



INTERNATIONAL (Page 1)

Gucci Takes Fashion History Virtual: Explore 'Gucci Cosmos Land' in The Sandbox Metaverse

CRYPTOCURRENCIES (Page 7)

Beyond Bitcoin: BlackRock's Vision for Ethereum in ETF Landscape

SCL Now (Page 11)

SCL's next Guest Speakers Event

INTERNATIONAL

Crypto.com Secures VASP License: Dubai's Gateway to Crypto Innovation

Hauri, Christoph

In a strategic move for global expansion, Crypto.com's Dubai entity has achieved a significant breakthrough by securing a Virtual Assets Service Provider (VASP) license, which is currently pending final operational approval from Dubai's Virtual Assets Regulatory Authority (VARA). This major development opens the door for Crypto.com's local entity, CRO DAX Middle East FZE, to offer a comprehensive suite of services including exchange, broker-dealer facilities, and lending and borrowing services to a diverse customer base spanning both retail and institutional investors.

The announcement, made through a press release on November 14, underscores Crypto.com's commitment to operating in compliance with regulatory

standards while actively contributing to the growing crypto industry in Dubai. Kris Marszalek, CEO of Crypto.com, expressed his enthusiasm for working with regulators and contributing to the effective regulatory design that positions Dubai as a pioneering market. This achievement follows Crypto.com's strategic decision in March 2022 to establish Dubai as its hub for the Middle East and North Africa region. The regulatory journey began with a provisional license granted by VARA in June 2022, followed by a Minimal Viable Product (MVP) preparatory license in March the following year.

As regulatory controls intensify in the United States, Dubai has emerged as an

attractive destination for crypto businesses seeking regulatory clarity. The city's crypto-friendly jurisdiction, coupled with a transparent and well-defined regulatory framework, positions it as an emerging hub for digital assets in the Middle East.



In a strategic move for global expansion, Crypto.com's Dubai entity has secured VASP License

Gucci Takes Fashion History Virtual: Explore 'Gucci Cosmos Land' in The Sandbox Metaverse

Mottis, Fabrizio

Luxury fashion giant Gucci is bringing its blockbuster exhibition, Gucci Cosmos, into the metaverse through The Sandbox. The virtual experience, named Gucci Cosmos Land, recreates the immersive journey of the London-based exhibition on a blockchain-based platform.

Like the physical exhibition in London, the metaverse version allows users to explore Gucci's history through iconic designs and participate in quests along the way. The virtual experience features elements such as the Ascending Room elevator and the Eden experience, bringing the stories behind Gucci's iconic designs to life.

Sebastien Borget, COO and co-founder of The Sandbox, said: "Gucci Cosmos Land offers fashion and history enthusiasts around the world a new way to access the iconic exhibition and immerse themselves in Gucci's past, present and future.

The first 100 players to complete the quests will have a chance to win one of four Gucci avatars. Each avatar represents an iconic runway look, reimagined in the voxelized design vocabulary of The Sandbox. Gucci's foray into the metaverse follows a growing trend of brands exploring virtual environments to engage audiences and build new communities around their values. According to a recent report by GEEIQ, there's a clear correlation between Gen Z's favorite brands and their participation in metaverse activations.

This move strengthens Gucci's presence in the metaverse, following its previous collaboration with The Sandbox for the Gucci Vault activation in 2022. Gucci Cosmos Land in The Sandbox serves as a digital homage to Gucci's rich history and innovative spirit, allowing users to navigate through decades of designs and experiences. As luxury brands continue to



One of the famous Gucci stores with its unique design.

explore the metaverse, Gucci is at the forefront of using blockchain-powered platforms to engage a global audience in unique and immersive ways.

Did you know...?

The Sandbox is an Ethereum-based metaverse game that allows players to purchase virtual land via NFTs and build their own games and experiences. It's also free to play without purchasing tokenized items, and the game has partnered with brands and entertainers including McDonald's, Adidas, Ubisoft, Snoop Dogg, Warner Music Group, and The Walking Dead.

Frankfurt Stock Exchange Embraces Digital Assets for Growth

Mottis, Fabrizio

The Frankfurt Stock Exchange is gearing up for a digital future, as part of its "Horizon 2026" strategy. Owner Deutsche Börse plans to create a digital asset platform, signaling a shift toward expanding its asset classes and embracing cryptocurrencies.

In a recent press release, Deutsche Börse outlined its roadmap, emphasizing growth, investment, and attracting institutional investors. The key move is the establishment of a digital asset platform, catering exclusively to institutional investors. This platform will facilitate trading, settlement, and custody services for securities, alternative assets, and cryptocurrencies, including stablecoins and central bank digital currencies. This strategic move follows the success of the Frankfurt Stock Exchange's listing of a Litecoin traded product in 2021, showcasing its growing interest in the crypto space. The exchange is now ready to facilitate tokenization and related activities for institutional investors.

In summary, the Frankfurt Stock Exchange's inclusion of crypto in its strategic priorities marks a significant step toward the digital future outlined in its Horizon 2026 strategy. With its focus on regulation, the exchange is positioning itself for a prominent role in the evolving blockchain ecosystem. Its commitment to digital assets is in line with the broader trend of traditional financial institutions entering the crypto space. As the exchange prepares to launch its digital asset platform, institutional investors can expect enhanced opportunities to trade and invest in a diversified range of assets.

Philippine Government Aims to Garner \$180 Million through the Issuance of Tokenized Treasury Bonds

Grünig, Gian

The Philippine Bureau of the Treasury is making history by unveiling plans to issue tokenized Treasury bonds due Monday the 20th November. This groundbreaking move marks a big step towards the modernization of the national debt market, replacing a conventional auction with a new approach.

The Bureau of the Treasury is preparing to offer a substantial sum of at least 10 billion pesos (equivalent to approximately \$179 million) in one-year tokenized bonds. These specialized bonds are designed exclusively for institutional buyers, with a focus on entities such as the Development Bank and the Land Bank of the Philippines.

Institutional buyers will have access to these tokenized bonds in minimum denominations of 10 million pesos, with increments of 1 million pesos. Set to mature in November 2024, these one-year bonds pose an innovative approach for institutional investors.

Distributed ledger technology (DLT) as a part of proof of concept will be used for the issuance of the tokenized Treasury bonds. While the DLT registry plays a pivotal role, the official record of the bonds will be securely maintained in the National Registry of Scripless Securities (NRoSS), working in tandem with the blockchain system.

