

Web3 Biweekly

17 February 2023 | AMTD Research



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Regulatory clouds form in the US



U.S. SECURITIES AND
EXCHANGE COMMISSION

- In a seemingly urgent push for crypto regulation post-FTX, US regulators have in recent weeks charged and launched investigations into numerous crypto companies.
- In January, the SEC charged Gemini and Genesis with unregistered securities offering related to Gemini Earn, a crypto lending program for retail investors.
- Roughly a month later, the SEC charged Kraken with the offering of unregistered securities for its staking program. Kraken settled by paying a US\$30 million fine and shutting down its staking service in the US.
- Meanwhile, Paxos was hit by both the SEC and the New York Department of Financial Services. The SEC reportedly informed Paxos that it would be sued for violating investor protection laws, while the NYDFS ordered the firm to cease issuing BUSD stablecoin.
- Binance, which only started to consolidate stablecoins to BUSD late last year, announced that BUSD supply will only decrease over time and will move away from using BUSD as the main trading pair.

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Notable Tweets

Market Performance

Summary

1. Prices

- **One-Year Price Recap**
- **Layer 1 Price Recap** (2 February – 15 February 2023)
 - Most tokens underperformed as it retraced from earlier rallies and poor regulatory sentiment
 - TRX outperformed as the Tron ecosystem received a boost from competing stablecoin regulatory action (BUSD)
- **Protocol Price Recap** (2 February – 15 February 2023)
 - GRT outperformed significantly with the influx of staking and transaction activity, as well as a general surge in similar data management network tokens
 - LDO outperformed as decentralized staked ETH narrative kicks in after US regulatory action on Kraken
 - MKR gained as attention shifts to decentralized stablecoins after US regulatory action on Paxos / BUSD

2. Valuation

- Market Cap to Active Addresses – ETH's price rally driven more by multiple expansion than network usage

3. Exchange Flows

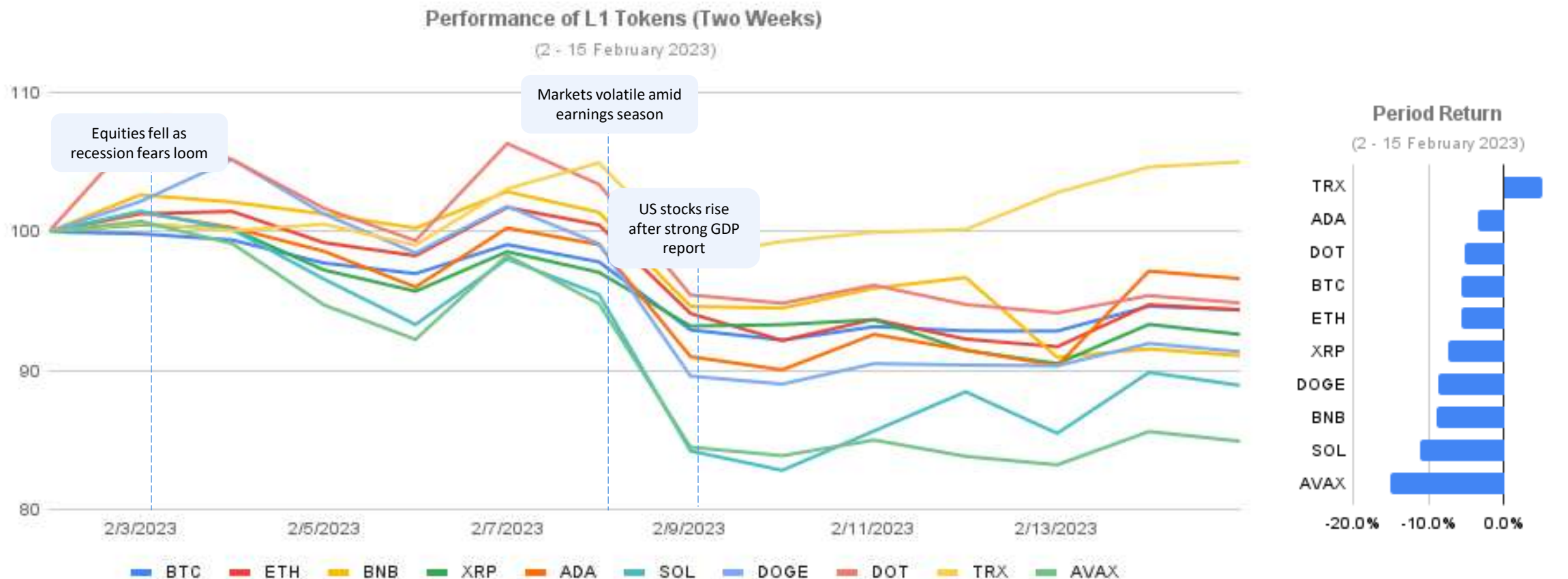
- Bitcoin - slight exchange outflows as market retraces
- Ethereum - outflows spike as momentum shifts to DeFi

One-Year Layer-1 Price Recap



Layer-1 Price Recap (2 February – 15 February 2023)

- Most tokens underperformed as it retraced from earlier rallies and poor regulatory sentiment
- **TRX** outperformed as the Tron ecosystem received a boost from competing stablecoin regulatory action (BUSD)

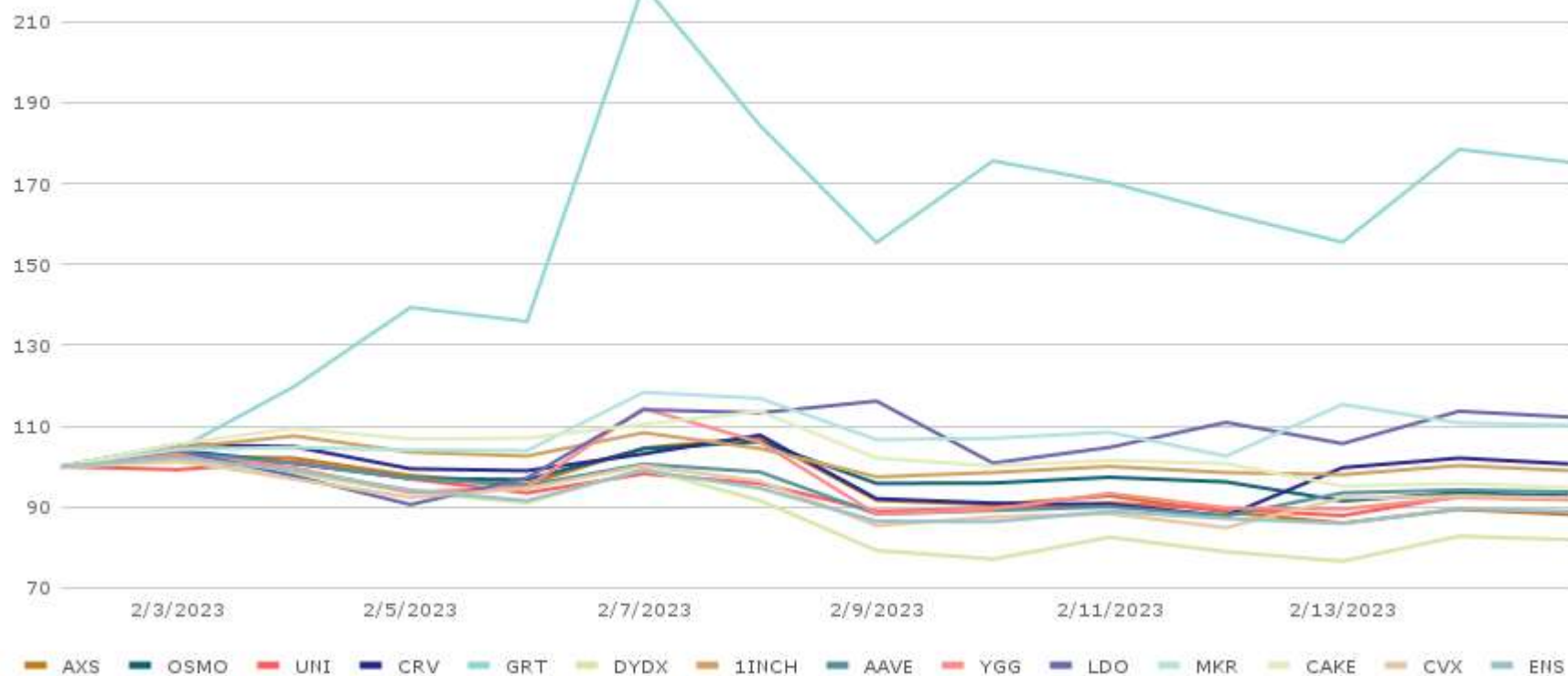


Protocol Price Recap (2 February – 15 February 2023)

- **GRT** outperformed significantly with the influx of staking and transaction activity, as well as a general surge in similar data management network tokens
- **LDO** outperformed as decentralized staked ETH narrative kicks in after US regulatory action on Kraken
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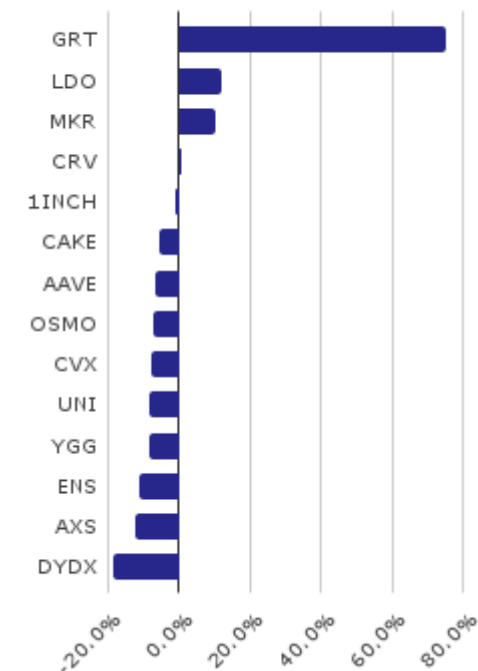
Performance of Protocol Coins (Two Weeks)

(2 - 15 February 2023)

