



The FTX Saga: FTX Group Filed for Bankruptcy

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SUMMARY / KEY INSIGHTS

- **Market Performance:** The broader digital asset market declined as the prices of BTC and ETH went below \$17,000 and \$1,100, respectively, amid the contagion caused by collapse of FTX and Alameda Research.
- **Newsmakers:** FTX Group enterprises, including FTX US along with its subsidiary entities, filed for bankruptcy protection under Chapter 11 of the United States Code.
- **Taxonomy:** Market activities surrounding centralized exchange tokens saw a notable increase as users distanced themselves from exchanges.
- **Events Calendar:** 28.5 million SOL (~5.4% of the total supply) was scheduled to unlock on November 10, but the unlock was postponed, per a Solana Foundation announcement that cited a change in policy regarding digital assets by Hetzner's data center.
- **Regulatory Development:** The Federal Reserve Bank of New York is working with major U.S. banks to launch a 12-week Central Bank Digital Currency (CBDC) pilot program.

MARKET PERFORMANCE

The broader digital asset market experienced a slump as the total industry market capitalization dipped below \$900 billion. BTC and ETH went under \$17,000 and \$1,100, respectively. Market participants are fearing contagion as multiple entities suffer second order consequences from FTX's bankruptcy, with some [hedge funds](#) and [crypto protocols](#) saying they had capital in FTX, which is no longer accessible.

BTC and ETH Price (USD)



Source: DAR's Market Data

To learn more about DAR's market data offerings, including prices for 8,000+ digital assets and verifiable volumes from hundreds of exchanges, click [here](#).

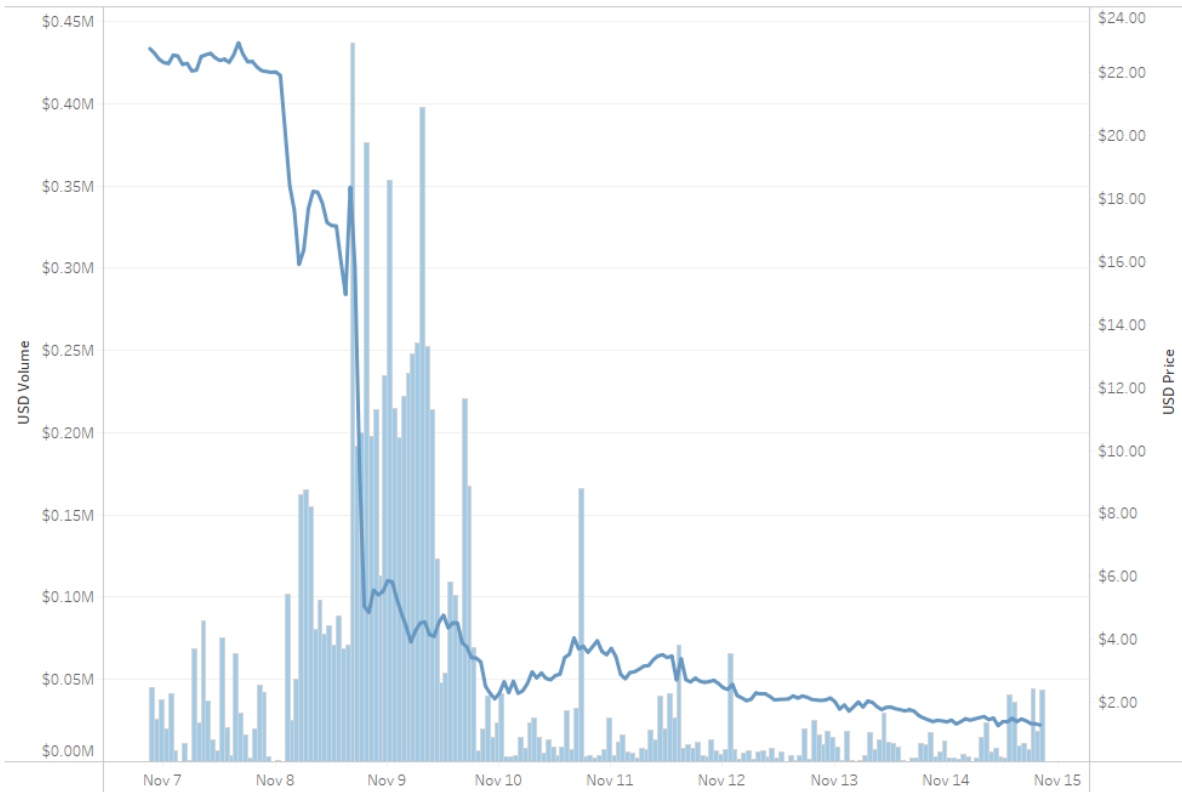
NEWSMAKERS

FTX Group Filed for Bankruptcy

According to a [statement](#) released by the firm and published on Twitter, FTX applied for Chapter 11 bankruptcy protection in the United States. FTX US, the company's subsidiary in the United States, is one of the approximately 134 linked entities participating in the proceedings. In contrast to Chapter 7 bankruptcy proceedings, which must include the liquidation of assets, Chapter 11 bankruptcy proceedings are initiated when the firm harbors the hope or expectation that it will be able to restructure its operations. Companies that file for bankruptcy under Chapter 11 are permitted to keep running their day-to-day business.

