

Exchange Hacks and Regulations Push Bitcoin to 2018 Low

WEEKLY RECAP

- Total market cap. reached \$246.21bn (a 12.5% decrease), where 7 day trading volume rebounded by 2.9% for top 100 crypto

WEEK AHEAD

- 26 June:** ZEC Overwinter hard fork
- 29 June:** The last trade date of CME Bitcoins Futures for BTC

THOUGHTS OF THE WEEK

The cryptocurrency market continued its bearish momentum this week. As noted in our Chart of the Week, the price of Bitcoin (BTC) dropped by 8.88% this week and reached a new 2018 low of \$5,826, a 67.1% pricing drop from its 2018 high of \$17,712 in January.

We believe this week's plunge in the price of BTC to partly be a result of tightened regulations on six major Japanese cryptocurrency exchanges by the Financial Services Agency (FSA) in Japan, with the FSA issuing business improvement orders for the six exchanges regarding anti money laundering (AML) and know-your-customer (KYC) requirements. As a result, with 66.6% of Bitcoin's trading volume being traded against JPY, the price of Bitcoin suffered a 8.88% drop.

We also notice that the \$30mn hack of Bithumb on 20 June can shed some further light on the plunging price of BTC. We expect that the Korean government will expedite the enforcement of stricter regulations on crypto exchanges following the hack of Bithumb and the hack of Coinrail earlier in June. It is also worth noting that EOS and ADA, being primarily traded against KRW, suffered the most severe % price drop (28.3% and 20.6%) following this Bithumb incident.

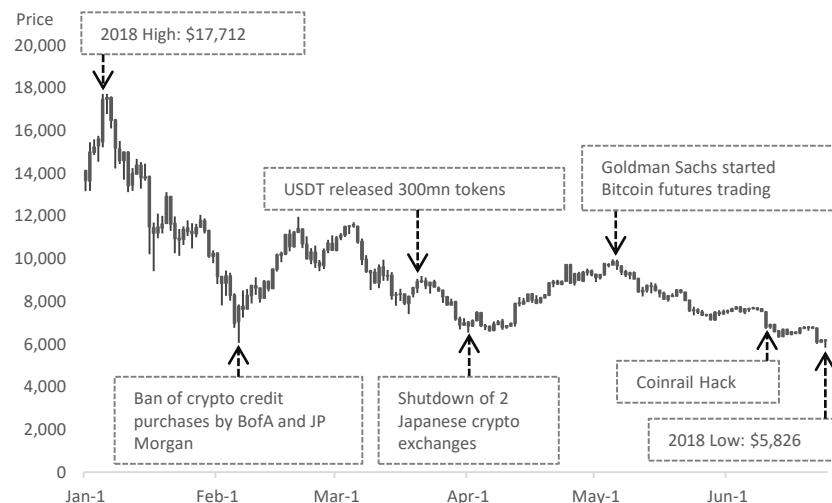
Despite the downward momentum of BTC's price this year, we can speculate that the issuance of 250mn USDt tokens on 25 June may indicate an inflow of capital into cryptocurrency markets, and a possible short-term rebound for BTC's price. This is referenced by the slight rebound in BTC's price following USDt's release of 300mn tokens into circulation in late March.

TOP CRYPTO PERFORMANCE SUMMARY

Name	Price	7D%	Vol.	7D%	Mkt Cap.	% Total Mkt
BTC	\$5,982.37	-8.88%	24.50bn	-1.90%	102.37bn	41.58%
ETH	\$454.30	-9.86%	11.16bn	3.25%	45.55bn	18.50%
XRP	\$0.47	-12.12%	1.62bn	-1.34%	18.48bn	7.51%
EOS	\$7.65	-28.32%	5.59bn	-1.94%	6.86bn	2.79%
ADA	\$0.13	-20.64%	384.64mn	-27.35%	3.36bn	1.37%
USDT	\$1.00	0.09%	16.89bn	16.82%	2.62bn	1.06%
NEO	\$32.28	-15.93%	443.10mn	-8.19%	2.10bn	0.89%
DASH	\$235.31	-11.68%	511.52mn	-26.89%	1.92bn	0.77%
XMR	\$112.55	-10.60%	216.01mn	-2.41%	1.82bn	0.72%
ZEC	\$163.65	-15.51%	264.28mn	-20.77%	688.27mn	0.28%