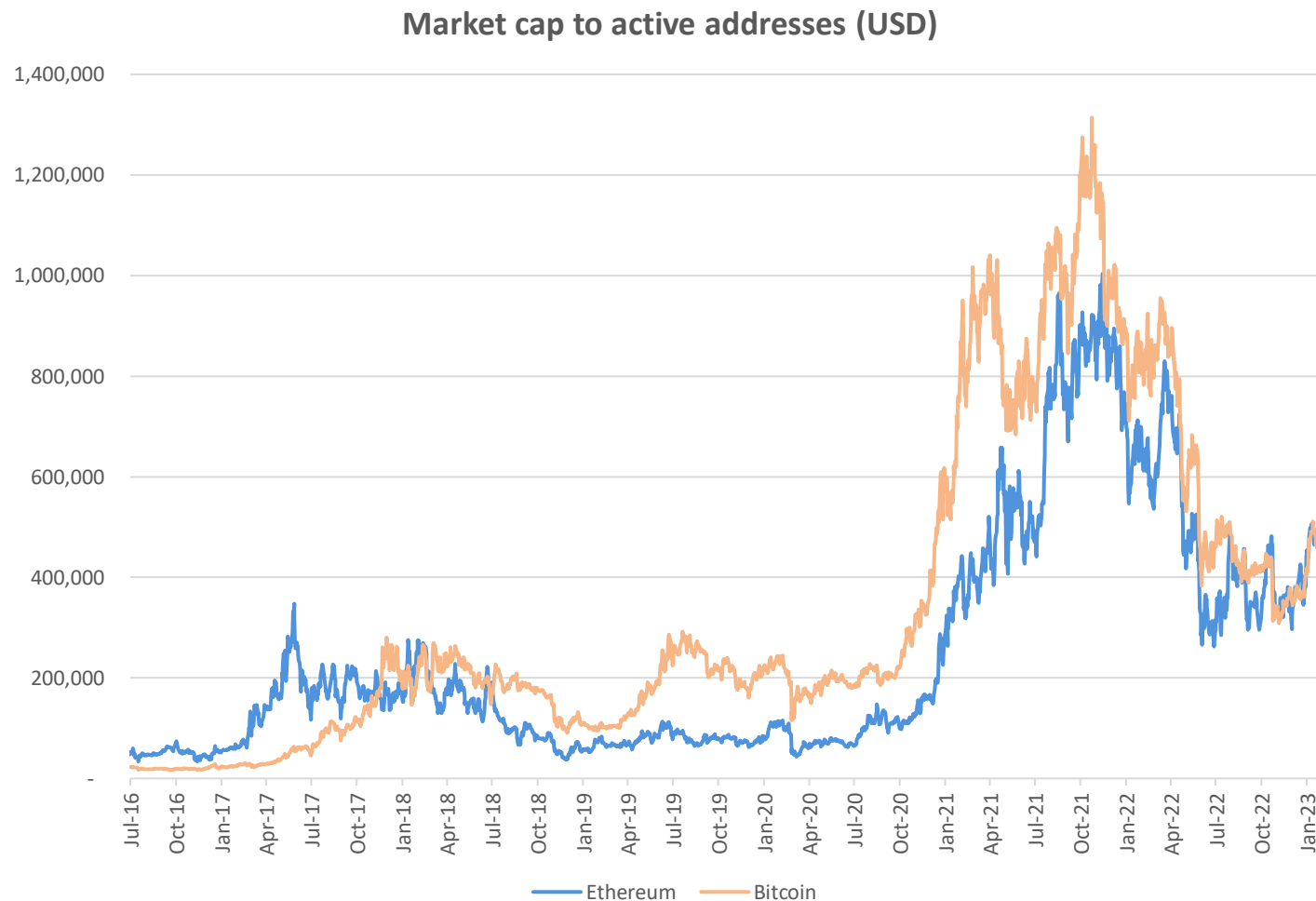


Period Return

(2 - 15 February 2023)



Valuation – BTC and ETH Market Cap to Active Addresses

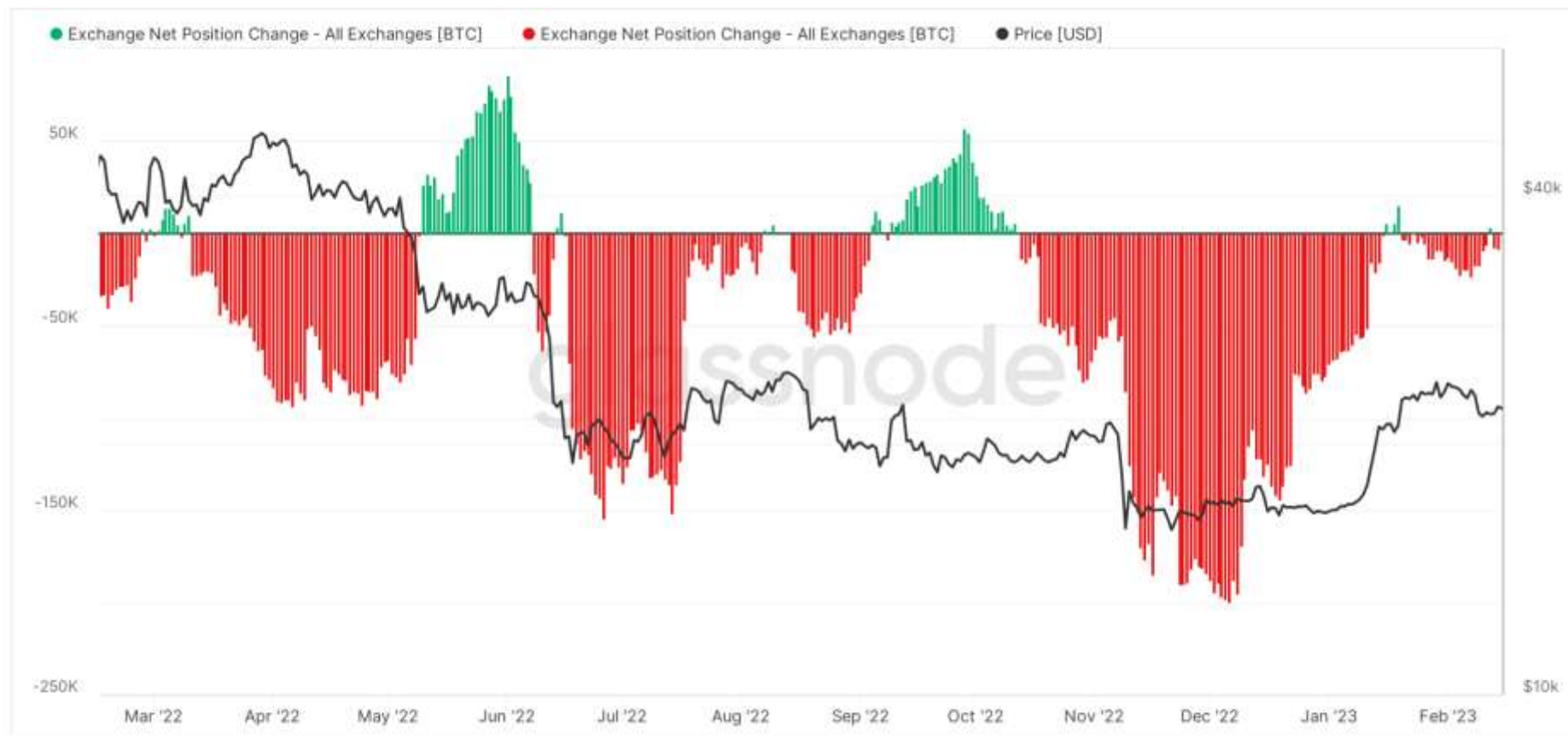


	BTC	ETH
Valuation Multiple		
2017-2018 Run	2.2x	7.1x
2020-2022 Run	5.6x	13.4x
Network Usage		
2017-2018 Run	1.3x	7.0x
2020-2022 Run	1.5x	2.8x

- Ethereum's price rally (30x+) in the 2020-2022 cycle was driven more by valuation multiple expansion (13x) than network activity increase (3x).
- The market cap to active address for ETH overtook BTC amid a brief active address spike for BTC and the recent price rally for the new year.

Bitcoin – slight exchange outflows as market retraces

Bitcoin: Exchange Net Position Change [BTC] - All Exchanges

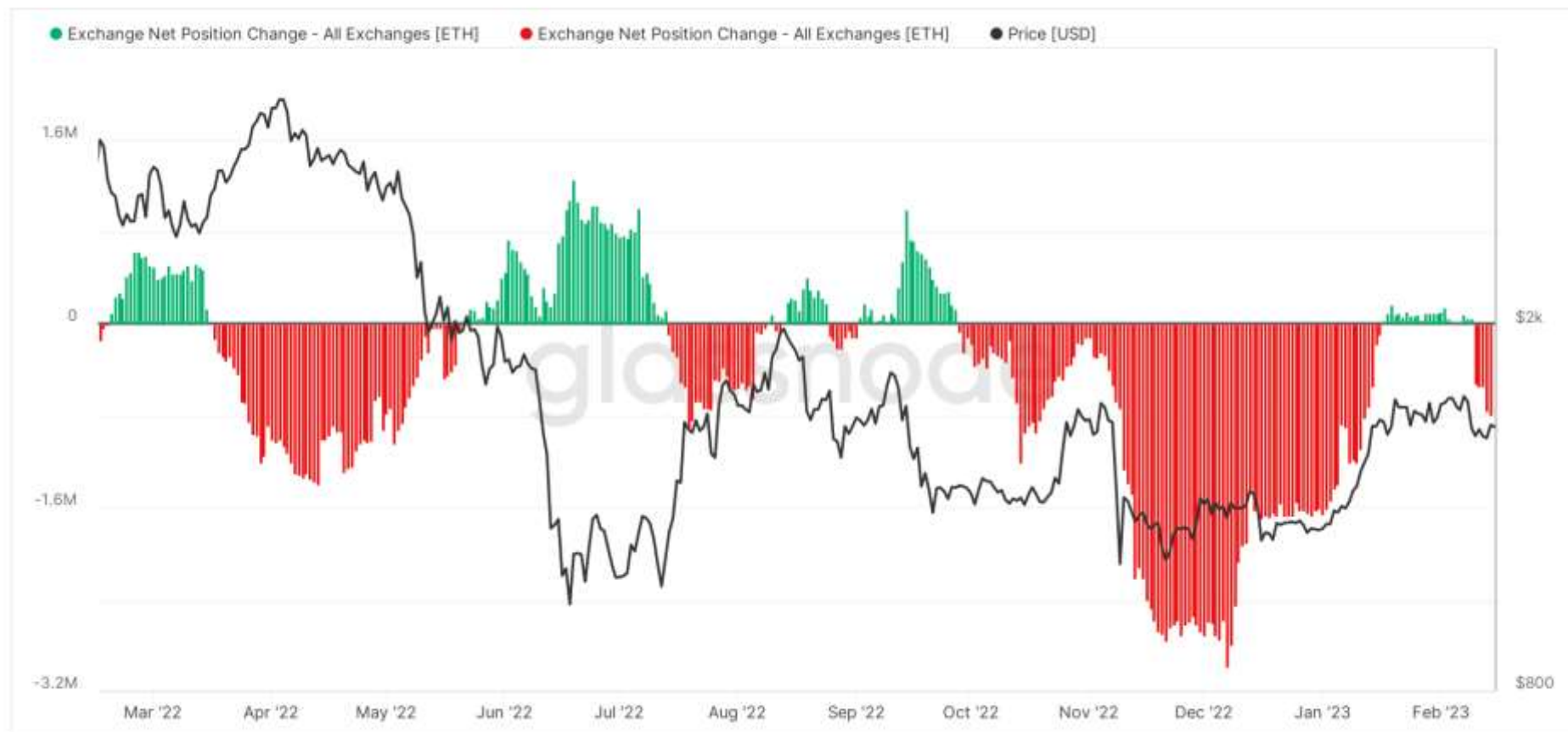


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Ethereum – outflows spike as momentums shifts to DeFi

