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INTERNATIONAL

UN Investigates North Korean Cyber-Attacks, Suspected to Fund Nuclear Weapons Development

Mottis, Fabrizio

The UN is currently launching an investigation into alleged cyber-attacks carried out by North Korea, which are suspected to have generated a staggering \$3 billion in funds to fuel their nuclear weapons program. As outlined in a confidential UN report, a special sanctions committee is looking into 58 separate incidents involving cyber-attacks on cryptocurrency companies spanning from 2017 to 2023, all of which have contributed to the financing of North Korea's dangerous weapons development.

According to reports, the Democratic People's Republic of Korea (DPRK) is believed to be responsible for a series of hacking attacks on cryptocurrency companies, resulting in significant financial gains over six years. The United Nations is set to reveal the results of its investigation within the next two months.

In the face of criticism over purported crypto losses, North Korean hacking collectives have persistently pursued their illicit activities. According to Chainalysis' 2023 report, these groups managed to snatch approximately \$1 billion in digital currency from 20 high-profile breaches – a decline from the previous year's record of \$1.7 billion scattered across 15 incidents. Blockchain intelligence firm TRM Labs anticipates more significant damage from hacking groups in 2024, with advancements in their attack methods. The UN report sheds light on the DPRK's violation of sanctions, involving the sale or transfer of conventional arms and munitions.



North Korea is suspected to use the illegally generated funds for nuclear weapons

North Korea has faced accusations of supplying weapons to Russia for its war in Ukraine, which both nations deny. The report brings attention to North Korea's unyielding ability to access the worldwide financial system, participating in unlawful financial activities in blatant disregard of UN Security Council mandates. The UN investigation underscores the ongoing challenges posed by cyber threats and the illicit use of cryptocurrency, prompting concerns about their impact on global security and financial stability.

US Energy Information Administration is looking into BTC mining energy consumption

Baruffol, Tim

The U.S. Energy Information Administration (EIA) has launched a comprehensive survey of cryptocurrency mining in the United States to shed light on the sector's electricity consumption. The initiative, which has sparked both interest and controversy in the crypto community, is an important step by the government to understand and potentially regulate the impact of digital asset mining on energy consumption.

Starting this week, the EIA, a major statistical and analytical arm of the US Department of Energy, will contact identified commercial cryptocurrency miners and ask them to provide detailed information about their energy consumption. The survey, which was approved as an emergency data collection by the Office of Management and Budget (OMB) on 26 January, is a sign of the government's

growing concern about the environmental footprint of crypto mining activities.

Joe DeCarolis, the EIA's administrator, stressed the agency's commitment to studying the impact of cryptocurrency mining on energy consumption. "Our goal is to systematically analyse and discuss the evolving energy needs of cryptocurrency mining, identify areas of rapid growth, and evaluate the energy sources that are meeting those needs," DeCarolis explained. The EIA also plans to seek public comment on the data collection to ensure a transparent and comprehensive approach to understanding the industry's energy consumption.

However, the survey has not met with unanimous approval. Critics argue that it is an overly intrusive measure that could lead to a blanket registration of mining operations, which would raise privacy and operational concerns among miners. Marty Bent, a prominent Bitcoin advocate and mining director, called the initiative "one of the most Orwellian developments this administration has produced," citing fears about the detailed data being requested, including information about mining fleets and hash rates.

The mining industry's fears are compounded by the EIA's warning of heavy penalties for



The EIA is investigating the use of electricity for BTC mining in the US

non-compliance. Companies that fail to comply with the survey could be fined up to \$10,633 per day. This provision has led to calls for legal action against what some see as excessive government overreach.

Grayscale CEO Pushes for Approval of Spot Bitcoin ETF Options

Grünig, Gian

Michael Sonnenshein, CEO of Grayscale, has emphasized the importance of regulatory approval for spot Bitcoin exchange-traded fund (ETF) options, advocating for the development of a robust listed options market for spot Bitcoin ETF's in a statement released on February 5th. Sonnenshein's call comes as the Securities and Exchange Commission (SEC) is currently reviewing applications for such options, including those submitted by the New York Stock Exchange (NYSE) and other national securities exchanges.

In his statement, Sonnenshein stressed that Bitcoin futures ETFs and spot Bitcoin ETFs should be treated identically, regarding the SEC's approval process. In reality however, the two types of ETFs are treated differently, while Bitcoin futures ETF options were swiftly introduced through an

automatic approval process, spot Bitcoin ETF options face a longer, more complex approval process by the SEC, similar to that for each underlying fund.

Sonnenshein also mentioned the benefits of options trading for investors, stating that they support price discovery, facilitate better navigation of market conditions, and can generate income. He argued that these advantages apply to both retail and institutional investors.

