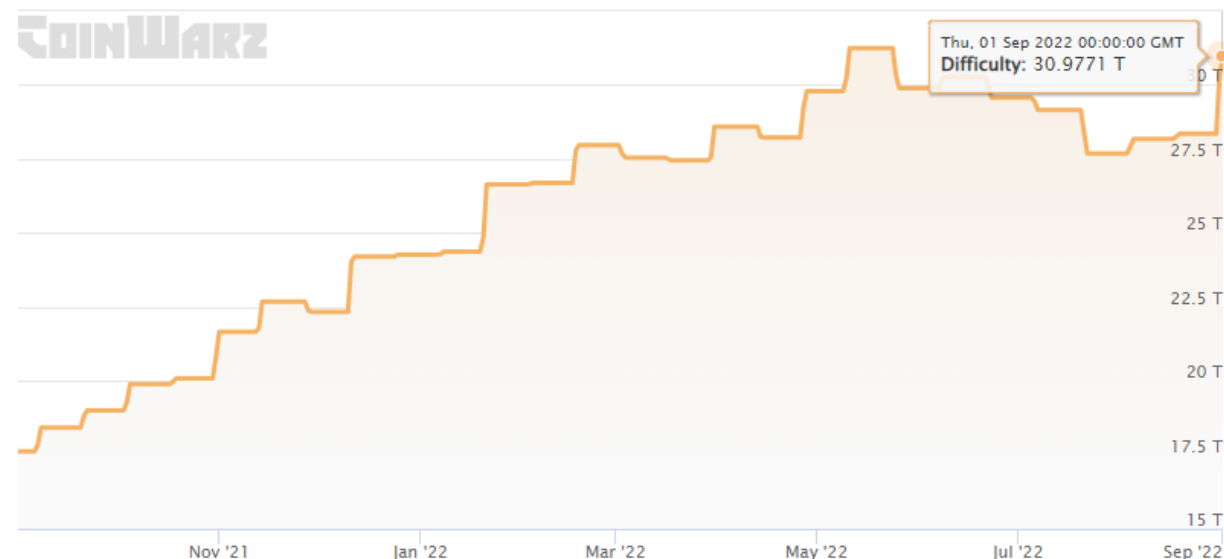


Web3.0 Biweekly

2 September 2022 | AMTD Research

Bitcoin mining difficulty spikes to near 1-year high

- **Bitcoin mining difficulty increased ~9.3%** on the last day of August, the second highest level of increase recorded.
- The spike in difficulty, which updates and adjusts about every two weeks, could be attributable to a few factors:
 - Miners **ramping up production** ahead of cooler months ahead
 - **Waning heatwaves** globally leading to more miners coming back online
 - Newer and **more efficient mining rigs** hitting the market, like the Bitmain S19 XP
- Bitcoin network hash rate has also risen by 12% since the last update on August 18.
- The spike comes after a period of declining hash rate and mining difficulty amid rising energy costs and heatwaves globally, as well as declining bitcoin prices hampering mining profitability.



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Prices, Valuation, and Exchange Flows

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Stablecoins — USDT will not blanket-ban sanctioned addresses, MakerDAO debates to free float DAI

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Notable Tweets

Market Performance

Summary

1. Prices

- **One-Year Price Recap**
- **Layer 1 Price Recap** (18 August – 31 August 2022)
 - SOL leads losses as all major L1 tokens retrace from earlier gains two weeks ago
 - AVAX dropped the most before regaining slightly amid a report on alleged unethical business practices by Ava Labs, which were later denied
 - All major tokens retrace, following global market after Powell's signal that more rate hikes are to come
- **Protocol Price Recap** (18 August – 31 August 2022)
 - Most coins follow wider trend of trending downwards

2. Valuation

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

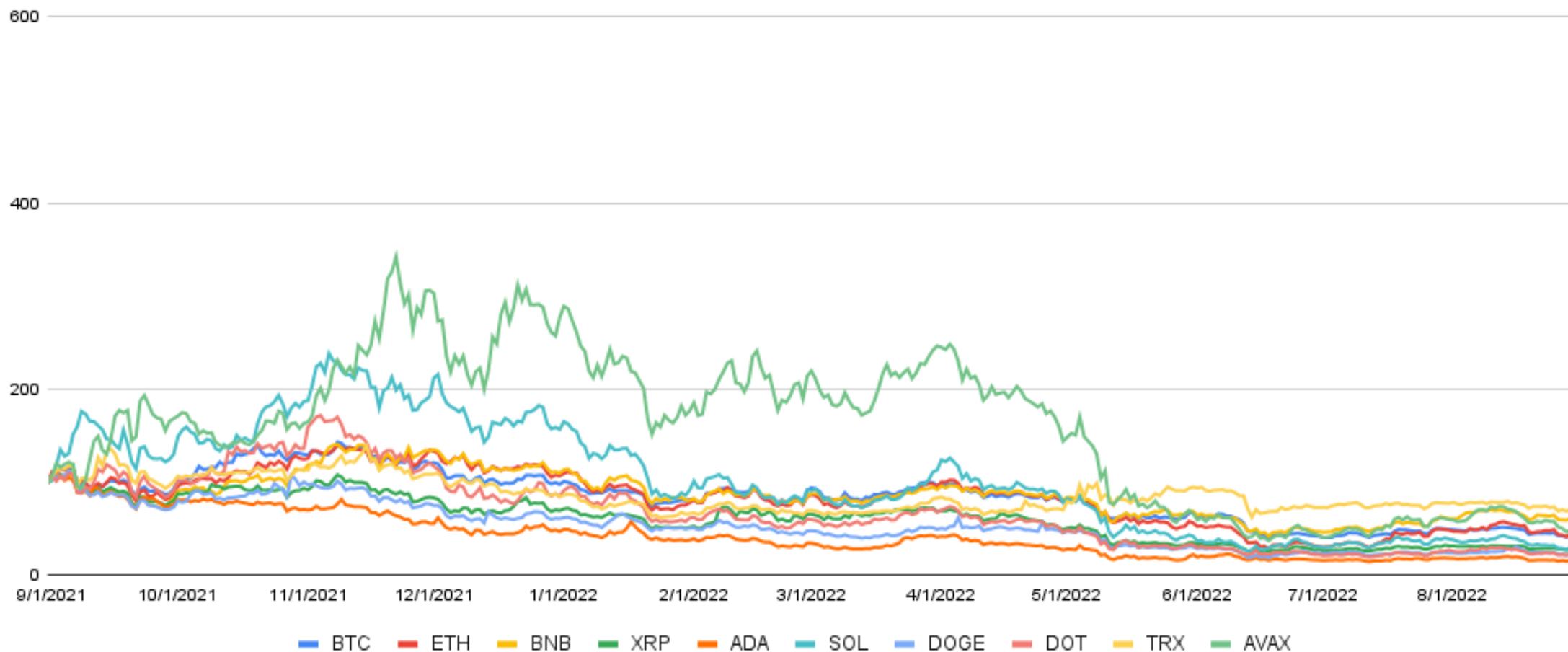
3. Exchange Flows

- Bitcoin - outflows pick up pace as exchange balances reach 4-year lows
- Ethereum - net position change spikes as we enter the final weeks before the Merge

