



THE WEEKLY UPDATE

WEEK 50



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Blockchain Activity

- Bitcoin miner fees down 25% this week, while # transactions bounces from lows
- Bitfinex's lightning node is the fastest growing node in the network right now

The chart displays the inferred bitcoin price for various assets, with the current Bitcoin price at \$7,500. The left y-axis represents the 'Inferred bitcoin price (\$)' from 0 to 450,000. The right y-axis represents the 'Inferred market cap (\$ trillion)' from 0 to 9. The x-axis lists the assets: Gold, Japan, China, Eurozone, United States, Silver, United Kingdom, Switzerland, India, Russia, Bitcoin, South Korea, Australia, Mexico, Brazil, Canada, Indonesia, Poland, Taiwan, Thailand, Philippines, and Sweden. Gold and Silver are highlighted in red, while all other assets are in grey. Two callouts indicate percentage differences: 5,570% for Gold and 510% for Silver, both relative to the Bitcoin price.

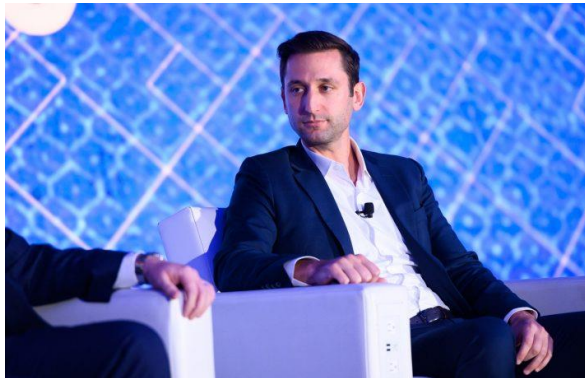
Asset	Inferred bitcoin price (\$)	Percentage difference from Bitcoin
Gold	~445,000	5,570%
Japan	~240,000	
China	~215,000	
Eurozone	~170,000	
United States	~160,000	
Silver	~48,000	510%
United Kingdom	~35,000	
Switzerland	~30,000	
India	~20,000	
Russia	~15,000	
Bitcoin	7,500	
South Korea	~10,000	
Australia	~8,000	
Mexico	~6,000	
Brazil	~5,000	
Canada	~4,000	
Indonesia	~3,000	
Poland	~2,000	
Taiwan	~1,500	
Thailand	~1,000	
Philippines	~800	
Sweden	~500	

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THE NEWSROOM



Bakkt Goes Live With Options and Cash-Settled Futures

Barely three months after launching its long-anticipated physically settled bitcoin futures product, The Intercontinental Exchange's Bakkt has gone live with its bitcoin options and cash-settled futures contracts.



Ronaldo's soccer club Juventus now has a token that gives its over 400M fans voting power

Cristiano Ronaldo's soccer club Juventus now has its own crypto token \$JUV. Fans can buy \$JUV via Socios.com's app and get the right to vote on certain club decisions



Nike receives patent to tokenize shoes on Ethereum

Shoe manufacturer Nike just received a patent to tokenize shoes on the Ethereum blockchain. In a document, Nike stated that it intends to generate unique IDs and create ERC 721 tokens for some shoes.

Another flat week – altcoins moves in both directions

Top ten by market capitalization	Last	Last week	Last month	YTD
Bitcoin	7324.48	0.68%	-16.96%	88%
Ethereum	147.04	0.42%	-21.40%	3%
XRP	0.22	1.57%	-20.59%	-40%
Bitcoin Cash	207.18	-1.62%	-27.14%	27%
Litecoin	44.36	-0.47%	-29.68%	38%
EOS	2.64	-0.50%	-24.90%	-2%
Binance Coin	15.03	-0.48%	-25.13%	146%
Bitcoin SV	96.79	-0.73%	-27.00%	3%
Stellar	0.05	-1.86%	-30.91%	-53%
Cardano	0.04	-2.58%	-14.45%	-14%

Best performing	Last	Last week	Last month	YTD
HedgeTrade	1.07	56.19%	44.15%	648%
FTX Token	1.83	18.67%	31.00%	6%
Tezos	1.44	17.16%	16.87%	211%
MINDOL	2.93	15.06%	132.70%	195%
Crypto.com Chain	0.03	14.06%	-17.17%	47%

Worst performing	Last	Last week	Last month	YTD
Vechain	0.01	-12.36%	19.94%	49%
Maker	510.00	-12.05%	-22.76%	9%
Ox	0.22	-9.26%	-28.29%	-29%
Tron	0.01	-5.81%	-24.13%	-28%
Basic Attention Token	0.18	-5.39%	-28.43%	34%

Last week of top 50 by market capitalization

Source: cryptowat.ch

Bitcoin Correlation:

S&P500 correlation keeps increasing, while gold falls back.