The SEC, currently reviewing several spot Bitcoin ETF applications, opened comments on BlackRock's Nasdaq-listed fund and several Cboe BZX-listed funds on January 19th. Bloomberg ETF analyst James Seyffart suggested that a decision on spot Bitcoin ETF options could occur between February and September 2024.

However, separate reports from Reuters indicate that a decision might be delayed until December 2024, potentially requiring approval from both the SEC and the Commodity Futures Trading Commission (CFTC).

Grayscale, one of the firms to receive SEC approval for underlying spot Bitcoin ETFs on January 10th, has seen considerable success with its GBTC ETF, which had \$20.5 billion in assets under management as of February 2nd. Despite being the largest spot Bitcoin ETF currently available, GBTC is also experiencing significant outflows. Sonnenshein's push for spot Bitcoin ETF options reflects the growing interest and importance of cryptocurrency investment vehicles in the financial market.

El Salvador Defiantly Maintains Bitcoin's Legal Tender Status, Ignoring IMF Urges

Grünig, Gian

In the framework of President Nayib Bukele's resounding victory in the February 4th elections, El Salvador is standing by its commitment to embrace Bitcoin, despite continued pressure from the International Monetary Fund (IMF).

El Salvador's Vice President, Félix Ulloa, affirmed in an interview with Reuters that bitcoin will remain legal tender in the country during President Bukele's second term. This stance comes despite the IMF's recent calls for the nation to abandon Bitcoin as legal tender during ongoing negotiations for a billion-dollar loan.

In its recent report, the IMF acknowledged the importance of digital means of payment for financial inclusion, highlighting the role of the Chivo e-wallet. However, the Fund emphasized the necessity for strict regulation and oversight of the Chivo ecosystem and Bitcoin. The directors urged the Salvadoran authorities to narrow the scope of the Bitcoin law by removing its legal tender status, citing risks to financial stability, integrity, and consumer protection.

Ulloa countered the IMF's position, asserting that El Salvador's Bitcoin law would not be reversed. He emphasized that the recent approval of spot Bitcoin exchange-traded funds (ETFs) by the SEC only strengthened the country's resolve to maintain Bitcoin's legal tender status. El Salvador had pioneered Bitcoin's status as legal tender alongside the U.S. dollar in September 2021. Despite the opposition, the country has always maintained its commitment to Bitcoin, purchasing significant amounts of cryptocurrencies valued at over \$120 million. The introduction of the Freedom Visa program, powered by Bitcoin, has garnered \$153 million in investments since December 2023.

The Salvadoran government, encouraged by Bukele's clear victory in the recent elections, now plans to launch Bitcoin-backed bonds in the first quarter of 2024. With that financial initiative, El Salvador aims to



Nayib Bukele got reelected as the President of El Salvador on February 4th

establish a unique Bitcoin-centric capital market, offering investors a 6.5% annual return over ten years.

In addition to Bitcoin bonds, El Salvador will proceed with the construction of Bitcoin City, a tax-free crypto haven proposed by President Bukele in eastern El Salvador. The government also confirmed the issuance of passports to investors contributing \$1 million in cryptocurrency.

Vice President Felix Ulloa reportedly stated that the country would double down on its pro-Bitcoin moves in Bukele's second term, indicating a steadfast continuation of El Salvador's innovative and controversial crypto-friendly policies.

Did you know...?

The Chivo Wallet, developed by the El Salvadoran government, serves as a digital wallet facilitating transactions in both US dollars and Bitcoin. Users of the Chivo Wallet can send and receive Bitcoin and/or US dollars without any commissions within the Salvadoran community. The wallet further enables the effortless exchange of Bitcoin for US dollars and vice versa, all without associated fees. Compatibility with various Bitcoin on-chain and Lightning wallets enhances the versatility of Chivo. Moreover, Chivo establishes connections with El Salvador's banking system, facilitating the deposit and withdrawal of dollars from the platform.



Bitcoin remains legal tender for El Salvador

UK's proposed stablecoin regulations spark industry concerns

Schmidhuber, Leonie

The UK's plans to regulate stablecoins have sparked concerns in the crypto industry, with various industry groups calling for revisions. The Bank of England (BoE) and the Financial Conduct Authority (FCA) released discussion papers outlining their regulatory plans for cryptocurrencies that are linked to fiat currencies or other fixed assets. However, feedback from industry stakeholders suggests that the proposals have been met with mixed reactions. Significant revisions are needed.

The main point of contention revolves around the treatment of stablecoin issuers by regulators, particularly in relation to their ability to earn interest on the reserve assets backing the tokens. While the FCA is proposing to allow regulated stablecoin issuers to retain interest income from the assets backing the tokens, the BoE is proposing to require issuers of systemically important stablecoins to hold reserve assets exclusively in the form of central bank reserves, thereby limiting their ability to earn interest.