One-Year Layer-1 Price Recap

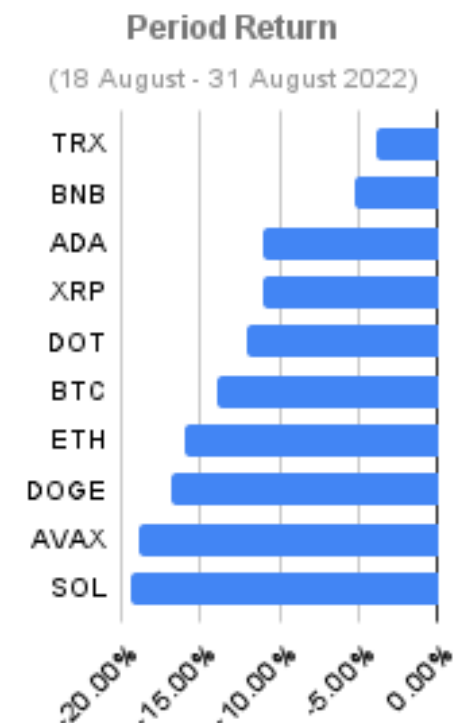
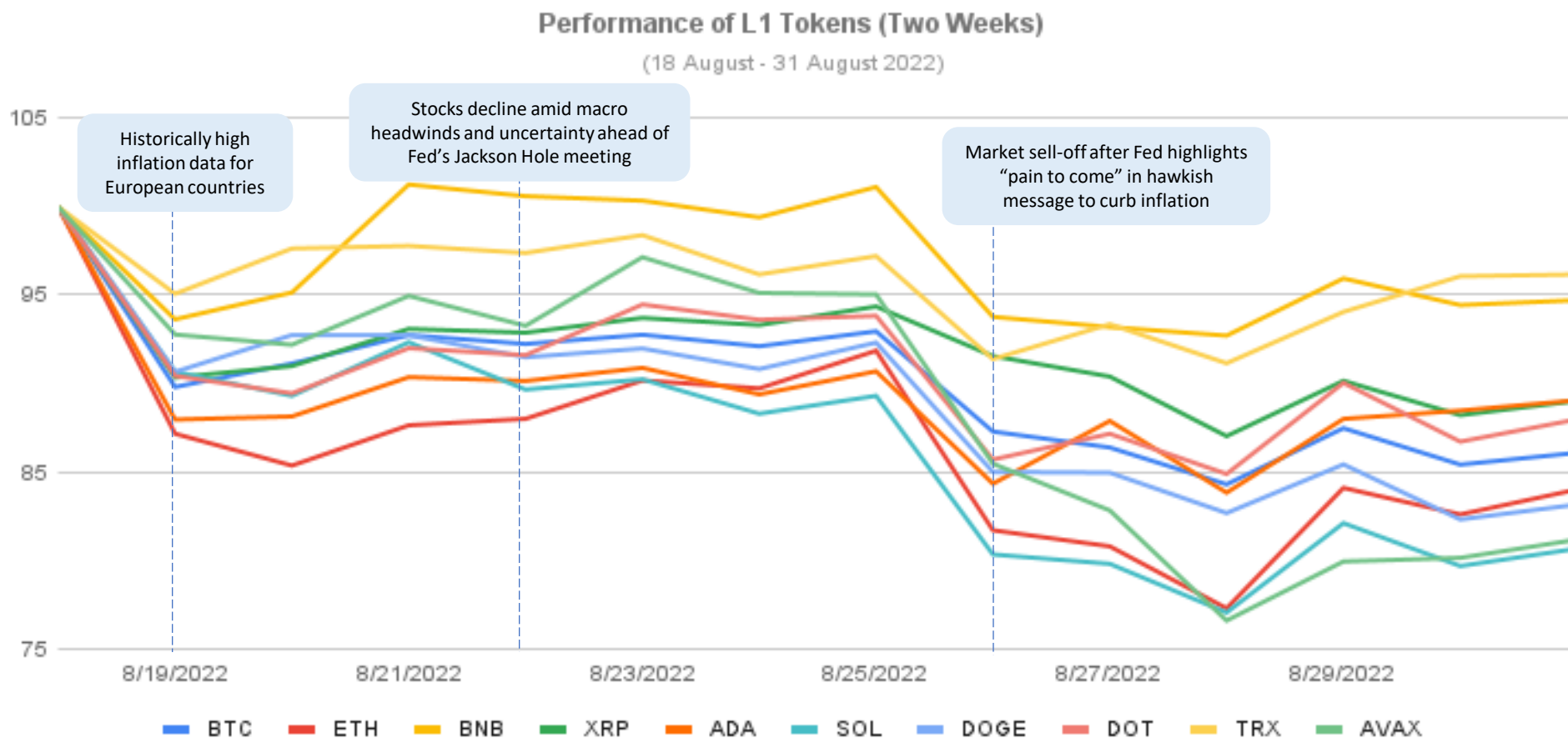
Performance of Top-Ranking Crypto (One Year)

(31 August 2021 = 100)