90-day correlation (weekly change included)	ETH		XRP		GOLD		S&P500	
BTC	0.834	0.005	0.603	0.008	0.188	-0.024	0.125	0.011

Source: coinmetrics.io

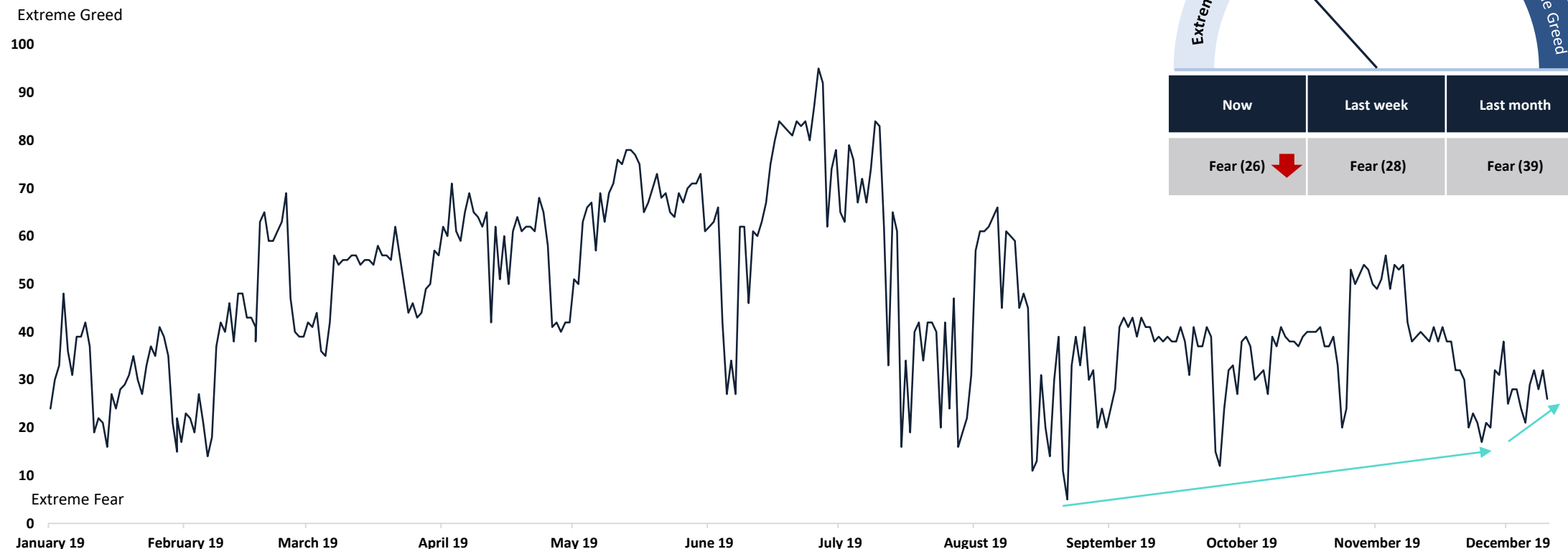
Top 3: Percentage Change in Price Over the Last Week



Source: cryptowat.ch

Market sentiment looks volatile, but is trending upwards

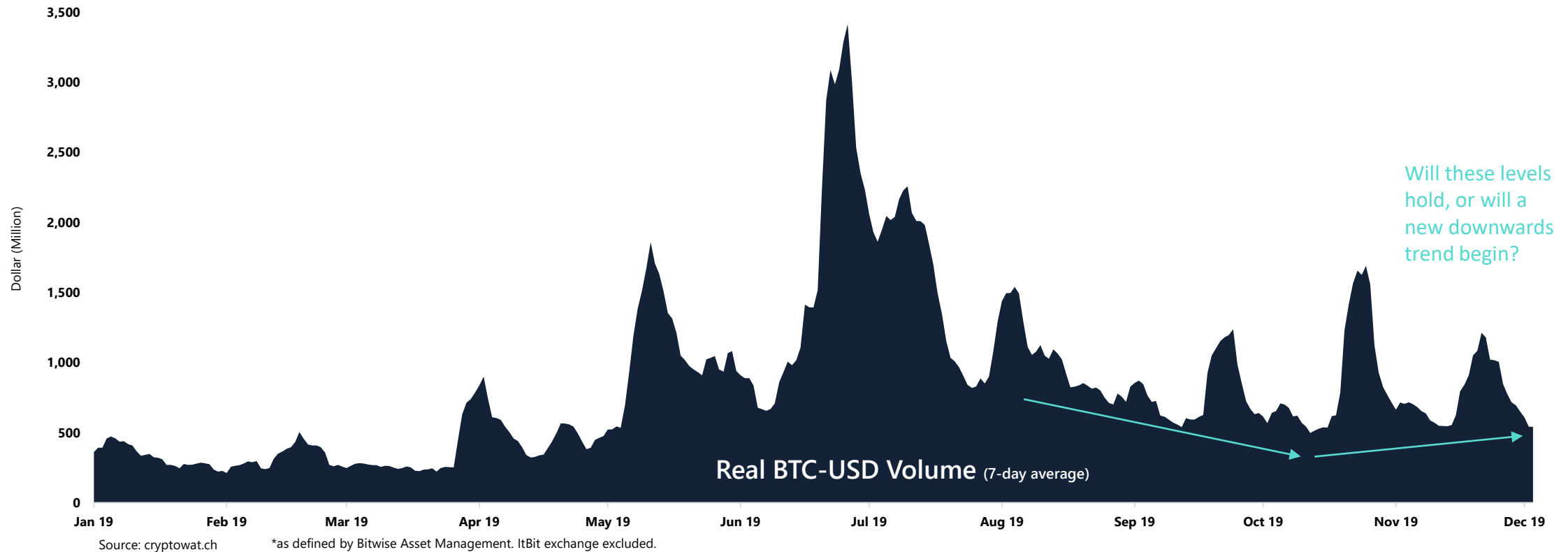
The Fear & Greed Index is now just on the edge of "Extreme Fear", as bitcoin goes through another flat week. The index remains volatile, as the market is still undecided. Nevertheless, it looks like the sentiment is trending upwards for now.