This discrepancy has raised concerns among industry experts in the UK, with some arguing that it could stifle innovation and growth in the sector. Paul Worthington, Head of Regulatory Affairs at Innovate Finance, highlights that the BoE's approach imposes significant constraints on stablecoin firms, forcing them to rethink their business models if they wish to achieve systemic status. Such a shift, Worthington argues, could potentially limit growth opportunities.

Su Carpenter, operations manager at Crypto UK, shares similar sentiments, pointing to the potential future challenges posed by differing regulatory approaches. The inconsistency between the FCA and the BoE could pose challenges for stablecoin issuers navigating the evolving regulatory landscape.

Another area of concern is the proposed asset backing for stablecoins. The FCA's proposal to limit acceptable collateral to short-term government bonds and cash has been criticised by industry bodies in the UK, who argue that this restriction could hinder issuer flexibility and revenue generation.

Overall, the UK's approach to regulating stablecoins is under scrutiny, with industry stakeholders calling for better coordination between regulators and more flexibility in the regulatory framework. As the crypto industry continues to evolve, finding a balanced approach that encourages innovation while ensuring consumer protection will be crucial for the UK to remain competitive in the global market.



UK's plans to regulate stablecoins garnered mixed reactions

43 Fraudulent Crypto Phishing-Sites Blocked in Cybersecurity Crackdown

Baruffol, Tim

London authorities have successfully intercepted a substantial crypto-phishing operation, safe-guarding countless digital asset users. Led by the National Fraud Intelligence Bureau (NFIB), this strike underscores the increasing effectiveness of law enforcement in the digital age, particularly in the realm of cryptocurrency.

The operation revealed the cunning tactics of cybercriminals, including the impersonation of legitimate crypto platforms such as Blockchain.com. This deceit was unearthed by the diligent efforts of the interim commissioner Pete O'Doherty's team, leading to the identification and subsequent blockade of 43 fraudulent web domains. Among these were notably deceptive sites like "actionfraud.info" and "department-fraud.com," which were promptly neutralized upon discovery.

This crackdown on cyber deception highlights the crucial role of the NFIB in the fight against financial cybercrime. The bureau, dedicated to the analysis and collection of fraud and finance-related cybercrime information, has been pivotal in urging the public to report incidents of cybercrime through official channels and hotlines. Their vigilance has paid off; by December 2023, the unit had successfully dismantled nearly 300,000 malicious websites, a testament to their relentless pursuit of cyber safety. This operation also sheds light on the broader issue of

security breaches within the crypto infrastructure, as evidenced by a significant breach reported by hardware wallet manufacturer Trezor.

This breach put the data of 66,000 users at risk, with at least 41 individuals reporting phishing emails aimed at extracting sensitive information for unauthorized access to crypto wallets.

The phishing assault was traced back to a breach at the email marketing company MailerLite, inadvertently facilitating unauthorized access to Web3 accounts. A MailerLite employee fell victim to a social engineering attack, clicking on a malicious link that led to a fraudulent Google login page. This lapse provided attackers with access to MailerLite's admin panel, enabling a well-orchestrated phishing campaign against crypto investors.

Financial ramifications of this cyber onslaught were significant, with the primary wallet of the attackers amassing at least \$3.3 million in inflows post-attack, according to blockchain analytics firm Nansen. This figure not only highlights the financial impact of such crimes but also underscores the critical need for robust cybersecurity and regulation measures.

Did you know...?

Crypto phishing is a fraudulent activity where scammers impersonate legitimate cryptocurrency platforms or services through emails, fake websites, or social media to deceive individuals into revealing sensitive information, such as private keys or login credentials, leading to unauthorized access to their cryptocurrency wallets and theft of digital assets.

Hacking incident concerning Coinbase



Coinbase was one of the victims of the breach

Baruffol, Tim

A hacker has allegedly breached KodexGlobal, a critical platform used for data requests by law enforcement agencies. This breach poses a significant threat to personal data across various online platforms, including major cryptocurrency exchanges such as Binance and Coinbase, as well as social media and communication services like LinkedIn and Discord.

Hudson Rock, a leading provider of cybercrime solutions, has uncovered the breach and reported it in a blog post on February 4th. The post revealed that the hacker is selling access to the KodexGlobal account on BreachForums for \$5,000 for full access or \$300 per emergency data request (EDR). The services that are vulnerable to these illegal EDRs include LinkedIn, Discord, Tinder, Binance, Coinbase, Chainlink, and SendGrid! If emergency data requests are conducted under false pretenses, they could lead to severe consequences! These could be serious issues, such as identity theft, extortion, and significant financial losses, especially for individuals with cryptocurrency holdings.