Ethereum: Exchange Net Position Change [ETH] - All Exchanges



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Source: Glassnode

Blockchains & CeFi

Blockchains & CeFi Summary (2 February – 15 February 2023)

- 1. Bitcoin (2W: -5.8%)/(YTD: 33.1%)**
All eyes on Bitcoin as prices of Ordinals inscriptions soar
- 2. Ethereum (2W: -5.7%)/(YTD: 29.1%)**
Number of DEX users back to 2022 high
- 3. Layer 2 Highlights**
- 4. Optimism (2W: 8.08%)/YTD: 159.8%)**
Optimism surges with TVL reaching new highs
- 5. Binance** - Withdrawals surge as Paxos BUSD regulatory pressure looms
- 6. News and Headlines**

Bitcoin – All eyes on Bitcoin as prices of Ordinals inscriptions soar

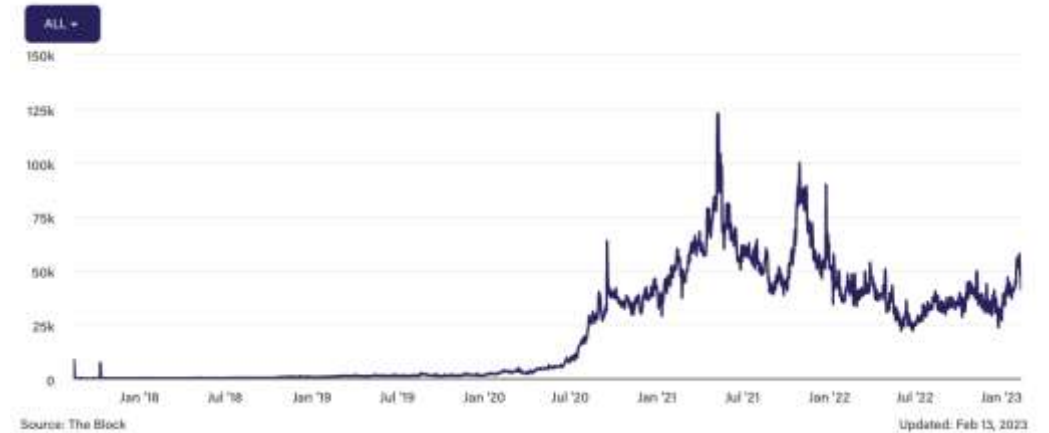
- Launched recently on the Bitcoin mainnet, Ordinals is an **NFT protocol** that is embedded into “sats,” the smallest denomination of Bitcoin, allowing inscriptions (NFTs) to be uniquely stored, identified, and transferred.
- The possibility to inscribe media onto the Bitcoin network has taken the NFT and broader crypto world by storm as people rush to make their own inscriptions or trade existing inscriptions.
- A notable collection is Ordinal Punks, a collection of 100 CryptoPunks-style images that were minted (for ~US\$200) within the first 650 inscriptions. Its scarcity and hype has led to a surge in secondary prices – trades averaged at around US\$100,000 in recent days (roughly two weeks after first secondary sale), while the highest sale was 11.5 BTC or ~US\$250,000.
- While many are jumping into the hype, the process is still primitive. Trading of inscriptions are done through manual order books (i.e., Google spreadsheet) and OTC trading, usually with an escrow.



Ethereum – Number of DEX users back to 2022 high

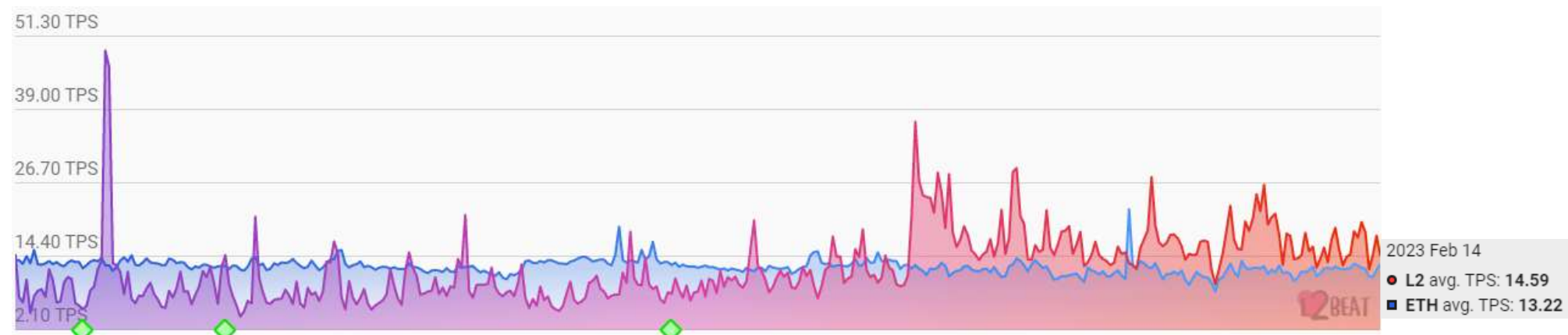
- The **number of unique DEX traders on Ethereum reached 57,670**, its highest since the beginning of 2022, despite the market being in a prolonged crypto winter.
- The rising trend comes to no surprise given the many failures related to centralized markets in mid to late 2022.
- Regulatory scrutiny has followed these centralized failures, and we are beginning to see heightened regulatory pressure in recent weeks:
 - Among others, the SEC charged Genesis and Gemini with unregistered securities offering related to Gemini's Earn.
 - The SEC also charged Kraken for its staking-as-a-service program, which Kraken settled and will shut all US staking services.
 - More recently, the New York Department of Financial Services ordered Paxos to stop issuing BUSD.
- It is likely that the momentum shift to DeFi will continue with the apparent regulatory crackdown in the US.

Ethereum DEX Traders

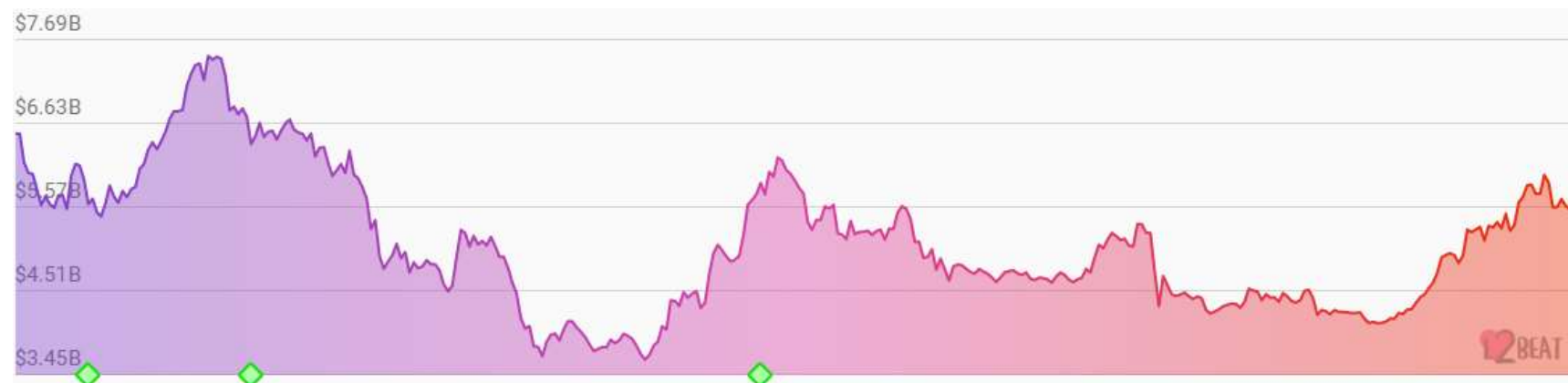


Layer 2 Highlight

L2 Activity (TPS)



L2 TVL (USD)



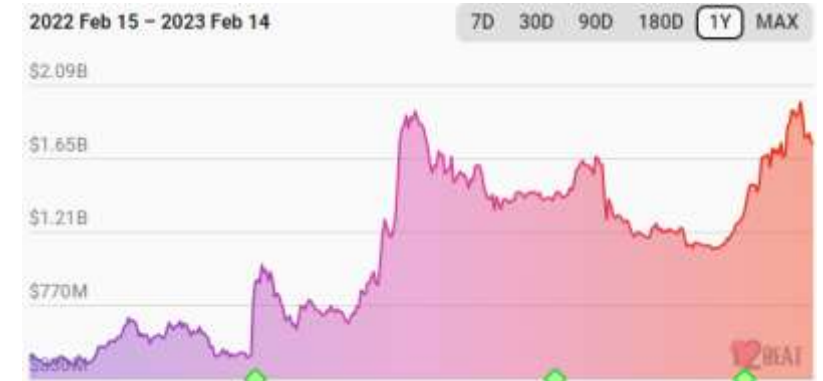
Layer 2 – Optimism surges with TVL reaching new highs

- Optimism's native token OP surged to record highs on the back of **solid TVL gains**, a **new major proposed upgrade**, and Binance's **launch of BUSD on the network**.
- The Optimism Foundation proposed Bedrock, a complete rewrite of the core components of the Optimism architecture. The upgrade will seek to “offer a new level of modularity, simplicity, and Ethereum equivalence for Layer 2 solutions.” If passed, the upgrade will take place during mid-March.
- Meanwhile, the OP token rallied after Binance launched its BUSD stablecoin on Optimism, making it the sixth network deployed.
- However, OP quickly pared back gains after regulatory news swept the crypto market. In particular, BUSD issuer Paxos announced that the NYDFS has ordered it to cease issuing new BUSD coins.
- While Paxos only issues BUSD on Ethereum, Binance issues Binance-pegged BUSD tokens on other blockchains.