CHART OF THE WEEK

Price and Key Market Events of Bitcoin (2018)



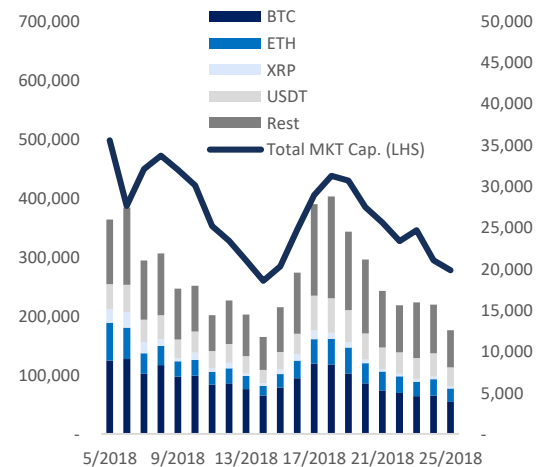
NETWORK FUNDAMENTALS

	BTC	ETH
Hashrate	40,441,646 TH/s (+9.0%)	279,443 GH/s (+4.4%)
# Unique Wallets/ Addresses	25,852,167 (+0.5%)	36,939,522 (+1.4%)
Top 3 Miners	BTC.com (26%) AntPool (16%) BTC.TOP (12%)	Ethermine (27%) F2Pool (18%) SparkPool (16%)

TOP ICOS WITH MOST FUNDS RAISED

Name	Industry	Close	\$ Raised	% Raised
MTV	Application	24 Jun	20.41mn	58%
MOAT	Application	24 Jun	11.71mn	59%
ABL	Application	19 Jun	10.43mn	100%

MARKET CAP & TRADING VOL. (US\$ mn)



DISCLAIMER

Abbreviations: ABL: AIRBLOC Protocol; ADA: Cardano; AML: Anto money laundering; BofA: Bank of America; BTC: Bitcoin; ETH: Ethereum; FSA: The Financial Services Agency; ICOS: Initial Coin Offerings; JPY: Japanese Yen; Jun: June; KRW: South Korean Won; KYC: know-your-customers; LTC: Litecoin; mn: Million; Market Cap: Market Capitalization; MOAT: ICOHeadStart; MTV: Multiversum; Trading Vol.: Trading Volume; U.S.: the United States; USDT: USD Tether; XMR: Monero; XLM: Stellar; XRP: Ripple; ZEC: Zcash

Chart of The Week: Source: Coinmarketcap, Cryptocompare, Standard Kepler Research

Market Cap & Trading Vol.: Source: Coinmarketcap, Standard Kepler Research

The horizontal axis represents the week number in 2018. For instance, 5/2018 indicates the fifth week in 2018.

The primary vertical axis represents total market capitalization; and the secondary vertical axis represents total trading volume.

Network Fundamentals: Source: Blockchain.info, Blocktrail, Etherchain.org, Etherscan.io, Standard Kepler Research

Thought of The Week: Source: Bithumb, CCN, Coinmarketcap, Coindesk, Cointelegraph, Cryptocompare, Financial Services Agency of Japan, Standard Kepler Research

Top Crypto Performance Summary: Source: Coinmarketcap, Standard Kepler Research

Top ICOs with Most Funds Raised: Source: ICObench, ICOdrops, ICOmarks, ICOratings.com, Standard Kepler Research

Week Ahead: Source: Cryptocalendar.pro, Standard Kepler Research

Weekly Recap: Source: Coinmarketcap, Standard Kepler Research

Past performance does not guarantee future results.

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The price of Bitcoin and other cryptocurrencies are highly volatile in nature. It is suggested that clients should perform their own due diligence and consult a fully qualified independent professional financial adviser before making any investments in cryptocurrencies.

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Unless otherwise stated, all data is as of June 24, 2018 or as of most recently available.