How did the hacker do it? Hudson Rock suspects that the hacker likely exploited credentials from Infostealer infections. Infostealer is a method by which malware harvests confidential information from compromised computers. In this instance, the computers belonged to law enforcement officers.

The discovery of over 50 different sets of credentials for Google's law enforcement system compromised through such infections supports this assertion!

Binance's spokesperson clarified that there is no indication of a compromise on Binance's systems in response to this alarming disclosure. The spokesperson emphasized the exchange's commitment to protecting user data, highlighting thorough documentation and continuous monitoring processes to mitigate the risk of compromised accounts. Despite the unsettling revelations, Binance assures its users that their data is safe and protected against unauthorized access!

The potential abuse of KodexGlobal for unauthorized data requests raises significant concerns over the security of sensitive user information. KodexGlobal serves as a central platform for lawful data exchanges between businesses, ensuring that requests for user information are legitimate and necessary for law enforcement purposes. The exploitation of such a system could undermine trust in the digital security framework essential for online services, especially those dealing with financial transactions and personal communication.

In December 2023, a similar threat emerged when a hacker pretended to sell access to Binance's law enforcement portal via KodexGlobal. Although Binance

did not confirm any system breaches or data thefts, the incident made it clear that online platforms are under constant threat and the urgent need for robust cybersecurity measures.

In addition, Binance recently addressed another issue by denying claims of an exposed cache of internal passwords and code on GitHub. The company assured that there had been no such leak and that user accounts remain secure, underscoring the ongoing challenges and importance of vigilance in cybersecurity measures.

BlackRock and Fidelity Bitcoin ETFs Soar into Top 10 with \$4.8 Billion January Inflow

Mottis, Fabrizio

In a notable turn of events, BlackRock and Fidelity's spot Bitcoin ETFs snagged spots on the top 10 list for ETFs with the highest January inflows, with a combined total of \$4.8 billion. As of Feb. 3, BlackRock's iShares Bitcoin Trust landed in the eighth spot with \$2.6 billion in net inflows, and Fidelity Wise Origin Bitcoin ETF sat in 10th place with \$2.2 billion, according to a Morningstar report. This rise in popularity is in sharp contrast to the Grayscale Bitcoin Trust, which saw the second-highest outflows of any ETF — losing an estimated \$5.7 billion.

The U.S. spot Bitcoin ETF landscape has been fast-moving, with nearly \$715 million of net positive inflows over the past six consecutive days (first days of February) going into BlackRock and Fidelity's funds - after a period of net outflows. Adding to the complexity, BlackRock and Fidelity's substantial holdings now represent approximately 0.5% of the total Bitcoin supply, signaling a notable endorsement of the cryptocurrency by the traditional financial sectors.

Although not available to investors for the entire month, both the iShares Bitcoin Trust (IBIT) and the Fidelity Wise Origin Bitcoin Fund (FBTC) began trading on January 11th. However, the BlackRock and Fidelity Bitcoin ETFs managed to secure positions in the top 10 by net asset flows in January, demonstrating their impressive performance in a short trading window.

Market Mastery à la 'Rich Dad Poor Dad': Kiyosaki Sounds the Alarm

Schmidhuber, Leonie

Best-selling author Robert Kiyosaki, best known for "Rich Dad Poor Dad", is ringing the alarm and predicting an upcoming collapse of the stock and bond markets. With years of experience in the financial world, Kiyosaki has earned a reputation as an expert in financial education and investing as a renowned author and entrepreneur. His ability to make complex financial concepts accessible has made him a trusted source for investors and financial enthusiasts. Consequently, his opinions on current market developments are of interest to many people and can potentially have an impact on their investment strategies.

Addressing his 2.5 million followers on the social platform X, Kiyosaki argues that the current upswing in the stock market is being driven by an inflow of dollars from the US government. In particular, he points to the outstanding performance of the "Magnificent Seven", which includes tech giants Tesla, Meta, Alphabet, Amazon, Apple, Microsoft and Nvidia.

Despite the "Magnificent Seven's" collective rise of 71% in 2023, significantly outperforming the broader S&P 500, Kiyosaki warns against interpreting this growth as a sign of a robust economy. He claims that the rise in these seven stocks is supported by US government dollars, which leads to a wrong perception of economic strength.

In an open tweet on X, Kiyosaki urges caution: "The stock market is climbing higher and higher. Suckers actually believe the economy is strong. Don't be fooled. The Magnificent 7 financed by US government dollars keeps stock market up. Please be careful. Stock and Bond markets about to crash."

