

CLOSER TO CRYPTO

QUARTERLY REPORT ON THE CRYPTOCURRENCY MARKET Q3/2023

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FOREWORD

The third quarter of this year was mostly marked by lower volatility and activity in the cryptocurrency market compared to previous quarters. However, it is historically known that the summer months tend to be quieter, and this period is usually considered „duller“. Nonetheless, there have been several notable events during the past quarter that have caught the attention of the media and the financial world at large.

One of the key events of the third quarter was XRP's win in its lawsuit against the U.S. Securities and Exchange Commission (SEC). The decision by U.S. District Judge Analisa Torres that XRP is not a security when XRP tokens are sold on exchanges and through algorithms was a very important decision not only for Ripple itself but also for the entire cryptocurrency market.

But Ripple Labs and its Ripple Project weren't the only company to strike a blow to the U.S. Securities and Exchange Commission over the past period. The high-profile lawsuit between Grayscale and the SEC regarding Grayscale Bitcoin Trust's (GBTC) application to convert Grayscale into a spot ETF, which the SEC refused to review without giving relevant reasons, has reached its climax. In it, Judge Neomi Rao of the U.S. Court of Appeals for the D.C. Circuit ruled that Grayscale's request for review will be granted and the SEC's decision to deny GBTC's transformation into a spot ETF will be reversed. Judge Rao also noted that the SEC did not provide any relevant explanation as to why it should not review Grayscale's request. In an era of review of many spot ETF applications from giants such as BlackRock, Fidelity and ARK Investments, the court's decision was a very positive sign for future developments.

However, the SEC has so far persisted in its aggressive stance against cryptocurrencies, and there has been virtually no progress in approving a spot bitcoin ETF. The SEC has deferred all applications received so far and plans to rule on them at the latest possible dates in all likelihood. It can therefore be expected that if the SEC plans to approve any spot ETFs at all, it is likely to do so only early next year, when the SEC has final deadlines for its decision and during which it must decide whether or not to approve a spot ETF, without the possibility of further delaying its decision.

In the coming months, it will be very interesting to see how the situation in the cryptocurrency market develops. The upcoming BTC halving, the possible approval of a spot ETF or the renewed growing interest in cryptocurrencies by both retail and institutions may be strong catalysts for a market recovery.

Ing. Daniel Mitrovsky
Head of Crypto

SUMMARY

- During the third quarter, the price of Bitcoin dropped by 10.9% from \$30,468 to \$27,100 as of September 30, 2023. The cryptocurrency Ethereum experienced a similar price trend, dropping by over 13% to \$1,660 in the third quarter.
- Ripple Labs won a lawsuit against the U.S. Securities and Exchange Commission (SEC) regarding the sale of unregistered securities.
- The U.S. Securities and Exchange Commission (SEC) has delayed all applications to launch a spot ETF fund. A decision will probably not be made until early next year.
- Payments giant PayPal has launched its own stablecoin on the Ethereum blockchain called PayPal USD (PYUSD).
- The Fed left interest rates unchanged at its September meeting. However, one more 25 basis point increase is expected before the end of this calendar year.
- The number of Bitcoins held on exchanges continues to decline and the computing power of the Bitcoin network has reached a new high ahead of the upcoming halving.
- Coinbase has officially launched a second-layer scaling solution built on top of the Ethereum network called Base.
- FC Barcelona is expanding in the Web3 space.

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MARKET OVERVIEW - THIRD QUARTER 2023

Bitcoin Price Development



Source: Messari

The third quarter of 2023 in the cryptocurrency market was largely marked by lower volatility and a duller period, during which the Bitcoin price mostly consolidated in the \$25,000 to \$32,000 price range. The price of Bitcoin between the months of July and September fell 10.9% from \$30,468 to approximately \$27,100 recorded as of September 30, 2023. Bitcoin reached its three-month high on July 13, when it traded as high as \$31,820 at one point. Bitcoin reached its three-month low on Sept. 11, when its price tested price support at \$25,000.

Price Development of the Top 10 Altcoins

Of the top 10 altcoins (from which stablecoins were excluded), Toncoin (TON) was the best-performing cryptocurrency during the third quarter, rising 59% over the past three months. Cryptocurrencies Tron and Solana were also in positive numbers, rising 14.86% and 7.91% respectively. You can see an overview of the performance of the top 10 altcoins between the months of June and September in the table below.

Cryptocurrency	Performance over the last three months
Ethereum (ETH)	-13,04 %
BNB (BNB)	-12,95 %
Ripple (XRP)	-7,52 %
Cardano (ADA)	-13,78 %
Dogecoin (DOGE)	-9,94 %
Solana (SOL)	+7,91 %
Toncoin (TON)	+59,01 %
Tron (TRX)	+14,86 %
Polkadot (DOT)	-23,68 %
Polygon (MATIC)	-22,96 %

Source: Own processing according to data from Coinmarketcap

Evolution of Cryptocurrency Market Capitalization

TOTAL MARKET CAP - Q3/2023

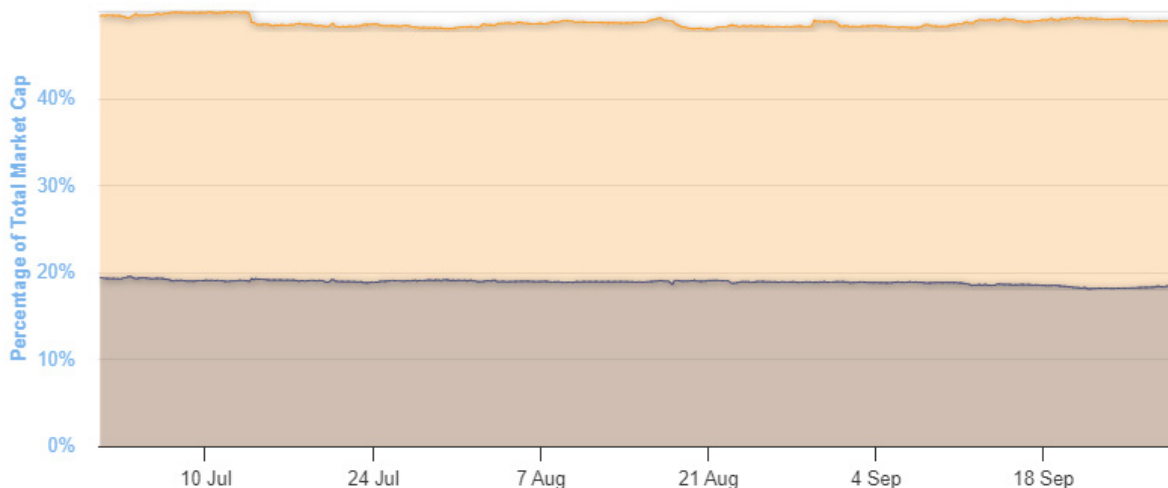


Source: [Coinmarketcap](#)

The market capitalization of the cryptocurrency market was \$1.19 trillion at the beginning of the third quarter. After a rise in market capitalization in the first half of this year, there was a slight decline during the third quarter and the market capitalization of cryptocurrencies largely oscillated between \$1 trillion and \$1.2 trillion. At the end of the third quarter, the total market capitalization was \$1.08 trillion.