This strategic move is not just a procedural shift but also a demonstration of the potential benefits of DLT in financial markets, offering advantages such as decreased settlement risk and heightened operational efficiency. By tapping into blockchain technology, the government is proactively exploring ways to reduce issuance and administration costs, potentially opening avenues for smaller bond denominations or fractionalization.

When questioned about the prospect of continued use of tokenized real-world assets and bonds, Deputy Treasurer Erwin



One of the many famous bays in the Philippines.

Sta affirmed the government's stance, stating a commitment to "continue to study the technology and test how far we can take it." This emphasizes the government's commitment to ongoing technological exploration.

The Philippines' decision to issue tokenized bonds aligns with the broader trend within global, especially Asian governments, to explore blockchain technology for financial instruments. Hong Kong

has already ventured into tokenized bonds, while Singapore has commenced with the tokenization of real-world assets in collaboration with JPMorgan, DBS Bank, BNY Mellon, and Apollo.

The Central Bank of Hong Kong mentioned how leveraging blockchain technology and tokenization could lead to improved market efficiency, liquidity, and transparency, leaving room for speculation of further possibilities of upcoming blockchain use cases in that field.

Factor Capital: Launch of \$30 Million Blockchain Fund

Acar, Selin

Factor Capital Management has announced the launch of the Factor Venture Capital Fund I. This is a \$30 million investment initiative designed to support seed-stage blockchain startups. In its first closing, founder Jake Dwyer successfully raised \$10 million, backed by prominent players in the crypto and blockchain space, including GSR Markets, Theta Capital Management, Two Sigma Investments, and other individuals and family offices.

The fund's core strategy is to provide financial support, ranging from \$500,000 to \$1 million, to early-stage startups that show promise in the blockchain space.

Dwyer's mission is clear: to support businesses that have the potential to make a tangible impact in the real world. With over two decades of experience in the technology sector, the founder recognizes that blockchain, once considered a niche technology, is steadily approaching mainstream acceptance. It has the potential to transform industries ranging from finance to supply chain management. Factor Capital is positioned to play a pivotal role in driving the adoption of blockchain technology by providing critical support to early-stage visionaries.

Infura's Collaboration with Tech Titans for Decentralized Infrastructure: Launching DIN

Mottis, Fabrizio

Infura, the web3 infrastructure company operating under Consensys, has announced its partnership with 18 renowned tech companies, including Microsoft and Tencent, to launch the Decentralized Infrastructure Network (DIN). This collaborative initiative was announced at the Decentralized RPC Summit during the DevConnect conference in Istanbul on November 15th. It represents a major step towards the establishment of a decentralized Remote Procedure Call (RPC)-as-a-Service. This groundbreaking effort aims to securely connect developers to Ethereum and various other networks.

Formation of the Decentralized Infrastructure Network

The first cohort of launch partners such as Microsoft, Tencent, 0xFury, Bloq and others have been announced by Infura. The creation of a federated version of DIN marks the primary phase and lays the foundation for its progressive decentralization in the future. Consensys defines DIN as a significant milestone in Infura's commitment to advancing the decentralized Internet infrastructure. It is part of a broader initiative to support diverse blockchain APIs, recognizing the inevitability of a multi-chain landscape.

Infura's drive towards decentralized internet infrastructure

Since 2016, Infura has played a key role in providing the core backend infrastructure for several decentralized finance (DeFi) applications, NFT marketplaces, layer 2 scaling solutions, and other popular web3 products. In September, Infura initiated plans to promote a decentralized RPC infrastructure, recognizing concerns about its centralized nature and potential risks as a single point of failure for Ethereum.

Addressing Past Incidents and Improving Network Resilience

Previous incidents that resulted in Infura downtime have negatively impacted Ethereum users. This is due to the widespread reliance on the infrastructure. In particular, an outage in April affected MetaMask, Consensys' widely used web3 wallet, causing connectivity issues with the Ethereum, Arbitrum, Optimism, Polygon, Filecoin and Palm networks. Infura recognizes the demand for decentralized alternatives in response to concerns about data hacks and outages in centralized systems. The move to decentralize access to blockchain APIs is seen as a critical step in improving network uptime and giving individuals more control over their personal data.

The Future of Decentralized Internet Infrastructure

Infura's collaboration with industry giants to build the Decentralized Infrastructure Network marks a transformative shift in decentralized Internet infrastructure. In particular, the involvement of major players such as Microsoft and Tencent underscores the growing importance of decentralization in the web3 ecosystem. The DIN project not only addresses past concerns, but also aligns with the broader industry trend of creating decentralized alternatives to improve network resiliency and user sovereignty.



Silicon Valley near San Francisco is home to many of the big tech titans like Apple or Alphabet.

BLOCKCHAIN HISTORY

What happened in the blockchain world this month some years ago?

November 28, 2012: First Bitcoin halving

The first halving occurred on November 28, 2012, when the Bitcoin block reward was cut from 50 coins to 25 coins per block. The subsequent halvings occurred in 2016 and 2020 respectively. Each time, this event has had a significant impact on the market price and activity surrounding Bitcoin. The fourth Bitcoin halving will occur around April 2024.

November 16, 2016: CME Launches Bitcoin Price Index

CME Group officially launched its Bitcoin price indexes, namely the CME CF Bitcoin Reference Rate and the CME CF Bitcoin Real Time Index, following a testing period conducted with Crypto Facilities. These indexes were designed to utilize data from global Bitcoin exchanges. With the primary goal of providing institutional-grade resources for Bitcoin traders, CME had announced its plan to publish the reference Bitcoin price daily at 15:00 UTC.

November 25, 2019: Amount of Ether locked in Decentralized Finance apps reaches all time high

Despite Ether's price volatility, the amount of Ether locked in DeFi has risen to an all-time record of 2.7 million ETH. The majority, approximately 77%, is held in the Maker-backed DAI stablecoin system, while Compound accounts for 12.5% of the locked Ether. Although Ether's price fluctuations have had some impact on locked assets, recent growth contrasts with the post-July decline, with the total value of locked assets at \$619.7 million, down slightly from the peak of \$675.6 million on November 21. innovation.

*Douga, Erietta
Mottis, Fabrizio*

Bitcoin Options Triumph: Surpassing BTC-Futures in Record-Breaking Market Size

Baruffol, Tim

The Bitcoin options market has outpaced the market for Bitcoin futures in Open Interest (OI), marking a significant shift in the crypto derivatives landscape. According to data from CoinGlass, the total OI for Bitcoin options has reached \$17.5 billion, surpassing the \$16.2 billion OI across all BTC price futures markets.