Kiyosaki underlines his strategy to protect against potential economic pitfalls and reinforces his commitment to Bitcoin (BTC). He claims that Bitcoin serves as protection against wealth erosion caused by monetary policy, citing the Federal Reserve, the Treasury Secretary and Wall Street bankers as agents of this erosion.

"Why I own Bitcoin. Bitcoin is protection against the theft of our wealth via our money. Fed Chairman Powell, Treasury Secretary Yellin, and Wall Street bankers steal our wealth via our money, specifically via inflation, taxation and stock price manipulation. That is why I save and invest in Bitcoin, not stocks, bonds, and fake dollars."

With Bitcoin currently hovering around

\$42,844, Kiyosaki's warning comes at a time when the S&P 500 has just hit a new all-time high of 4,975 points.

The increasing correlation between cryptocurrency prices and traditional financial markets adds an intriguing dimension to Robert Kiyosaki's perspective. As cryptocurrencies continue to integrate into the global financial system, economic factors such as inflation and interest rates will become increasingly influential in determining how they price. Considering this trend, Kiyosaki's observations on the future of financial markets are noteworthy, as they may offer some valuable insights into the evolving relationship between cryptocurrencies and traditional assets.

Kiyosaki has often shared predictions with his audience, describing catastrophic future scenarios and forecasting stock market crashes. However, very rarely have they come true. Investors should therefore take his advice with skepticism and caution. The unpredictability of financial markets requires careful evaluation of multiple perspectives to make informed decisions.



Kiyosaki views BTC as an asset of protection

SWITZERLAND

Lugano's Vision: A Harmonious Coexistence of Bitcoin, CBDCs, and Stablecoins in Digital Finance

Mottis, Fabrizio

Lugano, the charming Swiss city, is eagerly embracing the prospect of a harmonious coexistence between Bitcoin, stablecoins, and central bank digital currencies (CBDCs). According to Paolo Bortolin, the deputy CFO of Lugano, the decentralized nature of Bitcoin sets it apart from the rest, while CBDCs, available for both wholesale and retail use, could prove valuable assets in the digital financial realm.

In his analysis, Bortolin acknowledges the exciting possibilities that may arise from combining Bitcoin with CBDCs, stressing that they can coexist harmoniously. However, he raises concerns about the impact of retail CBDCs on issues such as privacy

and competition in the banking sector. Bortolin suggests that a digital wallet controlled by the central bank for managing Swiss francs could lead to a decrease in reliance on traditional banks. Lugano's vision of a thriving digital financial ecosystem includes the crucial addition of stablecoins like Tether. Bortolin predicts a future where private stablecoins vie for dominance, much like Tether has established with the US dollar.

To support the growing popularity of cryptocurrencies, Lugano took a bold step in December 2023 by expanding its acceptance of digital currencies. Now, residents can pay taxes and community fees using cryptocurrencies like Bitcoin and USDT. The city has also launched its own local stablecoin, LVGA, which runs on

blockchain technology and is designed for payments within the city.

The city has not been actively involved in Switzerland's wholesale CBDC project, Helvetia III. However, according to Bortolin, there have been ongoing discussions about the possibility of participating in the project in the upcoming months. He makes it clear that the city is open to adopting a Swiss National Bank-issued CBDC if it is introduced.

Lugano is at the forefront of embracing a variety of digital currencies, as evident in its ground-breaking program, Plan B, developed in partnership with Tether. This innovative initiative has successfully enticed 400 businesses that accept BTC and USDT as payment options and has garnered a considerable following of 14,000 users.

CRYPTOCURRENCIES

On the Rise: Solana's January Triumph

Schmidhuber, Leonie

In a recent noteworthy development, the Solana blockchain has seen an impressive increase in new addresses in January, highlighting the growing enthusiasm of investors in the crypto sector. The Block's data dashboard shows that the monthly number of new addresses on Solana has reached a staggering 11.81 million, an 18% increase from the previous month's figure of around 10 million addresses.

This increase in new addresses on Solana, a multi-month high, surpasses the last historic high recorded in May 2022 with 11.72 million unique addresses for transactions. The increase in new addresses is in line with the surge of users exploring native decentralized exchanges (DEX) and meme coins such as Wen and Bonk. In addition, the release of the native token of Jupiter, the main decentralized exchange aggregator on the network, at the end of the month likely contributed to this significant increase.

The weekly average of daily active addresses has also seen a notable upswing, increasing by more than a third since the beginning of the year. Although this increase is lower than the activity level in May 2022, it indicates a vibrant and growing Solana community.