Source: alternative.me

Bitcoin volume drying up, once again – can it hold the upwards trend?

The 7-day average real trading volume* is once again down to the \$500 million levels. With lower volatility in the BTC over the past weeks, the volume has also been slowing down. We usually see a up-tick in volume again after hitting this \$500m level.



Minimal changes in volatility over the last week

- The 30-day bitcoin volatility registers another week without much movement.
- The “volatility play” that was presented last week could still happen, as we’re approaching the last weeks of December.



BTC-USD Volatility (30-day average)

Source: cryptowat.ch

Bitcoin leading the way in December, despite minor gains

- After getting outperformed by altcoins in November, bitcoin is now leading the way in the last month of 2019.
- However, no indexes have been performing well over the last weeks, and the monthly performance is around -1% to 1.5% so far.

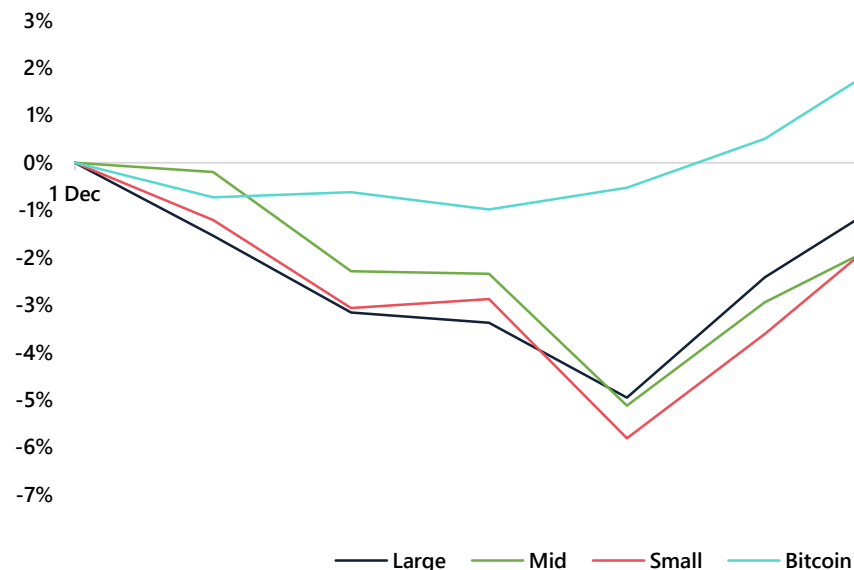
Bitcoin's market dominance stays stable for yet another week, while most other Large Caps loose market share.

Percentage of Total Market Capitalization

	BTC	ETH	BCH	LTC	XRP	DASH	NEM	XMR	IOTA	NEO
Market Share	66.29%	8.00%	1.89%	1.42%	4.80%	0.23%	0.16%	0.46%	0.28%	0.30%
Weekly Change	0.3%	-0.4%	-3.1%	-1.2%	0.9%	-1.1%	-0.5%	-2.3%	-0.3%	-3.2%

