



Contagion: Genesis Trouble and DCG Rumors

DAR Crypto Weekly: 25 November 2022

YOU ARE RESPONSIBLE FOR DETERMINING WHETHER ANYTHING CONTAINED HEREIN IS SUITABLE FOR YOUR PARTICULAR CIRCUMSTANCES, AND FOR SEEKING PROFESSIONAL TAX, LEGAL, AND/OR INVESTMENT ADVICE AS APPROPRIATE. PLEASE SEE THE OTHER DISCLAIMERS AT THE END OF THIS REPORT.

SUMMARY / KEY INSIGHTS

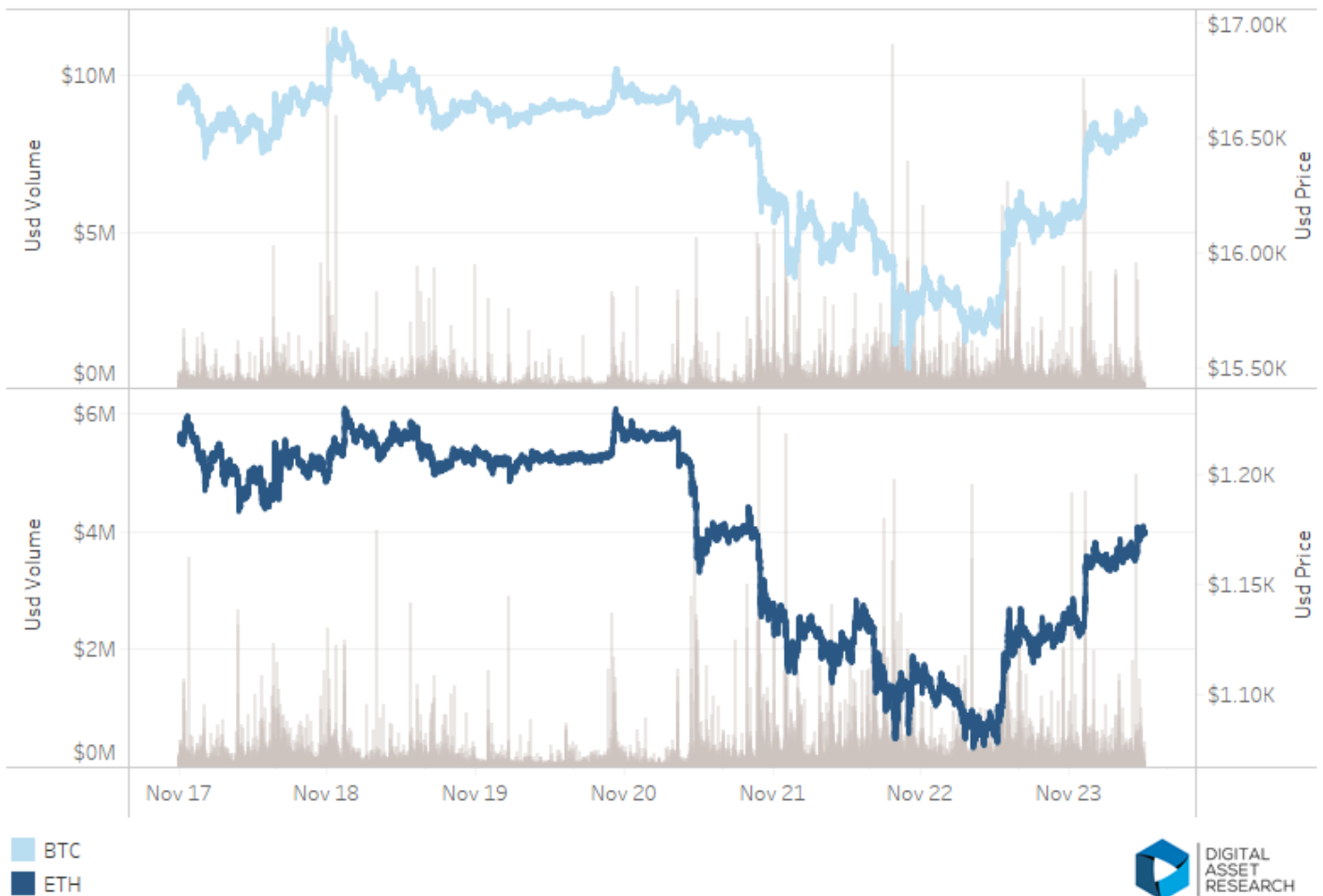
- **Market Performance:** The broader digital asset market stagnated as the prices of BTC and ETH went below \$16,000 and \$1,100, respectively, before recovering in the past few days. Market participants are fearing further contagion as Genesis, a notable crypto lender and prime brokerage firm, warned of potential bankruptcy without further funding.
- **Newsmakers:** Gemini Dollar loan rates on the Aave DeFi lending protocol surged after Gemini announced that withdrawals from its Earn product, which was utilizing Genesis' services, were halted.
- **Taxonomy:** USDT, the largest stablecoin by market capitalization, conducted a \$1 billion chain swap from Solana to Ethereum.
- **Events Calendar:** Cardano (ADA) plans to launch its own stablecoin in Q1 2023 and the Cosmos (ATOM) community rejected the Atom 2.0 proposal.
- **Regulatory Development:** US Senators asked Fidelity to stop offering Bitcoin in 401(k) plans.