FTX's token, FTX Token (FTT), continues to see a significant downturn, falling below \$2 since the insolvency incident first happened. FTX is also [investigating](#) a possible hack of \$400M that occurred hours after its bankruptcy filing.

FTT Hourly Price and Volume (USD)



Source: DAR's Market Data

Serum DEX Forked Amidst FTX Insolvency

Serum, a central limit order book protocol in Solana that supports decentralized exchanges and was closely affiliated with FTX, has been [forked](#) by developers. After the FTX collapse, DeFi protocols across the Solana ecosystem started disconnecting from Serum amidst ownership uncertainties. It's unclear who ultimately controls Serum, but many speculate that FTX does. Market participants fear that Serum's close connection and dependence with FTX will impact the protocol.

SRM Hourly Price and Volume (USD)



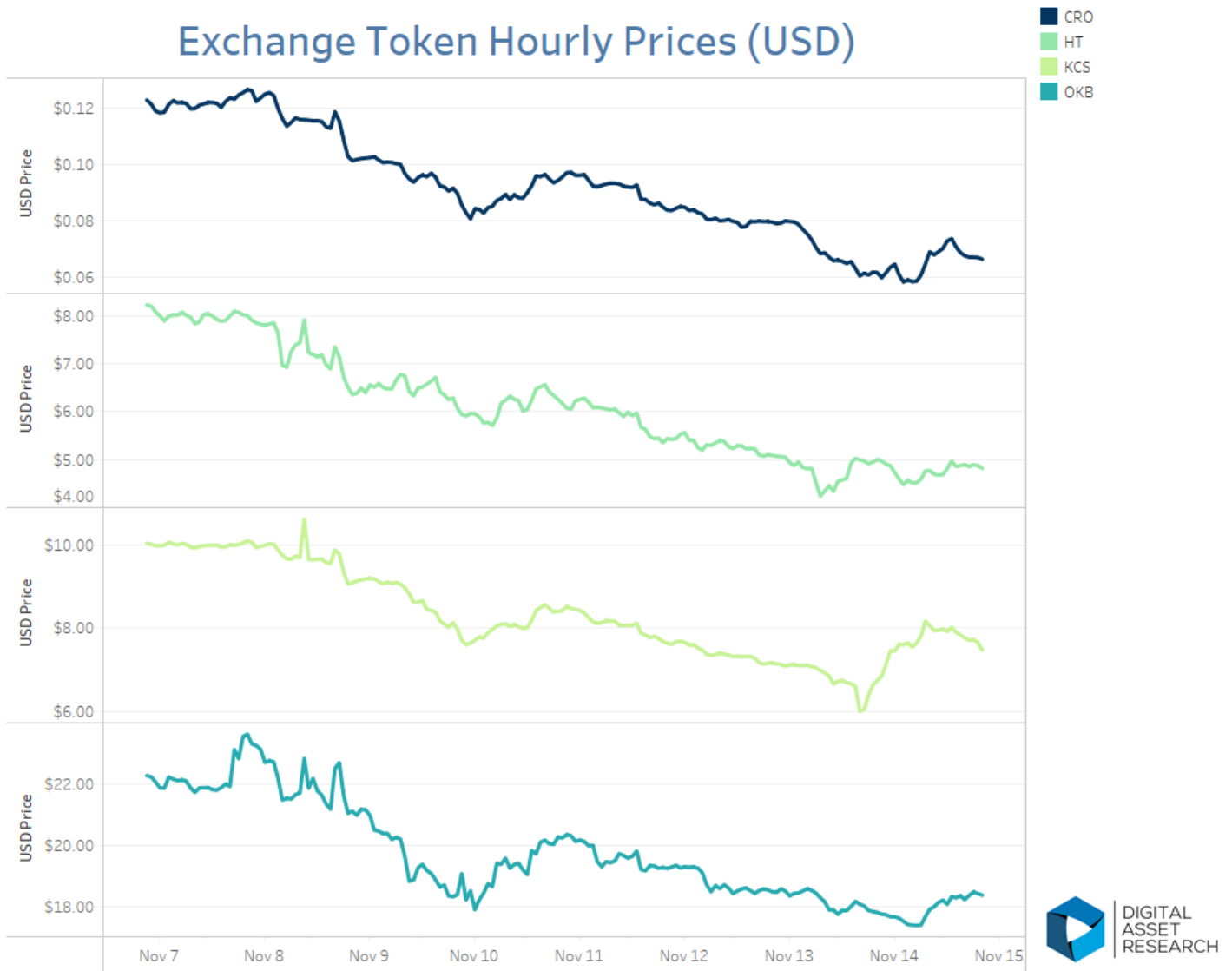
Source: DAR's Market Data

TAXONOMY

Centralized Exchange Tokens Decline

Centralized exchange tokens declined significantly in comparison to the broader digital asset market, with many falling by close to 50% in the past week. Amidst fear of further exchange insolvency, market participants began demanding that centralized exchanges publish their wallet addresses to show proof of reserves.