Evolution of Market Dominance

Market Dominance: Bitcoin & Ethereum



Source: [Coinmarketcap](#)

Bitcoin and Ethereum continue to dominate the cryptocurrency market and together account for up to 67% of the total market capitalization. Not much has changed in terms of Bitcoin's dominance since the second quarter, with BTC's dominance declining by 1.2% in the third quarter and hovering around the 48.9% level. The dominance of the cryptocurrency Ethereum has also declined slightly, falling from 19% to 18.7% in the third quarter.

HIGHLIGHTS FROM THE CRYPTO WORLD

Ripple Victory Over SEC

Back in 2020, the U.S. Securities and Exchange Commission (SEC) filed a lawsuit against Ripple Labs Inc. and some of its executives. The SEC said in its action at the time that the sale of the XRP cryptocurrency, of which Ripple Labs was the issuer, was illegal because the Commission viewed the XRP token as an unregistered security.

However, Ripple Labs decided to defend itself and prove that the Commission was wrong and that XRP is not a security. Ripple officials argued that XRP is a cryptocurrency and its distribution and use were not under the company's control and therefore should not be considered a security. The dispute between Ripple and the SEC has dragged on for more than 2.5 years.

Around mid-July, however, there was significant progress in this litigation. Judge Analisa Torres, who was in charge of the dispute between Ripple and the SEC, issued a partial ruling that XRP cryptocurrency sold to retail investors on exchanges and through algorithms is not a security. However, the judge also ruled that the offering of XRP to institutional investors was a sale of unregistered securities.

The judge's decision is viewed very positively by the wider crypto community. Indeed, the recognition that XRP is not a security when sold to retail investors sets an important precedent for other lawsuits, as the SEC has recently accused countless crypto projects of offering to sell unregistered securities. Although the decision is specific to this particular case, it is likely to provide a fresh charge for other institutions battling with the SEC over whether their products fall under the regulator's jurisdiction.

An SEC spokesman said the agency was satisfied with the part of the ruling in which the judge ruled that Ripple violated federal securities law by directly selling XRP to institutional investors. However, the agency was not satisfied with the ruling regarding sales to retail investors. It will now be very interesting to see if the SEC appeals the court's decision.

In response to the verdict, the price of the cryptocurrency XRP rose by as much as 75% shortly after the verdict was made public. Other altcoins, such as Polygon (MATIC) and Cardano (ADA), which were also designated as securities by the SEC a few months ago, also rose massively at the same time.

Grayscale Wins Lawsuit Against SEC

At the end of August, Grayscale Investments achieved a very important victory in its lawsuit against the U.S. Securities and Exchange Commission (SEC). Grayscale has long sought to convert its over-the-counter Bitcoin Trust (GBTC) into an exchange-traded fund (ETF). The SEC has long refused to review Grayscale's application to transform the fund, arguing that the product was not designed to *„prevent fraudulent and manipulative practices.“*

According to published court documents dated August 29, Judge Neomi Rao of the U.S. Court of Appeals for the D.C. Circuit ruled that Grayscale's petition for review will be granted and the SEC's decision to deny GBTC's conversion to a spot ETF will be reversed. In her ruling, Judge Rao stated that the SEC did not provide any relevant explanation as to why it should not review Grayscale's request. It should be added, however, that this decision does not directly involve the transformation of the fund into a spot ETF, but merely a reopening of the review of that application.

As recently as late June 2022, the SEC denied Grayscale's application to convert GBTC to a spot ETF. Grayscale's Chief Legal Strategist Donald B. Verrilli filed a petition for review with the U.S. Court of Appeals for the District of Columbia for the Central District of Columbia the very next day. Grayscale CEO Michael Sonnenshein said in a statement at the time that the firm was deeply disappointed and strongly disagreed with the SEC's decision to deny its application.

Grayscale Bitcoin Trust (GBTC) is currently the largest Bitcoin OTC fund with over \$14 billion in assets under management. So Grayscale, like several other companies including BlackRock and Fidelity Investments, must wait for its spot ETF decision. It is expected that the SEC could make a decision on whether to launch or reject spot ETFs as early as early next year.

Postponement of Spot ETF Applications

The U.S. Securities and Exchange Commission (SEC), which has the final say on bitcoin spot ETF fund authorization, has postponed any decisions regarding spot ETFs until early next calendar year.

Under SEC guidelines, federal regulators have the authority to delay ETF applications for up to 240 days from the first filing in the Federal Register. The SEC was supposed to rule on Ark Invest's spot ETF by Aug. 13 but has pushed back the decision date until early next year. A similar scenario applies to all other applications where the SEC has decided to extend the deadline for a decision until the last possible date.

One of the challenges behind the SEC allowing spot BTC ETFs is the nature of this investment vehicle. Namely, ETFs linked to bitcoin futures, which the SEC authorized back in 2021, allow investors to invest in cryptoassets without having to purchase assets directly, whereas a spot ETF is contingent on the direct purchase and custody of BTC. The SEC is concerned that spot ETFs could introduce new risks into this space, such as market manipulation.

A number of major players from the world of finance are currently competing for spot ETFs, including BlackRock, the world's largest institutional asset manager, Fidelity, ARK Invest, VanEck and WisdomTree.

Analysts currently agree that the chances of a spot BTC ETF being approved in the U.S. are around 75%, thanks in part to an application from BlackRock, which is the world's largest asset manager and has good relations with regulators. The SEC has only rejected one single ETF application from BlackRock so far out of over 500, which gives many hope that we will see a spot ETF in the near future after all. Both Cathie Wood and Grayscale - the asset manager currently suing the SEC over its ETF application - have suggested that the regulator could even approve multiple applications at the same time to avoid giving any one company an advantage over others.

Paypal Launched Its Own Stablecoin

Payment giant Paypal is expanding its presence in the world of cryptocurrencies. In early August, the company launched its own stablecoin called PayPal USD (PYLUSD), which is reportedly fully backed by deposits in U.S. dollars. Stablecoin can be bought and sold directly in the PayPal app or on the website, with a 1:1 exchange rate between the dollar and USD.

