

What's new in the Digital Assets industry?

Market Capitalization

Although September saw one of the biggest transactions in the history of Bitcoin (USD \$ 1 billion from one individual - *or an entity* - digital assets prices were volatile over the month, opening strongly at US\$252bn, peaking at US\$273bn, before falling to US\$220bn which represent a drawdown of -12.7%.

The final week's price swings were not for the faint of heart. The average daily change for Bitcoin over the last week of the month was more than 4.4%. That compares with a move of about 0.7% for gold in the same period - an asset class Bitcoin is frequently compared with because they're both seen as a store of value. Digital assets are less mature market and hence why investors look to size the risk accordingly; e.g. allocating 1-2% of their wider portfolios to this new market. Looking deeper into the actual winners and losers over the month, there was high dispersion as Bitcoin underperformed ETH (Ethereum) and XRP (Ripple).



Source: Coin360

Market consolidation

Informed by our various quantitative signal and strategies, we were defensively positioned and avoided much of the downturn seen at the end of the month. Bakkt, owned by the Intercontinental Exchange (ICE), launched its much vaunted physically settled BTC (Bitcoin) futures contract middle of the month however was met with limited interest by investors. Bakkt is different from the existing CME futures as investors, who bet on the future Bitcoin price moves, will be able to



receive their pay-outs in Bitcoin (hence, they are called-physically delivered). Despite the slow initial uptake, we retain our view that this institutional offering is a big support for the long-term adoption for the asset class.

Market adoption

Sygnum, a Swiss-Singapore company and SEBA Crypto AG based on Switzerland have received full secure banking and securities dealer's licenses from the Swiss Financial Market Supervisory Authority (FINMA). With this license SEBA expects to launch a new trading platform by October that will target professional traders, institutional investors and financial companies while Sygnum will use it to onboard new clients once it fulfils all the secondary criteria specified by FINMA and bring digital assets to its next level, offering a wide range of services such as custody, brokerage, tokenization, asset management, credit and B2B banking.



After JP Morgan & Chase, it is Well Fargo's turn to announce the launch of a pilot program for a digital currency system. Backed to the USD, the so called "Wells Fargo Digital Cash", will be powered by blockchain to help move cash across borders, between branches globally. Through this process both banks could respectively bypass third parties in the asset transfer process to be more time and cost effective. Will this impact the adoption of Ripples (XRP), the crypto currency designed for interbank cross-border payments or would it force its adaptation by smaller banks that lack of resource to develop their own internal digital money?



On Monday September 23rd, representatives of Libra met officials in Basel, from 26 central banks, including the Federal Reserves and the Bank of England. Facebook continues to face questions from US regulators as additional details of regulation and scrutiny that should apply to its crypto currency are debated, likely pushing its launch beyond June-2020 *if* Libra Association's members do not keep signing out of this project. Brussels is in the early stages of designing a framework to regulate stable coins that are designed to be backed by hard assets and currency baskets. As for Libra, its representatives would like the crypto-currency to be backed by the USD (50%), EUR (18%), JPY (14%), GBP (11%) and SGD (7%). The value of Libra units in circulation would be tied to assets made up of various currencies stored by the Libra Association in order to minimize the traditional volatility of the digital money. Libra would not be decentralized in the way that Bitcoin is. Its nodes (independent computers that process and verify a blockchain) would only be run from the servers of Libra Association's current members. Valdis Dombrovskis, EU vice-president in charge of financial services, said there is a "strong willingness to act at the EU level".



Latest news from CryptAM

CryptAM Fund's performance

YTD* – CryptAM is delivering on expectations. Its performance as of 30th September 2019 is above its annual target of 50%. The Gold Spot Index in comparison is at 16.92%. As well, according to EurekaHedge, the world's largest hedge fund data provider, digital assets focused fund managers are up 29.39% YTD in 2019. As our listing being confirmed, we will be satisfied to see CryptAM's name respectively in top spots.

We continue to look for ways to deliver risk adjusted return all the while looking to bring risk down from this inherently volatile market.

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Survey

CryptAM Services has set up this survey to determine the investment approach of its investors** and their perception on Digital Assets***.

We would be very grateful if you could click [here](#) and answer the questionnaire as this will help us to understand our audience better, improve our offerings and the value we deliver in the future.

Corporate events

We were pleased to host an informal drinks event with our friends and supporters in the final week of September, we appreciate the opportunity to catch-up with our many supporters and thankful for their time.”



*YTD as of 31 september 2019

**investors: professional investor is defined as a person that invested in more than two classes (i.e real estate and stocks) and has been investing for more than 3 years personally or professionally.

** Digital Assets: categorized in this survey as a form of currency that is available only in digital or electronic form (not in physical form), decentralized and driven by blockchain technologies.

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References:

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BAAKT: <https://www.coindesk.com/bakkt-is-finally-launching-its-bitcoin-futures-today-heres-what-to-expect>

Market adoption: Sygnum & SEBA:

<https://www.insights.sygnum.com/post/sygnum-digital-asset-technology-group-receives-finma-banking-and-securities-dealer-licence>

<https://www.seba.swiss/news/FINMA-licence-received/>

Well Fargo: <https://newsroom.wf.com/press-release/innovation-and-technology/wells-fargo-pilot-internal-settlement-service-using>

Libra: <https://www.forbes.com/sites/jasonbrett/2019/09/28/congress-questions-the-sec-on-libra-cryptocurrency-and-the-whole-blockchain-phenomenon/#5fafc9c05135>

Eurekahedge: <http://www.eurekahedge.com/Indices/IndexPressRelease>