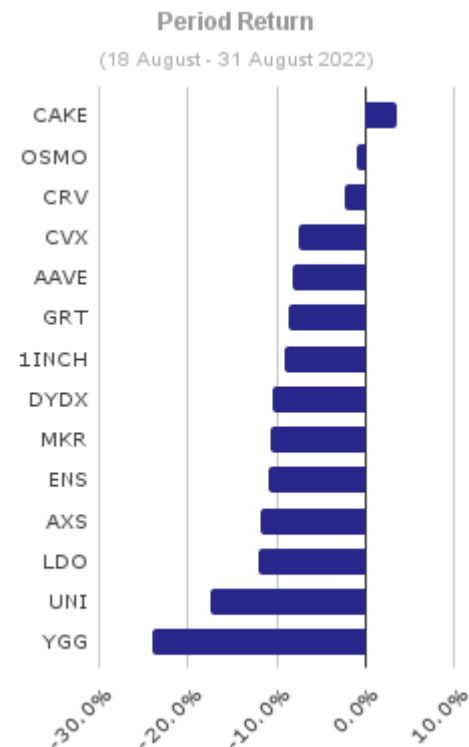
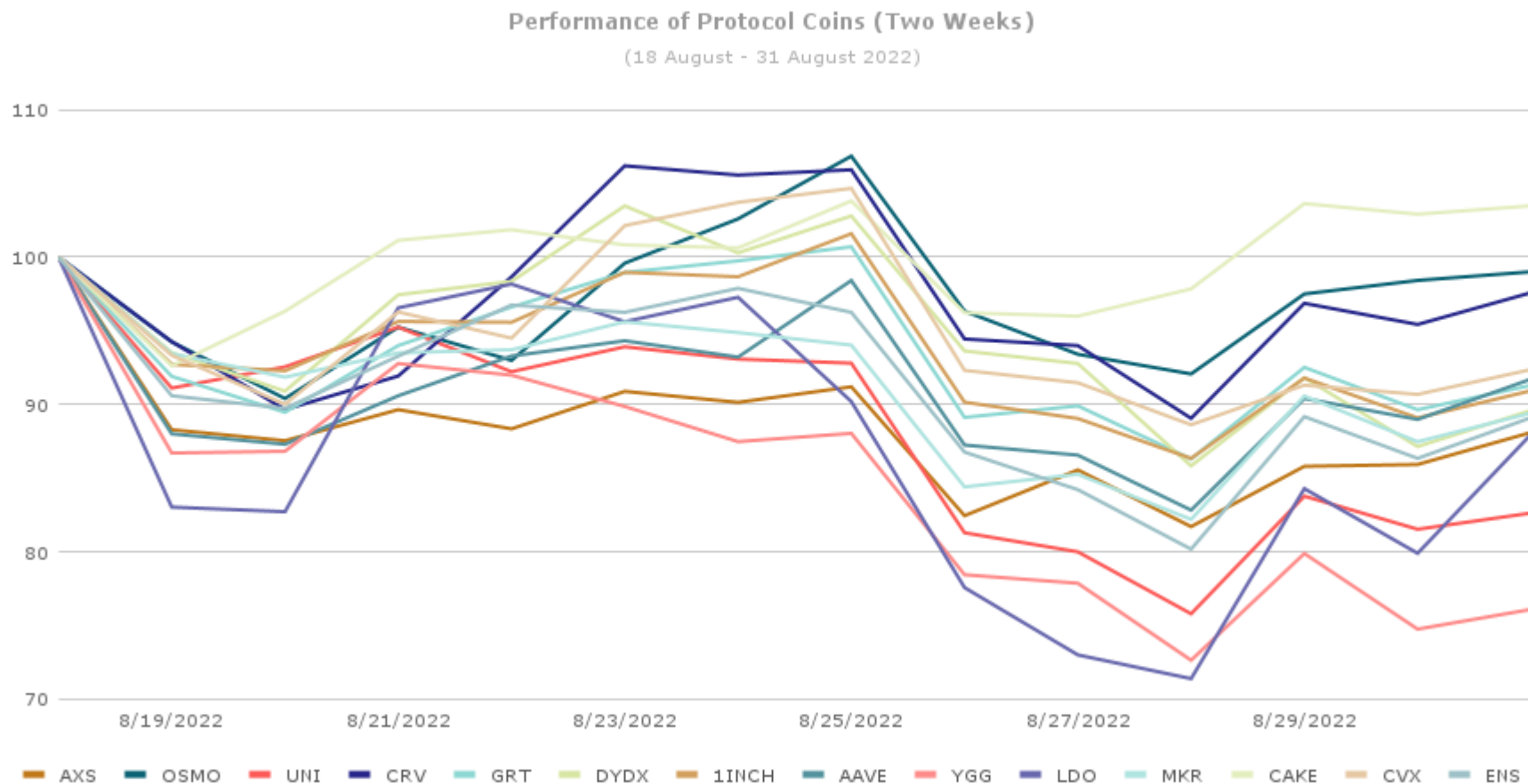
Layer-1 Price Recap (18 August – 31 August 2022)

- **SOL** leads losses as all major L1 tokens retrace from earlier gains two weeks ago
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- All major tokens retrace, following global market after Powell's signal that more rate hikes are to come



Protocol Price Recap (18 August – 31 August 2022)