Analyzing the trajectory of Bitcoin options throughout the year, the CoinGlass chart indicates a dynamic market. At the beginning of the year, the total Open Interest in Bitcoin options fell below \$3.5 billion. However, during the peak of the bull run in October 2021, it soared to \$14.5 billion. By July 2022, it had dropped again below \$5 billion USD.

After hitting a low of \$3.5 billion, by the end of January 2023, Bitcoin options OI had rebounded to \$7 billion. Subsequently, in March, it exceeded \$14.5 billion, indicating a robust market performance in 2023. This surge has propelled the market to new highs comparable to those experienced in 2021, all achieved in the absence of a significant bull run. Notably, the market not only recovered from the bear market of the previous year but also broke previous records, even surpassing the 2021 bull run.

The boom in the Bitcoin options market in 2023 is attributed to the growing sophistication of the market. The hypothesis is that as the market matures, it becomes more attractive to institutions. Until 2020, the Bitcoin market was relatively small and had not yet drawn the attention of large institutional investors. However, there has been a significant breakthrough in 2023, highlighted by the entry of traditional giants like BlackRock. The application to issue one of the first spot Bitcoin ETFs in U.S. history underscores this shift.

While futures and options markets are traditionally associated with speculators rather than long-term investors, the influx of capital into these instruments signals a broader trend. Financial markets,



Bitcoin is becoming more attractive lately, also because of the upcoming halving next year and a possible spot ETF.

dominated by speculation, now see instruments for speculating on Bitcoin price movements, attracting more capital than spot markets for medium- to long-term investors. This trend suggests a maturing market that increasingly resembles traditional equities.

Luuk Strijers, the commercial director of Deribit, a leading crypto options exchange, views the increased activity in the options market as a clear sign of its growing sophistication. The surpassing of the Open Interest of options over futures indicates a rising preference for options as tools for strategic positioning, hedging, or capitalizing on the recent increase in implied volatility.

Options, as derivative contracts, play a crucial role in the crypto derivatives market. They grant the buyer the right, without the obligation, to buy or sell an asset at a predetermined price and by a specific date. This flexibility makes options perfect for managing risk, as they can be utilized only when problems arise and remain unused when everything goes as planned. Additionally, they are employed to amplify potential returns or protect against market downturns and upturns.

The outlook for the growth of the derivative cryptocurrency market is also promising. As of now, Binance stands out as the largest derivatives trading platform, commanding 61.4% of the market share. Following closely are OKX and ByBit, with market shares of 15% and 14.6%, respectively. The entrance of Coinbase and Gemini into the derivatives space in May is anticipated to further boost the market share of crypto derivatives markets.

Did you know...?

A futures contract is an agreement to purchase or sell an underlying stock or other assets at a predetermined price on a specified date. In contrast, an options contract grants investors the right, without the obligation, to buy or sell assets at a predetermined price on a specific date, referred to as the expiry date.

Will the Issuer of the USD Stablecoin Attempt Another IPO?

Acar, Selin

Circle, the issuer of the USD Coin (USDC) stablecoin, is eyeing another IPO in 2024. Backed by financial giants Goldman Sachs and BlackRock, the move could have a significant impact on the cryptocurrency and blockchain sector. The previous attempt through a SPAC in 2022 was abandoned. Could this one be as successful as expected?

The company is currently in discussions with advisers as it prepares for a potential IPO. Back in 2022, Circle aimed to go public through a blank deal, a common route for cryptocurrency companies, which could have valued the company at up to \$9 billion. However, its SPAC-based public listing attempt with Concord Acquisition ultimately failed, leaving uncertainty over its future.

Nevertheless, Circle's flagship digital currency, the USDC stablecoin, remains a

major player in the cryptocurrency market with a market capitalization of over \$24 billion. USDC is a stablecoin designed to maintain a stable value by being pegged to the US dollar, which sets it apart from the volatility of cryptocurrencies such as Bitcoin and Ethereum. This stability has made USDC an attractive option for various use cases, including digital payments, trading, and lending.

As for Circle's IPO intentions, a company representative declined to confirm any rumors but stressed that becoming a U.S.-listed public company has long been part of Circle's strategic aspirations. Nevertheless, discussions are ongoing and there is no certainty that Circle will decide to proceed with the listing.

A key factor in Circle's success has been the financial backing from traditional industry giants, such as Goldman Sachs and Blackrock. Investment from established

players demonstrates confidence in the long-term viability of the USDC and Circle's role in the evolving financial landscape. This reinforces the idea that cryptocurrencies, and stablecoins in particular, could become an integral part of modern investment portfolios.

Circle's IPO journey has been characterized by ambition and adaptability. After facing challenges in 2022, Circle appears to be revisiting the possibility of an IPO in 2024. As the company re-engages with advisers and navigates the complexities of an IPO, the blockchain community will be watching this chapter closely.

In essence, Circle's path to an IPO in 2024 represents a pivotal moment for the company and reflects the broader transformation taking place in the cryptocurrency sector. The merging of traditional and digital finance is an ongoing trend, and Circle's potential IPO underscores the growing importance of stable currencies in this evolving financial landscape.

CRYPTO CRIMES

Poloniex Cryptocurrency Exchange Faces Major Hack, Loses Over \$100 Million

Douga, Erietta

Cryptocurrency exchange Poloniex, owned by Tron founder Justin Sun, has fallen victim to a significant hack, resulting in the loss of \$114 million worth of tokens. The incident was first flagged by blockchain security firm Peckshield, revealing a series of transfers from the "Poloniex 4" wallet to the hacker's wallet. The individual, now known as the "Poloniex Hacker," tricked the system with a total of 357 transactions. The stolen assets include Ethereum (ETH), TRON (TRX), stablecoins like USDT and TUSD, and meme coins such as PEPE, FLOKI, and SHIB.

The hack extended beyond the Ethereum blockchain, with Arkham Intelligence reporting additional thefts of over 288 million TRX and 865 Bitcoin totaling over \$126 million in stolen tokens. The hacker's modus operandi involved transferring assets to a secondary wallet before swapping them for USDC, primarily using MetaMask's swapping feature.

Notably, the hacker made an error in one transaction, sending \$2.5 million in stolen Golem tokens (GLM) to the token contract instead of the intended secondary addresses, rendering recovery impossible.