Source: Coinpaprika.com

Monthly Performance of Market Capitalization Weighted Indexes



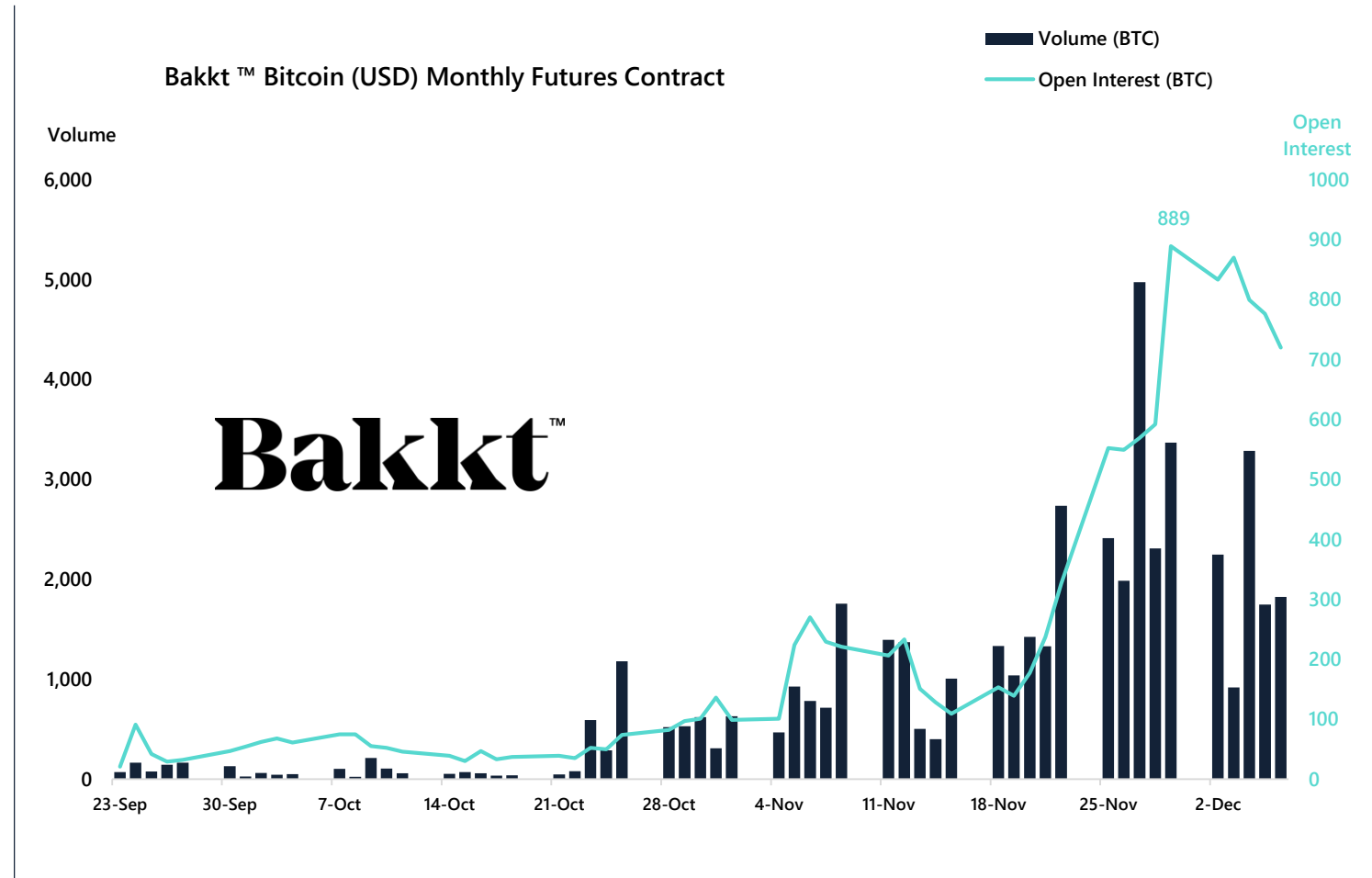
Source: Bletchleyindexes.com

First week without a new record on Bakkt since mid October

Bakkt finally registered a week without any new records. The total weekly volume ended at 10,022 BTC.

- Last week's volume was -33% lower than the previous week.
- Open interest stays high compared to the first part of November but is still down over last week.
- **Why are investors closing positions in a week with sideways price action?** This may be related to Bakkt's new product that opened on Dec 9, the cash-settled bitcoin futures

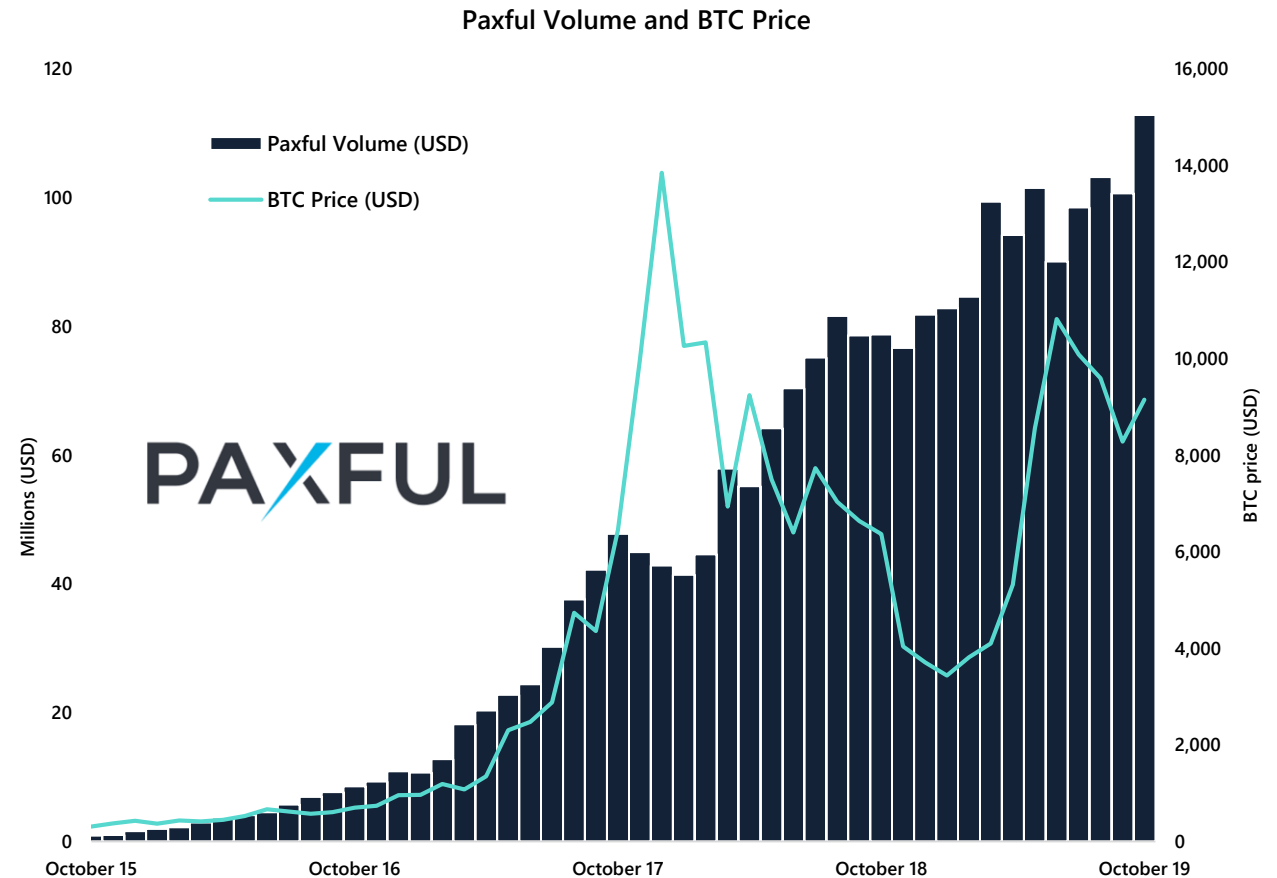
No trades have been done for the daily BTC futures contracts over the last nine weeks.