MARKET PERFORMANCE

The broader digital asset market experienced a slump as the total industry market capitalization dipped below \$850 billion. BTC and ETH went under \$16,000 and \$1,100, respectively, before retracing towards the end of the week. Verifiable trading volume spiked last week and has since sustained more than \$50 billion per day.

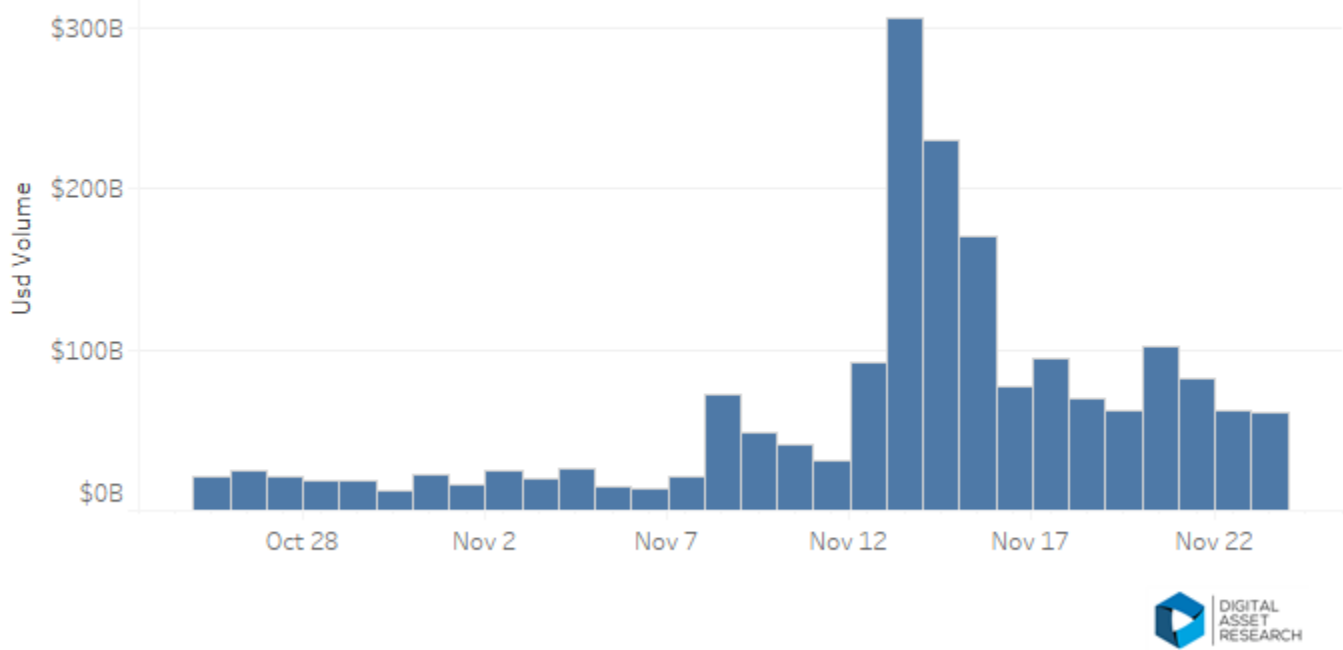
Market participants are fearing further contagion as Genesis, a notable crypto lender and prime brokerage firm, [warned](#) of potential bankruptcy without further funding. Concern surrounding Digital Currency Group (DCG), the parent company of Genesis, also rose as market participants speculated that there might have been related party transactions and loans between DCG and Genesis. To address these concerns, Barry Silbert, the CEO of DCG, released a [memo to shareholders](#).