Through the new stablecoin, users can make peer-to-peer payments, purchase with it in stores, and transfer it between PayPal accounts and other external wallets. PayPal will also allow conversion between PYUSD and other cryptocurrencies supported by the platform, such as Bitcoin or Litecoin.

Stablecoin PYLUSD is built on the Ethereum blockchain and is issued by Paxos Trust Company, a New York-based firm that provides regulated blockchain infrastructure to clients. Paxos is the issuer of a number of well-known assets, such as Binance's stablecoin BUSD or the cryptocurrency PaxGold, which is backed by real gold.

PayPal's decision to create its own stablecoin is no surprise, as the company joined the crypto world back in 2020. Back then, the company allowed users to buy, transfer and sell cryptocurrencies Bitcoin, Bitcoin Cash, Ethereum and Bitcoin directly within its app. Last year, the company acquired a New York BitLicense, which allows customers in the state to buy and sell cryptocurrencies.

Aptos x Microsoft

Aptos, the cryptocurrency powering a tier one blockchain called the Aptos Network, has entered into a collaboration with Microsoft, the gist of which is to use Microsoft's suite of artificial intelligence tools to accelerate the adoption of the new version of the Internet, Web3, among banks and financial services companies.

The agreement will allow Aptos to use Microsoft's Azure OpenAI service to explore innovations in asset tokenization, and blockchain payments, as well as to explore central bank digital currencies (CBDCs).

Aptos Labs CEO Mo Shaikh, who previously worked at Facebook and BlackRock, sees great potential in AI-powered blockchain solutions. *„AI and blockchain technology are rapidly converging for one important reason: both are generational breakthroughs that are profoundly impacting the evolution of the internet and shaping society,“* Shaikh said.

One of the new tools, Aptos Assistant - a chatbot powered by ChatGPT - will focus on helping users navigate from Web2 to Web3. Microsoft will also enhance the security of the Aptos network by allowing Aptos Labs to run validation nodes in Azure, Microsoft's cloud service.

CRYPTOCURRENCIES AND THE WORLD OF TRADITIONAL FINANCE

The Fed Did Not Raise Rates in September

In line with expectations, the U.S. Federal Reserve (Fed) kept interest rates unchanged during its September meeting. The Monetary Policy Committee (FOMC) left the key interest rate at a 22-year high in the range of 5.25% to 5.5%,

The move was widely expected, as the central bank has signaled in recent weeks that it intends to collect and analyze more data to help its officials properly understand how previous rate hikes have affected the U.S. economy. However, the Fed has not ruled out additional rate hikes in the coming months if there is no slowdown in inflation growth. Indeed, the Fed's latest set of economic projections showed that the key Fed funds rate will peak in the range of 5.63-5.87% this year, meaning that there could likely be one more 25 basis point rate hike before the end of the year.

Since March 2022, the Fed has raised interest rates 11 times and left them unchanged twice. Fed officials also reiterated that the central bank is „firmly committed to returning inflation to its 2 percent target.“ The next FOMC meeting is scheduled for Oct. 31-Nov. 1, 2023.

Another Giant Asks to Create a Spot ETF

Another financial giant is joining the fray to launch its own spot ETF fund. Franklin Templeton, an asset manager with more than \$1.5 trillion in assets under management, has filed to launch a bitcoin spot ETF.

The S-1 registration was officially filed around mid-September just weeks after the SEC delayed its decision on several applications from BlackRock, WisdomTree and Fidelity until early next year.

According to the filing, the company plans to structure its fund as a Trust that would work with Coinbase to manage bitcoins and Bank of New York Mellon to manage its cash. Shares of the trust would trade on the Cboe BZX exchange. The U.S. Securities and Exchange Commission (SEC) now has until 16 October to comment on the application and decide whether to approve the ETF or ask for more time in the review process.

Spot ETFs have been a major topic in the crypto world in recent months, considered by many to be the gold standard for institutional investors' entry into Bitcoin. The only thing standing in the way of spot ETFs is the SEC, which has long rejected these kinds of applications due to concerns about market manipulation.

Europe's First Spot ETF

London-based Jacobi Asset Management has launched Europe's first bitcoin spot exchange-traded fund (ETF) on Euronext Amsterdam, almost two years after its initial approval.

The bitcoin ETF called Jacobi FT Wilshere is regulated by the Guernsey Financial Services Commission (GFSC) and trades under the ticker „BCOIN“. The fund and funds are managed by Fidelity Digital Assets and trading firm Flow Traders acts as a so-called market maker or market maker.

Jacobi FT Wilshere Bitcoin ETF received approval for the first time back in October 2021 with a plan to list in 2022. However, the firm decided to push back its plans due to the unfavorable situation in the cryptocurrency market, as 2022 was a very challenging year in the market, and there were several unexpected events, including the collapse of the cryptocurrency Terra or the bankruptcy of the crypto exchange FTX.

ON-CHAIN DATA











BTC - Balance on Exchanges



Source: Coinglass

The total number of Bitcoins on exchanges continues to trend downwards, according to analytics platform Coinglass. According to current data, there are around 1.82 million BTC held in exchange wallets, which is one of the lowest values ever recorded in this very important metric. The most common reasons why people are moving their funds from exchanges to private wallets include the ability to manage them individually, the uncertainty surrounding some crypto exchanges, or planning to hold these cryptocurrencies for the long term.

According to current data, the most bitcoins are stored on the Binance cryptocurrency exchange, up to 548,000 BTC. However, Binance has seen an outflow of 2,906 BTC in the last 30 days, which may be partly related to the problems of the Binance U.S. subsidiary in the United States. The second largest exchange holding BTC is crypto exchange Coinbase, which currently holds just over 433,000 BTC. The largest influx of BTC in the last 30 days has been recorded by the crypto exchange Bybit, whose BTC holdings have increased by over 30,800 BTC in the last month.

