

Bitvo™



BITVO MARKET RECAP REPORT

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www.bitvo.com
1 833-862-4886

INSIGHTS FROM THE BITVO TRADING DESK

Joel Johnson - joel@bitvo.com
Andrew Krochak - andrew.krochak@bitvo.com

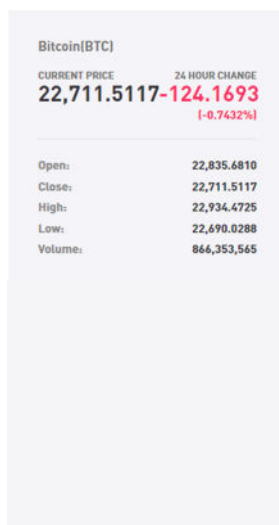


WHAT HAPPENED IN CRYPTO LAST WEEK

Happy New Year, Bitvo Traders! If you haven't looked at your screens since before the holidays, you haven't missed much. Cryptocurrency prices have been trading sideways over the holiday period as traders took time to pause, reflect and think about what's to come in 2023.

And uneventful isn't necessarily a bad thing. The price of Bitcoin seems to have found stability in the mid to high US\$16,000s. Ether, similarly, has been relatively stable at just above US\$1,200.

With a clean slate, we start the year with an aggregate cryptocurrency market capitalization of just under US\$840B.



ALTCOIN HEADLINES

Ethereum Post Merge Update

On September 15, 2022, Ethereum completed the Merge, successfully upgrading the network's consensus mechanism to Proof-of-Stake from Proof-of-Work. This has reduced energy consumed by the blockchain by 98%, which, as CanaccordGenuity noted in a year end note to clients, "situates Ethereum more competitively in this macro environment". Additionally, it resulted in reduced Ether supply to only 0.06% per year, well below Bitcoin's inflation rate. As a result, in the 110 days since the Merge, ~2.8M Ether have been burned (i.e. supply taken away from the market), perhaps part of Ether's favourable relative price performance in comparison to Bitcoin since the Merge.

What's Next For Ethereum

As we head into 2023, what's next on Ethereum's roadmap? The following outlines upcoming upgrades, including:

- Shanghai: Unlocks staked Ethereum (expected in the second half of 2023);
- The Surge: Introduces "Sharding" to increase scalability;
- The Verge: Reduces node's reliance on storing data with "Verkle Trees";
- The Purge: Eliminates Ether storage space, allowing anyone to run their own node; and
- The Splurge: Smaller upgrades to ensure the network runs smoothly.

Trade More Alts Today

Interested in trading more altcoins or NFTs? Fund your Bitvo account, purchase BTC, ETH or another cryptocurrency offered and then transfer it to a platform offering the desired token.



Thoughts on the New Year

Similar positive sentiment was echoed in a note to clients by CanaccordGenuity last week which said "Bitcoin is encouragingly finding repeated support at current levels, Ethereum's platform economics have never been stronger, and in the background, developers are working feverishly on well-capitalized projects without the distractions of a bull market. While it could easily be ~2 years until a potential bull market returns, we are confident crypto use cases will continue to emerge, creating a strong long-term foundation for growth."

Strong Institutional Interest

Additionally, Fidelity Digital Assets' 2022 Institutional Investor Digital Asset Study detailed that institutional interest remains strong. Specifically, it noted that of investors surveyed, 58% already invested in digital assets and 74% plan to invest in the future. Over 1,000 institutions participated in the study including crypto focused hedge and venture capital funds as well as high-net worth investors, financial advisors, family offices, traditional hedge funds and pension funds.

Happy Birthday Bitcoin!

January 3rd marks an important date for the bitcoin community as, on this day in 2009, the first or Genesis block on the bitcoin blockchain was mined by pseudonymous bitcoin creator Satoshi Nakamoto. This transaction resulted in the minting of 50 bitcoin.

In celebration of this day, community members often send bitcoin to the genesis block address, which now contains around 68.56 bitcoin and is worth approximately US\$1.1M according to Cointelegraph.

MicroStrategy Manages

One of the only major headlines over the holiday period was that MicroStrategy, the largest corporate buyer of bitcoin, announced its first ever sale of bitcoin, selling 704 coins on December 22nd for just under US\$12M and citing tax purposes.

However, this does not appear to be a change in MicroStrategy's stance on the asset as they also purchased 2,395 bitcoin between the start of November and December 21st as well as 810 following the sale on December 24th.

Balance Sheets at ATH

Overall, the total amount of bitcoin held on corporate and government balance sheets remains at an all time high at the end of 2022, exceeding US\$10B in the last quarter of the year according to Messari and CanaccordGenuity Research.

Public companies like MicroStrategy hold US\$5.1B, private companies hold US\$4.2B and governments hold US\$1.0B.

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1-833-862-4886



BITVO'S CRYPTO TECHNICAL ANALYSIS SCORE

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1-833-862-4886

Crypto Market	Overall Technical Score	Short Term (0-5 days)	Medium Term (5-20 days)	Long Term (>20 days)
 Bitcoin	39.02 Weak	41.08 Neutral	34.75 Weak	41.34 Neutral
 Ether	41.6 Weak	48.02 Neutral	35.64 Weak	41.34 Neutral
 XRP	34.2 Poor	34.85 Weak	32.34 Poor	35.45 Poor
 Bitcoin Cash	49.95 Neutral	55.26 Neutral	59.37 Good	35.45 Poor
 Litecoin	62.37 Good	64.28 Excellent	57.85 Neutral	64.85 Good

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