Poloniex swiftly disabled its wallet for maintenance following the alert, as indicated in a tweet from its customer support account. Sun shared on X (formerly Twitter) that Poloniex has "successfully identified and frozen a portion of the assets associated with the hacker's addresses."

"At present, the losses are within manageable limits, and Poloniex's operating revenue can cover these losses," he added.

With this move, Justin Sun reassured users that Poloniex maintains a healthy financial position, pledging full reimbursement for affected funds. Sun also announced collaboration with other exchanges to facilitate the recovery of the misappropriated funds.

The incident underscores the persistent threat of cyberattacks on cryptocurrency exchanges, with Poloniex joining the ranks of recent victims such as HTX, Gdax, and Deribit. Sun additionally offered a 5% white hat bounty to the hacker, encouraging cooperation within a seven-day deadline before engaging law enforcement.

Security researchers, including Officer's Notes, suggested potential vectors for the hack, including compromised private keys, malware, or social engineering. As the investigation unfolds, Poloniex aims to manage the losses within acceptable limits, relying on its operating revenue to cover the financial impact. Users are awaiting further updates on the recovery efforts and security measures implemented by the exchange.

SWITZERLAND

CRYPTOCURRENCIES

SEBA Bank Expands Crypto Services with Hong Kong License

Mottis, Fabrizio

Switzerland-based SEBA Bank has achieved a significant milestone in its global expansion by obtaining a license from the Hong Kong Securities and Futures Commission (SFC). The bank's subsidiary, SEBA Hong Kong, secured the authorization on November 3, marking the establishment of SEBA's first regulated footprint in the Asia-Pacific region.

SEBA Bank initiated its Hong Kong venture with the opening of an office in late 2022. In August 2023 the bank received approval to offer virtual asset trading services, emphasizing its commitment to expanding services in the region. The SFC license enables SEBA to deal in and distribute all securities, including digital asset-related products such as over-the-counter (OTC) derivatives. It also enables the bank to provide securities and digital asset advisory services, as well as discretionary account management for traditional securities and virtual assets.

Franz Bergmueller, CEO of SEBA, expressed his enthusiasm for joining Hong Kong's digital asset economy. He highlighted the region's constructive legal system and regulatory clarity as key factors that will benefit SEBA's business and contribute to Hong Kong's status as a global financial hub.

The granting of the SFC license represents a significant step forward for the SEBA Group in its mission to shape the future of the global crypto economy. The license strengthens SEBA Hong Kong's position as a well-regulated and trusted partner in the Asia Pacific region. SEBA Bank, already active in Switzerland and Abu Dhabi, plans to closely monitor the global regulatory landscape, collaborating with regulators to identify further growth opportunities. With this new SFC license, the SEBA Group operates globally from its regulated hubs, ensuring a comprehensive suite of financial solutions for the digital age.

Bonk on the rise: Solana's Memecoin rally and its connection to FTX

Baruffol, Tim

Memecoin Madness again! The memecoin BONK experiences a swift surge in its price. In a dazzling 24-hour performance, the Solana memecoin, BONK, has seen a triple-digit surge, seemingly contributing to Solana's overall recovery. This rapid ascent prompts reflections on the heyday of meme coins, evoking memories of the fervor surrounding Dogecoin and Shiba Inu just two years ago. BONK, the latest addition to the memecoin family, takes inspiration from the Shiba Inu breed, and within a mere week since its launch, the token has witnessed an extraordinary spike of 1,300%. Now it seems to be happening all over again, since the bonk token reaches 100% upside from November 8th to November 10th.

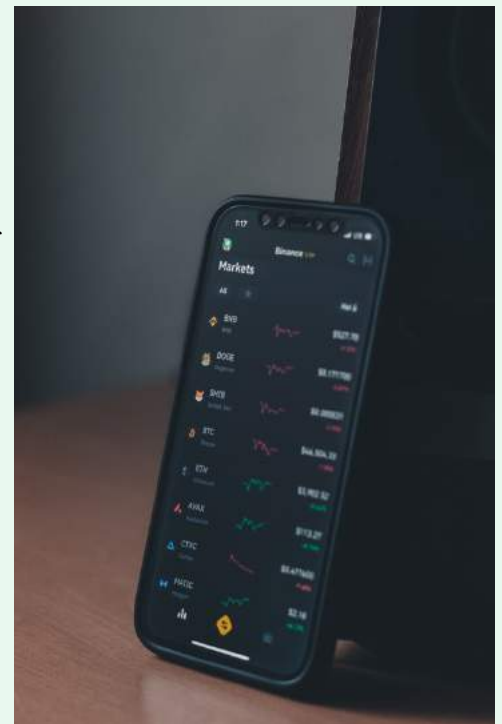
Prominently, the hype of these so-called Meme coins, whose hype lives off the humorous aspects of the underlying mascot can have huge success stories on the crypto market. It is safe to say that the nature of these assets is wildly speculative and therefore their prices are extremely volatile. But there seems to be a stigma in the crypto community towards coins with a dog as their logo.

A noteworthy subplot to the BONK narrative involves the recent activity within wallets linked to FTX, Alameda Research, and potentially Sam Bankman-Fried himself. Speculation arises that their substantial SOL holdings might have been divested in recent weeks. This prompts contemplation on whether investors, developers, and community members have lost confidence in the Solana Network and therefore also the BONK token.

BONK, once dubbed the forgotten memecoin that made headlines in January, has made a comeback, as it sets its sights again on breaking into the Top 100 cryptocurrencies list. BONK's success is attributed to

a combination of factors. Its attractively low token price and an exceptionally high total token supply are key factors. BONK seems to be finding favor among users, with numerous projects within the Solana blockchain already integrating the memecoin for NFT payments. Notably, a recent on-chain achievement was marked by BONK recording more active wallets than the entire Polygon blockchain. The duration of this feverish enthusiasm remains uncertain, with the potential for unpredictable market forces – a reality exacerbated by the inherent volatility of memecoins.

While BONK's journey continues to captivate the crypto sphere, its promising outlook is juxtaposed with the shadows cast by FTX and Solana. As Solana, once considered a risky cryptocurrency, emerges as one of this year's top performers, the uncertain future of BONK beckons both caution and curiosity within the ever-evolving landscape of the crypto market.



Memecoins are extremely volatile, but they have a lot of fans in the crypto community.