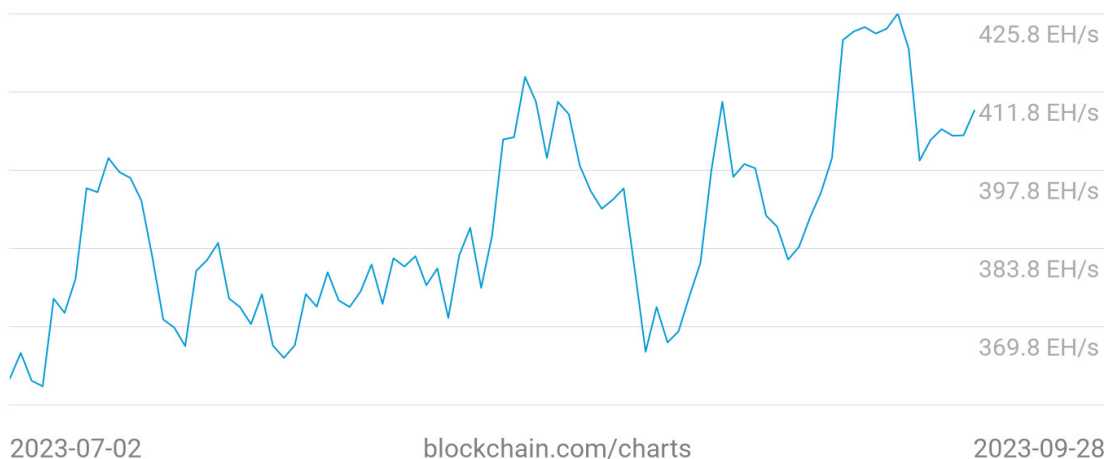
Bitcoin Exchange Balance					
Ranking	Exchanges	Balance	24h Change	7d Change	30d Change
1	 Binance	548,298.51	-1873.09	4312.44	-2906.20
2	 Coinbase Pro	433,336.70	-324.62	-3017.68	-2157.33
3	 Bitfinex	369,507.14	-966.02	678.92	-1060.21
4	 OKX	122,833.61	116.19	-1127.38	776.45
5	 Gemini	99,782.71	-22.97	-126.91	3639.33
6	 bitFlyer	51,483.15	-184.31	-200.25	-48.30
7	 Kraken	48,730.25	411.94	116.56	-327.73
8	 Bitmex	43,340.33	-12.37	-189.61	-498.17
9	 Bybit	35,088.52	-762.53	-1390.51	30800.90
10	 Bithumb	13,480.18	76.76	1151.68	3024.75

Source: Coinglass

BTC - Hash Rate

Hash Rate

408.5 EH/s

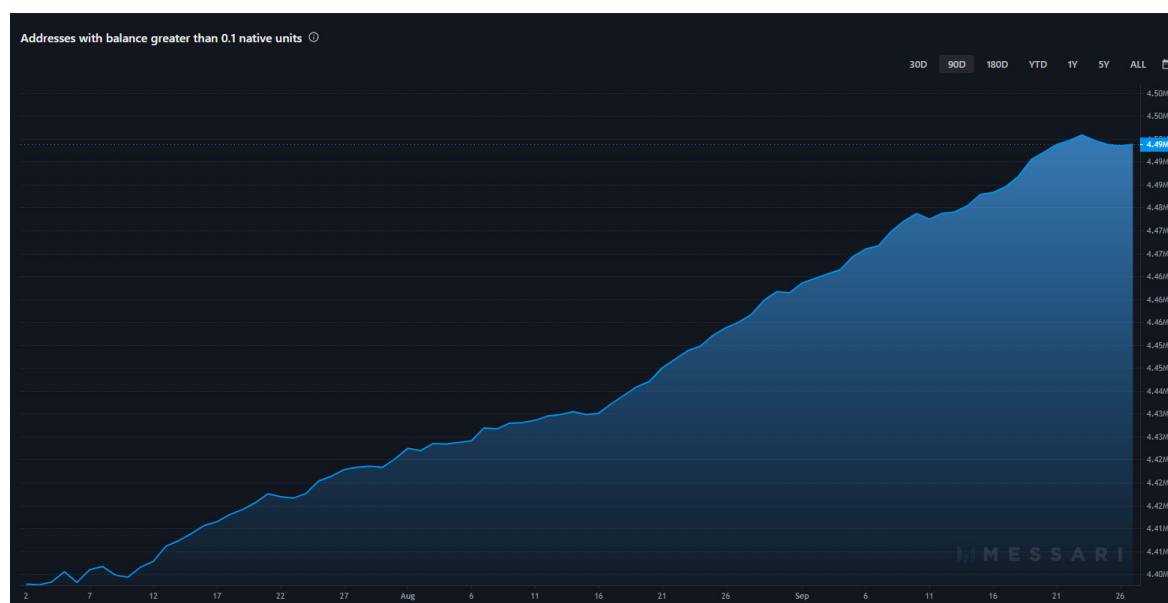


Source: [Blockchain.com](https://blockchain.com)

The overall computing power of the Bitcoin network before the coming halving continues to increase. The ever-increasing interest in mining and validating new blocks in the Bitcoin network caused the Bitcoin hashrate to reach a new all-time high of 425.8 EH/s on September 21. The end of September saw a slight decline in hashrate, with the network's computing power settling at 408 EH/s by the end of the month. However, this is still one of the highest values ever achieved in this metric.

In the case of Bitcoin, higher network computing power makes the network more robust and resilient to external attacks. Bitcoin is thus currently more secure than ever.

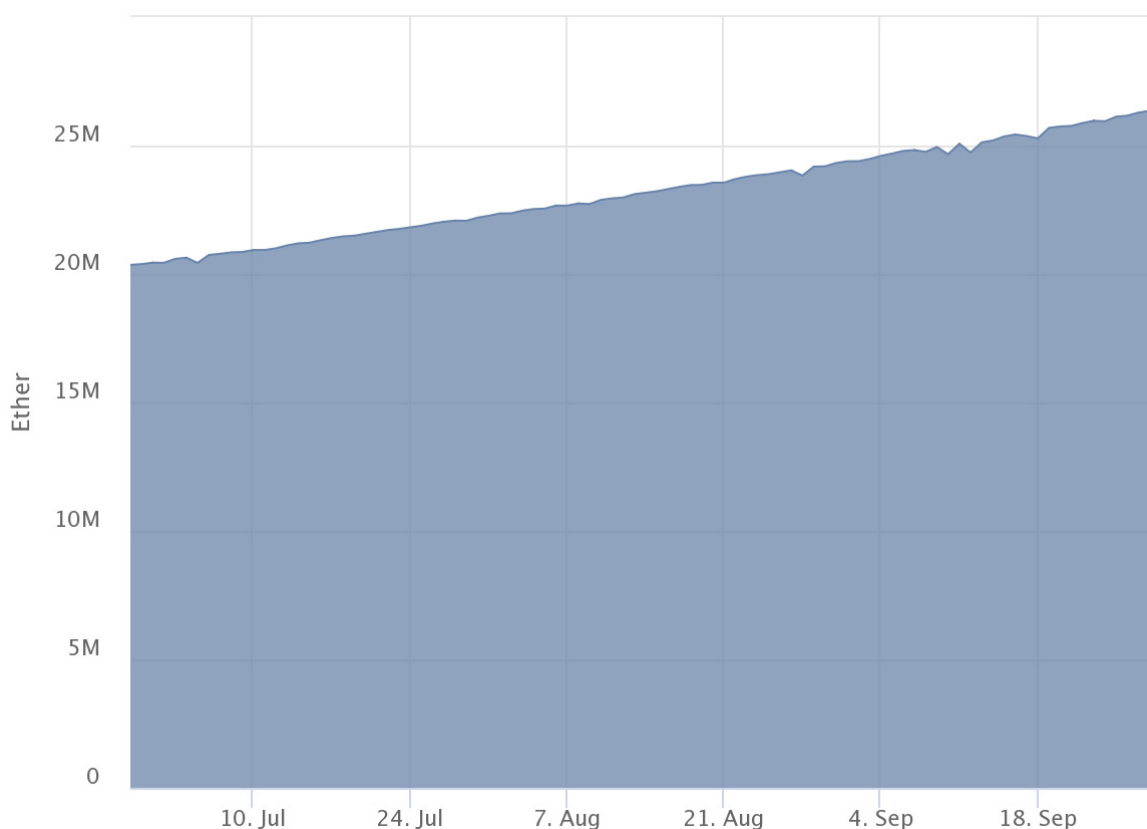
BTC - Amount of Addresses With More Than 0.1 BTC



