



7 August 2019

# The Enigma Weekly

*De-Coding Crypto*

## Our Market View

### Cryptos and Geopolitics

As trade tensions between the US and China have taken center stage again, we notice that Bitcoin jumped to over \$12,000 yesterday and is now hovering around those levels. The instability around the Chinese yuan as the currency has gone above \$7 against the dollar has seen a major flow out of the currency and at the same time an increase in Bitcoin prices. Some see Bitcoin as having a role of store value amid macroeconomic instability, but we believe that it's still too volatile to be a safe haven as gold too has risen in tandem. The US has also seen a rise in interest rates, Hong Kong protests are not showing signs of slowing down and the most recent development is the embargo imposed by Trump on Venezuela as tensions escalate with Maduro – all of which indicate a slowdown of the world economy and no positive signs for the market. Meanwhile, Bitcoin trading against the Venezuelan Bolivar has hit an all time high as the IMF projected that the country with its socialist leader will see inflation rise to the world's highest levels, to around 1,000,000%.

*Performance Snapshot as of 14.00 GMT 07/8*

Name	Ticker	Wk Close	Wk Change	YTD Change	Record High	Mkt Cap
Bitcoin	BTC	\$11,731.370	27.1%	204.7%	\$20,089.00	\$209,558,128,830
Ethereum	ETH	\$228.180	16.1%	54.6%	\$1,432.88	\$24,465,932,543
Ripple	XRP	\$0.319	6.8%	-12.8%	\$3.84	\$13,416,722,722
Bitcoin Cash	BCH	\$338.220	21.6%	107.6%	\$4,355.62	\$6,065,806,215
Litecoin	LTC	\$92.820	17.8%	188.4%	\$375.29	\$5,846,596,863
Binance Coin	BNB	\$27.630	11.8%	368.3%	\$35.40	\$4,297,062,138
Tether	USDT	\$1.000	-0.7%	-3.8%	\$1.22	\$4,043,653,165
EOS	EOS	\$4.240	17.8%	55.3%	\$22.89	\$3,926,037,439
Bitcoin SV	BSV	\$148.450	31.2%	63.5%	\$228.00	\$2,650,517,204
Monero	XMR	\$93.280	27.8%	88.6%	\$495.84	\$1,599,026,552
Stellar	XLM	\$0.079	3.7%	-31.1%	\$0.93	\$1,548,280,731
TRON	TRX	\$0.022	6.3%	10.2%	\$0.30	\$1,462,700,592
Cardano	ADA	\$0.054	4.9%	27.1%	\$1.32	\$1,390,269,787
DASH	DASH	\$107.900	10.1%	36.3%	\$1,642.22	\$967,656,254
IOTA	MIOTA	\$0.280	5.0%	-25.6%	\$5.96	\$778,116,636
Tezos	XTZ	\$1.450	17.9%	213.2%	\$10.74	\$959,137,047

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In other Bitcoin news, as of 1<sup>st</sup> of August Bitcoin has now 85% of its supply in circulation, while the remaining supply of coins will only be release in 120 years. We can therefore expect the price to rise in the future, and as soon as May 2020 there will be a reduction in miner payouts (from 12.5 to 6.25 BTC per block).

Facebook is still struggling to gain traction for its crypto project, Libra. The company has hired a former aide to the chairman of the U.S. Senate Banking Committee to lobby for its new Libra cryptocurrency project. Meanwhile, regulators continue to express their concerns. Several international privacy commissioners (UK, Australia, Albania, Burkina Faso, the EU, USA) released a joint statement during the week addressing the protection of personal data and listing questions that Facebook is expected to address.



Source: Bloomberg

Above we have a graph where we can observe the rise in Bitcoin coincides with a similar rise in gold prices.

## What about Africa?

Africa has an obsession with fintech and more recently cryptos and understandably why: high inflation, low access to banking (over 80% of the continent’s population does not have a bank account) and a lack of banking infrastructure, high transaction costs... Nigeria for instance is the #1 on the Google trend chart for the keyword “bitcoin” and represents 8% of worldwide bitcoin transactions. Other countries are getting on the bandwagon, including South Africa, Egypt, Kenya and Soudan. In January 2019, it was reported by a crypto payment firm that the volume of transactions in Africa had risen 130% in the previous year.

Increasing access to the Internet means that the potential of the market is without limits and the number of startups is growing. However, the crypto market is still in its infancy and its volatility makes it for now an unstable store value.