Source: Intercontinental Exchange

Bitcoin's peer-to-peer market grows steadily – not affected by price fluctuations

- Paxful, like LocalBitcoins, is an online peer to peer (P2P) over the counter (OTC) exchange. Here people buy and sell bitcoin using online wallets like Paypal, gift cards, bank transfers, and others.
- Pushing to a new volume record in October, Paxful oversees the trading of approx. \$25 million worth of BTC every week.
- **While most exchanges are far from their volume highs reached during the peaks in 2017, the peer-to-peer market has slowly but surely been growing.**
- Paxful does not provide custody, but act as a supervising authority over peers and do not need to connect to banks and regulatory infrastructures.
- Because of this model, **Paxful is able to onboard financially disconnected citizens of developing countries** on a level that non-P2P OTC exchanges like Coinbase simply cannot.



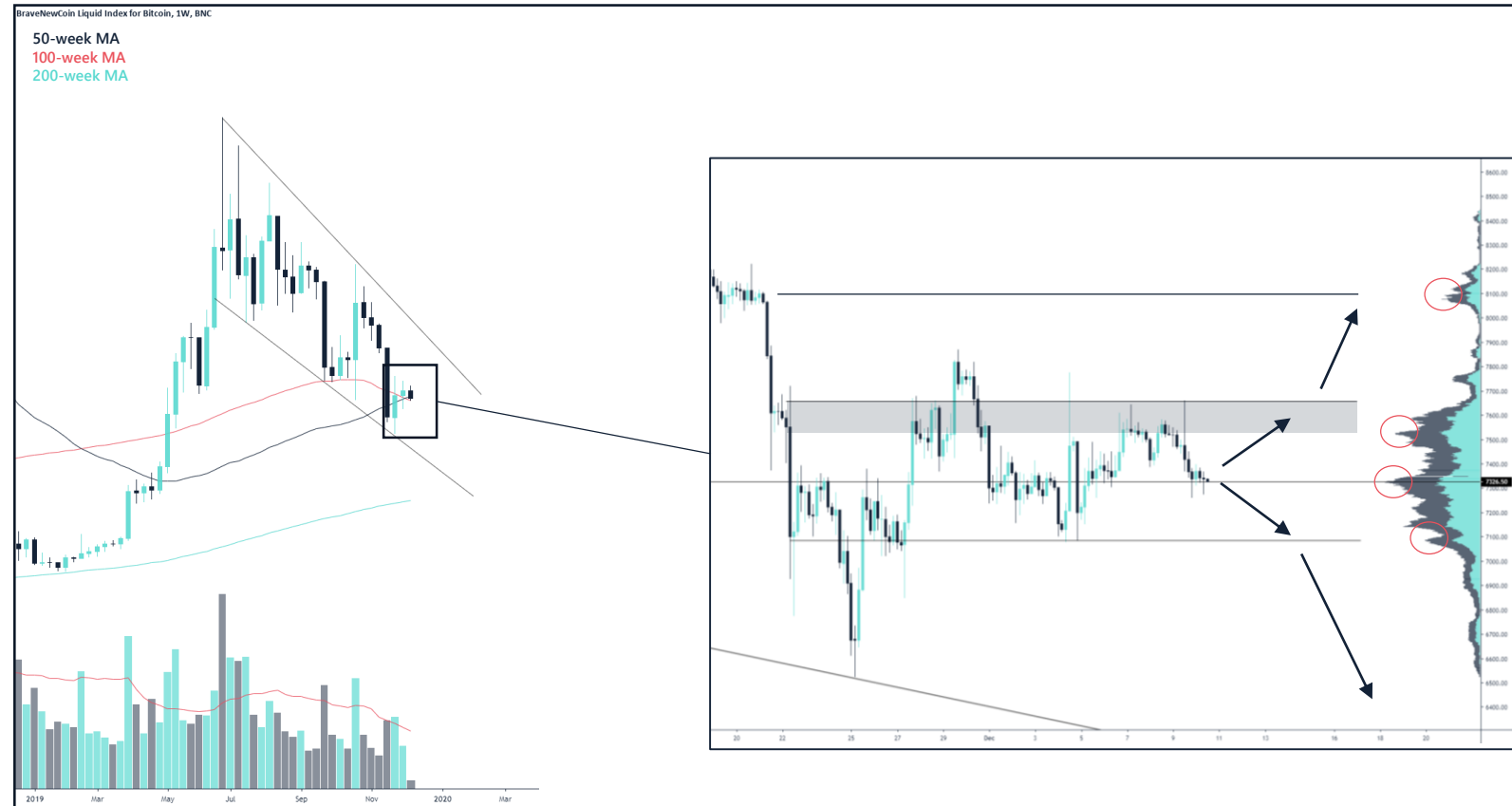
Source: Plotly / Matt Ahlborg



VALUATION

Accumulation zone for the bitcoin price?