OP 1M Chart



Optimism 1Y TVL, USD



Binance – Withdrawals surge as Paxos BUSD regulatory pressure looms



- Binance saw net outflows of over US\$830 million during the day after Paxos announced that the New York Department of Financial Services ordered it to halt minting new BUSD tokens.
- BUSD is currently the third-largest stablecoin and is used in 35% of all Binance trading volume. Such outflow activity surpassed the volume in December 2022 during the reserves report FUD.
- Meanwhile, USDT benefited as it gained ~US\$1 billion in market cap to US\$69.5 billion, while BUSD market cap has fallen from US\$16.1 billion to \$14.3 billion.

News & Headlines

LocalBitcoins to Close After 10 Years

LocalBitcoins, one of the longest-running exchanges, announced that it would shut down due to the “ongoing very cold crypto winter.” With the increased convenience of crypto on-ramp and off-ramp services in crypto exchanges like Coinbase and Binance, LocalBitcoins’ peer-to-peer and escrow services for wire transfers and cash deals may have seen its trading volume dwindle. [[CoinDesk](#)]

Ethereum Testnet Successfully Processes ETH Withdrawals

The Zhejiang testnet successfully processed simulated withdrawals of staked ETH for the first time, bringing the blockchain closer to fully activating staked ETH withdrawals since it transitioned to proof-of-stake last year. The Zhejiang testnet is the first of three testnets to run through the Shanghai upgrade before mainnet rollout. [[CoinDesk](#)]

Nonprofits Raise Millions in Crypto for Turkey Aid

Nonprofit organizations are turning to cryptocurrency to raise money to aid victims of Turkey’s recent devastating earthquake, an effort of a crowd-funded borderless response. Turkish charity Ahbap raised US\$2 million in less than a day and noted that Turkey’s Financial Crimes Investigation Board approved the donation addresses despite a crypto payments ban by the Turkey central bank in April 2021. [[CoinDesk](#)]

Celsius Operated as a Ponzi Scheme According to Examiner

Bankrupt crypto lender Celsius misused investor and customer funds, including using customer deposits to inflate the price of its own token, CEL, according to a court-appointed investigator. Described by an employee at the time as a “very Ponzi like,” such actions allowed founder Alex Mashinsky to profit US\$69m of CEL while telling the public he was not selling. [[FT](#)]

European Digital Bank Revolut to Launch Crypto Staking Service

Revolut, which operates in the UK and EU, is launching crypto staking services. It will support the staking of Polkadot, Tezos, Cardano, and Ethereum tokens at launch. The staking service is an expansion of its crypto offerings, such as crypto trading and crypto purchases on a debit card. [[CoinDesk](#)]

Binance Temporarily Suspends Bank Transfers

Binance announced that it is temporarily suspending USD bank transfers for international Binance users, without providing further explanation. Separately, Binance’s US banking partner Signature Bank increased USD transaction minimums to US\$100,000, which applied to all exchange customers. Binance noted that only 0.01% of its monthly active users leverage USD bank transfers. [[CNBC](#)]

Bitcoin Miners Hut 8 and US Bitcoin Merge

Bitcoin miners Hut 8 and US Bitcoin are merging to form US-based Hut 8 Corp. The new company will have a total self-mining capacity of 5.6EH/s. The merger is pending court and regulatory approvals. [[The Block](#)]

Stablecoins

Stablecoins Summary

1. Centralized Stablecoins

Paxos to Stop Issuing BUSD

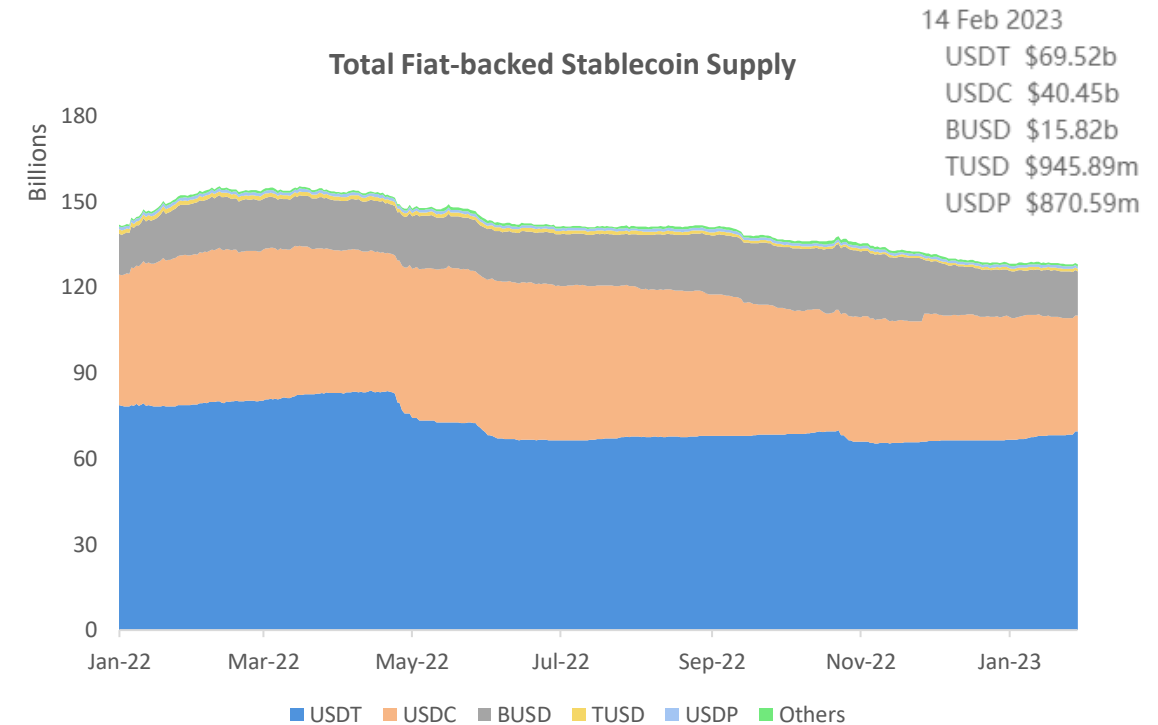
Moody's Working on Stablecoin Scoring System

2. Decentralized Stablecoins

Centralized Stablecoin Updates

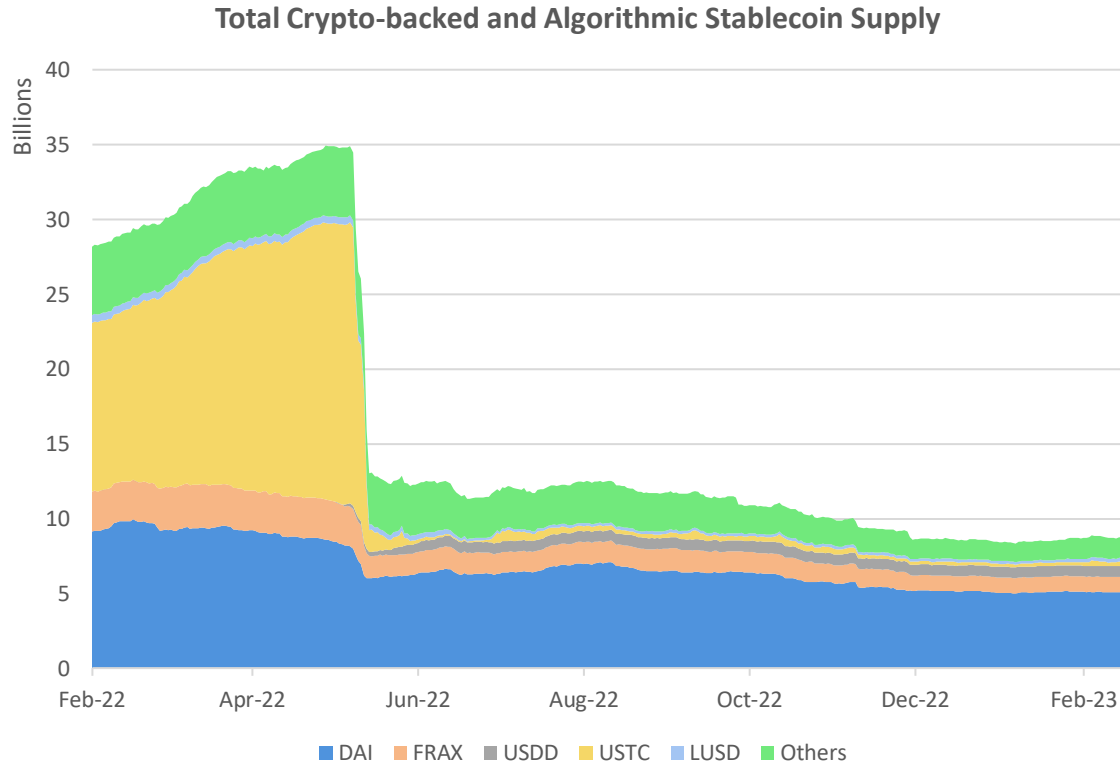
Centralized stablecoin refers to fiat-backed stablecoins across all chains tracked by DefiLlama

- In the past two weeks:
 - Total stablecoin supply decreased slightly to US\$136.6b (-0.4%) and centralized stablecoin supply decreased to US\$127.8b (-0.4%).
 - USDC decreased 3.2% to 40.5b, while USDT increased 2.5% to 69.5b.
- **Paxos to Stop Issuing BUSD**
 - Paxos, the issuer of the BUSD stablecoin, announced that it has been directed by the New York Department of Financial Services to cease minting new BUSD.
 - Paxos will continue to manage redemptions of the stablecoin, while Binance CEO CZ said that the exchange would move away from using BUSD as the main trading pair.
 - The move comes in addition to an SEC notice that it would sue Paxos for violating investor protection laws.
- **Moody's Working on Stablecoin Scoring System**
 - Credit rating agency Moody's is developing a scoring system for up to 20 stablecoins, including assessments on the attestations of reserves. The system will not



Decentralized Stablecoin Updates

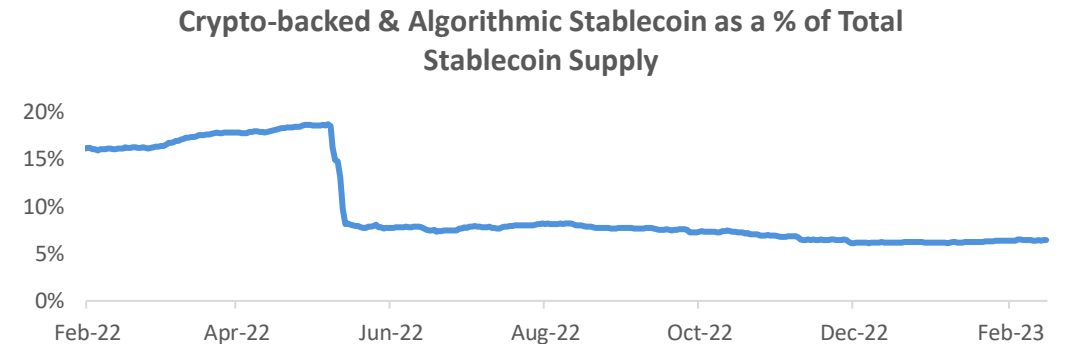
Decentralized stablecoin refers to crypto-backed and algo stablecoins across all chains tracked by DefiLlama



In the past two weeks:

- Total decentralized stablecoin supply relatively unchanged at US\$8.7b (+0.2%)
- DAI dominance remained strong at ~58%, a level reached since roughly November 2022.