- Most coins follow wider trend of trending downwards



Valuation – BTC and ETH Market Cap to Active Addresses

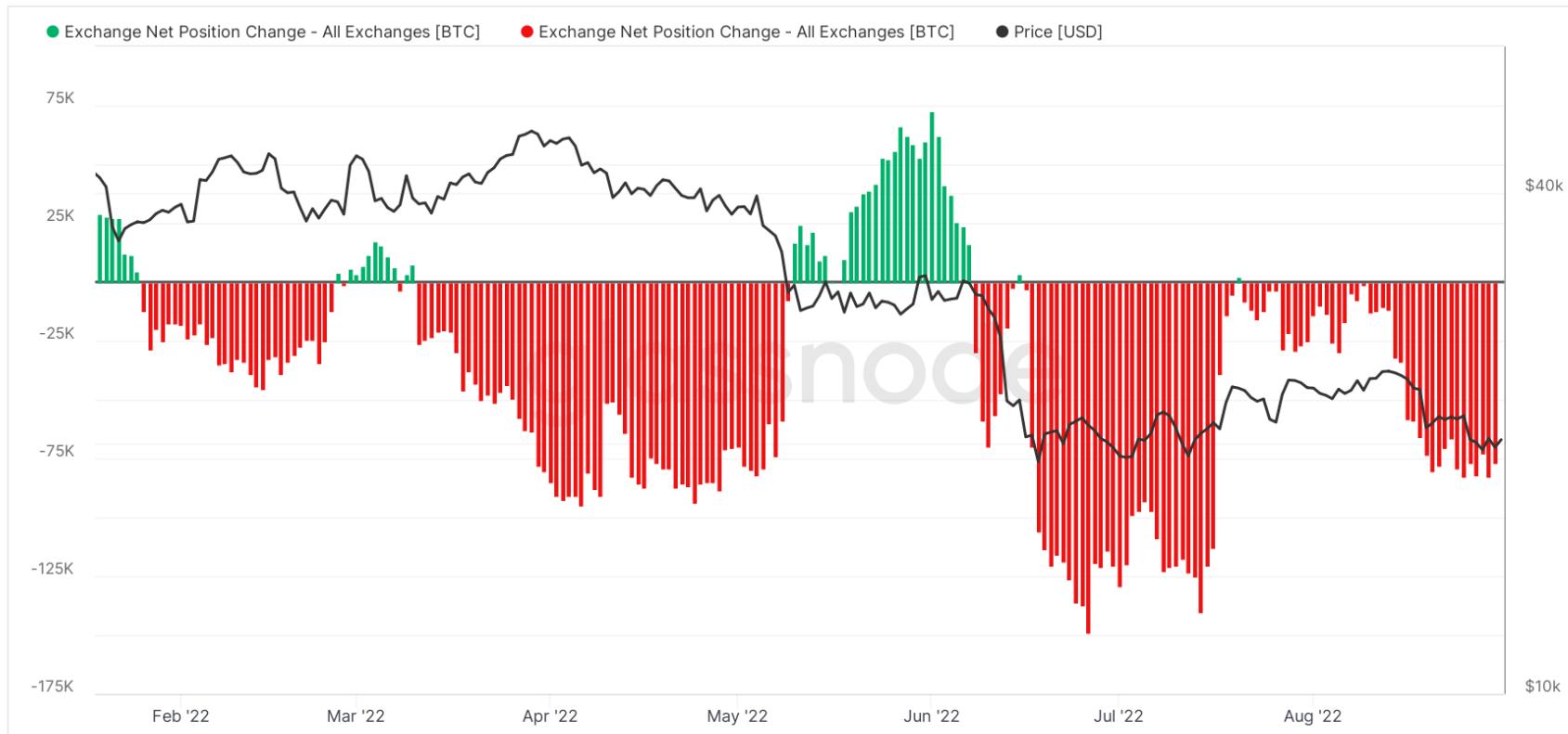


| | BTC | ETH |
|---------------------------|------|-------|
| Valuation Multiple | | |
| 2017-2018 Run | 2.2x | 7.1x |
| 2020-2022 Run | 5.6x | 13.4x |
| Network Usage | | |
| 2017-2018 Run | 1.3x | 7.0x |
| 2020-2022 Run | 1.5x | 2.8x |

- 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 spiked as price speculators bet on the Merge event while active addresses continue to fall.

Bitcoin – outflows increase as exchange balances continue to decline to 4yr+ lows

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

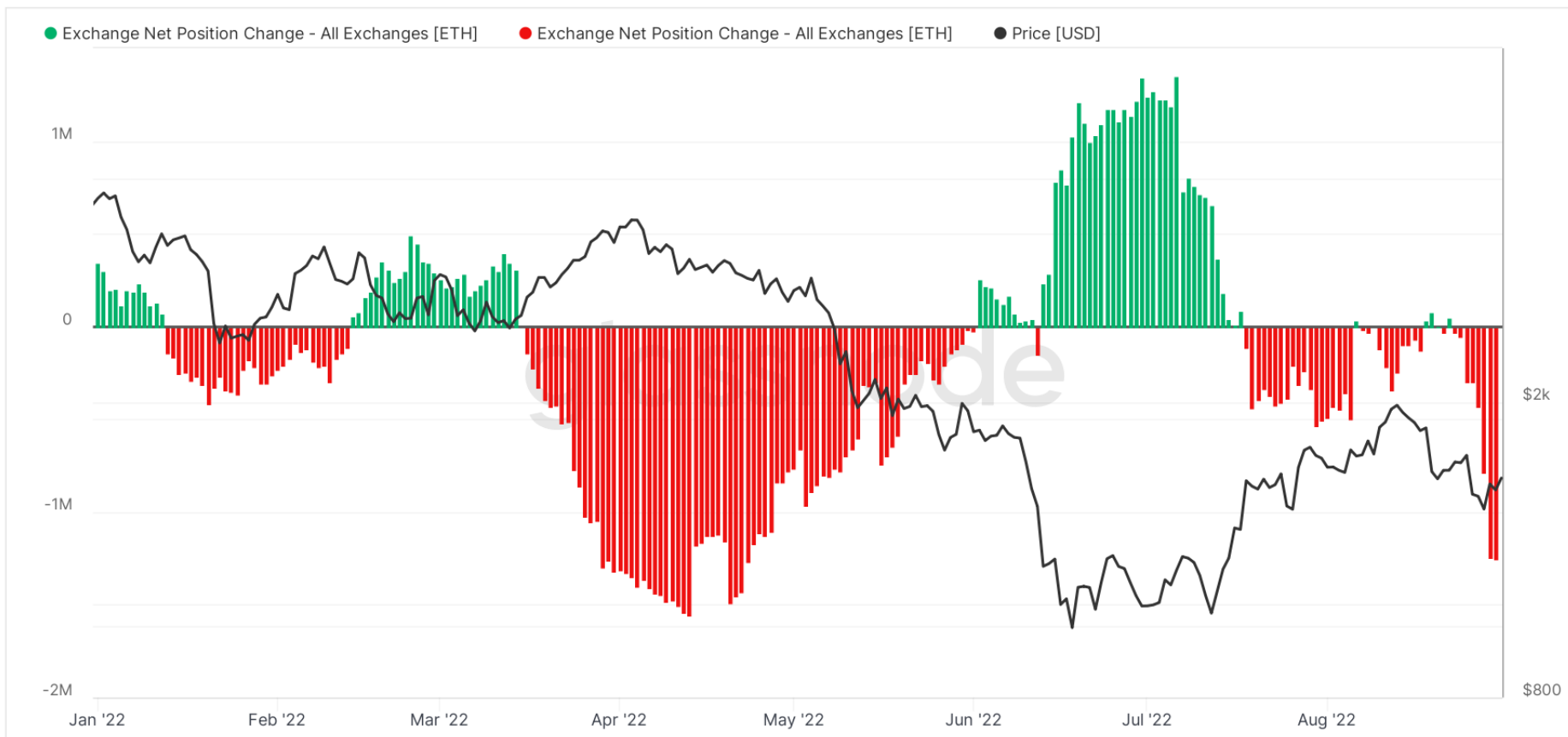


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Ethereum – net position change spikes as we enter the final weeks before the Merge

