regulatory clarity, thereby creating an environment highly conducive to blockchain initiatives. As head of the Swiss Blockchain

Federation(SBF), Zug Finance Director Heinz Tännler is actively helping to create an ecosystem that attracts international pioneers. As part of its mission, the SBF seeks to increase political engagement to effectively address emerging challenges and maintain Switzerland's regulatory advantage.

## INTERNATIONAL

## Coinbase and Yellow Card Collaboration boosts Crypto Access in 20 African Countries

*Mottis Fabrizio*

Coinbase has partnered with Yellow Card to expand its services to 20 African countries, focusing on increasing access to the USD Coin (USDC) stablecoin. This collaboration aims to enable millions of users to conduct fast, reliable and cost-effective transactions on the decentralized L2 base through both Coinbase and Yellow Card products. By integrating Yellow Card's payment rails in Africa, Coinbase customers can easily switch between fiat and cryptocurrencies, including Bitcoin and USDC on the Ethereum layer-2 rollup base.

The accessibility of this functionality for African users is further enhanced through the Coinbase wallet. This wallet recently implemented a new feature that allows transfers via links on popular social media platforms such as iMessage, Telegram, WhatsApp, Facebook and Instagram. In addition to USDC, Yellow Card CEO Chris Maurice mentions that other cryptocurrencies and stablecoins supported by Coinbase will also be integrated.

Yellow Card operates in 20 countries, including Nigeria, South Africa, Botswana, Ghana, Kenya and Tanzania. Coinbase identifies these regions as high inflation

and remittance dependent markets. Coinbase expects that the partnership with Yellow Card will provide a more economically viable way for users to transact in these areas.

The expansion into the African market aligns with Coinbase's commitment to fostering financial inclusion in emerging markets. The partnership between Coinbase and Yellow Card is a significant step in bringing cryptocurrency solutions to regions with significant demand and growth potential. It addresses real financial challenges faced by diverse populations across the continent.

## GameStop Abandons Brief NFT Venture, Exiting Crypto Scene

*Grünig, Gian*

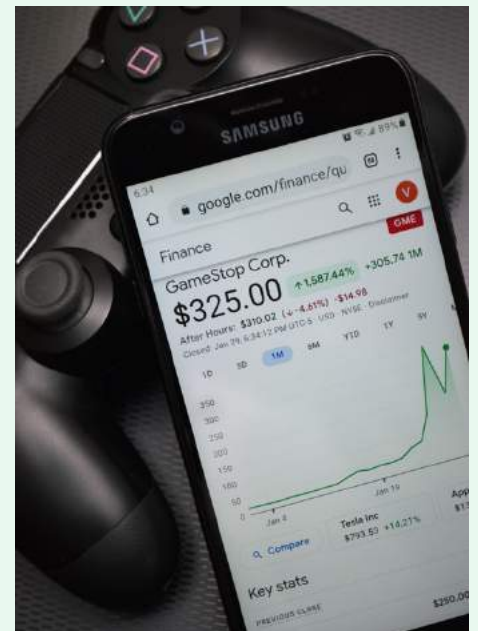
GameStop is set to close its NFT marketplace, marking its exit from the cryptocurrency sector. The company, in an official statement on the platform, attributes this decision to the "persistent regulatory uncertainty in the crypto space."

Launched on Halloween in 2022, GameStop's NFT marketplace, focusing on gaming assets, was created in collaboration with ImmutableX, an Ethereum layer 2 blockchain solution. This step is part of

GameStop's gradual withdrawal from the cryptocurrency domain, following the discontinuation of its crypto wallet in August.

GameStop acknowledges the ongoing shift in its involvement with cryptocurrency, while assuring customers that they can continue to sell NFTs on other platforms, as these assets are inherently hosted on the blockchain and not tied to a specific platform.

The closure of GameStop's NFT marketplace is not shocking to industry observers due to its limited impact on the broader NFT trading scene. GameStop's NFT marketplace launched in 2022 in collaboration with Immutable X and Loopring. Now, it only operates for a few more weeks. Nonetheless the decision underscores a big transition for GameStop, having previously sought engagement with its retail trader community through Web3 venture in 2022.