- The crossover between the 50-week moving average and the 100-week moving average happened last week.
- The BTC price is now holding in the area between \$7,100 and \$7,600.
- By introducing the so-called “Point of Control” (POC), we can get a better understanding of the short-term picture for the bitcoin price.
- POC tells us which price level that has seen the most volume for a given time frame. This is now around \$7,300, if we only look at the last weeks.
- A break below POC, will most likely see the price fall downwards to the \$7,100 area.
- If the BTC price moves upwards, \$8,100 would be a likely resistance level.



Futures premium rates moves in opposite directions

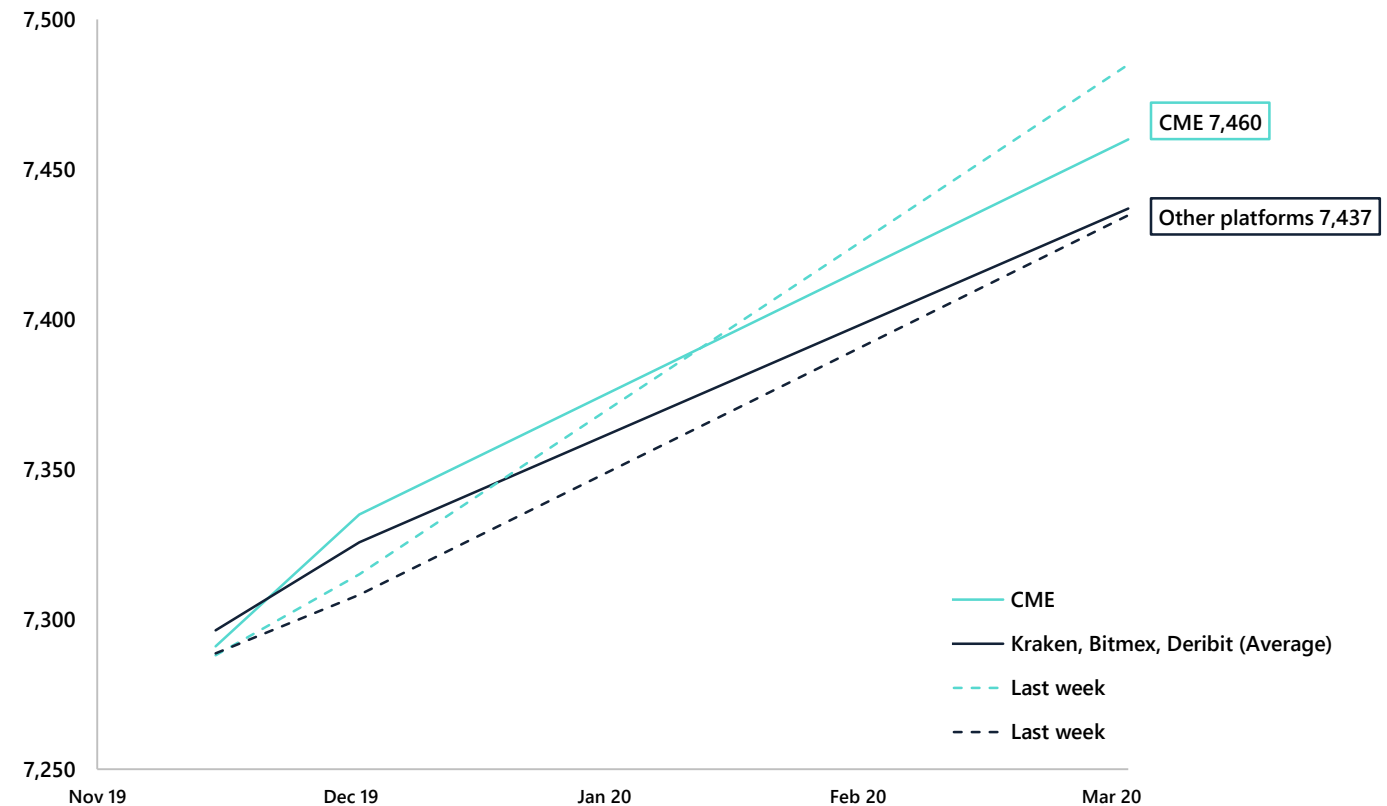
- Another week with interesting observations in the futures market for bitcoin.
- The premium rates on the BTC March 2020 contracts decreased this week, but the contracts for December actually have a higher premium than last week.
- With the expiry date (Dec 27) closing in, this would normally lead to futures prices closer to the spot price.