BTC and ETH Price (USD)



Source: DAR's Market Data

30 Day Pricing Volume Across All Assets



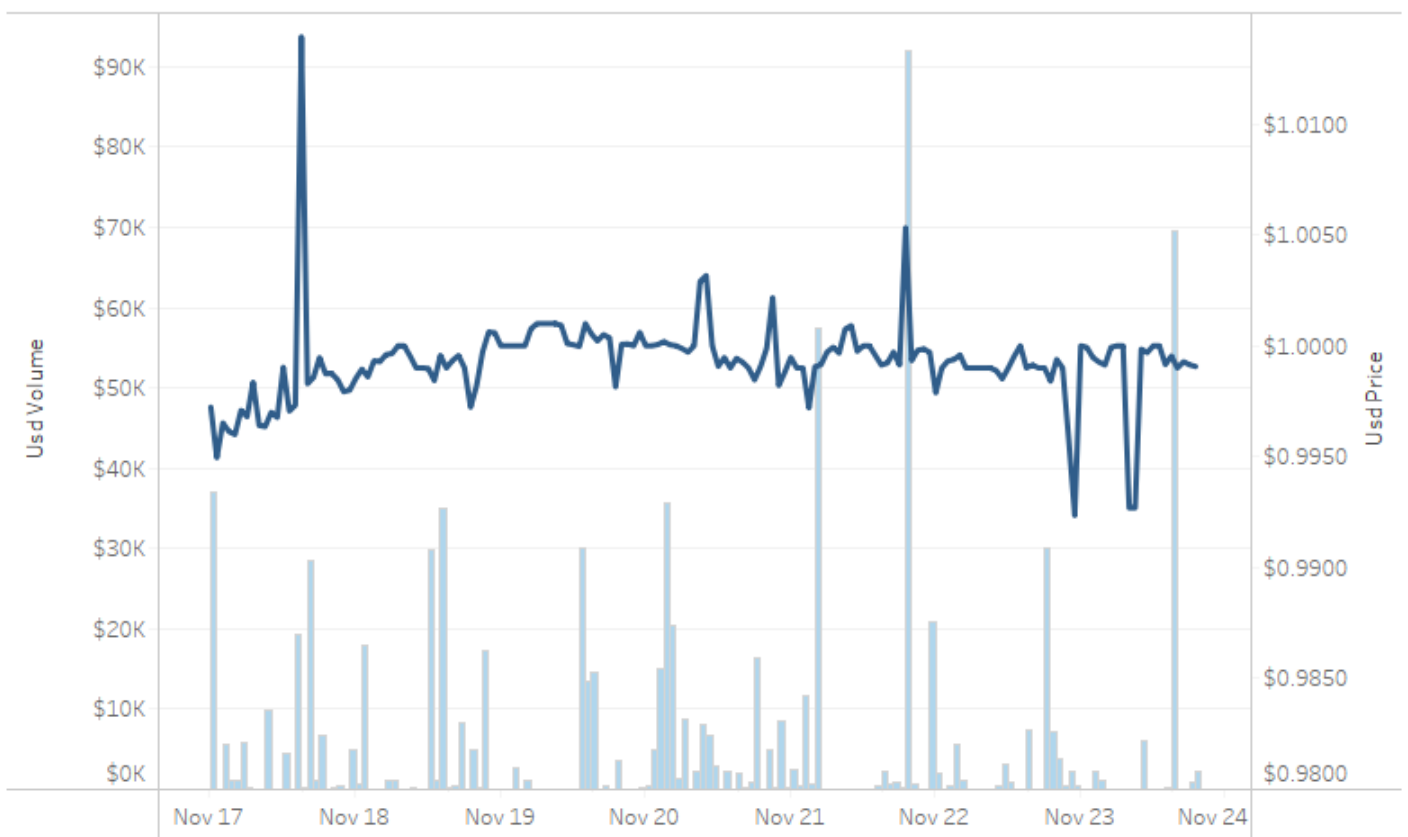
To learn more about DAR's market data offerings, including prices for 8,000+ digital assets and verifiable volumes from hundreds of exchanges, click [here](#).

NEWSMAKERS

Gemini Dollar Lending Rates Spiked

The borrowing rates for Gemini's GUSD stablecoin increased to over 83% on the AAVE decentralized lending platform following an announcement that the Gemini Earn program would be [paused](#). Gemini is one of the many large crypto companies impacted by the suspension of customer redemptions at Genesis. Increased interest rates reflected a rapid increase in demand for the stablecoin as the protocol approached [total usage](#) of available GUSD.