Meanwhile, decentralized stablecoin supply as a percentage of total stablecoin supply has maintained relatively stable at 6-7% for the last few months.



DeFi Updates

DeFi Summary (2 February – 15 February 2023)

1. TVL by Chain

- Arbitrum TVL soared 16.6% to US\$1.5b, boosted by increased activity on the GMX dex, while daily volume on Sushiswap has also been growing.
- Ethereum TVL declined 4.2% to US\$28.4b as the market reacts to regulatory effects on staking, DeFi, etc.

2. TVL by Protocol

- All protocols decreased in TVL as crypto prices retrace from earlier highs

3. DeFi Revenue

- DeFi activity gains momentum

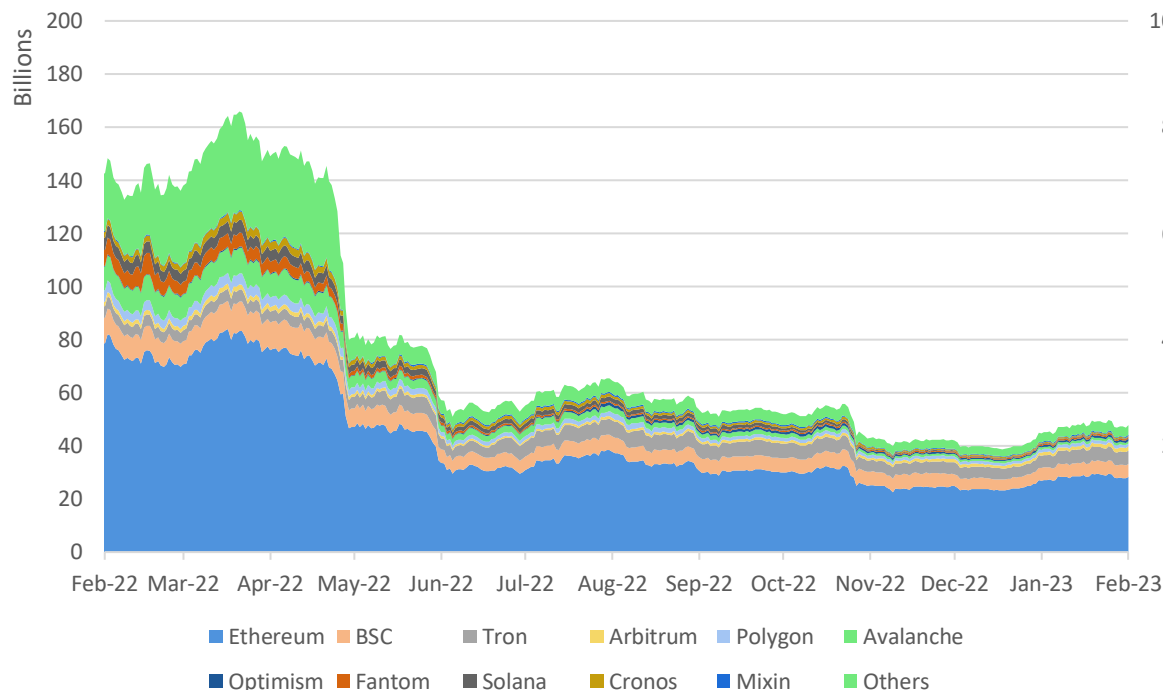
4. DeFi Valuation - Uniswap and Aave/Compound relatively overvalued based on P/TVL and P/Revenue respectively

5. Noteworthy DeFi Protocols

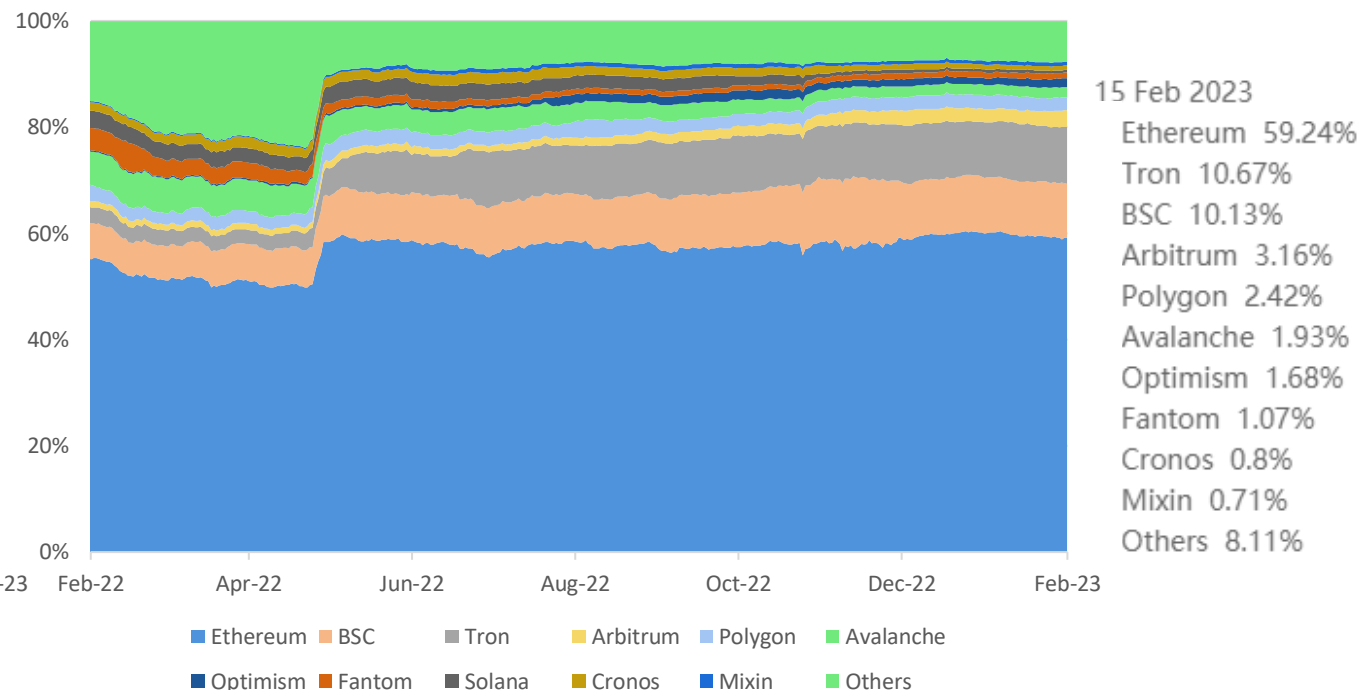
- **Uniswap** wraps up drama-packed vote

TVL Overview by Chain – Strong TVL growth for most major protocols as DeFi activity & crypto price rises

TVL Trend by Chain



TVL Breakdown by Chain



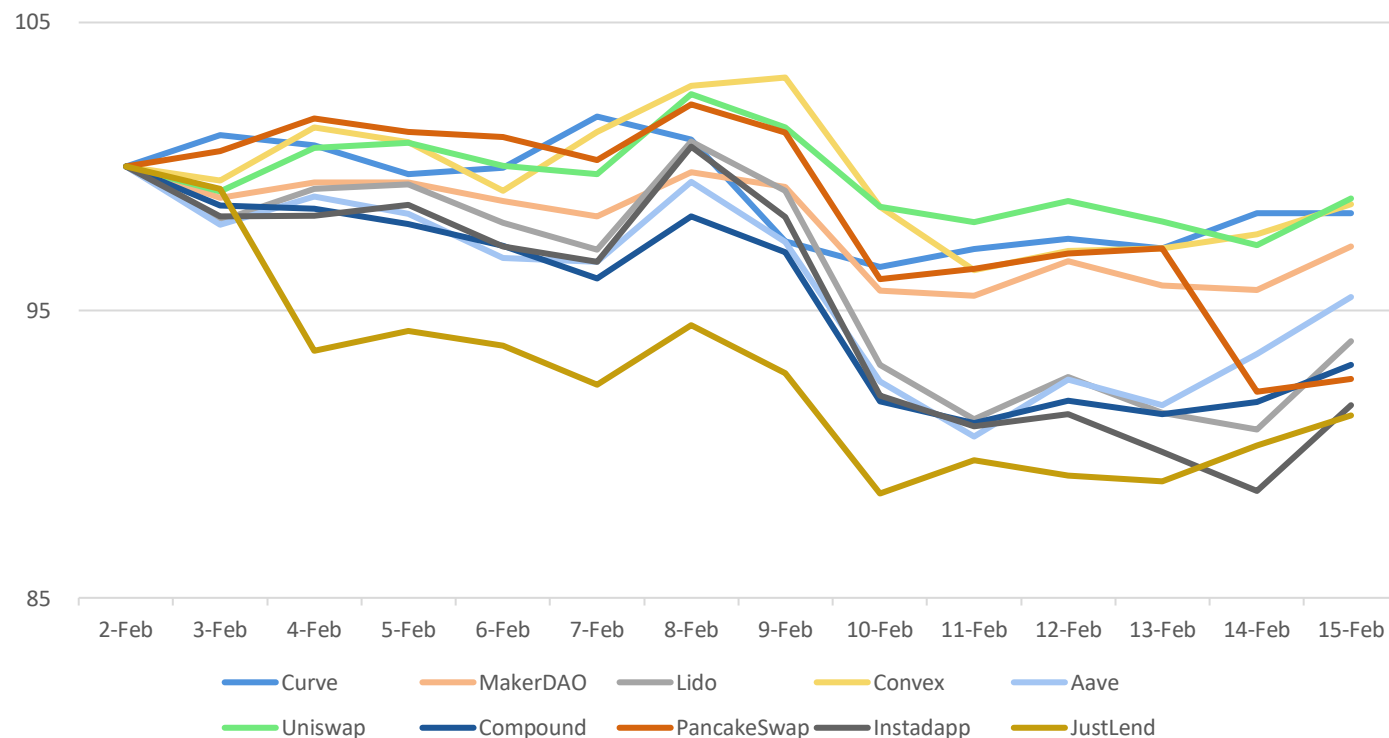
Total TVL declined 3.6% to US\$47.8b as markets retraced from the earlier rally. During the period, notable winners/losers were:

- Arbitrum TVL soared 16.6% to US\$1.5b, boosted by increased activity on the GMX dex, while daily volume on Sushiswap has also been growing.
- Ethereum TVL declined 4.2% to US\$28.4b as the market reacts to regulatory effects on staking, DeFi, etc.