Premium rates for BTC contracts

	December 2019	March 2020
CME	0.60% 	2.32% 
Other platforms	0.40% 	1.93% 

*On BitMEX

BTC Futures Contracts Settlement Prices (Dec 10 – Mar 20)

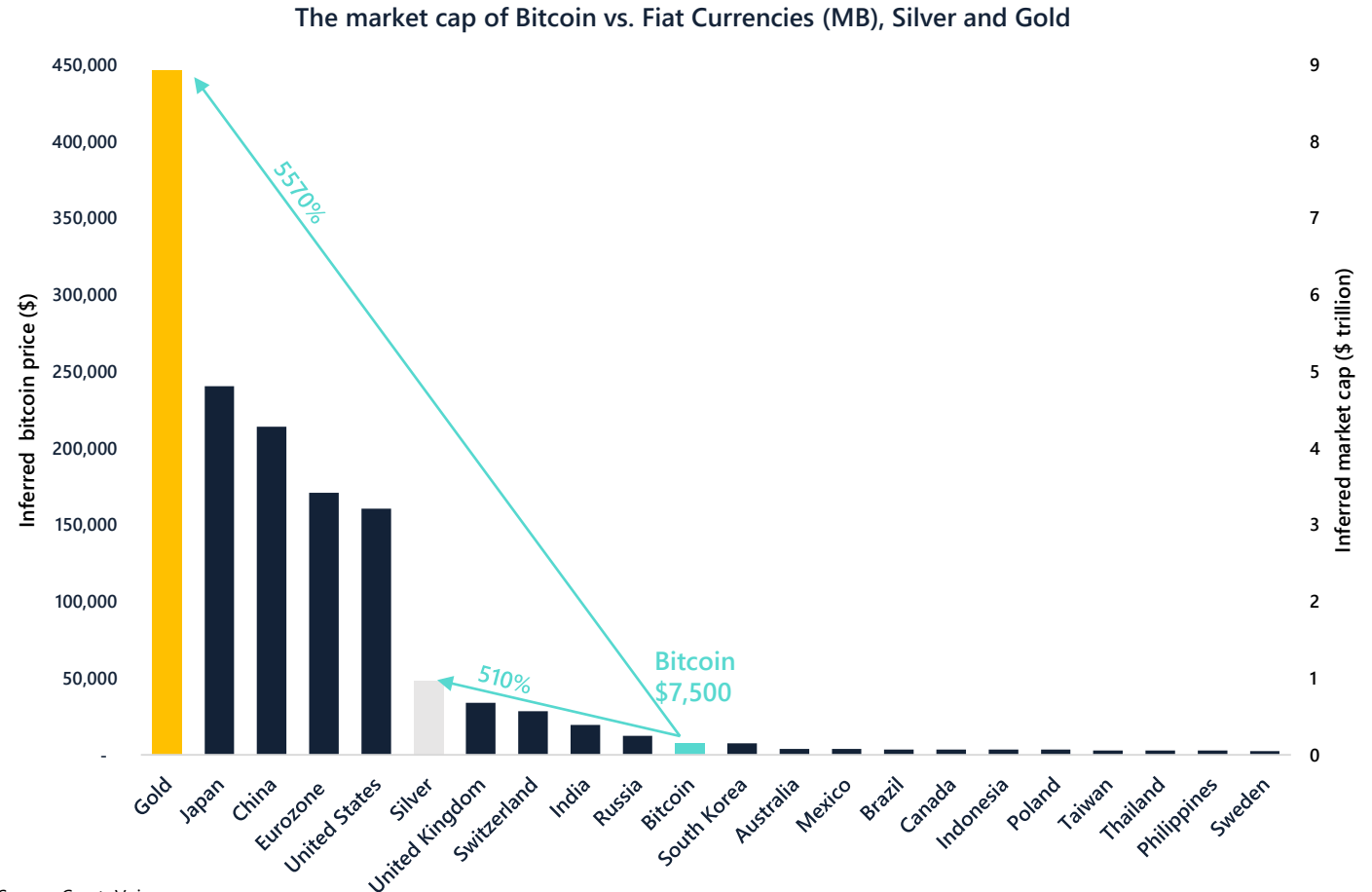


Source: Kraken, CME, Bitmex, Deribit

Digital gold?

Bitcoin needs to **gain 5,570%** to surpass the total value of gold

- Base money supply can be used to compare the size of bitcoin to other comparable assets. Like global fiat currencies and commodities such as gold and silver.
- With the fixed bitcoin supply of 21 million, we can use the market caps to find the inferred bitcoin price to match these top global currencies
- Bitcoin would need to have a price of approximately \$425,000 to surpass the global gold supply today – an 5,570% increase.
- To surpass the global supply value of silver, the bitcoin price would need to increase to approx. \$45,000, or 510%.



Source: CryptoVoices



BLOCKCHAIN ACTIVITY

Bitcoin miner fees **down 25%**, while # transactions **bounces back**

- The number of confirmed transactions on the Bitcoin blockchain bounces from the lows last week and did not go lower than the levels seen in the beginning of November.
- **The 7-day average for Bitcoin miner fees is down to \$166,669, which is the lowest levels since April this year.**
- This doesn't necessarily need to be negative and can have natural explanations, like more effective transactions, a lagging effect of less transactions or better fee estimation by wallets.