*GameStop, the company known for infamous 2021 short squeeze, plans on quitting NFT related activity.*

## OpenAI launches Worldcoin Iris scanning centers in Singapore



*Worldcoin: A self-proclaimed proof-of-personhood Cryptoproject. The goal; decentralize identification.*

*Baruffol, Tim*

Worldcoin, the crypto project co-founded by OpenAI CEO Sam Altman, is trying to create a decentralized global identification system. Now Worldcoin has strategically expanded its operations to Singapore. This development comes amid operational adjustments, including the suspension of verification services in India and a temporary halt to registration activities in Brazil and France. The Singapore launch is a

significant milestone for Worldcoin, demonstrating its commitment become the leader in automated identity verification. In a brief blog post, the organization announced the availability of its Orb, an iris scanning device, for individuals in Singapore to verify their uniqueness - a testament to the growing global interest in personality testing and the Worldcoin project. Despite the positive momentum from the Singapore launch, Worldcoin has acknowledged recent operational

adjustments. In India, services have been temporarily suspended as the project works on a secure and orderly process to meet the surge in demand for Orb-verified personality tests. Meanwhile, activities in Brazil and France have been limited previews, with a full launch planned for 2024.

Worldcoin focuses on identity verification, using Orb devices to scan an individual's iris for a secure verification process. To incentivize user participation, the project rewards users with WLD tokens. Due to an initial dip in token prices following the launch, WLD tokens are currently trading at roughly \$3. With five verification centers currently operating in the country, Worldcoin is demonstrating its commitment to providing accessible and Orb-verified identity verification services.

Despite temporary setbacks in certain regions, the organization's commitment to developing secure processes demonstrates a long-term vision for sustainable growth. An alliance with Singapore's startup associations further demonstrates Worldcoin's proactive stance in building robust partnerships and establishing a formidable presence in key markets. As Worldcoin refines its processes, forges alliances, and expands globally, it is cementing its position as a key player at the intersection of blockchain technology, identity verification and the broader cryptographic ecosystem.

## Is Scry the most advanced player in Oracle Networks?

*Baruffol, Tim*

In the dynamic world of decentralized applications (DApps), reliance on blockchain oracles for real-world data integration is critical. However, a closer look at the current landscape reveals a market that is still in its infancy, offering limited options and dominated by centralized entities. Chainlink, a leading player in the space, is at the forefront with its blockchain oracle network and prominent cryptocurrency, LINK. Despite its decentralized facade, concerns over its centralization have sparked debate and highlighted the need for a more open and flexible oracle ecosystem.

This is where Scry aims to add value. Scry is a groundbreaking decentralized oracle protocol that redefines the standards for data accessibility and interoperability in blockchain networks. The launch of Scry marks a significant step towards solving the challenges of centralization and lack of cross-chain data search capabilities that have long constrained the oracle market.

What sets Scry apart is its unique approach to enabling anyone to create and deploy independent oracles. This level of decentralization is unprecedented in the blockchain oracle space. With Scry, developers and users gain full control over their data sources, allowing them to choose appropriate security models and data providers. This flexibility is not just a theoretical advantage, but a practical solution to the pressing need for customizable and secure data access in DApps.

Scry's architecture is remarkably inclusive, supporting all Ethereum Virtual Machine (EVM)-compatible chains, including Ethereum and various Layer 2 networks such as Polygon, Arbitrum and Optimism. Its cross-chain lookup feature is a game changer, allowing access to any EVM network and data with a single request. This ability to retrieve real-time data, such as token balances or NFT ownership information, from any network is key to maintaining interoperability and composability across the expanding blockchain ecosystem.



*Delphi, Greece; home of the Oracle of Delphi in Greek mythology. In blockchain oracles are databases that can feed blockchains or smart contracts with real life data. They pose a single point of failure.*

In addition, the Morpheus framework within Scry ensures that developers can seamlessly integrate with any external application programming interface (API), be it public data sources, private enterprise APIs or real-world data feeds. This level of integration capability opens a large amount of potential use cases for DApps, driving innovation and utility in the decentralized space.

Another key innovation in Scry's model is the introduction of Data Liquidity Providers (Data LPs), creating a decentralized data marketplace. This concept not only democratizes data access, but also incentivizes individuals and entities to contribute to the data ecosystem. By becoming a data LP, participants can earn rewards, fostering a competitive and diverse data landscape.

Scry's commitment to decentralization, scalability and customization positions it as a robust alternative to traditional, centralized oracle networks. Scry enhances data security and mitigates the risks associated with single points of failure by eliminating reliance on a single entity and promoting a permissionless and open source environment. This inclusive and innovative approach is a leap forward in the quest for a truly decentralized oracle network.

The emergence of Scry as a fully decentralized oracle protocol is not just a technological advancement, it's a paradigm shift in how blockchain networks can access and use external data. Its permissionless and open-source nature encourages collaborative development and the creation of oracle solutions to meet specific needs.

## CRYPTOCURRENCIES

## Increased correlation; Is Bitcoin the new gold after all?



*After Crypto sold off in 2022, hopes that crypto can be used to hedge inflation, like gold were weakend. Now similarities are on the rise again.*

*Baruffol, Tim*

A recent report from asset management giant Fidelity reveals an increased correlation between Bitcoin and gold prices in the tumultuous year of 2023. Traditionally, the two assets have shown a lack of correlation, but Fidelity's analysis suggests a notable shift in the dynamics of their relationship.