GUSD Hourly Price and Volume (USD)



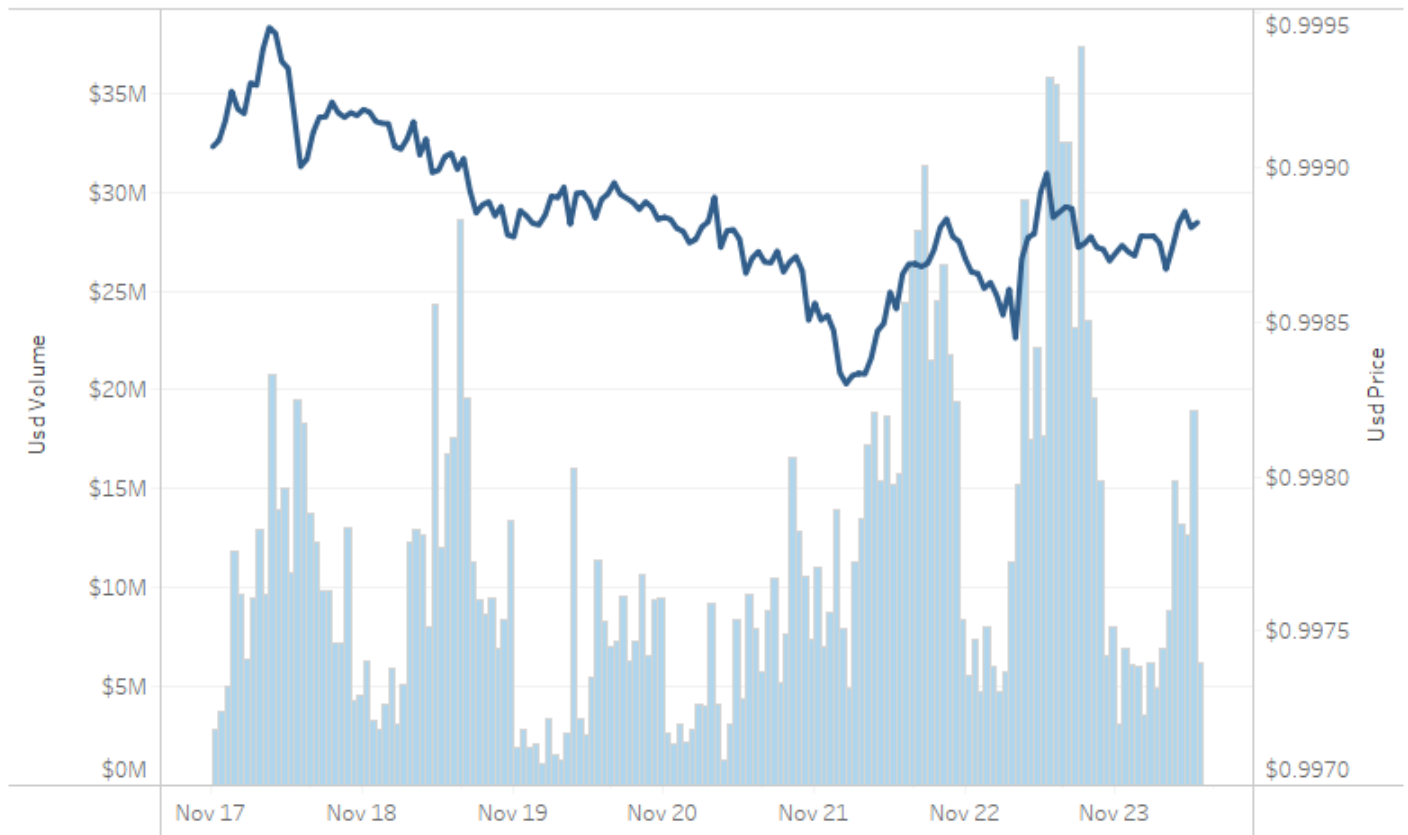
Source: DAR's Market Data

TAXONOMY

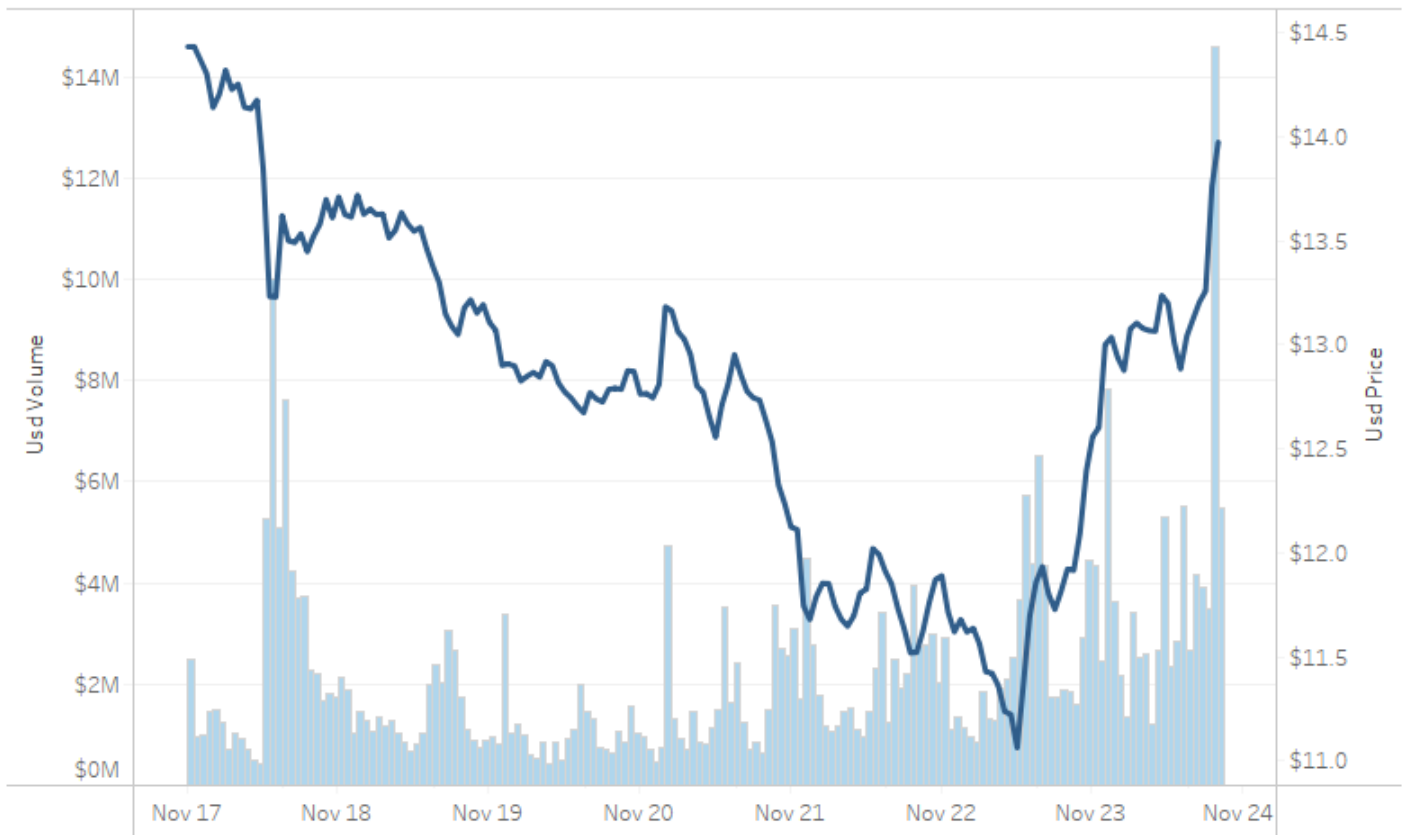
Tether Launched a \$1B Chain Swap to Convert Solana USDT

Following the insolvency of FTX, stablecoin issuer Tether is set to [swap](#) 1 billion USDT on Solana to the Ethereum blockchain. The swap will be conducted with the help of a third party. The announcement was also followed by a [statement](#) about how on-chain swaps are utilized to transfer USDT from one blockchain to another. USDT's price remained relatively unaffected by the announcement, while SOL rebounded from a weekly low.

USDT Hourly Price and Volume (USD)



SOL Hourly Price and Volume (USD)



Source: DAR's Market Data & Taxonomy Data

Fiat Collateralized Stablecoins is one of the DATS Subsectors.