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



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Layer-1 Blockchains

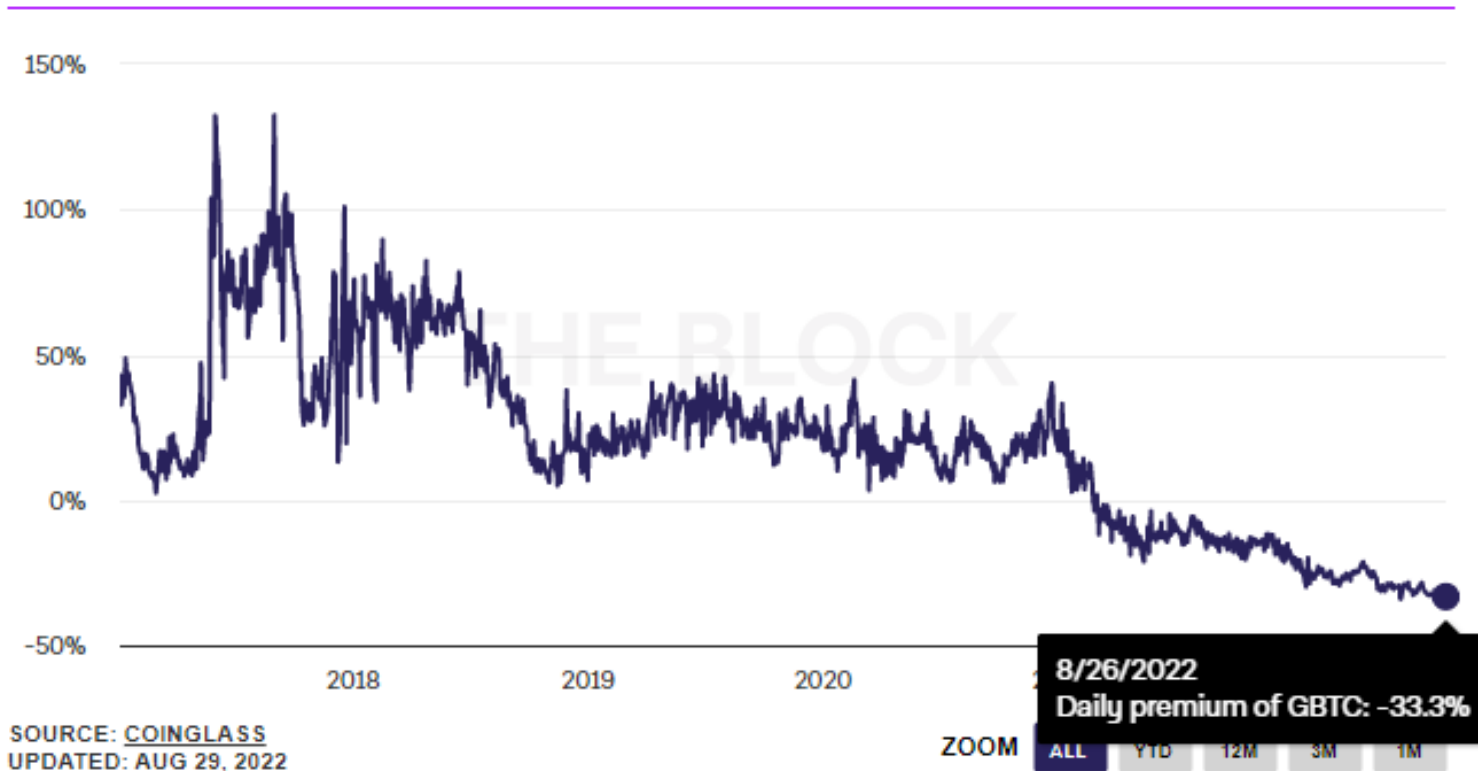
Layer-1 Summary (18 August – 31 August 2022)

- 1. Bitcoin (2W: -13.7%)/(YTD: -58.0%)**
GBTC discount to NAV continues to widen
- 2. Ethereum (2W: -15.1%)/(YTD: -58.4%)**
High volume in derivatives, but futures market seems bearish
- 3. Avalanche (2W: -25.2%)/(YTD: -82.4%)**
Videos exposing alleged unethical business practices with law firm
- 4. News and Headlines**

Bitcoin – GBTC Discount to NAV Continues to Widen



Daily GBTC Premium/Discount to NAV

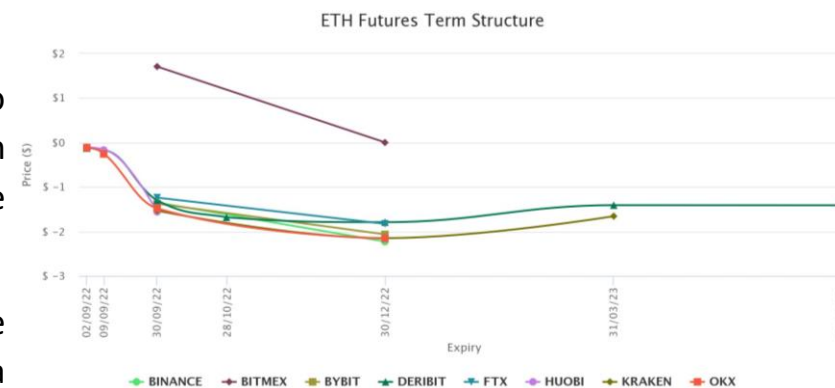


- GBTC's Discount to NAV continues to widen, reaching a near all-time low of **33.3%**.
- The OTC-traded Bitcoin fund by Grayscale, has been trading at a discount since early 2021.
- The fund trades at a discount since it cannot be readily converted to actual BTC unlike an ETF, and it charges a 2% annual management fee.
- The discount has widened over time as the SEC denied Grayscale's bid to convert the trust to an ETF, which would have arbitrated-away the discount.
- While Grayscale sued SEC after the rejection, the ruling is not expected in the near-term, so the trust's aspirations to become an ETF remains murky.

Ethereum – High volume in derivatives, but futures market seems bearish



- Ethereum options market continues to grow with open interest signaling high interest in the market ahead of the Merge.
- Market expectations are high for the Merge with put/call ratio, reaching a one-year low of 0.22 before climbing back up to ~0.25.
- Meanwhile, the futures market seems to be bearish as it is currently in backwardation, while the perps market is also having negative funding rate, implying bearish market sentiment.



Avalanche – Videos exposing alleged unethical business practices with law firm

- An article from Crypto Leaks **alleged that Ava Labs and crypto attorney Kyle Roche’s law firm colluded unethically to gain a competitive advantage in the crypto industry.** However, many have noted the article to be a “hit piece” or “conspiracy” due to the murky background of Crypto Leaks.
- The article included a series of secret recordings purportedly showing Kyle Roche of Roche Freedman LLP admitting to a secret partnership with Emin Gün Sirer and Kevin Sekniqi, CEO and COO of Ava Labs respectively.
- The videos claimed that the two parties had a deal to provide legal services to Ava Labs in exchange for AVAX tokens (apparently 1% of supply) and Ava Labs equity and would frequently use litigation as a tool to hurt competitors, misdirect US regulators, and to use the litigation process (discovery) to obtain detailed information about the inner workings of competing companies.
- Gün Sirer and Kyle Roche both issued a statement denying any “secret pact” between the two and any unethical business dealings at Ava Labs. Roche suggested that statements from the secret video were recorded illegally and under the influence of alcohol and published without context.
- In the aftermath, the attorney withdrawn from several class action lawsuits against Binance, Tether, and other large crypto companies.