Solana has recorded a new high in users of the Solana Blockchain

Solana's native cryptocurrency, SOL, has seen a significant price recovery, reaching an annual high of \$120 at the end of December 2023. Although SOL has seen a slight decline since then, there has been a 6% increase on January 31st, with SOL currently trading around \$101.3, according to the latest estimates from recognized price sites.

Solana (SOL) is currently in an upward phase, signaling a decisive turnaround from recent market declines. According to data from CoinMarketCap, the value of Solana has risen to \$101.75, representing a 5.3% increase on February 1st and a substantial rise of over 15% from January 26th to February 1st.

The protocol's journey, which has been characterized by various obstacles, has proven its resilience and adaptability. Solana's recent price escalation has pushed the cryptocurrency past key resistance levels and consolidated the \$100 mark as a new support level. As such, the currency is in price discovery territory and has the potential for even more ambitious targets in the near future.

The robust growth of Solana's decentralized finance (DeFi) and non-fungible token (NFT) eco-system continues to generate enthusiasm at all levels and reflects a promising trajectory for the future of the network.

Solana's 5 Hour Blockchain Outage

Brönniman, Nadine

Solana experienced an unexpected downtime on February 7th, lasting nearly five hours. The outage was a result of a recent update, which inadvertently caused disruptions in the network. The Berkeley Packet Filter (BPF) crashed due to changes that removed its reliance on certain metadata. While the update aimed to streamline the blockchain's operations, it inadvertently led to the crash. Despite immediate efforts to resolve the issue, the network went offline before the fix could be implemented. This incident marked the end of a long period of tranquility for Solana. The last network crash occurred a year ago, in February 2023, when the network remained offline for a staggering 19 hours.



Solana experienced a 5-hour-downtime on February 7th

After extensive efforts by developers and validators, the blockchain successfully returned to normalcy. Although brief disruptions were experienced following the restoration, the network eventually stabilized and resumed its regular operations.

Despite the network's restoration, concerns persist regarding its reliability and stability of Solana's Layer 1. This outage is not an isolated event - Solana has encountered a total of eleven similar outages over the past two years. While SOL remains a significant player in the crypto space and has ascended to a top 5 cryptocurrency, addressing these persistent network issues is crucial. Developers are working to implement a long-term solution, with promises that the upcoming "Firedancer" upgrade will almost completely eliminate network outages. Interestingly, the market seems unaffected by the recent outage, with the value of SOL even experiencing a slight increase.

CleanSpark Expands Bitcoin Mining Operations, Aiming to Double Hash Rate

Mottis, Fabrizio

CleanSpark, a leading player in the world of Bitcoin mining, is taking strides to boost its standing with the acquisition of four new mining facilities. This move comes just in time for the highly anticipated Bitcoin halving on the horizon. By doubling its hash rate, CleanSpark is strategically positioning itself to reap maximum benefits from the halving event in late April. The market buzz around CleanSpark's growth trajectory is evident as its stock saw a 12% surge following the announcement of its acquisition plans. Valued at \$19.8 million in cash, the company is set to acquire three "turnkey" sites in Mississippi. This investment is projected to generate significant revenue, with an estimated contribution of 14% shortly after the transaction is finalized. In addition to the Mississippi facilities, CleanSpark is set to purchase a mining facility in Dalton, Georgia, for an initial cash payment of \$3.4 million, with an additional \$3.5 million investment to complete the project by April.

Zachary Bradford, the CEO of CleanSpark, sees this as a strategic move to not only grow their operations but also diversify their data center portfolio. This decision perfectly aligns with the company's strategy of seamlessly integrating their machines into potential facilities.

The expansion comes as the crypto industry anticipates consolidation among Bitcoin miners, especially smaller ones, considering the upcoming halving, which is expected to reduce miner rewards. CleanSpark's recent strategic acquisitions, totaling 160,000 high-performing mining machines, are a strong testament to their determination to capitalize on potential growth opportunities.

One industry that has seen tremendous success with the rise in Bitcoin prices is Bitcoin mining stocks, particularly CleanSpark. This increase in price has directly translated into a surge in mining revenue. In 2023, CleanSpark proved to be a top performer, outshining Bitcoin with a staggering 440% gain compared to Bitcoin's 157%.

MARKET UPDATE

Riding the Chinese New Year Wave: Bitcoin Hits \$47,000, Analysts Optimistic



Bitcoin rides a positive momentum according to analysts

Schmidhuber, Leonie

Bitcoin's recent surge has caught the attention of investors and analysts alike, with the cryptocurrency topping \$47,000 for the first time since January. This surge, which represents a 4% increase in a single day (8. Feb) and an 8% increase over the week before, underlines the bullish sentiment in the market.