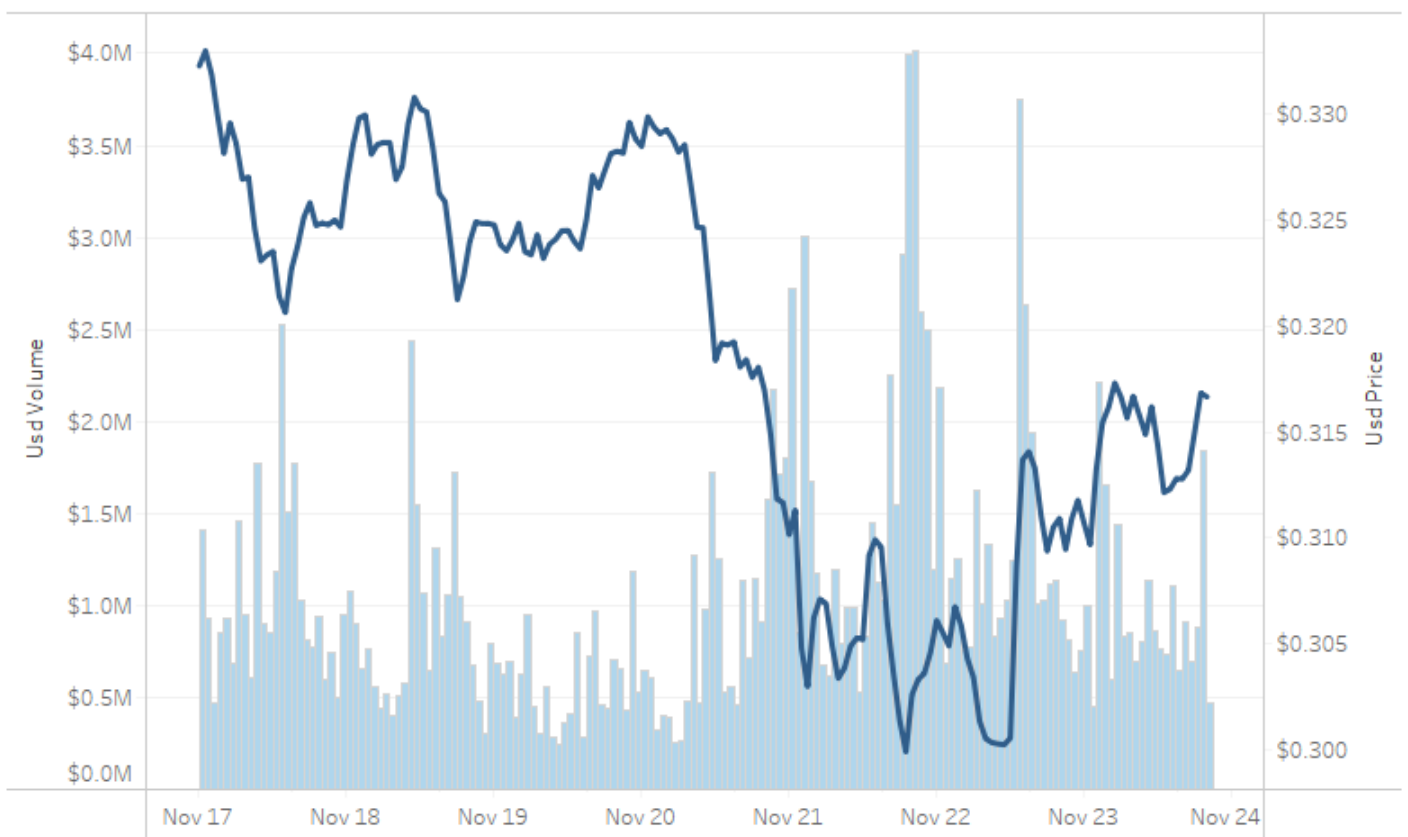
The Digital Asset Taxonomy System (DATS), developed in partnership with the Wilshire Digital Assets Advisory Group, was designed from the bottom up to capture the nuances of the digital landscape. To learn more about the different classifications of more than 1,300 digital assets, click [here](#).

EVENTS CALENDAR

Cardano Stablecoin in Q1 of 2023

EMURGO, a Cardano founding corporation based in Singapore, announced it will [launch](#) a USD-backed stablecoin named USDA. USDA is expected to launch in Q1 2023 on the Anzens platform. Users will be able to tokenize USD via credit/debit cards, wire transfers, or conversion of Cardano's native ADA token. Alongside the tokenization of USD, EMURGO plans to enable the conversion of other stablecoins, such as USD Coin (USDC) and Tether (USDT) to USDA, with long-term ambitions to allow the conversion to and swapping of BTC, ETH, and other digital assets.