Emin Gün Sirer 
@el33th4xor

...

How could anyone believe something so ridiculous as the conspiracy theory nonsense on Cryptoleaks? We would never engage in the unlawful, unethical and just plain wrong behavior claimed in these self-serving videos and inflammatory article. Our tech & team speak for themselves.

5:46 AM · Aug 29, 2022 · Twitter Web App



Cobie 
@cobie

...

Things that discredit CryptoLeaks:

- fanfiction-style dramatic writing, worse than tabloids
- clearly bad faith & biased reporting
- paying to promote their own tweets
- their previous defending ICP articles

Things that look bad for Ava Labs:

- the video lol

8:48 PM · Aug 29, 2022 · Twitter for iPhone

News & Headlines

Alameda Research Co-CEO Resigns

Sam Trabucco, co-CEO of Alameda Research, announced on Twitter that he will be stepping down as co-CEO of Alameda Research for personal reasons and will continue on as an advisor as he has been gradually scaling down his role for the past few months. Caroline Ellison will continue as CEO. [[The Block](#)]

Coinbase Launches Liquid Staking Ahead of Merge

Coinbase announced the launch of its own liquid staking token, cbETH, ahead of Ethereum's Merge in September. The token can be used to stake ETH through Coinbase and as collateral in DeFi protocols. cbETH is similar in concept to stETH on Lido. [[CoinDesk](#)]

Coinbase Launches Nano Ether Futures

Coinbase launched its nano ETH futures on its derivatives platform, following its nano BTC futures launch in June. Each contract will represent 1/10 of an ETH, providing an accessible way for the retail trader. [[The Block](#)]

CME Group Launches Euro-Denominated BTC & ETH Futures

The world's largest financial derivatives exchange has launched its euro-denominated BTC and ETH futures contracts. The cash-settled contracts will be set at 5 BTC and 50 ETH each. [[BeInCrypto](#)]

Tornado Cash Developer Arrest Draws Protest

Over 50 people protested the arrest of blockchain developer Alexey Pertsev, who was suspected to be involved with the Tornado Cash protocol, in Amsterdam's Dam Square last week. The developer was arrested two days after the US Treasury Department sanctioned the crypto mixer. [[CoinDesk](#)]

Traditional Brokerages in South Korea Plans Crypto Offerings

According to local reports, seven traditional brokerages in South Korea have begun planning the launch of their own crypto exchanges in 2023. The firms have already applied for preliminary approval and established standalone firms to run the exchanges. Samsung Securities and Mirae Asset Securities are among those cited. [[CoinDesk](#)]

Crypto ATM Operator to go Public in SPAC Deal

The world's largest operator of crypto ATMs, Bitcoin Depot, is planning to list on Nasdaq through a SPAC merge at an estimated value of US\$885 million. The deal is expected to complete by Q1 of 2023. Bitcoin Depot has a network of over 7,000 locations across North America. [[CoinDesk](#)]

Binance to Help Busan to Develop Blockchain Industry

Binance has signed a memorandum of understanding (MoU) with Busan, South Korea, to help the city to develop its blockchain ecosystem and promote the Busan Digital Asset Exchange. Binance will provide technological and infrastructure expertise, and will establish a presence in Busan by the end of 2022, based on the MoU. [[CoinDesk](#)]

News & Headlines

Bitcoin Miner Argo Reduces Hash Rate Guidance by 42%

Bitcoin miner Argo Blockchain is slowing its growth for the rest of the year by reducing its year-end hash rate guidance to 3.2 EH/s from 5.5 EH/s, a 42% reduction. The change reflects the company's expectations for the delivery and deployment of Intel's Blockscales ASIC chips, according to Argo's CEO. [[The Block](#)]

Celsius Says it has Enough Cash to Last Through the Year

During a bankruptcy call with creditors, bankrupt crypto platform Celsius Network's CFO testified that it now likely has enough money to fund its operations until the end of 2022. It had previously estimated that it would run out of cash by October. [[CoinDesk](#)]

Australian Gas Chain OTR to Accept Crypto

Australian gas station chain OTR announced that it would begin accepting crypto across its 175 gas and convenience store locations in a partnership with Crypto.com and DataMesh Group. OTR's parent company, Peregrine Corp, plans to roll out the service to 250 other retail stores as well. [[OTR](#)]

Ethermine to Drop PoW Ethereum Post-Merge

Ethermine, the largest Ethereum mining pool, will not support a PoW fork of Ethereum after the Merge. Since the Merge will make mining obsolete, Ethermine's mining pool will switch to withdrawal-only mode after the blockchain successfully switches to PoS. [[The Defiant](#)]

Hodlnaut Placed Under Interim Judicial Management

Singapore-based crypto platform Hodlnaut was placed under interim judicial management, a type of creditor protection, by a Singapore court. The judge appointed Ee Meng Yen Angela and Aaron Loh Cheng Lee, care of EY Corporate Advisors Pte. Ltd., as Hodlnaut's interim judicial managers. [[CoinDesk](#)]

Indonesia Tech Giant GoTo Enters Crypto Market

Indonesia's largest tech company, GoTo Gojek Tokopedia, is beginning its venture into cryptocurrency with the acquisition of local crypto exchange Kripto Maksima Koin. The company noted that it wanted to become a "diverse money management hub." [[CoinDesk](#)]

Temasek to Lead US\$100 million Funding Round for Animoca Brands

Singapore's state investor Temasek Holdings will be leading a US\$100 million funding round for Animoca Brands, a game publisher-turned-blockchain investor, becoming especially active in investing during the recent market downturn. Animoca Brands was valued at US\$6 billion when it raised US\$75 million earlier this summer. [[Bloomberg](#)]

Stablecoins

Stablecoins Summary (18 August – 31 August)

1. **Centralized Stablecoins**

USDT will not blanket-ban sanctioned addresses, will wait on specific requests from authorities instead