Analysts are optimistic about bitcoin's future trajectory, with some predicting that it could soon reach \$48,000 and beyond. One factor contributing to this optimism is the historical trend observed around the Chinese New Year, which has historically led to significant price increases for bitcoin. Markus Thielen, Head of Research at Matrixport, expects bitcoin to approach \$50,000 in the near future, citing historical gains during the Chinese New Year festivities.

Thielen's analysis shows that bitcoin typically experiences significant price spikes during this time, with past data showing a positive correlation between the festival and bitcoin price movements. In addition, analysts at LMAX Digital expect bitcoin's upward trend to continue, with the potential to break through the \$50,000 mark.

Despite the recent gains, bitcoin is still some \$23,000 below its all-time high, which was reached in 2021 during the COVID-19 pandemic-era bull run. However, market analysts remain bullish on bitcoin's long-term prospects, with some predicting a potential surge beyond \$100,000.

The recent approval of several bitcoin exchange-traded funds (ETFs) in the United States has bolstered bitcoin's institutional legitimacy and contributed to its upward momentum. Analysts believe that this shift towards ETFs could broaden bitcoin's investor base and potentially drive further price gains.

Looking ahead, analysts are closely monitoring the upcoming bitcoin halving event, which is expected to take place in April and will reduce the mining reward from 6.25 to 3.125 bitcoins per block. This event has historically had a significant impact on the price of bitcoin and could further fuel its upward trajectory.

In conclusion, bitcoin's recent surge to over \$47,000 reflects a bullish sentiment in the market, with analysts optimistic about its short and long-term prospects. Factors such as the Chinese New Year celebrations and the approval of bitcoin ETFs are contributing to this optimism, signaling potential further gains for the cryptocurrency in the future.

SCL NOW

Interview with Lilly Sciolly, Smart Contracts Lab Head of board

*Sciolly, Lilly
Baruffol, Tim*

In the framework of our research and development goals here at Smart Contracts Lab, the vision to make blockchain applications a standard tool in the market surfaced. Lilly Sciolly and her team now have the ambitious goal of crafting an entirely new platform. In attempts to spread her enthusiasm for this project, an interview with Lilly was held:

T: Hi Lilly, can you introduce yourself and your team quickly?

L: Sure. My name is Lilly. I'm a master's student, and I'm the leader of the Functional Platform Team at SCL. Nico, Martin, Johannes, Joel, and Sofiya are part of the team, and together we develop a web app to visualize smart contract data.

T: Why did you decide to develop such a platform? What Problem do you tackle?

L: We quickly realized that in the blockchain world there are various platforms for smart contracts, such as Polygonscan, but they are relatively unfriendly to users. Their target audience is primarily people with advanced technological skills and interests. This makes it challenging to establish blockchain and smart contract technology as a standard and thus increase adoption. At SCL, we aim to develop solutions that everyone will use one day. Therefore, we have been contemplating how to build a platform that makes it easy to read and use the data contained in smart contracts.

T: So, what have you built exactly?

L: With our web app "Smart Contract Report" you insert the smart contract address of a smart contract and then get a dashboard with data visualizations about transactions, gas fees, and other relevant data. The user can also download the report. Additionally, there is a news section with relevant blockchain newspapers, and we plan to implement a channel where users can discuss their metrics and gain insights from each other.

T: Wow, that sounds complex. Did you encounter any challenges along the way?



The Accounting and Functional Platform Team, with Lilly as the leader

L: Well, yeah. Let's clarify: even though some of us might have written some lines of code in our lives, no one ever built such a thing. So, at the beginning, we were not sure whether we would be able to achieve our goal, but we were all very bold and ambitious. Moreover, we quickly realized how we could complement our skills and expertise. Hence, we embraced every single challenge we had to face.

T: How could you guide them to success as a team leader?

L: Well, there may have been some initial skepticism about my structured approach fueled by my enthusiasm. (Lilly laughs) But I'm pretty sure they now like the framework we are working in, as this leadership style has probably contributed to reaching our goals.

T: Tell me more about it.

L: Before starting the project, I dived into Agile Project Management best practices, in particular, the Scrum Framework. I learned all about it and then implemented it within the team. Based on our skills, we first defined the roles and responsibilities. Having experience in project management and user interface design, we chose me as the scrum master and frontend developer. Sofiya and Nico were our Product Owners, as they already had some expertise in backend development and software architecture. Joel was responsible for data visualization design, and Martin implemented it in the frontend. And Johannes,

with his expertise in statistics, was the mind behind the data manipulation for the visualizations. Then we created our Kanban board and set our sprint meetings, so we were able to develop our MVP fast and adapt the requirements iteratively.

T: How does it feel to see the result?