MicroStrategy's Bitcoin Holdings Surpass \$1.2 Billion in Unrealized Profits

Douga, Erietta

MicroStrategy, under the leadership of Michael Saylor, has achieved over \$1.2 billion in unrealized profits from its Bitcoin holdings, marking a 25% increase over its cumulative investment, as of Friday 10th of November 2023. With a Bitcoin treasury of 158,000 coins valued at \$5.7 billion, MicroStrategy's strategic investments have proven to be beyond lucrative.

The recent rise in Bitcoin's price, crossing \$37,000, was a key contributor to MicroStrategy's success. The company's holdings, acquired over three years through strategic fund investments and bond sales, now constitute over 80% of its \$7.1 billion stock market capitalization. These holdings, totaling \$4.6 billion, make MicroStrategy the largest institutional Bitcoin holder, outpacing competitors like bitcoin miner Marathon Digital, which holds 13,000 bitcoins worth \$500 million at current prices.

MicroStrategy's foresighted purchases, including 5,445 bitcoins in September at an average price of \$27,053, align with the overall optimism in the market. Anticipation of U.S. regulators approving Bitcoin exchange-traded funds (ETFs) has been a driving factor, with ongoing talks reported between the SEC and Gray-scale Investments about converting the Bitcoin Trust (GBTC) into a Bitcoin ETF.



Bitcoin Gains Ground and Reaches Yearly Highs.

OKX Launches X1, a ZK Layer-2 Network, in Collaboration with Polygon Labs

Douga, Erietta

OKX, the sixth-largest cryptocurrency exchange, has made known its layer 2 network named "X1" utilizing Polygon's Chain Development Kit (CDK). This announcement aligns with the trend of major exchanges like Coinbase and Kraken exploring their layer-2 projects. X1, incorporating Polygon's zero-knowledge technology, is scheduled to launch in Q1 2024.

In a strategic collaboration with Polygon Labs, OKX aims to connect its vast user base of over 50 million users with the global Polygon and Ethereum communities. X1, an Ethereum-based Zero Knowledge (ZK) Layer-2 network, is designed to be highly performant, secure, and scalable. It leverages Polygon CDK, offering developers a user-friendly protocol for creating decentralized apps (DApps) and driving Web3's future.

According to Mark Boiron, Polygon Labs Chief Executive Officer, "You can look at all these chains as being competitive, or you can look at them as kind of being one". "I fundamentally believe that if we can have the biggest ecosystem of chains that are all interoperable, then everyone that is part of that ecosystem is going to win.", he continued.

OKX's native token, OKB, will serve as the X1 network's native token, facilitating gas fee payments. The partnership establishes OKX as a core contributor to Polygon CDK, committing engineering resources to enhance Ethereum scaling solutions.

The X1 network, utilizing ZK proofs, prioritizes security, scalability, and reduced transaction costs. It is compatible with Ethereum, enabling seamless deployment of EVM-based DApps and connectivity with various smart contracts, wallets, and tools.

Jason Lau, Chief Innovation Officer at OKX, expressed that X1 is a key component in their efforts to introduce users to Web3. The collaboration with Polygon Labs aims to attract more builders, expand use cases, and promote the mass adoption of Web3.

Polygon co-founder Sandeep Nailwal highlighted X1's role in bridging the OKX community with the broader Ethereum ecosystems. The utilization of Polygon CDK technology allows developers to create ZK Layer-2 solutions on Ethereum effortlessly. Moreover, Polygon CDK-deployed chains can interoperate within the larger network of ZK-powered Layer 2s in the Polygon CDK ecosystem.

In the coming weeks, OKX and Polygon Labs plan to reveal additional details about their collaboration and upcoming developer events, further solidifying their position among other decentralized technologies.

Did you know...?

Zero-knowledge rollups (ZK-rollups) and their counterpart, optimistic rollups, serve as layer 2 solutions designed to enhance throughput on the Ethereum blockchain. They achieve this by relocating computation and state off-chain, presenting effective solutions to address congestion challenges within the Ethereum network.

Did you know...?

Earlier this year, Coinbase introduced its own "Base" blockchain, employing Optimism's OP Stack. Simultaneously, Kraken is exploring the development of its own layer 2 blockchain.

Beyond Bitcoin: BlackRock's Vision for Ethereum in ETF Landscape

Hauri, Christoph

In a significant move to expand its cryptocurrency investment portfolio, BlackRock, the world's largest asset manager, has taken steps to launch an Ethereum focused exchange-traded fund (ETF). Confirming its plans, BlackRock has registered the "iShares Ethereum Trust" in Delaware, laying the groundwork for the proposed ETF. This follows BlackRock's earlier entry into the crypto ETF space with a spot-based bitcoin ETF, demonstrating the firm's commitment to addressing the evolving landscape of digital assets.

Spot Ether ETF: Breaking New Ground

BlackRock's filing of a 19b-4 form with the United States Securities and Exchange Commission (SEC) on November 9th revealed its intention to launch a spot Ether ETF called the "iShares Ethereum Trust".

The move follows the earlier registration of the corporate entity in Delaware, indicating that the filing was imminent. The confirmation solidifies BlackRock's interest in diversifying its ETF offerings beyond Bitcoin, in line with the growing trend of financial firms exploring cryptocurrency-backed ETFs.

Challenging the Status Quo: BlackRock's Position on Spot ETFs

While the SEC has approved ether ETFs that are settled monthly via futures contracts on the CME (Chicago Mercantile Exchange), BlackRock is challenging the distinction between futures and spot products. In a 91-page filing, the asset manager draws parallels to a recent lawsuit won by crypto conglomerate Grayscale, in which a court found the SEC's reasoning insufficient. BlackRock contends that both types of products are fundamentally based on the spot price of the cryptocurrency, pushing back against the SEC's emphasis on protecting against price manipulation on the CME.

Market Impact and Future Outlook

News of BlackRock's plans to launch an Ether ETF sent ETH up 8.9% to \$2,080, contributing to a 10.1% gain. This

development not only positions BlackRock as a major player in the cryptocurrency ETF arena, but also impacts ETH's market dominance. The cryptocurrency market is anticipating further development and potential growth in ETF offerings with several firms including VanEck, ARK 21Shares, Invesco, Grayscale and Hashdex seeking SEC approval for a spot Ether ETF.



Did you know...?

An Exchange-Traded Fund (ETF) is a pooled investment security similar to a mutual fund but traded on stock exchanges like individual stocks. ETFs, which can track various assets, allow for easy buying and selling on the stock exchange, providing flexibility for investors.