2. **Decentralized Stablecoins**

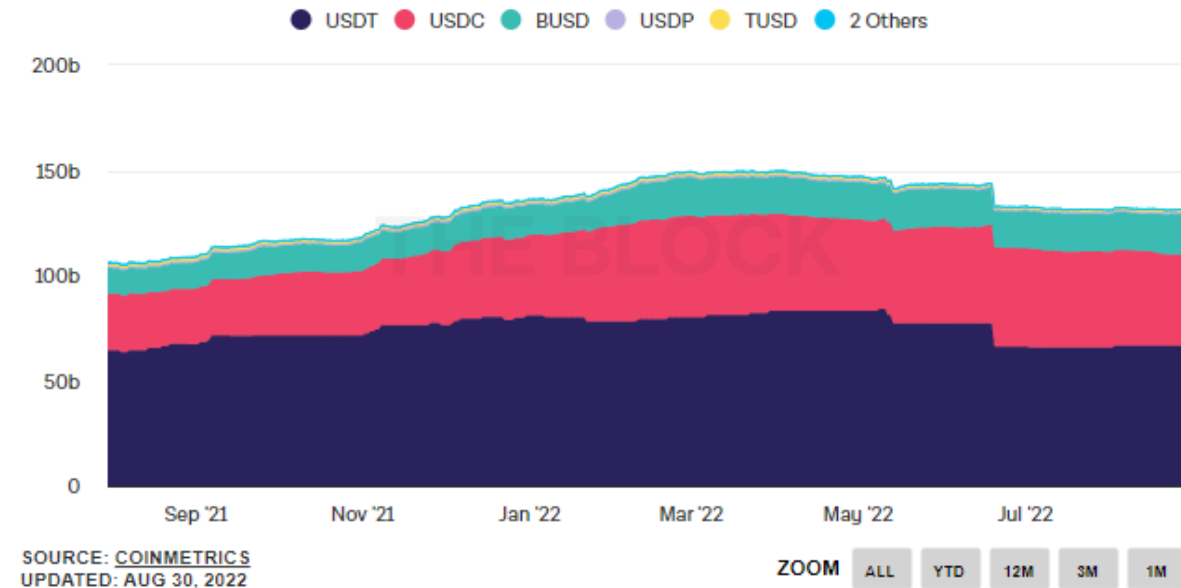
MakerDAO debates to free float DAI, Curve stablecoin may launch in September

Centralized Stablecoin Updates – USDT will not blanket-ban sanctioned addresses

- In the past two weeks:
 - Total stablecoin supply and centralized stablecoin supply was nearly unchanged at US\$142.2b (-0.0%) and US\$131.3b (-0.0%) respectively.
 - USDT supply was unchanged at US\$66.6b and USDC supply dropped 1% to US\$45b, affected by its blacklisting of Tornado Cash-related addresses.
- After the issuer of USDC blacklisted Tornado Cash's wallet addresses, Tether said that it will not freeze any sanctioned addresses holding USDT **unless specifically asked to by law enforcement**.
 - The issuer of USDT has noted that it is in near-daily communications with law enforcement and has not been asked to freeze any assets.
 - The stark difference from USDC has garnered some cheers around the community, though Tether is more active in banning addresses.
 - Tether has banned 717 addresses, while only 82 USDC addresses have been banned.



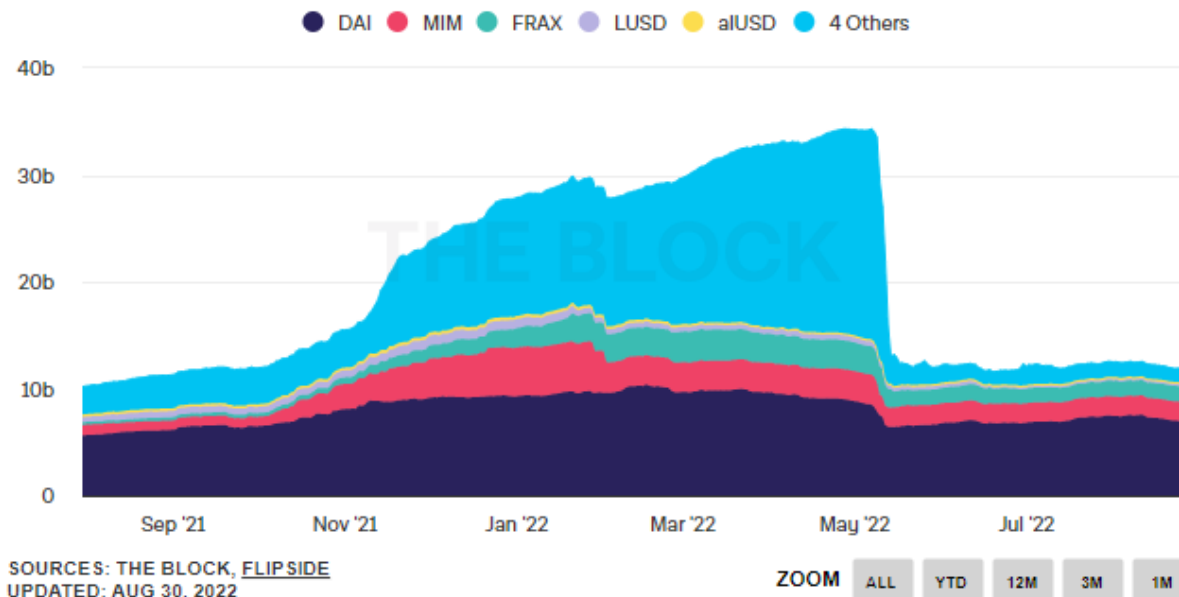
Total Fiat-backed Stablecoin Supply



Decentralized Stablecoin Updates – MakerDAO debates to free float DAI, Curve stablecoin launch imminent?



Total Crypto-backed and Algorithmic Stablecoin Supply



- Co-founder of MakerDAO Rune Christensen has posted on the MakerDAO forum to suggest that “**Maker has no choice but to prepare to free float Dai.**”
- The post comes weeks after brief suggestions that DAI should depeg from USD after the Tornado Cash sanction debacle.
- Christensen suggests DAI has to “limit attack surface” (being compliant to crackdown) by reducing its exposure to real-world assets.
- The suggestion would likely cause DAI to free float away from USD at a stable and predictable rate.
- Meanwhile, Curve Finance founder suggested that **Curve’s native stablecoin crvUSD may launch in September.**

DeFi

DeFi Summary (18 August – 31 August 2022)

1. TVL by Chain

- TVL falls by over 8% as crypto prices reflect Fed's hawkish stance

2. TVL by Protocol

- Avalanche TVL dropped 14.8%, mostly from the last three days, likely affected by the negative press on Ava Labs
- Polygon TVL declined 15.5%, with TVL leader MM Finance facing a 33.6% TVL drop
- Cronos TVL fell nearly 16%, with leading protocols all facing double-digit %TVL declines, including MM Finance as well

3. DeFi Revenue

- Protocol revenue have in general declined week over week, with a few outliers, in line with the broader market