Contrary to historical patterns, the price of Bitcoin has shown resilience and even rallied amid a global spike in interest rates. Fidelity's report highlights that cryptocurrency has decoupled from its previous inverse relationship with interest rates, a phenomenon that has also been seen in gold markets. The report notes: "Historically, Bitcoin has been relatively uncorrelated with gold over the longer term but has

recently shown an increased correlation as both have rallied." Over the past year, gold has experienced significant volatility, but has managed to post a robust performance against various currencies. The price of gold in US dollars rose a remarkable 14.6% in 2023, driven by geopolitical uncertainties and increased demand from central banks. At the same time, Bitcoin outperformed expectations with an impressive 156% gain over the same period.

Fidelity's analysts speculate on the driving forces behind this newfound correlation, suggesting that investors may be closely monitoring the growing US budget deficit or anticipating shifts in interest rates. The report states: "We can only speculate as to what these real asset markets are saying, but one possible explanation is that both Bitcoin and gold are saying that the bond market may be wrong, or that both assets recently shown an increased correlation as both have rallied."

recently shown an increased correlation as both have rallied."

The investment firm also points to the possibility that Bitcoin and gold are signaling concerns about the growing US budget deficit. Fidelity suggests that the price of Bitcoin may be anticipating further debt monetization by the Federal Reserve or foreshadowing interest rate cuts, as it is not correlated to consumer price inflation but to money supply inflation and various liquidity metrics.

Furthermore, Fidelity's analysis points to a tightening supply environment for Bitcoin, as the number of long-term holders has reached an all-time high of 70%. Despite Bitcoin's remarkable rally of more than 160% in mid-December, Fidelity notes that these long-term and illiquid coins have not been moved to take profits, suggesting increased investor resolve.



## Exploring Bitcoin Ordinals: A Blockchain Innovation

Grünig, Gian



*Bitcoin Ordinals: an alternative to traditional NFTs and a new Bitcoin use case. .*

Ordinals, a new concept in blockchain, serve as a form of non-fungible tokens (NFTs) on the Bitcoin blockchain. Enabled by a Bitcoin upgrade allowing the storage of information such as image files, text, or audio directly on the blockchain, Ordinals function as tradeable tokens.

The release of Ordinals in December 2022 sparked controversy within the Bitcoin community. Despite concerns raised by some Bitcoin enthusiasts about the impact on transaction times and reservations about diversifying Bitcoin's use beyond a digital currency, the protocol introduces a unique method of NFT creation with potential applications beyond the traditional NFT space.

### Bitcoin Taproot Upgrade Lays the Foundation:

The Bitcoin Taproot upgrade in November 2021 inspired the concept of inscribing metadata onto Bitcoin denominations. Unlike traditional NFTs, the process, known as "inscriptions," embeds data directly into the record of a Bitcoin transaction using Satoshis, the smallest unit of Bitcoin. Each Satoshi is assigned an Ordinal based on its mining order during the proof-of-work Process. smallest unit of Bitcoin.

Unlike traditional NFTs, the process, known as "inscriptions," embeds data directly into the record of a Bitcoin transaction using Satoshis, the Each Satoshi is assigned an Ordinal based on its mining order during the proof-of-work process.

The value of Ordinals extends beyond artwork or supply scarcity. It often hinges on the time of creation or specific serial number, with Satoshis having early inscription dates or marking certain moments in Bitcoin history being more valuable.

### Distinguishing Ordinals from NFTs:

Bitcoin Ordinals differ from traditional NFTs in their method of storing metadata. While traditional NFTs typically store data off-chain with URL pointers, Ordinals use inscriptions to store content directly on the blockchain. This design enhances decentralization and resistance to censorship, but comes with increased creation and transaction costs and size limitations for inscriptions.

Bitcoin ordinals use proof of work (PoW) in the mining process, contributing to Bitcoin's substantial energy requirements. In contrast, NFTs on smart contract blockchains typically use Proof of Stake (PoS) and generally offer faster transactions.

### Billions in Transaction Volume and Mainstream Recognition:

As of writing, over 49.5 million Satoshi inscriptions have been recorded since the first Ordinal on December 14th, 2022. The total trading volume across major Ordinal marketplaces has surpassed \$1.2 billion.

The OKX Ordinals Market leads in trading volume, with Magic Eden and unisat having the highest number of unique users.

Ordinals have even entered mainstream auctions at Sotheby's. The renowned auction house, having made \$17 million with its first NFT auction in 2021, is now exploring Bitcoin Ordinals through BitcoinShrooms. Created by the pseudonymous artist Shroomtoshi, this Ordinals project features pixel art inspired by Bitcoin's history.