Ambitious Move: Tether Allocates \$500 Million for Bitcoin Mining Operations

Grünig, Gian

USDT stablecoin provider Tether is making significant strides in the competitive space of Bitcoin mining, with plans to invest a substantial \$500 million over the next six months. Soon-to-be CEO Paolo Ardoino, revealed this ambitious move, emphasizing Tether's aim to establish itself as a major player in cryptomining. The investment encompasses the development of new mining facilities and strategic acquisitions.

In a strategic diversification from managing the USDT stablecoin, Tether's move

into Bitcoin mining is backed by its formidable financial strength. The Q3 attestation report discloses a surplus of approximately \$3.2 billion in cash, empowering Tether to embark on this substantial investment. This additionally enabled Tether to grant a \$610 million loan to Northern Data AG, a Frankfurt-based mining firm, while also buying a significant number of shares in the company.

Tether's mining operations extend to South America, where it is establishing facilities in Uruguay, Paraguay, and El Salvador, each with a capacity ranging between 40 and 70 megawatts. Paolo Ardoino is committed to growing Tether's share of the total computing power for the Bitcoin network to 1%. This puts the company on track to become one of the top 20 Bitcoin mining companies in the world.

However, Tether faces challenges amidst a

competitive crypto-mining landscape, marked by thinning profit margins and increased competition. The strategic setup of mobile mining facilities suggests Tether's readiness to adapt to fluctuating energy costs and market conditions, positioning the stablecoin giant as a potential influential force within the sector. Despite the risks associated with heightened competition and the upcoming Bitcoin halving, Tether's financial robustness and strategic initiatives mark a significant shift as it ventures into this dynamic and challenging crypto landscape.

Did you know...?

A stablecoin is a form of digital currency tied to a "stable" reserve asset, such as the U.S. dollar or gold. The purpose of stablecoins is to minimize volatility when compared to non-pegged cryptocurrencies like Bitcoin.

Swap, Click, Go: Uniswap's Android App Redefines Decen- tralized Exchanges

Hauri, Christoph

Uniswap Labs has made news in the crypto world with the official release of its Android mobile wallet app, complete with a seamlessly integrated swap feature. The app, which has been in beta testing since October 12, is now available to Android users in the Google Play store, following the release of the iOS version in April. Uniswap's decentralized exchange (DEX) platform, powered by the UniswapDAO, has garnered significant attention with over \$3 billion locked in its smart contracts.

Key Features:

Swap anywhere, anytime: The Android app allows users to perform swaps directly through the DEX, eliminating the need for a separate web browser extension.

Global Accessibility: With support for multiple languages including English, Spanish, Japanese, Portuguese, French, and Chinese both traditional and simplified, the Uniswap app caters to a global audience.

User-centric updates: In response to user feedback, the app's wallet address display has been optimized for user convenience, making it easier to copy and paste addresses.

Anti-Front-Running Measures: Uniswap includes a Maximum Extractable Value (MEV) blocker that protects user transactions from potential frontrunning and sandwich attacks.

Multi-network swapping: Users can seamlessly exchange digital tokens across multiple blockchain networks, including Polygon, Arbitrum, Optimism, Base, and more, with plans to integrate additional protocols in the future.

What is next:

After an enthusiastic response from the community, Uniswap encourages users to continue to place their suggestions for further improvements. The Android app, a highly anticipated addition, is in line with Uniswap's commitment to providing an inclusive and user-friendly decentralized exchange experience.



Android's mascot at Google's headquarters in the Silicon Valley (USA).

MARKET UPDATE

Ethereum Analysis: Price Outlook and SEC's Impact on ETFs

Mottis, Fabrizio

The price of Ethereum has recently surged, reclaiming on the 15th of November the \$2,000 mark amid an upward trend. However, challenges lie ahead. Both technical factors and regulatory decisions will play a role.

Analysis Insights

Buyers pushed Ethereum towards a key resistance level at \$2,000. A potential consolidation period near broken moving averages is probable before another attempt to break above \$2,100. During Ethereum's price spike, more people were buying than selling, showing a strong interest in buying. But recently, the trend has reversed. Sellers are now making more aggressive moves, possibly to take profits or bet against the market. This change in behavior coincides with Ethereum's recent struggle to rise, suggesting a possible short-term price pullback. If the buy/sell ratio rises again and crosses the 1 mark, it could signal a return to bullish behavior and support a price increase. On the other hand, if it doesn't improve, it could cast doubt on the sustainability of any rally.

SEC's Impact on Ethereum's Price

The SEC has delayed its decision on Grayscale's application to convert its Ethereum Trust into an ETF. Analysts believe the

move is aimed at paving the way for the approval of a spot ETH ETF. This could set an important precedent for future ETF applications. Despite Ethereum's recent 3% rally, uncertainty surrounding the SEC's decision and broader market indicators point to potential bearish movements. The MACD is showing a possible bearish crossover, threatening the \$2,000 support level.

In conclusion, the price outlook for Ethereum remains uncertain due to technical patterns and regulatory influences. Traders are eyeing critical levels such as \$2,000 while awaiting clarity on SEC decisions that could significantly impact market sentiment and the future of Ethereum-based ETFs.



Etherum price performance over the past 90 days.

Did you know...?

MACD, short for Moving Average Convergence/Divergence, is a trading indicator used in the technical analysis of stock prices. It is designed to detect changes in the strength, direction, momentum, and duration of a trend in a stock's price.

SCL NOW

SCL's next Guest Speakers Event

Douga, Erietta

SCL did it again! Another Guest Speakers Event is just around the corner, and you do not want to miss it! Five experts will join us to talk about tokenization and digital assets, touching upon what in their professional opinion the future might hold.

Aktionariat is a young startup in the heart of Zurich with the mission to transform private equity into open equity. CVLabs is the Swiss blockchain hub. Obligate helps companies looking for alternatives to bank-based finance. Sygnuis the world's first digital asset bank, founded on Swiss and Singapore heritage, and Julius Baer is a leading provider of private banking services with a vast client list and worldwide representation.

Join us as we learn from the best, and network with us on an aperitif at the end of the event.

