

# Rebounding ICO Success Rates

WEEKLY SUMMARY | 2 - 8 APRIL

## MARKET HIGHLIGHTS

- Less volatility for the cryptocurrencies market:** As of 8 April, the market capitalization of cryptocurrencies amounts to 261.96 Bn, a slight 0.9% increase compared to last week. BTC settled at \$6972.93, a 1.12% increase. ETH fell by 0.09% to \$389.49. The transaction volume for top 100 crypto assets amounts to 8.35 Bn, a 12.4% weekly decrease.
- Mining is more difficult for BTC while slightly less for ETH:** The mining difficulty for Bitcoin increased by 1.4%, while it decreased by 1.6% for ETH. For Bitcoin hashrate distribution, BTC.com increases its dominance with 25.75% market share.
- Expediting pace for regulating crypto exchanges:** Australia and South Korea are proposing further regulations on crypto exchanges, with the priority being customer protection and identification.
- Marketplace dominated in ICO projects this week:** There are 49 ICOs ending this week with 34.7% of them being marketplace projects. The projects pursuing ICOs are highly fragmented for place of registration. Besides, the % of funds successfully raised towards fundraising goals for ICO projects also improved this week.

## INDUSTRY OVERVIEW

- Market cap slightly rebounded for most crypto assets:** According to Coinmarketcap as of 8 April, the total market capitalization of cryptocurrencies amounts to 261.96 billion, a slight 0.9% increase compared to last week. Among the top 100 crypto assets, 91 of them vary their market capitalization within 20%. It is inferred that the cryptocurrencies market is less volatile compared to previous weeks.
- The top gainer for this week is ONT, with a 73.72% increase; while the top loser for this week is VERI, with a 32.33% decrease.
- Transaction volume is less active for crypto assets:** As of 8 April, the transaction volume (24h) of top 100 cryptocurrencies is 8.35Bn, a 12.4% weekly decrease. 46 out of the top 100 crypto assets decrease in transaction volume with 9 falling more than 50%. The most notable decrease in transaction volume (24h) is FUN (86.8%). The top gainer in transaction volume (24h) is PART, with a 13x weekly increase.

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## Exhibit 1. Top weekly gainers and losers

Name	Industry	Price change
<b>Gainers</b>		
ONT	Blockchain service	+73.72%
XVG	Currency	+63.02%
IOST	Blockchain service	+46.74%
ELA	Blockchain service	+35.16%
DCR	Currency	+26.96%
<b>Losers</b>		
VERI	Exchange	-32.33%
KIN	Platform	-29.89%
WTC	Platform	-11.50%
Revain	Platform	-11.26%
STORM	Blockchain service	-10.81%

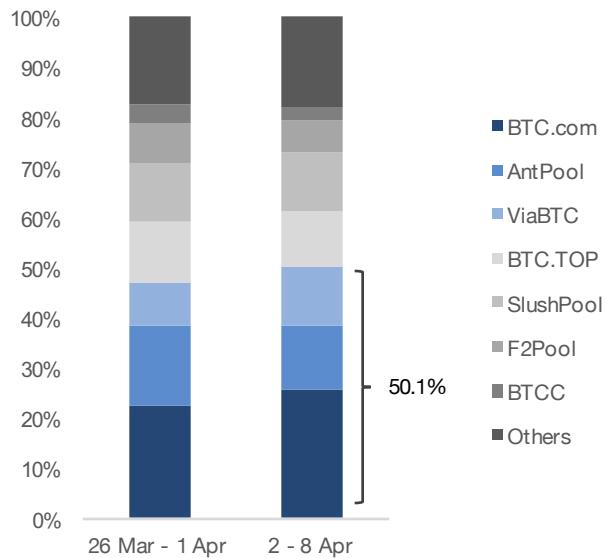
Source: Coinmarketcap

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## BTC & ETH MINING

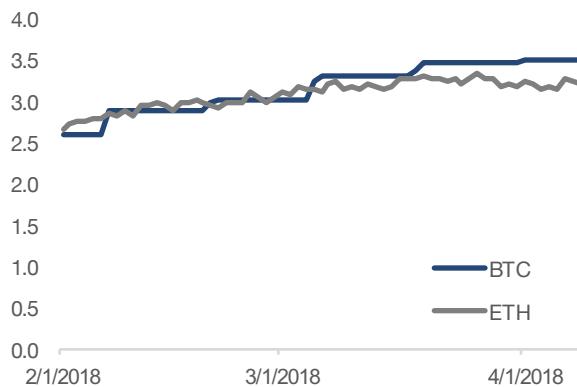
- BTC.com increased its dominance in the Bitcoin mining pool:** BTC.com increased its dominance with 25.75% market share, compared to 22.65% last week. ViaBTC regained its position as 3<sup>rd</sup> largest Bitcoin mining pool with 11.83% market share.
- Mining is more difficult for BTC while slightly less difficult for ETH:** The mining difficulty for Bitcoin increased by 1.4% and this can be explained by the 7% increase in hash rate this week. For Ethereum, it is less difficult for ETH miners as the hash rate decreases by 1.4% this week. This means less power is consumed when mining the same amount of ETH compared to previous weeks.
- Germany replaced China as the world's second largest home of Bitcoin nodes:** Germany has replaced China with 2009 Bitcoin network nodes this week (18.18% of total). For Ethereum nodes, Canada replaced Germany third largest home of ether nodes with a 5.57% share of total nodes.