TVL Overview by Protocols

- All protocols decreased in TVL as crypto prices retrace from earlier highs

TVL of Top DeFi Protocols in Terms of TVL
(2 February 2023 = 100)



Procotol	2 Feb 23 TVL (USD)	15 Feb 23 TVL (USD)	Period Change
MakerDAO	7,345	7,141	-2.8%
Uniswap	3,962	3,918	-1.1%
PancakeSwap	2,549	2,361	-7.4%
Compound	2,017	1,877	-6.9%
Instadapp	2,084	1,911	-8.3%
Lido	8,617	8,094	-6.1%
Uniswap	3,962	3,918	-1.1%
Curve	4,905	4,824	-1.6%
Convex	4,130	4,076	-1.3%
Aave	4,762	4,546	-4.5%
JustLend	3,739	3,415	-8.7%

DeFi Total Revenue - DeFi Protocols

- Uniswap overtakes OpenSea in 30-day revenue; almost all protocols reflect a spike in 30-day trend as DeFi activity gains momentum.

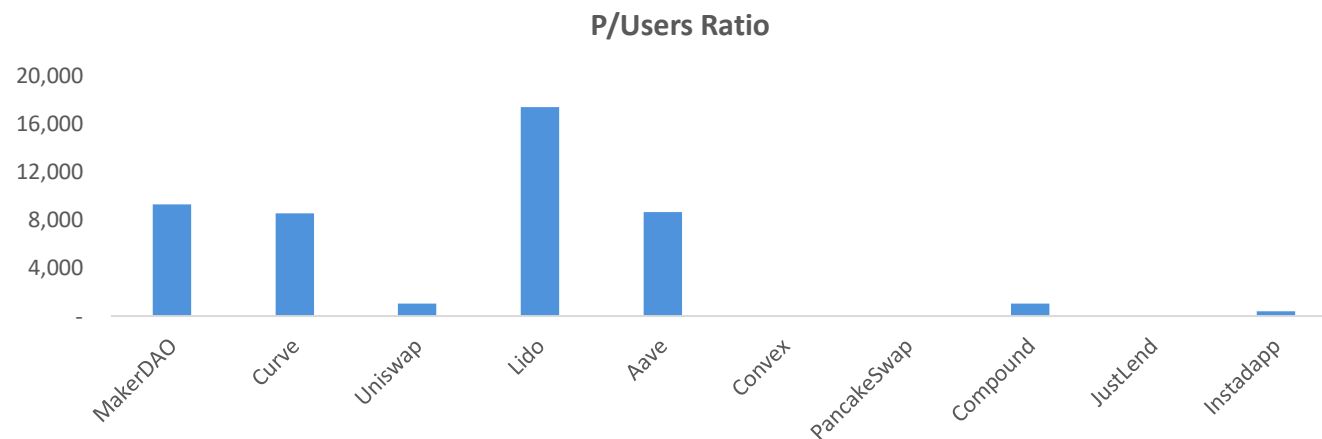
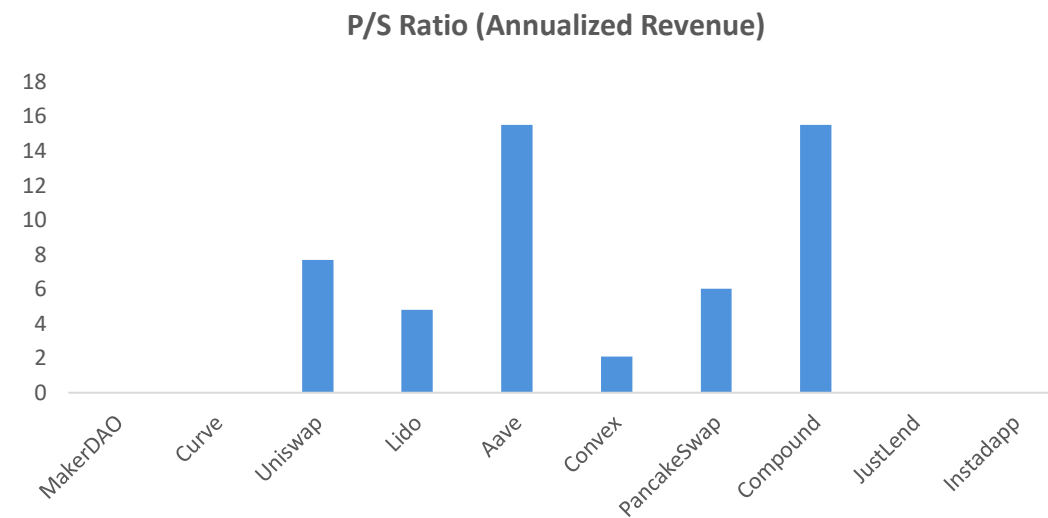
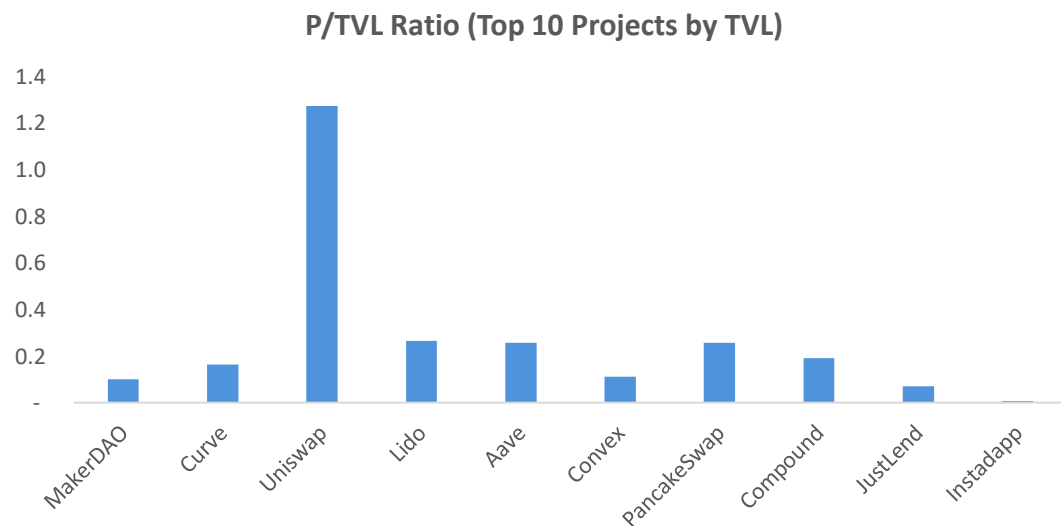
Top dapps based on daily cumulative fees in the past 180 days.



Project	Revenue 7d (US\$)	Revenue 30d (US\$)	Revenue 180d (US\$)	7d Trend	30d Trend
Uniswap	\$ 15.7m	\$ 51.2m	\$ 244.1m	24.0%	123.8%
OpenSea	\$ 11.6m	\$ 49.9m	\$ 231.2m	6.0%	29.8%
Lido Finance	\$ 8.4m	\$ 35.8m	\$ 177.1m	-1.1%	36.9%
GMX	\$ 8.5m	\$ 16.7m	\$ 75.5m	215.0%	54.2%
Convex Finance	\$ 3.6m	\$ 16.6m	\$ 81.9m	-7.6%	76.0%
PancakeSwap	\$ 2.6m	\$ 9.7m	\$ 70.7m	4.5%	59.0%
dYdX	\$ 1.7m	\$ 8.8m	\$ 37.7m	-31.5%	43.0%
Flashbots	\$ 1.8m	\$ 6.5m	\$ 37.5m	8.3%	62.0%
Aave	\$ 1.4m	\$ 5.9m	\$ 46.3m	-1.7%	16.6%
Blur	\$ 1.0m	\$ 3.3m	\$ 6.5m	1.1%	106.8%
SushiSwap	\$ 0.7m	\$ 2.6m	\$ 11.8m	-11.9%	166.0%
Gains Network	\$ 0.7m	\$ 2.6m	\$ 6.5m	37.2%	287.8%
SynFutures	\$ 0.1m	\$ 2.5m	\$ 21.4m	-75.7%	-37.2%
X2Y2	\$ 0.6m	\$ 2.5m	\$ 11.9m	14.5%	74.3%
Balancer	\$ 0.6m	\$ 2.4m	\$ 9.6m	6.0%	240.3%
MakerDAO	\$ 0.9m	\$ 2.3m	\$ 8.0m	227.9%	59.1%
LooksRare	\$ 0.6m	\$ 2.2m	\$ 17.5m	2.4%	-1.2%
Trader Joe	\$ 0.5m	\$ 2.2m	\$ 6.7m	-24.5%	227.0%
Venus	\$ 0.5m	\$ 2.0m	\$ 13.2m	6.1%	41.1%
Compound	\$ 0.5m	\$ 1.8m	\$ 10.4m	0.6%	31.2%

Note: As of 15 February 2022

DeFi Valuation



Note: As of 15 February 2023. Protocols with a ratio of 0 means insufficient data.

Source: TokenTerminal, Dune Analytics, CoinMarketCap

Noteworthy DeFi Protocols – Uniswap wraps up drama-packed vote

UNI 1M performance



- Uniswap DAO's contentious vote finally ended, with the community members of Uniswap voting to **officially deploy to the BNB blockchain using the Wormhole bridge**.
- The vote passed with 66% in favor and 34% against the deployment, but the voting process garnered significant debate about the governance and influence of parties.
- In particular, venture capital firm Andreessen Horowitz (Uniswap's largest backer) voted against the proposal, instead advocating to use competitor LayerZero, one of its own portfolio companies, to be used as the cross-chain bridge instead of Wormhole.
- A partner at a16z wrote that they do not believe "Wormhole offers the most secure or decentralized bridging option," given 2022's Wormhole hack.
- Meanwhile, founder of lending platform Robert Leshner, who also backed LayerZero, voted in favor of the deployment proposal.
- With the deployment to BNB Chain, Uniswap will target as much as half of PancakeSwap's market share.