Source: Messari

The total number of addresses with more than 0.1 BTC increased significantly during the third quarter. The growth in this type of address signals a significant accumulation of investors at current price levels, especially accumulation by small investors. In the third quarter, the number of such addresses increased by as much as 2.28% from 4.39 million addresses to 4.49 million.

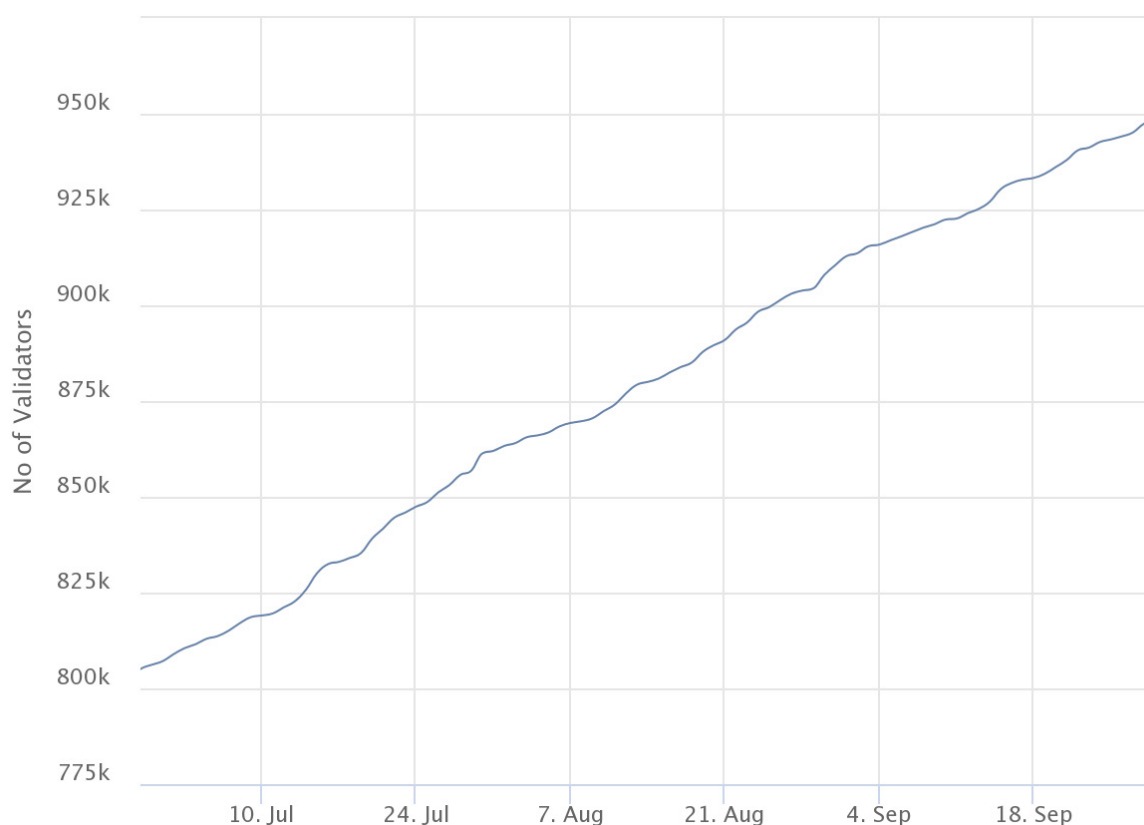
BTC - Number of ETH Staked



Source: *Beaconscan*

The amount of ETH staked continued to grow in the third quarter, surpassing the 25 million ETH staked mark. During the third quarter, the amount of ETH staked grew 29.4% from 20.4 million to 26.4 million ETH. The total circulating stock of ETH is now 120.23 million ETH, which means that roughly 21.9% of all ETH in circulation is staked. At the same time, the more users stake their ETH, the more secure the Ethereum blockchain becomes. Staking ETH also allows validators to participate in validating transactions and producing new blocks, for which they collect staking rewards averaging 3-5% per year.

ETH - Number of ETH Validators



Source: BeaconScan

Staking on the Ethereum network is the process of substituting 32 ETH to activate the validation software. Validators in the network are responsible for storing data, processing transactions, and adding new blocks to the blockchain. The more validators there are in the network, the more resilient the network becomes to attacks as more ETH is required to control the majority of the network.

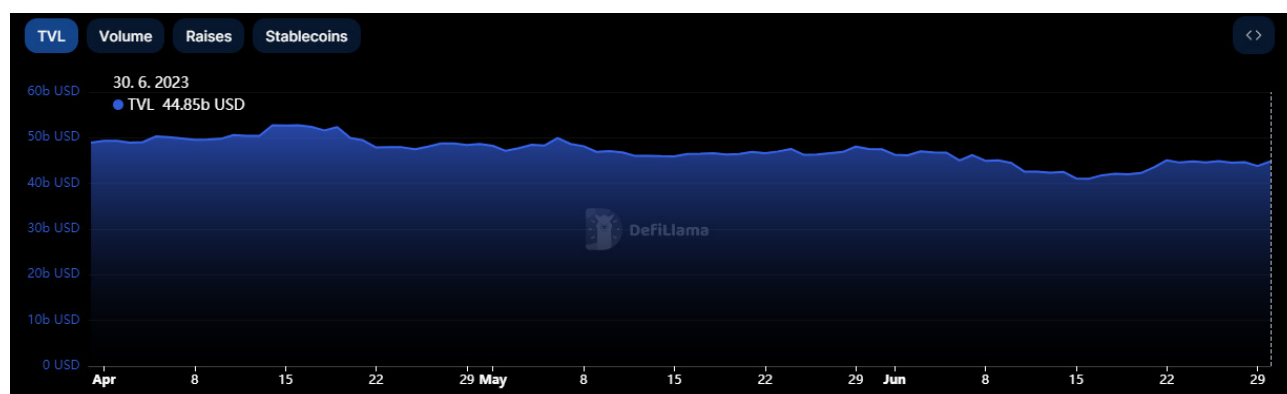
Validators on the Ethereum network, in contrast to miners on Bitcoin, do not need to perform energy-intensive proof-of-work computations to participate in the security of the network. These nodes typically run on less energy-intensive, low-power hardware. The number of validators in the Ethereum network grew by 17.7% during the third quarter to 948,177 validators as of September 29, 2023.