Exhibit 2. Bitcoin hashrate distribution



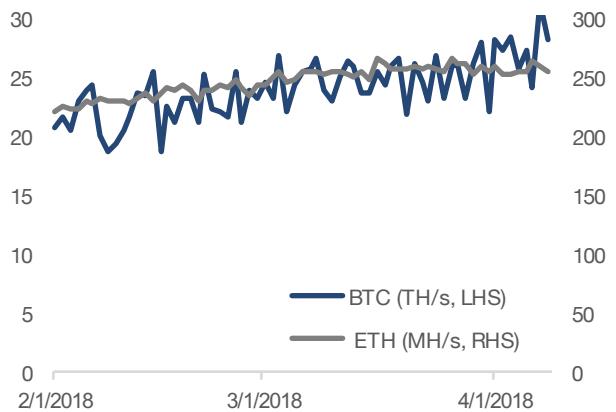
Source: Blockchain.info, Blocktrail, Standard Kepler Research

Exhibit 3. Mining difficulty



Source: Blockchain.info, Etherchain, Standard Kepler Research

Exhibit 4. Hashrate (mn)



Source: Blockchain.info, Etherchain, Standard Kepler Research

## LATEST NEWS AT A GLANCE

The pace of regulating crypto exchanges has been expedited this week. Spearheaded by the regulatory measures adopted by Australia and South Korea, customer protection and identification have become the key data privacy concerns driving the push to regulate exchanges. It is believed that the new regulations can enhance transparency and customer protection for crypto exchange users.

### Industry Updates

- **Abra went with Litecoin as smart contract investing solution:** Abra chose Litecoin over Ethereum-powered smart contracts with its commitment to Bitcoin compatibility, better scalability and attractive mining fees. Litecoin will become the “Primary asset class” for Abra in the next few weeks.
- **Google bans crypto mining extensions from web store after ‘90%’ disregard policies:** Google announced it is pulling cryptocurrency mining extensions from its Chrome Web Store to minimize malicious “cryptojacking” in Google’s extensions that failed to comply Google’s disclosure policies.
- **IBM envisions app testing powered by blockchain:** Compared to current cloud-based test infrastructure, the “Blockchain test configuration” by IBM provides a simpler and more secure testing environment for miners. Such a system has been filed to USPTO for patent application by IBM.

### Regulatory

- **Australia launches new cryptocurrency exchange regulations:** As stated by the Australian Transaction Reports and Analysis Centre (AUSTRAC), principal rules to be abided by “digital currency exchanges” include maintaining AML programs, conduct customer identification, reporting suspicious transactions, and record retention.
- **The SEC chief touts benefits of crypto regulation:** SEC chairman Jay Clayton appears to be softening his stance towards ICOs. He claimed that the recent actions by SEC is to promote maturity of the crypto industries and he admitted that distributed ledger technology has incredible promise for the financial industry.
- **S. Korean regulators order 12 crypto exchanges to make contracts more consumer-friendly:** According to the South Korean Fair Trade Commission (FTC), popular exchanges like Bithumb, Korbit should revise the user agreements to enhance consumer protection, in the aspects of withdrawal of deposits and treatment of financial burden when users end their membership with the crypto exchange.

## ICO RECAP

- The ICOs are dominated by marketplace in **industries application**: There are 49 ICO projects ending this week with 17 of them being marketplace projects. This is followed by blockchain service, exchange and trading. The ICOs are geographically highly fragmented this week.
- **Increasing % of ICO funds successfully raised:** Compared to last week, the % of funds raised towards fundraising goals for ICO projects have improved with Seele successfully raising 100% of funds. This is due to a combination of more realistic fundraising goals being set, and improving investor sentiment towards ICOs this week.
- **CoinList raises \$9.2 million in initial funding round:** This regulation-friendly token sale platform has raised \$435 million for ICO projects in the past 12 months, most notably the Filecoin's ICO.

## OUTLOOK

Bitcoin and Ethereum are expected to continue their downward trend, with Google banning crypto mining extensions.

However, these bans from tech giants have limited downside to ICO activities as most ICO projects rely on ICO directory sites and telegram channels for their token sales. Investors can remain optimistic on ICO projects in short term.

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**Exhibit 5. Top ICOs with most funds raised**

Name	Industry	Close	Raised (USD)	% raised
Thrive	Marketplace	5 Apr	26.03m	85%
Bitguild	Gaming	5 Apr	13.41m	80%
Seele	Blockchain service	3 Apr	12.13m	100%

Source: ICODrops

**Exhibit 6. ICOs by Industries**

Industries	No. of ICOs
Marketplace	17
Blockchain service	5
Exchange	5
Trading	5
Healthcare	4
Others	13

Source: ICODrops, ICOBench, Standard Kepler Research