## Catalyst Calendar

- 12/8 – Blockchain Futurist Conference 2019 (Toronto, Canada)
- 13/8 – ELEV8 (New York City)
- 15-16/8 – Bloconomic Expo (Putrajaya, Malaysia)
- 16/8 – Blockchain Conference Hamburg 2019 (Hamburg, Germany)
- 17/8 – BitBLOCK Boom (Dallas, USA)

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- 20/8 – Blockchain Summit Singapore 2019 (Suntec, Singapore)
- 20-21/8 - #PAY Symposium & Exposition (Las Vegas, USA)
- 23/8 – Block Hedge 2<sup>nd</sup> Annual Edition (Bangkok, Thailand)
- 26-28/8 – Mobile Payments Conference 2019 (Chicago, USA)
- 28-30/8 – Blockchain Training Conference (Denver, USA)

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## What We're Reading

**[North Korea took \\$2 billion in cyberattacks to fund weapons program: U.N. report](#)** – North Korea has generated an estimated \$2 billion for its weapons of mass destruction programs using “widespread and increasingly sophisticated” cyberattacks to steal from banks and cryptocurrency exchanges, according to a confidential U.N. report seen by Reuters on Monday.

**[Cryptocurrencies/SEC: Kik-start](#)** – Messaging app may illuminate the US regulator’s position but it is unlikely to be popular

**[Bitcoin Flirts With \\$12,000 As Yuan Struggles](#)** – Bitcoin has been flirting with the \$12,000 level, fluctuating close to this price point for most of the day, as the Chinese yuan hit its lowest in more than a decade against the U.S. dollar.

**[Peter Schiff Slams CNBC for Giving Bitcoin More Airtime Than Gold](#)** – He framed his remarks as an attack on CNBC, which he claimed spent a disproportionate amount of time on Bitcoin’s movements at the expense of assets such as gold. “CNBC is trying its best to dupe its audience into buying Bitcoin. Despite gold being a much larger market, CNBC devotes far more airtime to Bitcoin,” he tweeted.

**[Bitcoin Passes New Milestone as Network Mines 85% of Its Total Supply](#)** – Bitcoin (BTC) now has 85% of its supply in circulation as of August 1, leaving just 3.15 million new coins for the next 120 years.

**[Litecoin Just Halved Its Crypto Rewards for Miners](#)** – Litecoin (LTC), currently the fourth-largest cryptocurrency by market capitalization, has just reduced its block reward for miners by half.

**[ATOM, DASH and More: Coinbase Considers Adding 8 New Cryptos](#)** – Coinbase has announced the possible addition of eight new tokens to its current collection. Per a blog posting from the exchange, Coinbase is exploring the addition of Algorand, Cosmos, Dash, Decred, Matic, Harmony, Ontology, and Waves.

**[Thailand to Bring Cryptocurrency Under Anti-Money Laundering Rules](#)** – Thailand’s anti-money laundering regulator is planning to amend the country’s laws to include cryptocurrency. Speaking to the Bangkok Post, Police Major General Preecha Charoensahyanon, secretary-general of the Anti-Money Laundering Office (Amlo), said he believes that, while currently not an issue, cryptocurrency “will be a tool of new money laundering.”

**[Walmart Wants to Patent a Stablecoin That Looks a Lot Like Facebook Libra](#)** – Retail giant Walmart has applied for a cryptocurrency patent that bears some similarities to the Libra token proposed by Facebook in mid-June.

**[Venezuela Bitcoin Trading Hits All Time High Amid Insane 1,000,000% Inflation Projection](#)** – During the week that ended on August 3, the number of Venezuelan Bolivars that were exchanged for Bitcoin rose to nearly 67 billion. The previous record was nearly 58 billion and this was recorded a little over a fortnight ago, according to Coin Dance.

**[Global Regulators Warn on Privacy Risks of Facebook’s Libra](#)** – Data protection chiefs from across the globe have united to express concerns over the privacy risks posed by Facebook’s Libra cryptocurrency project.

**[FCA provides clarity on current cryptoassets regulation](#)** – The Guidance will help firms understand whether their cryptoasset activities fall under FCA regulation. This will allow firms to have a better understanding of whether they need to be authorised and what they need to do to ensure they are compliant.

Until next week - thank you for reading.

Please reach out to [info@enigma-securities.io](mailto:info@enigma-securities.io) with any questions.

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