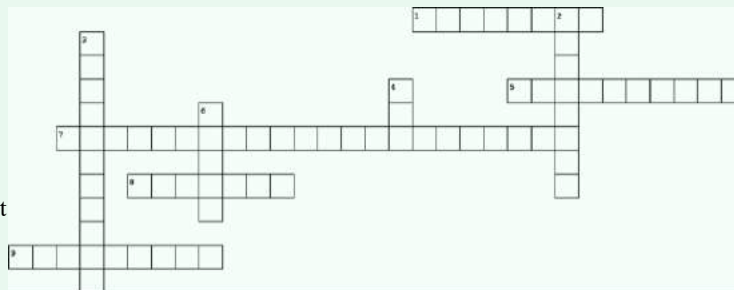
Registration link: <https://www.eventbrite.com/e/tokenization-and-digital-assets-unveiling-the-future-with-scl-defiam-tickets-756099723627?aff=oddttdt-creator>

SCL Crossword

Mottis, Fabrizio

Down

- 2. Which cryptocurrency saw a spike above \$2,000?
- 3. DLT stands for _____ ledger technology
- 4. Tether plans to overtake _____ percent of the total computing power for the Bitcoin network
- 6. In which emirate is crypto.com expanding?



Across

- 1. Which cryptocurrency exchange, owned by Justin Sun, faced a significant hack with a \$114 million loss?
- 5. An Ethereum-based metaverse game
- 7. The largest stock exchange in Germany
- 8. What are BlackRock's ETFs called?
- 9. Founder of Factor Venture Capital Fund I

Solutions
Down: 2 - Ethereum, 3 - distributed, 4 - one, 6 - Dubai
Across: 1 - Poloniex, 5 - The Sandbox, 7 - Frankfurt Stock Exchange, 8 - iShares, 9 - Jake Dwyer

Impressum

Newsletter of Smart Contracts Lab Student Project at University of Zurich SmartContractLab@uzh.com Rämistrasse 71, CH-8006 Zürich
 Authors: Erietta Douga, Fabrizio Mottis, Christoph Hauri, Tim Baruffol, Gian Grünig
 Guest Authors: Selin Acar
 Quality Management: Erietta Douga, Fabrizio Mottis, Christoph Hauri, Tim Baruffol, Gian Grünig
 Layout & Design: Christoph Hauri, Erietta Douga