Chris Blec
@ChrisBlec

@a16z just used its full voting weight to squash a \$UNI proposal to launch Uniswap protocol on BNB chain using @wormholecrypto bridge.

a16z is a large investor in Wormhole competitor, @LayerZero_Labs.

Open your eyes. **

Anti-competition cartels in DeFi are REAL.



Steven
@Dogetoshi

From what I can tell this is the first time a16z voted against an Uniswap proposal and the first time the unloaded the entire 15M UNI vote clip.

12:28 PM · Feb 5, 2023 · 33.3K Views



Jason Choi
@mjasonchoi

What's more unfair

Not allowing capital above a certain size to vote on governance (thus preventing a16z's Uniswap saga), thus discrediting free markets

Or

Allowing whales and mega funds to vote, thus concentrating power in the hands of a few vs favoring long tail

5:57 AM · Feb 10, 2023 · 12.5K Views



_gabrielShapiro
@lex_node

you should actually want whoever has governance tokens to use them, as long as any conflicts of interest of interest are disclosed

I don't agree with the whole 'delegating to student groups' thing

a16z should vote its tokens in all the votes, not just when uniquely affected

11:21 PM · Feb 5, 2023 · 5,768 Views

NFT & Metaverse

NFT & Metaverse Summary

1. **NFT Dashboard**

Otherdeed volume tops list as Dookey Dash wraps up and attention shifts

2. **Weekly NFT volume increases as last-minute users on Blur farm ahead of airdrop**

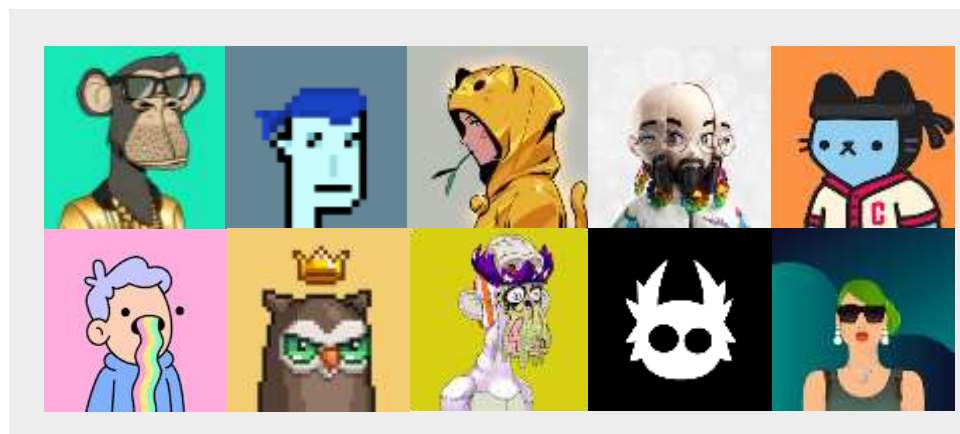
3. **Blur airdrops US\$250 million to users with token launch**

4. **News and Headlines**

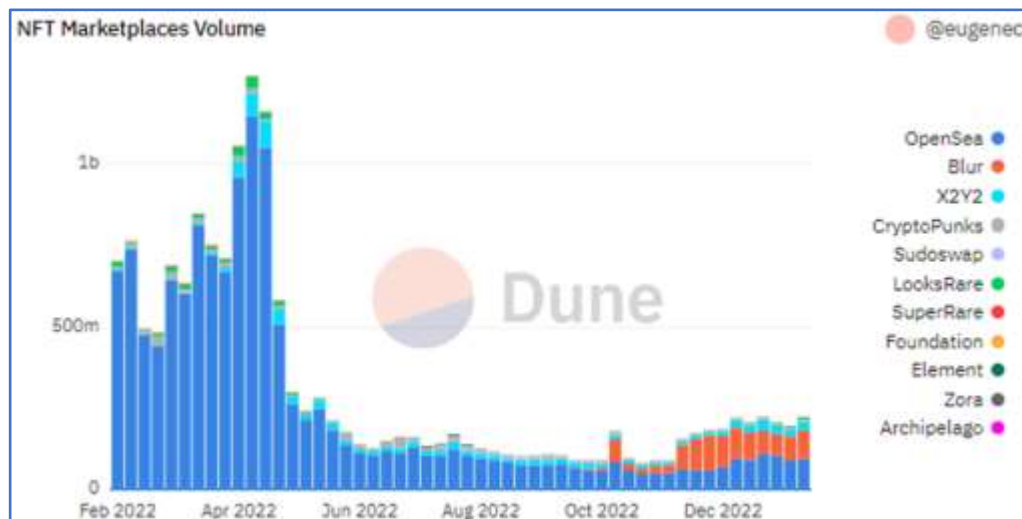
NFT Dashboard

Project	Floor Price	14D	YTD
"Blue Chip" Projects			
Bored Ape Yacht Club	67.0Ξ	4.7%	-3.6%
CryptoPunks	62.4Ξ	-4.0%	-4.6%
Tier-A Projects			
Azuki	14.4Ξ	3.9%	23.1%
Clone X	5.1Ξ	1.1%	-12.1%
Cool Cats	1.9Ξ	-5.1%	-25.3%
Doodles	5.5Ξ	-15.4%	-16.7%
Moonbirds	6.7Ξ	-5.5%	-8.1%
Mutant Ape Yacht Club	14.4Ξ	-2.4%	-9.5%
Otherdeeds	1.7Ξ	1.2%	31.4%
World of Women	1.7Ξ	1.6%	-4.7%

Top Sales of the Week*	Price	Top Collections of the Week* (by volume)	Volume (USD)
CryptoPunks #2886	\$454.4k	Otherdeed	\$14.2m
CryptoPunks #7067	\$195.8k	Pudgy Penguins	\$12.3m
CryptoPunks #7357	\$193.9k	Mutant Ape Yacht Club	\$11.2m
CryptoPunks #1587	\$178.2k	Checks	\$10.0m
BAYC #6466	\$168.7k	Doodles	\$8.9m
Otherdeed #81563	\$153.4k	Bored Ape Yacht Club	\$7.6m
BAYC #3293	\$152.2k	CloneX	\$7.1m
CryptoPunks #3769	\$151.4k	a KID called BEAST	\$6.0m
BAYC #4336	\$140.3k	Azuki	\$5.7m
BAYC #1280	\$134.1k	Sewer Pass	\$4.4m

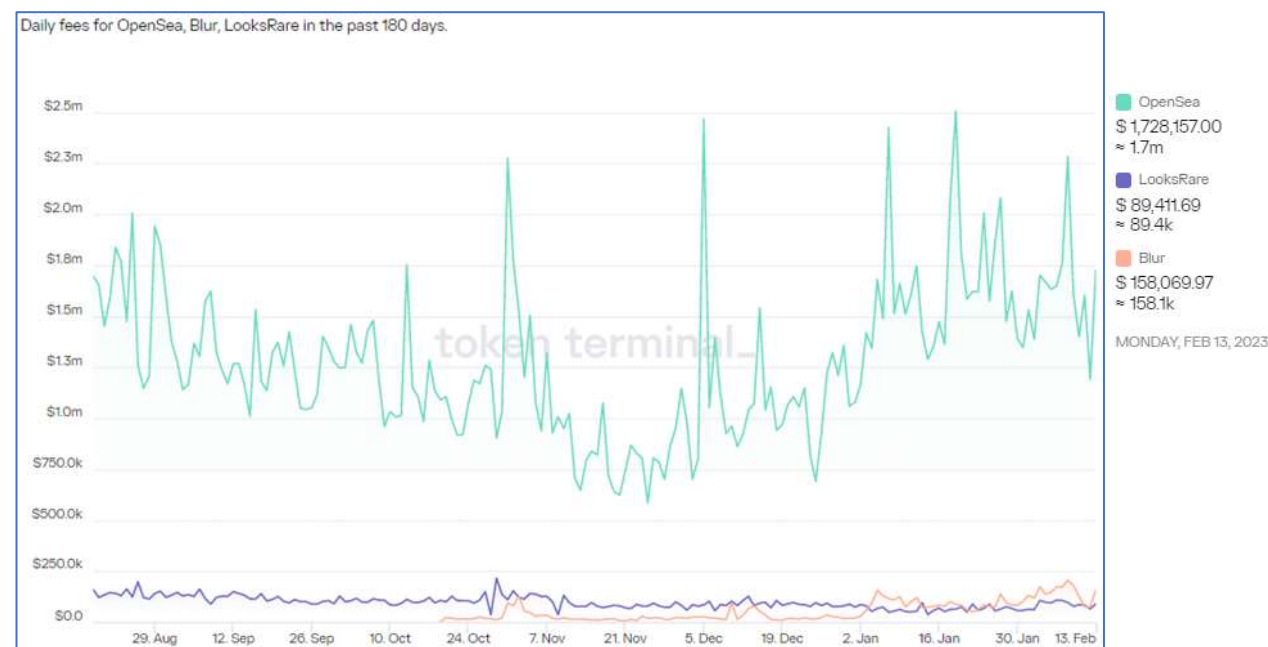


Weekly NFT volume increases as last-minute users on Blur farm ahead of airdrop



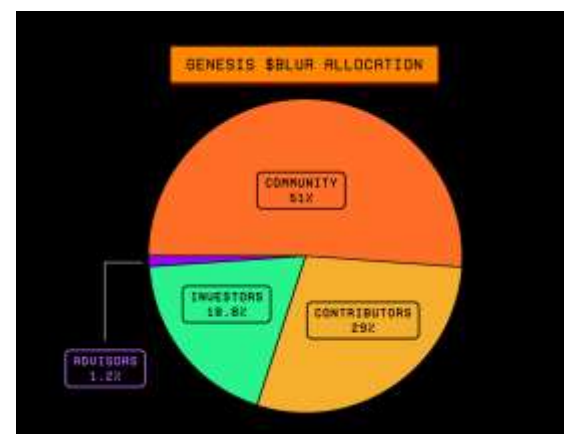
- Total weekly NFT volume spiked back up, largely contributed by an increase in activity on Blur. It is likely that users on Blur were more active in farming Blur points (bidding, listing, and trading) ahead of the BLUR token airdrop which occurred on Feb 14.