L: Well, it's amazing. But I think even more exciting was the process of seeing the product coming to life. I remember screaming for joy during our sprint meetings when some of my team-mates showed me a new feature implemented or when I was able to code something challenging.

T: What's next?

L: Well, we plan to test the MVP with more users to define improvements and new features to implement. But soon, our time at SCL will come to an end, and we need new team mates to further develop the platform.

T: So, if anyone is interested in having a similar experience, they should join your team, right?

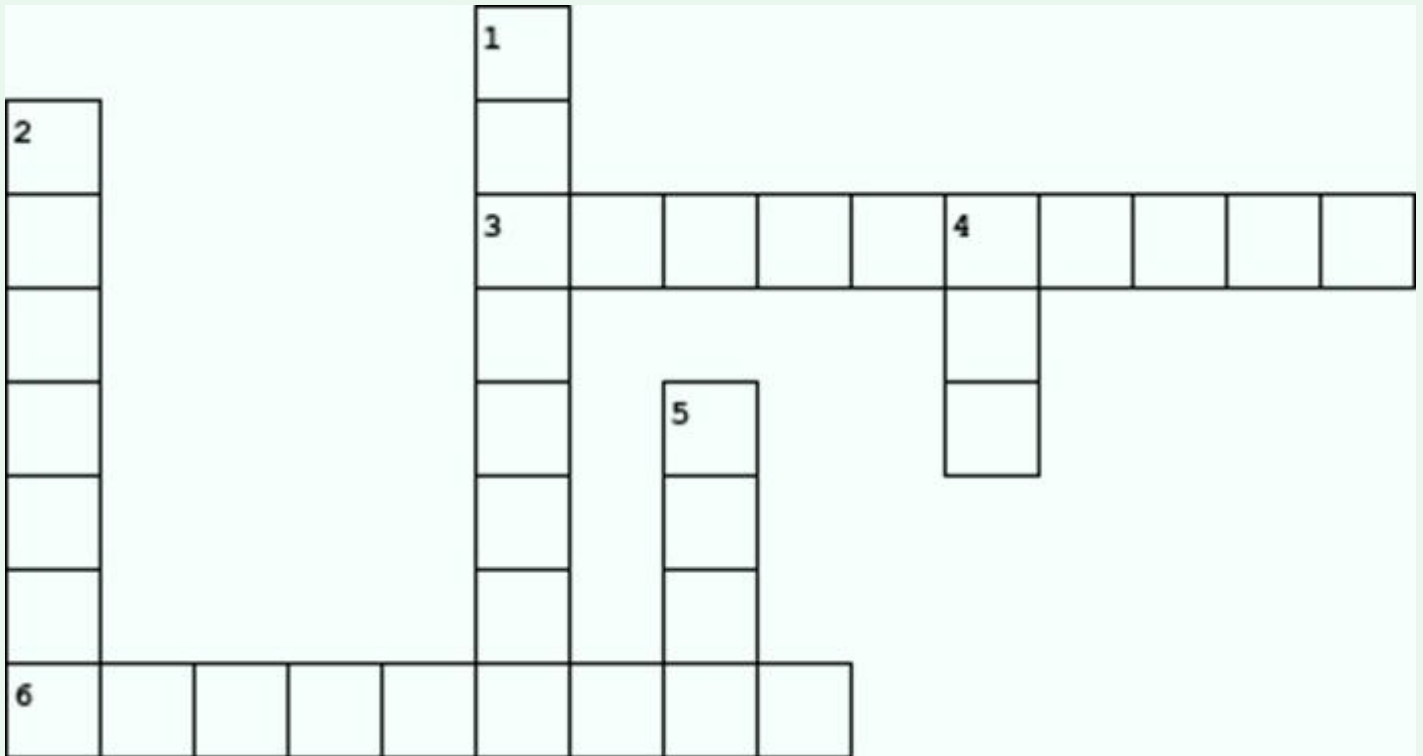
L: Absolutely! If anyone wants to develop coding skills, work on a real product, and have an impact in the blockchain world, they should definitely join the Functional Platform Team at SCL.

T: Thanks, Lilly, for your insights, very inspiring.

L: Thanks, Tim, for your time.

Crossword

Mottis, Fabrizio



Down

- 1. What do you get for contributing 1 million \$ in cryptocurrency to the government of El Salvador?
- 2. Grayscale CEO pushes for the approval of spot Bitcoin ETF _____
- 4. What institutional product recently bolstered Bitcoin's legitimacy?
- 5. Lugano's stablecoin

Across

- 3. What is the term for a digital currency pegged to a fiat currency like the US dollar?
- 6. CEO of OpenAI

Solutions: 1. Passport 2. Options 3. Stablecoin 4. ETF 5. LVGA 6. Sam Altman

Impressum

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