REFERENCES

- Aki, J. (2023, November 14). DEX platform Uniswap rolls out Android App with swap feature. *Cryptonews*. <https://cryptonews.com/news/dex-platform-uniswap-rolls-out-android-app-with-swap-feature.htm>
- Atlee, D. (2023b, November 9). Frankfurt Stock Exchange includes crypto trading facility in 'Horizon 2026' strategy. *Cointelegraph*. <https://cointelegraph.com/news/deutsche-borse-adds-crypto-trading-facility-strategy-2026>
- Black hat, white hat, and gray hat hackers – Definition and explanation. (2023, 30. Juni). *www.kaspersky.com*. <https://www.kaspersky.com/resource-center/definitions/hacker-hat-types>
- Blackstone, T. (2023, November 14). Uniswap launches Android wallet app with built-in swap function. *Cointelegraph*. <https://cointelegraph.com/news/uniswap-android-app-launch-swap-function>
- Cavicchioli, M. (2023, November 15). Bitcoin: The options market has surpassed the futures market. *The Cryptonomist*. <https://en.cryptonomist.ch/2023/11/15/bitcoin-options-market-surpassed-futures-market/>
- Chen, J. (2023, October 14). *Exchange-Traded Fund (ETF) explanation with pros and cons*. Investopedia. <https://www.investopedia.com/terms/e/etf.asp>
- Crawley, J. (2023, 16. November). Philippines to Sell Tokenized Treasury Bond Next Week. *CoinDesk*. <https://www.coindesk.com/business/2023/11/16/philippines-to-sell-tokenized-treasury-bond-next-week/>
- Cromley, K. (2023, November 8). Factor Capital Management Launches \$30 Million Blockchain Fund. *CoinTrust*. <https://www.cointrust.com/market-news/factor-capital-management-launches-30-million-blockchain-fund>
- Cromley, K. (2023, November 16). *Infura Collaborates with Tech Giants to Launch Decentralized Infrastructure Network*. *CoinTrust*. <https://www.cointrust.com/market-news/infura-collaborates-with-tech-giants-to-launch-decentralized-infrastructure-network>
- Crypto Valley Journal. (2023, November 10). *BlackRock submits application for Ether ETF*. <https://cryptovalleyjournal.com/hot-topics/news/blackrock-submits-application-for-ether-etf/>
- CryptoVizArt. (2023, November 15). *Is ETH about to crash below \$2K? (Ethereum price analysis)*. *CryptoPotato*. <https://cryptopotato.com/is-eth-about-to-crash-below-2k-ethereum-price-analysis/>
- Dorbian, I. (2023, November 3). Blockchain-focused Factor Capital nabs \$10m in first close. *Venture Capital Journal*. <https://www.venturecapitaljournal.com/blockchain-focused-factor-capital-nabs-10m-in-first-close/>
- Dwyer, J. (2023, October 30). Announcing the launch of Factor Capital. *Blog.factorcapital.com*. <https://blog.factorcapital.com/p/announcing-the-launch-of-factor-capital>
- Finserv, B. (2023, November 12). *Futures and options*. *www.bajajfinserv.in*. <https://www.bajajfinserv.in/futures-and-options>
- Hayward, D. a. E. B. A. (2023, November 8). Gucci Cosmos Land Opens in The Sandbox Metaverse Game. *Decrypt*. <https://decrypt.co/204761/gucci-cosmos-land-opens-sandbox-metaverse-game>
- Higgins, S. (2021, September 14). CME Group launches Bitcoin price indexes. *CoinDesk*. <https://www.coindesk.com/markets/2016/11/14/cme-group-launches-bitcoin-price-indexes/>
- Hirschmiller, S. (2023, November 8). Why Gucci Is Taking Its Blockbuster Cosmos Exhibition To The Metaverse. *Forbes*. <https://www.forbes.com/sites/stephaniehirschmiller/2023/11/08/why-gucci-cosmos-blockbuster-show-is-launching-in-the-sandbox-game/?sh=4727dac1d89f>
- Jha, P. (2023b, November 8). Swiss crypto bank SEBA gets Hong Kong SFC license. *Cointelegraph*. <https://cointelegraph.com/news/swiss-crypto-bank-seba-hong-kong-sfc-license>
- Jha, P. (2023c, November 8). Swiss crypto bank SEBA gets Hong Kong SFC license. *Cointelegraph*. <https://cointelegraph.com/news/swiss-crypto-bank-seba-hong-kong-sfc-license>
- Kelly, S. G. L. J. (2023, 10. November). Justin Sun-Owned Exchange Poloniex hacked for at least \$126 million. *Decrypt*. <https://decrypt.co/205465/justin-sun-owned-crypto-exchange-poloniex-hacked-60m>
- Khatri, A. (2023, 11. November). Justin Sun's Poloniex exchange hacked for over \$100 million. *Crypto Daily*. <https://cryptodaily.co.uk/2023/11/justin-suns-poloniex-exchange-hacked-for-over-100-million>
- Knight, O. (2023b, November 10). Poloniex Hot Wallets Hacked With \$114M Seemingly Stolen: On-Chain Data. *CoinDesk*. <https://www.coindesk.com/business/2023/11/10/poloniex-hot-wallets-hacked-65m-seemingly-stolen-on-chain-data/>
- Layer 2 explained: ZK-Rollups. (o. D.). <https://group.hashkey.com/en/insights/layer-2-explained-zk-rollups>
- Ledesma, L. (2023, Mai 10). *Crypto Derivatives Market Share Hits All-Time High*. <https://www.coindesk.com/markets/2023/05/10/crypto-derivatives-market-share-hits-all-time-high/>
- Lindrea, B. (2023, November 9). BlackRock's spot Ethereum ETF plan is confirmed after Nasdaq filing. *Cointelegraph*. <https://cointelegraph.com/news/blackrock-enters-race-spot-ethereum-etf-nasdaq-filing>
- MacSawyed, J. (2023). *Solana: Neuer Memecoin erlebt furiosen Kursanstieg*. <https://www.btc-echo.de/news/neuer-solana-memecoin-erlebt-furiosen-kursanstieg-157155/>
- Malwa, S. (2023, 10. November). Michael Saylor's Massive Bitcoin Bet Crosses \$1B in Unrealized Profit. *CoinDesk*. <https://www.coindesk.com/markets/2023/11/10/michael-saylors-massive-bitcoin-bet-crosses-1b-in-unrealized-profit/>
- Mitchell, T. (2023, November 14). Crypto.com granted Dubai crypto license. *Cointelegraph*. <https://cointelegraph.com/news/cryptocom-granted-dubai-crypto-licence>
- Mitchell, T. (2023, November 15). Microsoft, Tencent and other tech giants join Decentralized Infura Network. *Cointelegraph*. <https://cointelegraph.com/news/microsoft-tencent-infura-network-partnership>
- Nijkerk, M. (2023, 14. November). Cryptocurrency Exchange OKX Coming Out With Layer 2 'X1' Built on Polygon Technology. *CoinDesk*. <https://www.coindesk.com/tech/2023/11/14/cryptocurrency-exchange-okx-coming-out-with-layer-2-x1-built-on-polygon-technology/>
- Nyaga, C. (2023, November 9). *Erinnerst du dich an Bonk? Der Preis der Solana-Meme-Münze steigt rasant*. *Invezz*. <https://invezz.com/de/news/2023/11/09/erinnern-sie-sich-an-bonk-preis-des-solana-meme-coins-schießt-in-die-höhe/>
- OKX Launches X1, New zkEVM Layer-2 Network, Built with Polygon CDK. (2023, 14. November). *PR Newswire*. <https://www.prnewswire.com/news-releases/okx-launches-x1-new-zkevm-layer-2-network-built-with-polygon-cdk-301987325.html>
- Oliver, J. (2023b, November 16). Tether plans \$500M investment into bitcoin mining operations. *CryptoSlate*. <https://cryptoslate.com/tether-plans-500m-investment-into-bitcoin-mining-operations/>
- Pokima, D. (2023c, November 9). Frankfurt Stock Exchange to look into digital platforms for expansion of asset classes. *Cryptonews*. <https://cryptonews.com/news/frankfurt-stock-exchange-to-look-into-digital-platforms-for-expansion-of-asset-classes.htm>
- Porcelli, A. (2023, November 8). Cicle: issuer of USD Coin stablecoin ready to launch IPO. *The Cryptonomist*. <https://en.cryptonomist.ch/2023/11/08/cicle-stablecoin-issuer-usd-coin-ipo/>
- Roof, K., & Gould, R. (2023, November 7). Stablecoin Issuer Circle Internet Considering 2024 IPO. *Bloomberg*. <https://www.bloomberg.com/news/articles/2023-11-07-stablecoin-issuer-circle-internet-said-to-consider-2024-ipo>
- Singh, A. (2023, 14. November). Crypto.com Wins Digital Asset License in Dubai. *CoinDesk*. <https://www.coindesk.com/policy/2023/11/14/cryptocom-wins-digital-asset-license-in-dubai/>
- Shahidullah, M. (2023, 16. November). Tether to become a bitcoin miner with a \$500m investment in 2024. *crypto.news*. <https://crypto.news/tether-to-become-a-bitcoin-miner-with-a-500m-investment-in-2024/>
- Shittu, H. (2023, 16. November). Philippines government to raise \$180 million through sale of tokenized Treasury bonds. *Cryptonews*. <https://cryptonews.com/news/philippines-government-to-raise-180-million-through-sale-of-tokenized-treasury-bonds.htm>
- Shrivastava, A. (2023, November 15). Ethereum price jumps 3% even as SEC delays Grayscale application to turn ETH Trust into an ETF. *FXStreet*. <https://www.fxstreet.com/crypto-currencies/news/ethereum-price-jumps-3-even-as-sec-delays-grayscale-application-to-turn-eth-trust-into-an-etf-202311152204>
- Toppa, S. (2023, 9. November). *Michael Saylor's 158,000 bitcoin treasury bet hits \$1.2 billion profit*. *TheStreet*. <https://www.thestreet.com/crypto/markets/michael-saylors-158000-bitcoin-treasury-bet-hits-1-2-billion-profit>
- What is a stablecoin? (o. D.). *Coinbase*. <https://www.coinbase.com/learn/crypto-basics/what-is-a-stablecoin#:~:text=A%20stablecoin%20is%20a%20digital,to%20unpegged%20cryptocurrencies%20like%20Bitcoin.>
- Wikipedia contributors. (2023, 26. Oktober). *White Hat (computer security)*. Wikipedia. [https://en.wikipedia.org/wiki/White_hat_\(computer_security\)](https://en.wikipedia.org/wiki/White_hat_(computer_security))
- Zmudzinski, A. (2019, November 25). Amount of ether locked in DeFi is growing despite price slump. *Cointelegraph*. <https://cointelegraph.com/news/amount-of-ether-locked-in-defi-is-growing-despite-price-slump>