DEFI & NFTS

Total Value Locked (TVL)

The total value locked up in the DeFi sector fell by as much as 15.5% during the third quarter from the \$45 billion recorded at the end of June 2023 to about \$38 billion recorded at the end of September, according to analytics portal DeFiLlama. The largest network by TVL metric continues to be Ethereum, which has \$20.5 billion in locked-up funds with a market share of 54.7%. Ethereum's market share among smart-contract platforms declined by over four percentage points quarter-on-quarter.

In second place in terms of TVL is the Tron network, which has \$6.56 billion locked up with a market share of 17.52%. The third largest blockchain in terms of TVL remains Binance Smart Chain with a TVL of \$2.83 billion and a market share of 7.53%.



Source: [DeFiLlama](#)

In terms of total locked-in value on individual DeFi protocols, Lido, focused on providing liquid staking services, remains the largest protocol. The Lido protocol currently has a total of \$14.7 billion locked up on five different blockchains. However, the LDO token price has plummeted in the third quarter and is trading at approximately \$1.6 with a market capitalization of \$1.4 billion.

The second largest protocol in the DeFi sector is currently Aave, which has dethroned the Maker protocol from second place. There is over \$4.8 billion locked up on the Aave protocol on 9 different blockchains. The Aave token is currently trading at \$65 with a market capitalization of \$956 million.

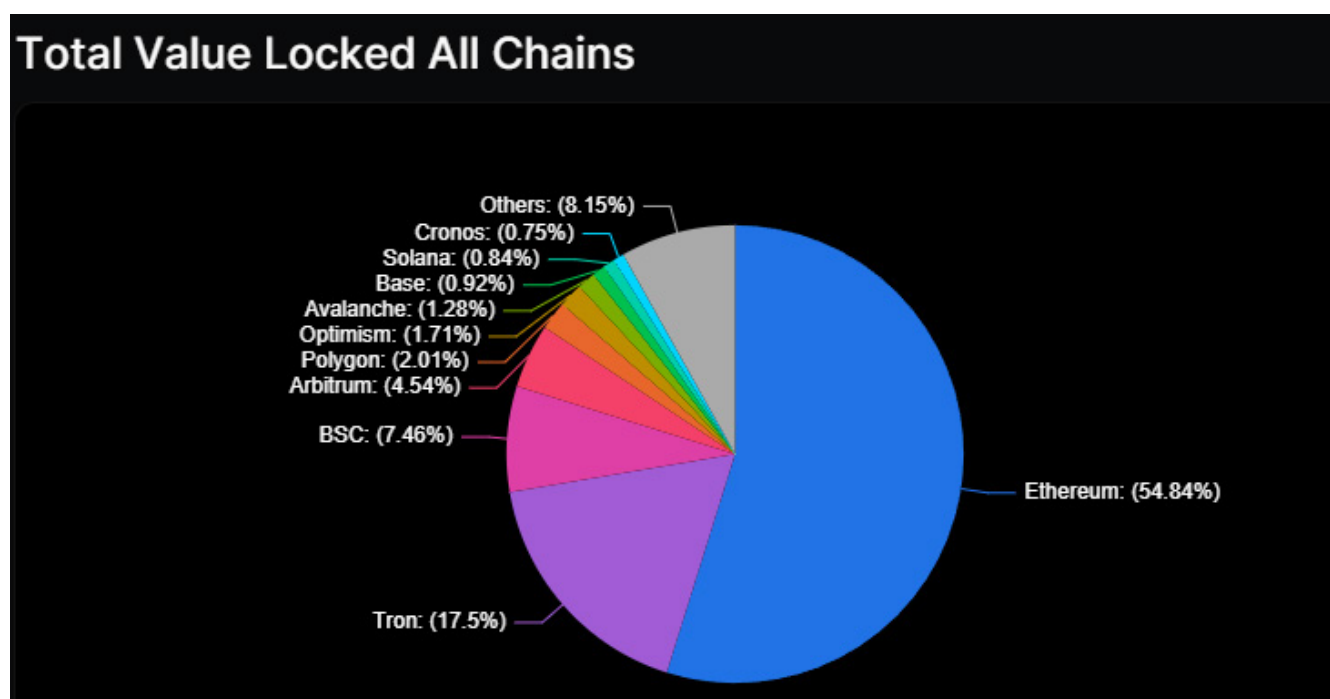
Rounding out the top three is the MakerDao protocol with a locked-in value of \$4.6 billion. However, the value of the Maker token (MKR) grew by over 70% in the third quarter.

Selection From DeFi - Optimism

Optimism is a second-layer scaling solution on top of the Ethereum network. This means that users can perform virtually the same activities on the Optimism network as they do on the Ethereum network, but without having to worry about high fees or longer transaction processing during times of high demand.

The technology behind the project is called Optimism Rollups. Rollups create sets of transactions that are transferred off the main blockchain network - to a secondary layer where those transactions are faster and cheaper to verify. Once they are successfully validated, the transaction data is written back to the main blockchain, but compressed into a much smaller size.

The Optimism Network also has its own token, labeled OP, which is currently trading for \$1.3 and is located at 41. Rank in terms of market capitalization with a market capitalization of \$1.05 billion. The token is primarily used to vote on changes to the Optimism protocol.



Source: DefiLlama

Optimism is currently the fifth largest ecosystem in the DeFi sector with a total locked-in value of \$654 billion and a market share of 1.71%, according to data from DefiLlama. The protocol has an average of 75 to 100 thousand daily active users while the amount of daily transactions is between 200 and 800 thousand in 2023.