Marketplace	Average Price per Trade*
OpenSea (all)	US\$78.0
Blur	US\$1,030
MagicEden	N/A



Blur airdrops US\$250 million to users with token launch

- NFT marketplace released its native token to the community after much anticipation and slight delays.
- The NFT trading platform, geared towards professional traders, launched three airdrop phases in the form of “care packages,” rewarding NFT traders who used Blur actively:
 - Airdrop 1 – everyone who traded in the six months prior to Blur launch
 - Airdrop 2 – users who actively listed on Blur in November 2022
 - Airdrop 3 – users who placed bids on Blur (1-2x the size of Airdrop 2)
- 360 million BLUR tokens were airdropped to care package holders; less than 16% are left unclaimed as of writing.
- With the trading price at ~US\$0.70-0.85 in the first twelve hours of the airdrop, Blur users have received a total of ~US\$252 million to US\$306 million. Many users are touting the airdrop as a stimulus for the NFT market, like prior airdrops done by X2Y2 and LooksRare.
- 3 billion BLUR tokens will be unlocked over five years; 51% allocated to community members through airdrops. Season 2 rewards have also started after the token launch.



News & Headlines

DigiDaigaku NFTs Featured in Super Bowl Ad

DigiDaigaku, an NFT collection by web3 gaming company Limit Break, aired an ad during the Super Bowl, which featured a large QR code where viewers could mint a free Dragon Eggs NFT. The value of the NFTs reached 0.5 ETH before moving down slightly to around 0.3 ETH. [[CoinDesk](#)]

Rihanna's Hit Single Sold as NFT with Royalties

Rihanna's popular single "B**** Better Have My Money" was sold by music producer Deputy to grand holders a portion of his streaming royalties through music startup anotherblock. Each of the 300 NFTs will receive a portion of 0.0033% of the streaming royalties of the song. [[CoinDesk](#)]

Hermès Wins Lawsuit Against MetaBirkins

French luxury house Hermès won a copyright infringement trial against NFT artist Mason Rothschild. The jury concluded that Rothschild's MetaBirkins NFT collection profited off Hermès' goodwill since the MetaBirkins were based off the brand's Birkin bags. The jury awarded US\$133,000 in damages to Hermès. [[CoinDesk](#)]

Blur Adopts Seaport Protocol to Bypass Blocklist

Blur has adopted OpenSea's seaport protocol to effectively bypass OpenSea's blocklist, allowing Blur users to list and trade NFTs that was previously blocked as it did not enforce royalties. OpenSea launched an Operator Filter Registry earlier which forced NFT creators to choose to either blacklist marketplaces that did not enforce royalties or OpenSea wouldn't enforce royalties itself. [[The Defiant](#)]

The Sandbox Partners with Saudi Arabia

Virtual world The Sandbox announced that the Saudi Arabia Digital Government Authority would be partnering with the platform, though only explaining that both would explore, advise, and support each other in the Metaverse. [[CoinDesk](#)]

Paris Museum to Exhibit NFTs

Centre Pompidou, Europe's largest modern art museum, will have a new exhibition examining the relationship between art and blockchain, showcasing NFTs such as CryptoPunks and Autoglyphs. The museum houses notable artworks from artists such as Vassily Kandinsky and Henri Matisse. [[Decrypt](#)]

Policy and Regulatory

Policy & Regulatory Updates

- Stablecoin issuer Paxos is reportedly being investigated by the New York Department of Financial Services, which issued a virtual currency license to Paxos. In relation to the news, Paxos announced that it was ordered by the NYDFS to cease issuing Binance-branded BUSD. [\[CoinDesk\]](#)
- Crypto exchange Kraken has settled with the SEC regarding an enforcement action alleging that it sold unregistered securities related to its staking-as-a-service program. As part of the settlement, Kraken agreed to pay a fine of US\$30 million and will shutter its staking services for US customers. [\[CNBC\]](#)
- In relation to recent market developments, such as the Kraken settlement, Coinbase has published a blogpost defending its staking services. Coinbase insisted that Coinbase's staking services are not securities under the Securities Act, nor does it satisfy the Howey Test used by regulators. Coinbase CEO Brian Armstrong said it will happily defend in court if needed. [\[Blockworks\]](#)
- The UK government revealed a consultation paper for a new crypto regulatory framework, focused on regulating crypto more broadly and with stricter rules for investing and trading. The broad framework will cover crypto service providers, lending platforms, prudential requirements, consumer protection, crypto issuances and disclosures, market abuse, and more. [\[The Block\]](#)
- Dubai published new laws that banned the issuance and all trading activities related to privacy cryptocurrencies such as monero. The privacy coins, which prevents the tracing or identification of ownership through the blockchain, makes it difficult to detect illicit activities. [\[CoinDesk\]](#)
- Regulators in South Korea published guidelines explaining what security tokens (blockchain-based iterations of traditional securities) are covered under the country's capital markets rules. The guidance comes ahead of the country's work to regulate crypto and blockchain comprehensively, which is undergoing discussion. [\[CoinDesk\]](#)
- A former Coinbase product manager pleaded guilty to wire fraud charges brought by the Justice Department in connection with an insider trading case to front-run new token listings on Coinbase. This marks the first insider to admit guilt in an insider trading case in crypto. [\[The Block\]](#)

Notable Tweets

NFT donations for earthquake victims



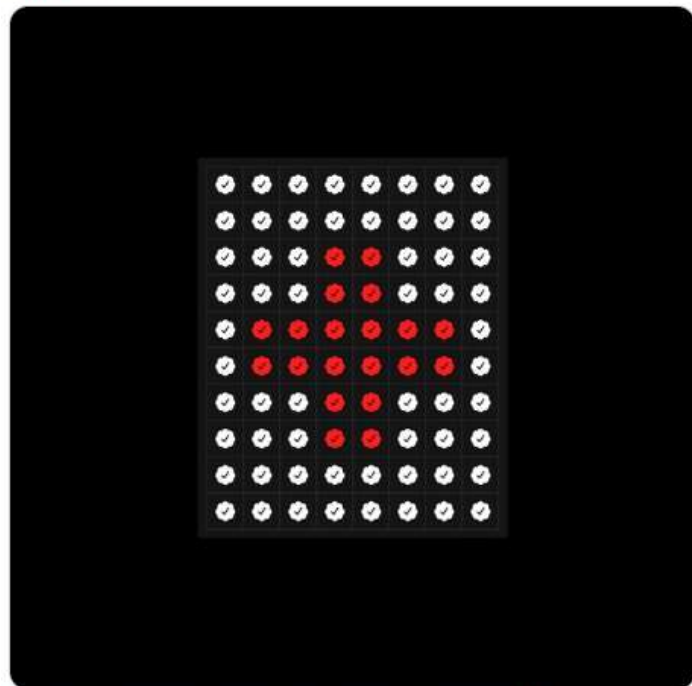
@jackbutcher
@jackbutcher

Humanity Check

For on the ground crisis relief in Turkey and Syria.

All funds to Doctors without Borders via The Giving Block.

vv.run/humanitycheck



Doctors w/o Borders and mikeenz.eth @ The Giving Block

4:38 AM · Feb 7, 2023 · 908.1K Views

BUSD FUD



CZ Binance @cz_binance · Feb 13
4

CZ Binance @cz_binance · Jan 3

Will try to keep 2023 simple. Spend more time on less things. Do's and Don'ts.

1. Education
2. Compliance
3. Product & Service
4. Ignore FUD, fake news, attacks, etc.

In the future, would appreciate if you can link to this post when I tweet "4".

1,188 2,460 9,320 2M



Tree of Alpha
@Tree_of_Alpha

Replying to @cz_binance

Sir Paxos being unable to mint more \$BUSD sounds like more than a "4" moment, what is your strategy regarding in-house stablecoin going forward?

4:12 PM · Feb 13, 2023 · 58.6K Views

Early days for Ordinals



dotta
@dotta

We're closing deals over email and maintaining bid/ask markets in spreadsheets

The tooling is nascent. The energy is palpable



12:33 PM · Feb 7, 2023 · 12.1K Views

Doodles founder to DigiDaigaku founder



poopie
@poopie

Thanks for getting me out of the spotlight Gabriel

8:35 AM · Feb 13, 2023 · 47.4K Views

18 Retweets 3 Quote Tweets 351 Likes

Bitcoin NFT bull market



NickH
@hash_bender

I will never financially recover from this

@ordrocks



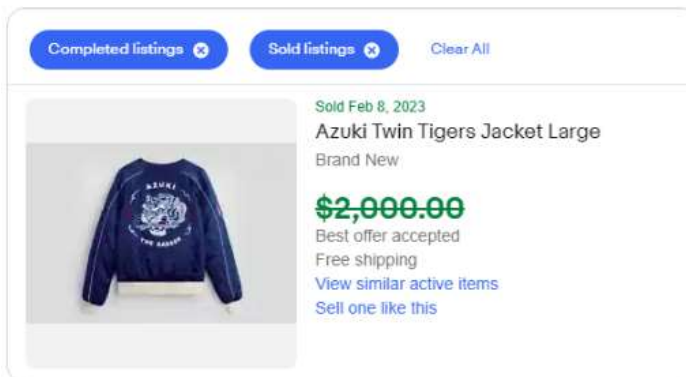
6:46 PM · Feb 9, 2023 · 13.5K Views

US\$2K MSRP for Azuki jacket



Song
@songcryptos

Twin Tiger Jacket sold for \$1700 on eBay @AzukiOfficial



12:14 PM · Feb 10, 2023 · 55.1K Views

SuperBowl ad unlikely to have onboarded



Pranksy
@pranksy

If you were one of the first 10,000 out of the many millions to see this advert, did you already need to have metamask installed to claim the NFT? Surely this onboarded nobody that wasn't already savvy to the ad coming.. I mean a tweet is free, for now at least

Hypemoon · Feb 13

Here's the #SuperBowlLVII ad that @gabrielleydon paid \$6.5M USD for.

The ad originally led to a mint site for viewers to claim a free NFT. Once minted out, the QR code redirected to Leydon's Twitter page.

E-sports player's scores removed



Garga.eth (Greg Solano)
@CryptoGarga

Replying to @orangie

Hi, the wallet address associated with screenshots you've posted (0X6455...147C) was found to be cheating. Here are a few relevant screenshots from that wallet's runs showing client-side hacks (removal of fog, adding highlights, etc). I get that people didn't think we had a way to catch this kind of stuff. But we did.



9:27 am · 16 Feb 2023 · 3,121 Views

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