Exchange Tokens is one of the DATS Subsectors.



Source: DAR's Market Data & Taxonomy Data

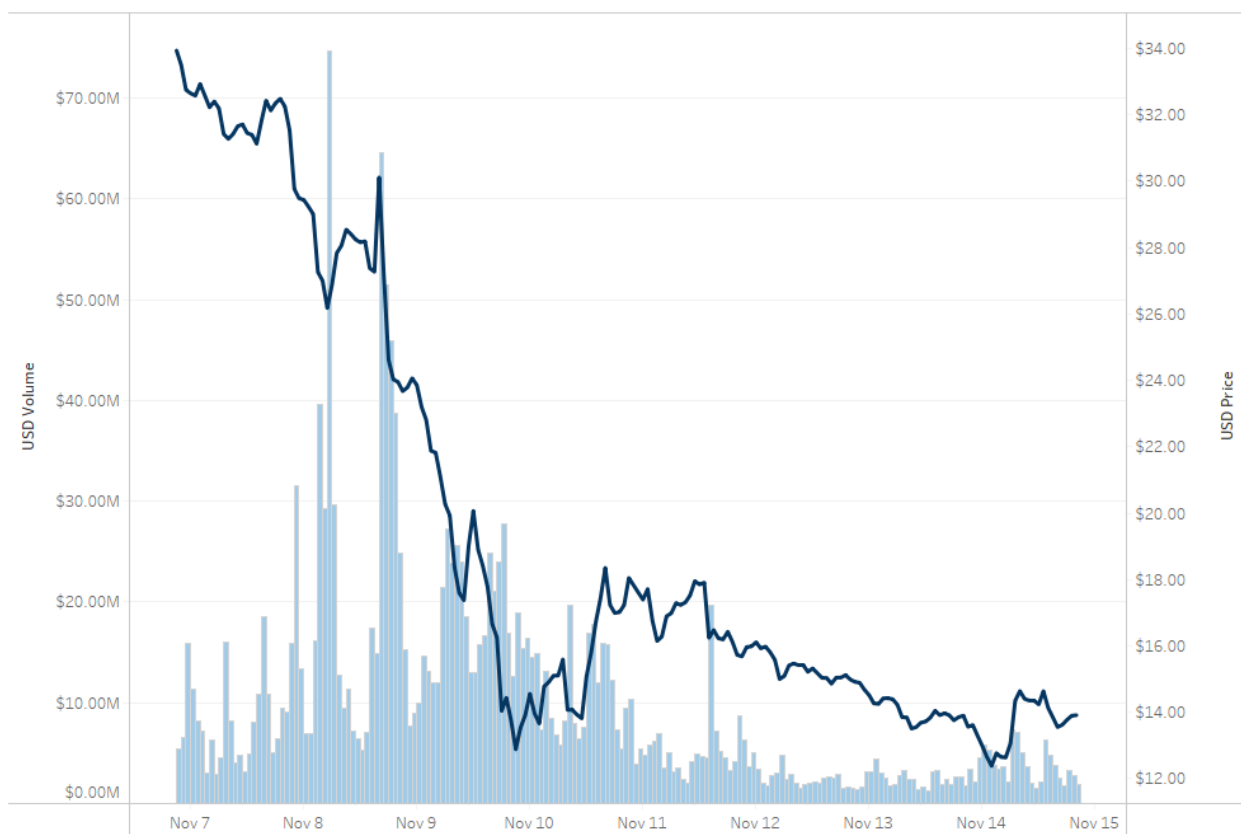
The Digital Asset Taxonomy System (DATS), developed in partnership with the Wilshire Digital Assets Advisory Group, was designed from the bottom up to capture the nuances of the digital landscape. To learn more about the different classifications of more than 1,300 digital assets, click [here](#).

EVENTS CALENDAR

Solana Delays its Token Unlock

A Solana token unlock was supposed to take place on 10 November 2022, but a recent update by the Solana Foundation [revealed](#) that the date had been postponed. The postponed unlock corresponds to around 5.4% of the total supply, equivalent to 28.5 million SOL from 250 accounts, that were due to be unstaked when Epoch 370 came to a close. As a result, the SOL tokens have been restaked, and the unlocking process has been pushed back. The Solana Foundation cited issues with a change in policy by Hetzner, a data storage provider who recently banned crypto use cases, as the reason behind the delay.

SOL Hourly Price and Volume (USD)



Source: DAR's Pricing Data

To learn more about the comprehensive listing of critical events and updates impacting leading digital assets and blockchains, check out DAR's events calendar product [here](#).

REGULATORY DEVELOPMENT

NY Fed Launches 12-Week CBDC Program With Large Banks

The Federal Reserve Bank of New York's Innovation Center [announced](#) that it will launch a 12-week CBDC pilot program with BNY Mellon, Citi, HSBC, Mastercard, PNC Bank, TD Bank, Truist, U.S. Bank, and Wells Fargo. The program will explore the feasibility of having an “interoperable network of central bank wholesale digital money and commercial bank digital money operating on a shared multi-entity distributed ledger”.

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