

## Ban on ICO Ads Dampens Markets

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WEEKLY SUMMARY | 10-16 MARCH

### Overall market situation

Major cryptocurrencies experienced a decline after the outbreak of unfavorable news. Following the absorption of Binance's incident, the cryptocurrency market stabilised and the price moved within a range of 10% without obvious direction. On 13 March, Google announced a ban on cryptocurrency and ICO ads. Following the news, major cryptocurrencies slid 15%-20%. The total market capitalization decreased to \$330bn with an average daily trading volume of \$16bn.

### BTC and ETH

BTC settled at \$8,120 on 16 March, a drop of 10% from its opening price of \$9,050 on 10 March. Trading volume was \$46.7bn for the week. Although BTC hit a four-day high of \$9,885 on 12 March, it was unable to rally past the \$10,000 mark and depreciated steadily for the rest of the week. ETH recorded a similar price change pattern with BTC, but it dropped by a greater percentage, 20%, doubled that of BTC over the period from \$754 to \$602.

While the release of Lightning Network latest product potentially facilitates faster BTC transaction, the downward trend displayed in the later half of the week seems to be induced by Google's announcement on cryptocurrency ads ban, which will be taken into effect in June.

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Last week at a glance

- **Lightning Labs released first Bitcoin mainnet-ready Lightning Network.** A seed finance round worth \$2.5m was announced completed upon the release, The participation list was led by Square and Twitter founder Jack Dorsey and ex-PayPal COO David Sacks.
- **AMF included 15 crypto-related products to blacklist.** The French stock market regulator announced in a press release that they have added 15 cryptocurrency and crypto-asset investment websites to a blacklist on 15 March, 2018.
- **SEC and NY strengthen regulations on cryptocurrencies.** The SEC announced a warning to potential consumers, urging them to be prudent in trusting virtual exchange platforms which are not regulated by the federal law. Meanwhile, New York issued a ruling that cryptocurrencies can be regulated by CFT as commodities.
- **Chinese authority investigates potential ICO scam of Space Chain.** The project recorded a huge evaporation in its market capitalisation to only 35.3% of its ICO price by 12 March. Fake information has been included in the whitepaper, leading to the investigation.
- **PlayBoy will support wide range of ICO with adult content, AR and VR.** The adult lifestyle and entertainment company announced that they would be developing and integrating an online payment system that will support a wide range of cryptocurrencies. These will be used to pay for accessing adult content, exclusives, and augmented reality (AR) and virtual reality (VR) initiatives in the future.

Figure 1. Top 5 trading cryptocurrencies

Name	Price	Market Cap	7D%
W3Coin	0.003222	N/A*	+411%
StrikeBitClub	0.004999	N/A*	+184%
HollywoodCoin	8.51	7,711,634	+180%
Jiyo	0.1315	N/A*	+153%
eBitcoin	0.9093	16,920,392	+112%

Figure 2. Top 5 ICOs ended last week

Name	Industry	Close	Raised (%)
JET8 ICO	Media	14 Mar	32.5m (90%)
Flashmoni	Cryptocurrency	10 Mar	20.1m (20%)
Play2Live	Entertainment	14 Mar	18.1m (61%)
Fidelium	Investment	11 Mar	13.2m (22%)
Obizcoin	Business Services	14 Mar	7.5m (49%)

Source: XXX

## Outlook

Attention should be paid to the G-20 summit in Argentina where cryptocurrency is among the most discussed and heated topics. Separate meetings are scheduled in the coming week to discuss more on the common responses of relevant regulations, implications of cryptocurrency and applications of the underlying technology.

Global regulators are gearing up for a crackdown on fraudulent practices, as evident by the SEC, AMP and China. Among the countries with higher stakes in the crypto industry, Japan and South Korea regulators are expected to set a clearer legal framework as well. While this may cause short term turbulence for the market, in the longer term it will pave a way for a healthy market development.

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Figure 3. ICOs gaining popularity

Name	Industry	Close	Raised
BitGuild	Gaming	5 Apr	27.3m
HoToKeN	Platform	20 Mar	20.0m
Faceter	AI	30 Mar	18.5m

Source: XXX