ADA Hourly Price and Volume (USD)

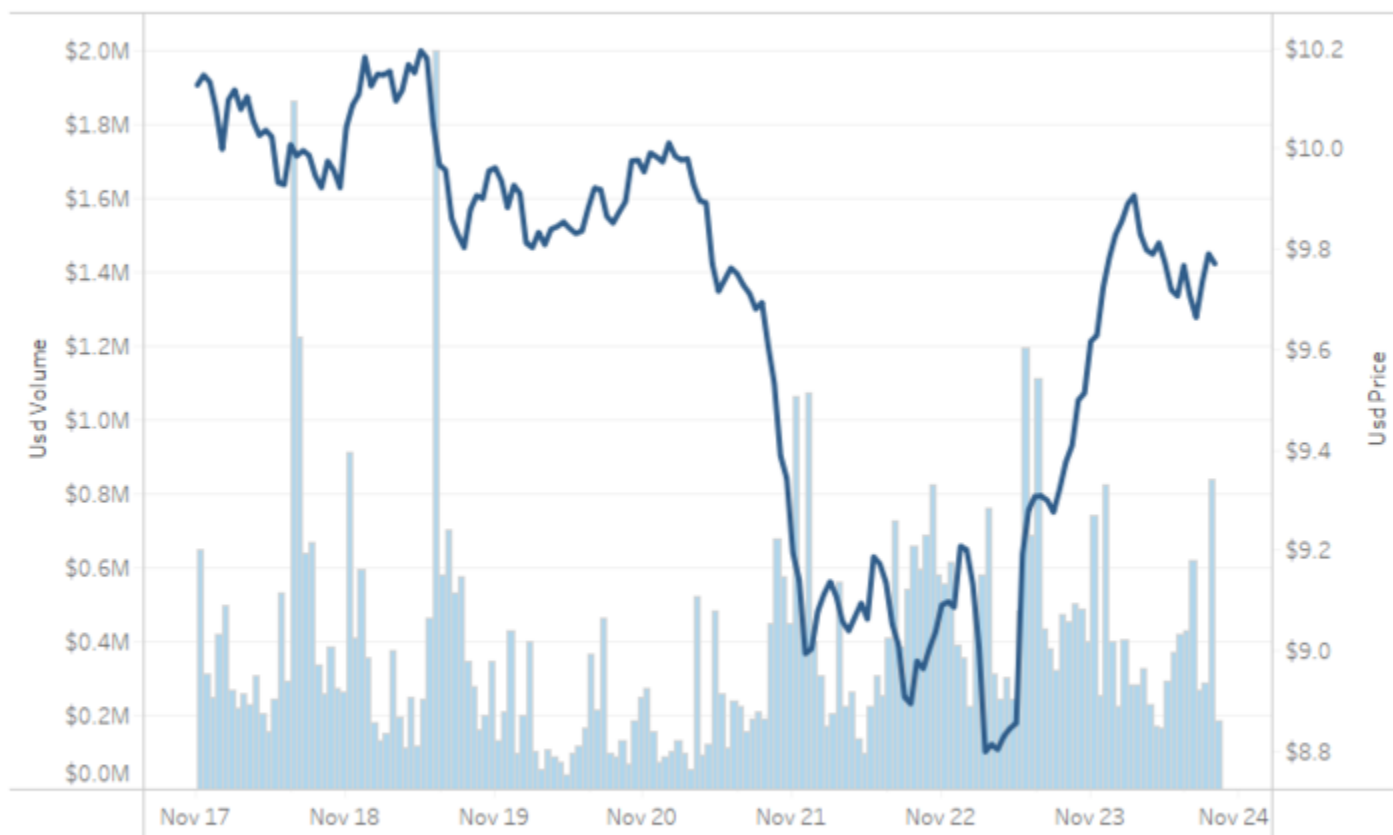


Source: DAR's Pricing Data

ATOM 2.0 Proposal Rejected

The Cosmos community voted against the latest ATOM 2.0 proposal to redesign the ecosystem's native ATOM coin. In late September, the ATOM 2.0 [whitepaper](#) was unveiled with plans to provide economic scaling and make ATOM a key collateral token inside the Cosmos ecosystem. In the vote, 47.51% of [participating](#) token holders were in favor of the proposal, while 37.39% voted against it with a veto, 1.82% voted no, and 13.27% abstained. In the Cosmos [ecosystem](#), voting no with a veto shows stronger disapproval of the proposal than voting no alone.