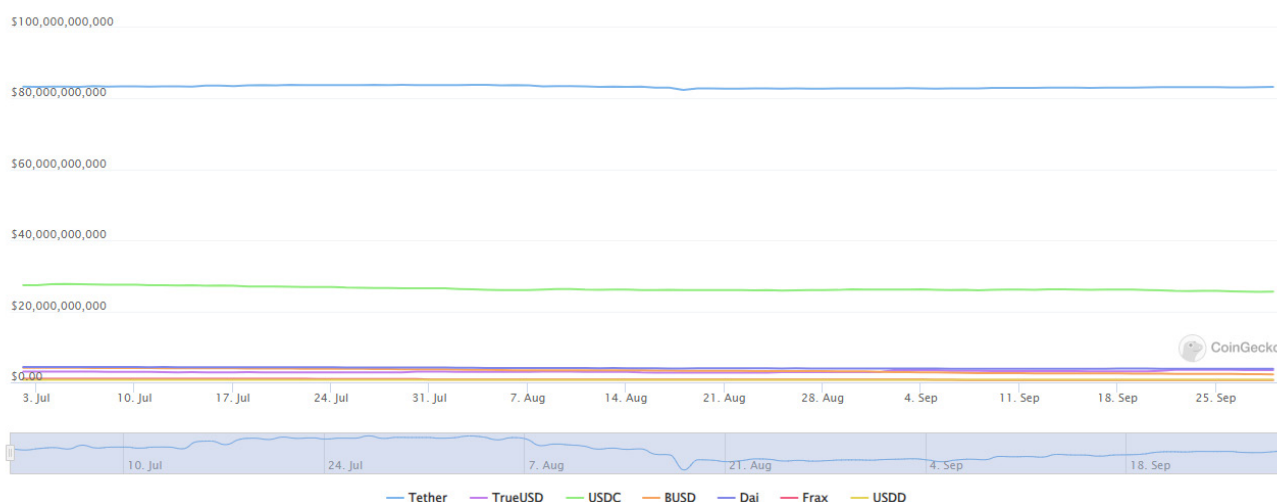
The largest DeFi app on the Optimism network is Synthetix with a total locked-in value of \$150 million. Synthetix (SNX) is a protocol that enables the issuance of synthetic assets on the blockchain. Synthetix supports the issuance of synthetic commodities such as gold and silver, the issuance of synthetic cryptocurrencies, indices, stocks or fiat currencies. This protocol brings on blockchain exposure to assets that are not normally based on the blockchain, creating a more mature and developed financial market.

The second largest app in the Optimism network is a decentralized app called Velodrome with a locked-in value of \$146.5 million. In third place is the lending protocol Aave with a TVL of \$74.8 million.

Stablecoins and DeFi

The largest stablecoin in the cryptocurrency sector continues to be Tether (USDT) with a market capitalization of \$83.3 billion. The capitalization of this stablecoin was almost unchanged compared to the end of the second quarter. However, a drop of almost \$1 billion in capitalization occurred between the 7th and the 18th. August during a more pronounced downturn in the cryptocurrency market.

The second largest stablecoin remains Circle's USDC stablecoin, with a market capitalization of \$25.48 billion. However, USDC's market capitalization continued to decline during the third quarter, falling by nearly 7% this quarter to levels last seen as recently as April 2021.



Source: Coingecko

Much worse off is the BUSD stablecoin, whose market capitalization fell from 4.13 billion to 2.27 billion in the third quarter. The drop of over 45% was caused by problems at the U.S. branch of crypto exchange Binance, as well as continued attacks on Binance by the U.S. Securities and Exchange Commission (SEC).

Coinbase Launches Base Blockchain

Coinbase, one of the most popular publicly traded crypto exchanges in the U.S., has launched its own blockchain called Base, which its creators say is the beginning of a new era of public companies operating their own distributed networks.

Base is built as a Layer 2 (L2) scaling solution on top of the Ethereum network with high security, stability and scalability. In the run-up to the launch, crypto exchange Coinbase committed to the principles of decentralization in the creation of the Base blockchain. The Base blockchain is thus created as open source and is designed to be completely transparent and not controlled by any central entity.

Through the Base blockchain, it is possible to perform the same activities as directly on the Ethereum blockchain. This means that you can, for example, bridge your assets between different blockchains, create and interact with new decentralized applications, or provide liquidity to pools for a wide variety of currency pairs.

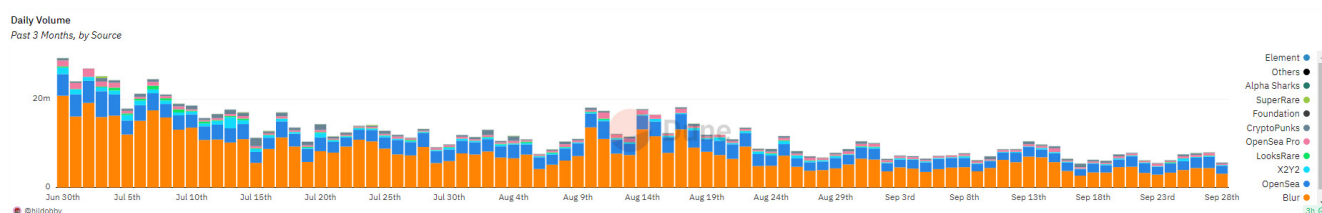
Visa Expands on the Solana Blockchain

A few weeks ago, payment giant Visa released information regarding its expanding presence in the world of cryptocurrencies. Its latest ambitions to move forward in the crypto world involve a plan to create the financial system of the future in partnership with the Solana crypto project.

According to a press release published by Business Wire, Visa intends to expand the settlement and usage capabilities of stablecoins by integrating the USDC stablecoin and the Solana blockchain to launch pilot programs with Worldpay and Nuvei.

Visa has been experimenting with the second-largest stablecoin on the market since 2021, exploring how it could be used within its treasury operations to shorten and reduce currency conversion for cross-border payments.

Volumes on NFT Marketplaces



Source: Footprint analytics

Daily trading volume on NFT marketplaces continued its downward trend in the third quarter. Many of the NFT collections have lost a significant portion of their value and the market is currently showing virtually no signs of recovery.

Trading in NFTs has been dominated over the past three months by the two most well-known marketplaces - Blur and OpenSea, which typically accounted for more than 80% of all NFT trades.

The largest NFT collection in terms of market capitalization is the CryptoPunks collection with an estimated capitalization of 513,968 ETH (\$860 million). The floor price (lowest price) for an NFT in this collection is currently 70.1 ETH, and there are 10,000 unique NFTs in this collection. The second largest NFT collection is the BoredApeYachtClub collection with a market capitalization of 244,364 ETH (\$408 million) and a floor price of 24.89 ETH.