### Ordinals usage is leading to increased transaction costs:

A notable repercussion of the growing trend in inscriptions is the escalation of BTC fees and persistent congestion in mempool caused by pending transfers. At the start of December 2023, the average transaction fee was about \$30. In contrast, prior to this period, the average transaction fee ranged between 1-2 dollars.

This development has sparked a significant debate around Ordinals, particularly as Luke Dashjr's Ocean Pool began excluding ordinals from mined blocks. Some miners are now refusing transactions with inscriptions, driven by the belief that Bitcoin should be exclusively used for financial transactions. On the other side of the debate, Ordinals advocates argue for a free-market approach, emphasizing that the determination of block-filling costs should be left to the decentral-zed choices of users, rather than being influenced by centralized mining pools.



*A monkey artwork, much like the NFT ape series*

# Bitcoin Miner Outflows Soar to Six-Year Highs Ahead of Halving

Grünig, Gian

In recent developments, miner outflow has hit a multi-year high, with tens of thousands BTC, valued at over \$1bn, being transferred to exchanges. According to CryptoQuant, a leading provider of on-chain and market data analytics, the majority of this movement is attributed to the Bitcoin mining pool F2Pool. In a Telegram exchange with CoinDesk, Bradley Park, an analyst at F2Pool, highlighted miners' relocation as a response to mounting operational costs. Park pointed out that F2Pool's increased costs stem from its relocation to Kazakhstan and the imperative to upgrade miners to Bitmain's latest Antminer T21 ahead of the halving. The halving reduces mining rewards, impacting the per-machine yield. F2Pool's hashrate has already started to climb, indicating ongoing efforts to enhance its computational capacity. Hashrate serves as a measure of the computational power within a blockchain, group, or individual. Miners, entities employing substantial computing resources to validate transactions and secure proof-of-work networks like Bitcoin, predominantly generate revenue through automatically awarded network tokens.



Miner rewards measured in USD at a multi-year high. Next hurdle for miners: upcoming Bitcoin halving

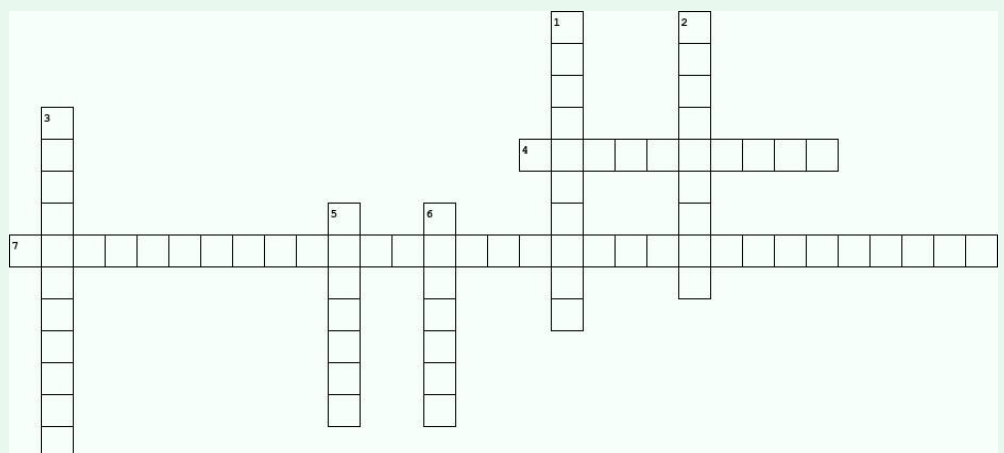
Historically, miner outflows to exchanges have been considered a bearish signal for Bitcoin's price, but the correlation is not always a given. Past instances of increased outflows have preceded price drops, there have been exceptions, such as in August 2019, when Bitcoin's price continued to rise despite higher outflows. Presently,

analysts are leaning towards interpreting the current miner outflow as not overly bearish. This perspective aligns with the recent listing of the first U.S. Bitcoin ETFs, a monumental event a decade in the making, which casts a unique influence on the current market dynamics.

## Crossword

### Down

- 1., \_\_\_\_\_ is the largest and first licensed Stablecoin on/off ramp on the African continent.
- 2., The name of the biggest Asset Managing Company in the world
- 3., The \_\_\_ between gold and BTC increased
- 5., The next Bitcoin \_\_\_\_\_ is scheduled for April 2024
- 6., Family Name of the head of the SEC



### Across

- 4., Which country warns about Bitcoin ETF trading in the US?
- 7., The abbreviation SEC stands for ?

Solutions: 1. Yellow Card 2.BlackRock 3. Correlation 4. South Korea 5.Halving 6.Gensler 7. Securities and Exchange Commission

### Impressum

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Layout & Design: Tim Baruffol

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