On-chain Bitcoin activity (7-day average)

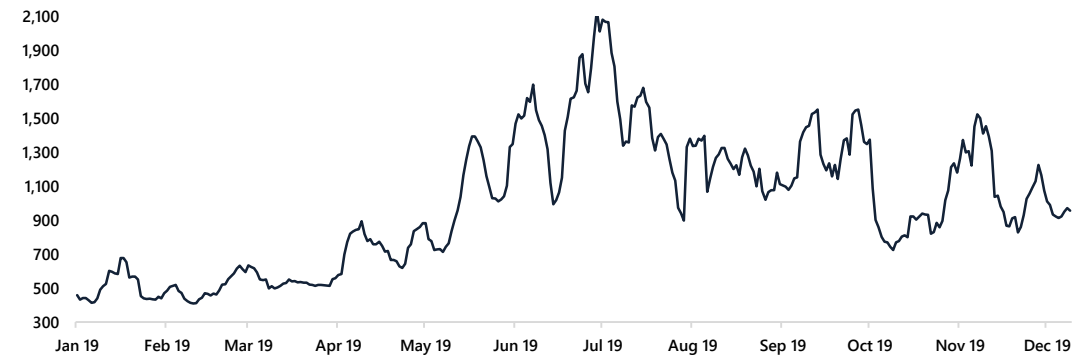
	Last	Last week	Last month	YTD
Transaction Value (bUSD)	\$0.956	-3.43%	-32.20%	108.73%
Transaction Count	310,680	2.35%	-2.85%	13.34%
Miner Fees (kUSD)	\$166,669	-24.33%	-52.28%	188.32%
Active Addresses	717,423	-0.95%	-3.77%	29.33%

Source: Blockchain.info, Coin Metrics

Confirmed Transactions Per Day: 7 Day Average



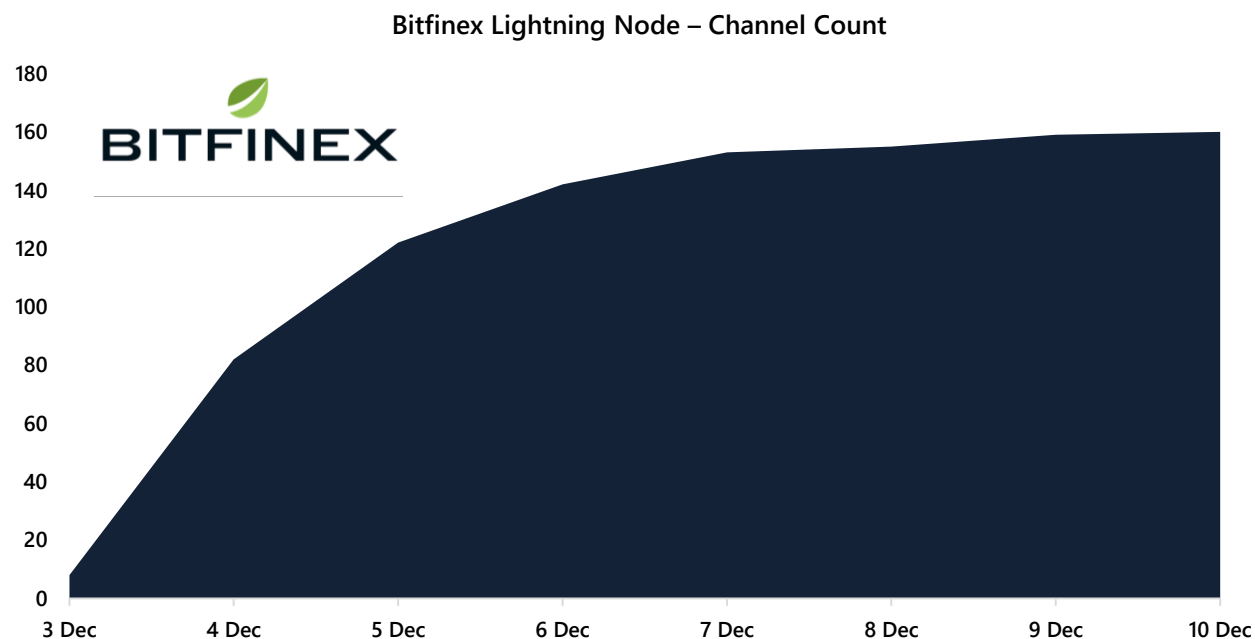
Confirmed Estimated USD Transaction Value: 7 Day Average



Bitfinex's lightning node grows faster than any other node

- Bitfinex announced their support for Lightning Network deposits and withdrawals last week and is growing rapidly.
- Their lightning node is top of the list for both capacity and channel count growth over the last week.
- **The capacity of the node is now around 16 BTC, or close to 2% of the total capacity of the network.**
- With 160 active channels this week, this equals a growth of almost 100% since last week.
- To put this in perspective, the lightning node with most open channels lies around 1,200 and has been live for over a year.

	Capacity	Channels
	16 BTC	160
<i>Weekly Change</i>	<i>+77%</i>	<i>+95%</i>



Source: 1ML

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