Google to Allow Ads for NFT Games

The good news for the NFTs sector is the news that Google has updated its crypto ad rules to now allow ads to be created for NFT games, provided they do not promote gambling or gambling services. These changes went into effect on September 15.

Allowing ads will apply to those NFT games that allow players to purchase in-game items that enhance the user experience. By such NFTs we can imagine, for example, weapons or armor to upgrade your heroes in the game, various in-game cards or other collectibles. However, games that allow players to make bets of any kind will not be advertised.

FC Barcelona Expands in Web3 Space

FC Barcelona, one of the most popular football clubs in the world, announced that it has secured a \$120 million investment from Libero Football Finance and Nipa Capital for its initiative in the Web3 space called Barca Vision.

The Barça Vision project aims to bring together aspects of the digital world with a strong focus on Web3, blockchain, metaverse and NFTs. The funds raised by the club will reportedly be used to further develop and expand the Barça Vision project, allowing the club to take advantage of the opportunities offered by the evolving digital environment.

As the digital sphere continues to evolve, a number of sports organizations and brands are looking to break into the Web3 space as they seek to improve their customer experience and diversify their revenue streams. The football giant's move thus confirms that Web3 is becoming an increasingly popular and used environment and that major sports organizations are looking to dive into this space in a bid to take advantage of various commercial opportunities.

Quarterly Update of Fumbi Products

At the beginning of September, Fumbi undertook a regular update of our products, during which we added a number of new assets and removed those that do not currently meet our formal criteria. In addition, we also introduced several system changes to users regarding our newest product, Advanced Portfolios.

System changes:

- We are expanding the maximum number of portfolios in the Advanced Portfolios product from 5 to 10. This means you can now build up to 10 portfolios in the Advanced Portfolios product, exactly according to your preferences and tastes.
- We are expanding the market capitalization criterion for the Advanced Portfolios product from TOP 100 to TOP 200. This expansion of the market capitalization criteria specifically for the Advanced Portfolios product will allow you to invest in new and more exotic assets to add to your own portfolios.

Changes to the Fumbi Index Portfolio:

As part of the September update, we have decided to remove one cryptocurrency from the portfolio that does not currently meet our formal criteria.

It was the cryptocurrency MultiversX (EGLD), which we have decided to delist from the Fumbi Index Portfolio due to the fact that it does not currently meet one of our formal criteria for placement in the top 50 cryptocurrencies in terms of market capitalization. However, MultiversX remains part of the Advanced Portfolios product where you can add this asset to your own portfolio.

New assets in the Advanced Portfolios product:

In addition to the system changes, the Advanced Portfolios product will also be affected by changes related to the addition of new assets. As part of the update, we've added up to seven new assets that you can add to your own investment portfolios.

Added assets include:

- Stacks (STX)
- Flare (FLR)
- Worldcoin (WLD)
- Fetch.ai (FET)
- SingularityNET (Agix)
- Solana (SOL)
- Compound Finance (COMP)

Fumbi Product Performance in the First Half of 2023

Transparency has been one of the most important pillars of our business and building relationships with our clients since the early days of Fumbi. That is why we have decided to create a new section that will give you a comprehensive overview of the performance of all products and assets available at Fumbi.

We measured our product performance for the first half of 2023 across five product offerings:

- Fumbi Index Portfolio
- Fumbi Custom
- Bitcoin & Gold
- Staking Portfolio
- Advanced Portfolios

You can read more about the performance of our products in [this blog](#).

Ninth Independent Audit of Fumbi Wallets

At the end of July, Fumbi conducted the ninth independent audit of our wallets, which once again proved that the status of the wallets where your cryptocurrencies are safely stored corresponds to the values stated in your profiles.

As the only crypto-investment company in Slovakia, we regularly undergo an independent inspection of our wallets. The audit is conducted in cooperation with the renowned SGS Slovakia, which is part of the global SGS network.

The audit certified the values of all cryptocurrencies in the Fumbi Index Portfolio, Advanced Portfolios, Staking Portfolio, Fumbi Custom, and Bitcoin & Gold products. In total, all 56 cryptocurrencies you can invest in at Fumbi have been audited. With independent audits, you can trust that the cryptocurrencies you purchase through Fumbi are directly owned by you and do not appear on our balance sheet.

INVEST IN CRYPTOCURRENCIES WITH FUMBI

Take advantage of the potential of cryptocurrencies and invest with us simply, safely, efficiently and in a few clicks. We bring crypto to the general public with just a small deposit, and in a way that minimizes all possible risks. As of 2018, over 120,000 users have already relied on us. **You can invest from as little as €50.**

Fumbi Product Portfolio

- [Fumbi Index Portfolio](#)**
Our most popular product, the Fumbi Index Portfolio, currently consists of over 20 top proven cryptocurrencies. The sophisticated Fumbi Algorithm within it tracks the growth of the entire cryptocurrency market.
- [Advanced Portfolios](#)**
Creating portfolios is now easier. With Advanced Portfolios, you'll have access to over 50 cryptocurrencies and templates created by our team that focus on different areas within the world of crypto. In addition, you'll be able to build custom portfolios with different ratios of cryptocurrencies that match your investment strategy.
- [Staking Portfolio](#)**
In the Staking Portfolio, you will find 10 cryptocurrencies that we will stake for you. These cryptocurrencies have a lower market capitalization than Bitcoin and, therefore, can be more volatile. However, with higher risk comes the possibility of higher
- [Fumbi Custom](#)**
With Custom, we bring everyone the opportunity to invest in the cryptocurrency of their choice. Choose your preferred cryptocurrency and invest in it easily, conveniently and safely.
- [Bitcoin and Gold](#)**
Fumbi's unique Bitcoin and Gold product tracks the value of Bitcoin and the PAX Gold cryptocurrency, which is backed by real gold. The algorithm splits your finances in a 50:50 ratio. It intelligently buys up the cryptocurrency that has fallen and sells the one that has risen. This combination makes it easy and stress-free to save for your future.
- [Fumbi Business](#)**
Valuate your company's assets safely with the first company in Slovakia to bring a sophisticated cryptocurrency investment tool to legal entities.
- [Employee Program](#)**
Through Fumbi, you can bring a unique benefit to your company's employees - they can automatically receive a portion of their paycheck in the form of crypto to their own secure Fumbi account. Your employees choose what portion of their paycheck they will receive in the form of cryptocurrency in the Fumbi Index Portfolio product. Thanks to you, they won't have to make deposits, and the amount will be credited to their account automatically every month.
- [Custody](#)**
Have you purchased cryptocurrencies and wonder how to store them as safely as possible? Take advantage of a first-class cryptocurrency safekeeping option with Fumbi. We work with market leaders to keep your crypto safe at all times.

www.fumbi.network