ATOM 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

US Senators Asks Fidelity to Stop Offering Bitcoin

Three US Senators made a statement urging Fidelity, one of the world's largest asset managers with \$4.5 trillion in AUM, to stop its 401(k) sponsor partners from offering Bitcoin. In a [letter sent](#) to Fidelity CEO Abigail Johnson, Democratic Senators Elizabeth Warren, Dick Durbin, and Tina Smith said that the crypto market's risks and the recent FTX collapse make Bitcoin an unsuitable investment for retirement plans.

To stay on top of digital asset regulatory developments, subscribe to DAR's monthly regulatory recap newsletter [here](#).

DISCLAIMERS

You are permitted to store, display, analyze, modify, and print this report, but only for your own use. You are not permitted to (a) reverse engineer, decompile, decode, decrypt, disassemble, or in any way derive source code from this report; (b) modify, translate, adapt, alter, or create derivative works from this report; (c) copy (except as expressly permitted in the Subscription Services Agreement), distribute, publicly display, transmit, sell, rent, lease or otherwise exploit this report or grant any third party access to it; (d) frame or scrape or in-line link to the this report or use web crawlers, web spiders or other automated means to access, copy, index, process and/or store any of the information herein; (e) create apps, extensions, programs or other products or services that use any of the information herein; or (f) make or have made a service or product using similar ideas, features, functions or graphics of or providing a similar benefit as that provided by this report.

DAR DOES NOT MAKE AND HEREBY EXPRESSLY DISCLAIMS ALL WARRANTIES, ORAL OR WRITTEN, EXPRESS OR IMPLIED, INCLUDING WARRANTIES OF NON-INFRINGEMENT, MERCHANTABILITY, AND FITNESS FOR A PARTICULAR PURPOSE. WITHOUT LIMITING THE FOREGOING, YOU AGREE THAT YOUR USE OF THIS REPORT IS AT YOUR SOLE RISK AND ACKNOWLEDGE THAT THIS REPORT IS PROVIDED "AS-IS" AND DAR DOES NOT MAKE ANY WARRANTIES WITH RESPECT TO THE OPERATION, AVAILABILITY, RELIABILITY, ORIGINALITY OR ADEQUACY OF THE SAME. THIS REPORT (INCLUDING ANY INFERENCES OR CONCLUSIONS DRAWN HEREIN) IS BASED ON INFORMATION DAR CONSIDERS RELIABLE, HOWEVER, DAR DOES NOT REPRESENT IT AS ACCURATE OR COMPLETE, AND IT SHOULD NOT BE RELIED ON AS SUCH. THIS REPORT (INCLUDING ANY INFERENCES OR CONCLUSIONS DRAWN HEREIN) IS PROVIDED FOR GENERAL INFORMATIONAL PURPOSES ONLY AND YOU ARE RESPONSIBLE FOR DETERMINING WHETHER ANYTHING CONTAINED HEREIN IS SUITABLE FOR YOUR PARTICULAR CIRCUMSTANCES, AND FOR SEEKING PROFESSIONAL TAX AND/OR INVESTMENT ADVICE AS APPROPRIATE. DAR DOES NOT GIVE TAX, LEGAL OR INVESTMENT ADVICE OR ADVOCATE THE PURCHASE OR SALE OF ANY SECURITY, INVESTMENT, CRYPTOCURRENCY OR DIGITAL ASSET. NONE OF THE INFORMATION CONTAINED IN THIS REPORT CONSTITUTES OR IS INTENDED TO CONSTITUTE A RECOMMENDATION BY DAR TO ACQUIRE, HOLD, INVEST IN, OR USE ANY PARTICULAR COIN, TOKEN, CRYPTOCURRENCY, PROTOCOL, COMPANY OR FOUNDATION.

You assume the entire risk of any use you make or permit to be made from this report. Without limiting the foregoing and to the maximum extent permitted by applicable law, in no event shall DAR have any liability regarding this report for damages, even if notified of such possibility.

The information contained herein is as of the date hereof and is subject to change without prior notice. We may provide oral or written market commentary or trading strategies to our clients that reflect opinions that are contrary to the opinions expressed in this research. Information containing any historical information, data or analysis should not be taken as an indication or guarantee of any future performance as past performance does not guarantee future results. None of DAR's products or services recommend, endorse, or otherwise express any opinion regarding any "coin", "token", "cryptocurrency" "protocol", "company" or "foundation" and none of DAR's products or services are intended to constitute investment advice or a recommendation to make (or refrain from making) any kind of investment decision and may not be relied on as such.