4. DeFi Valuation – Uniswap and Curve relatively overvalued based on P/TVL and P/Revenue respectively

5. Top DEX Pools

- Pool liquidities drop in general due to decline in token prices
- DAI-USDC pool (Uniswap) liquidity drops 58% amid regulatory risks on USDC and DAI uncertainty

6. Top Pools in terms of TVL/APY - Yield Farming

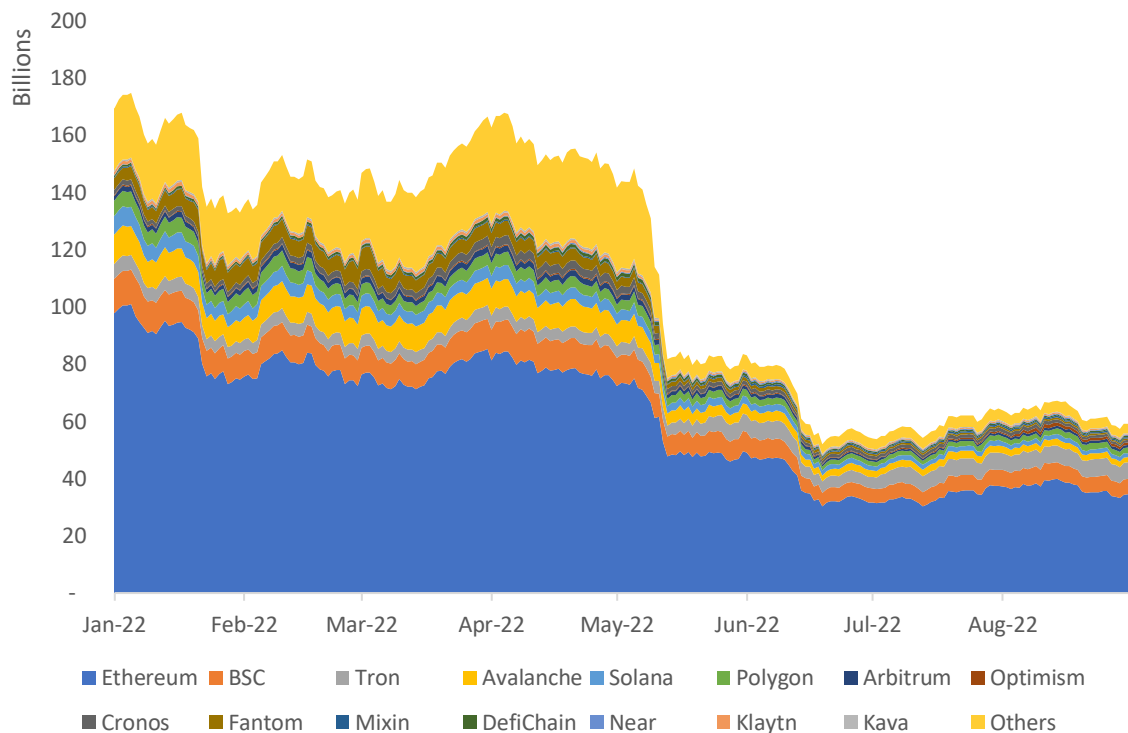
- APYs increase as crypto prices decline

7. Noteworthy DeFi Protocols

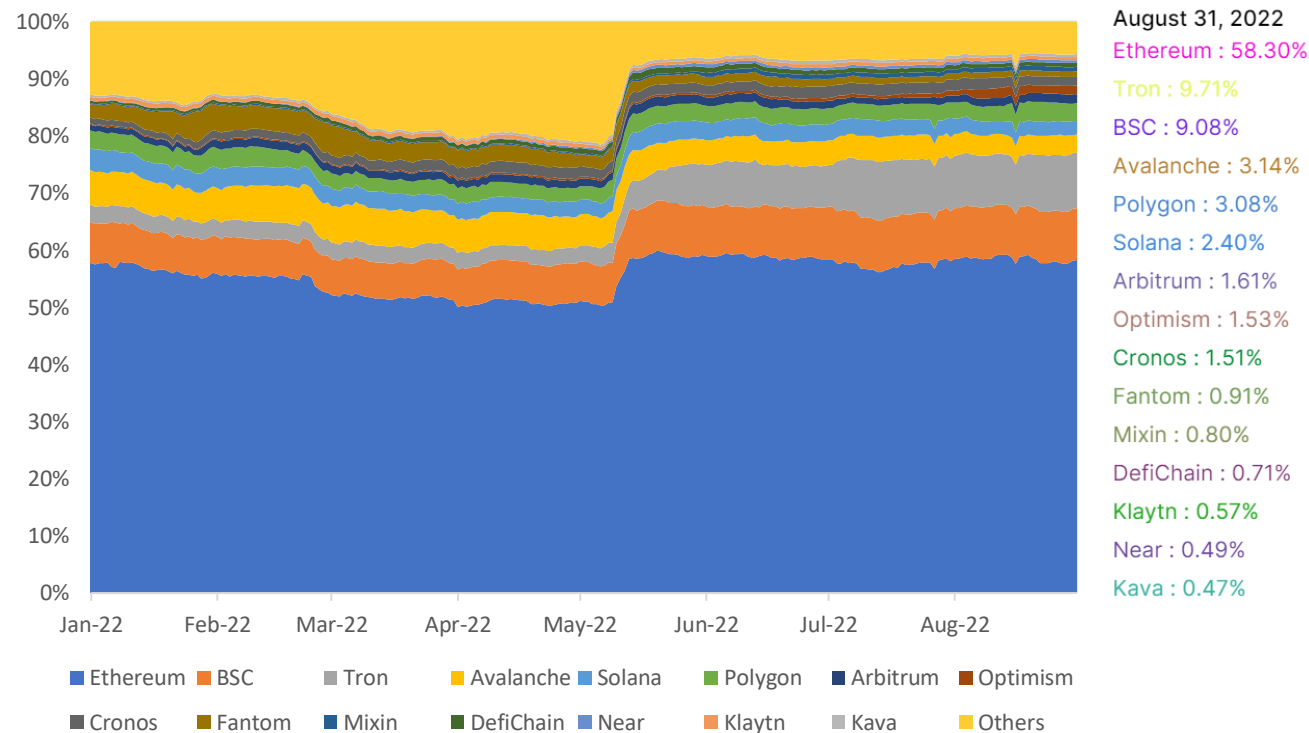
- **Synthetix** weighs ditching inflationary tokenomics
- **Compound** erroneously freezes cETH market
- **BendDAO's** liquidity crisis
- **Arbitrum Nitro** upgrade complete

TVL Overview by Chain – TVL falls by over 8% as crypto prices reflect Fed's hawkish stance

TVL Trend by Chain



TVL Breakdown by Chain

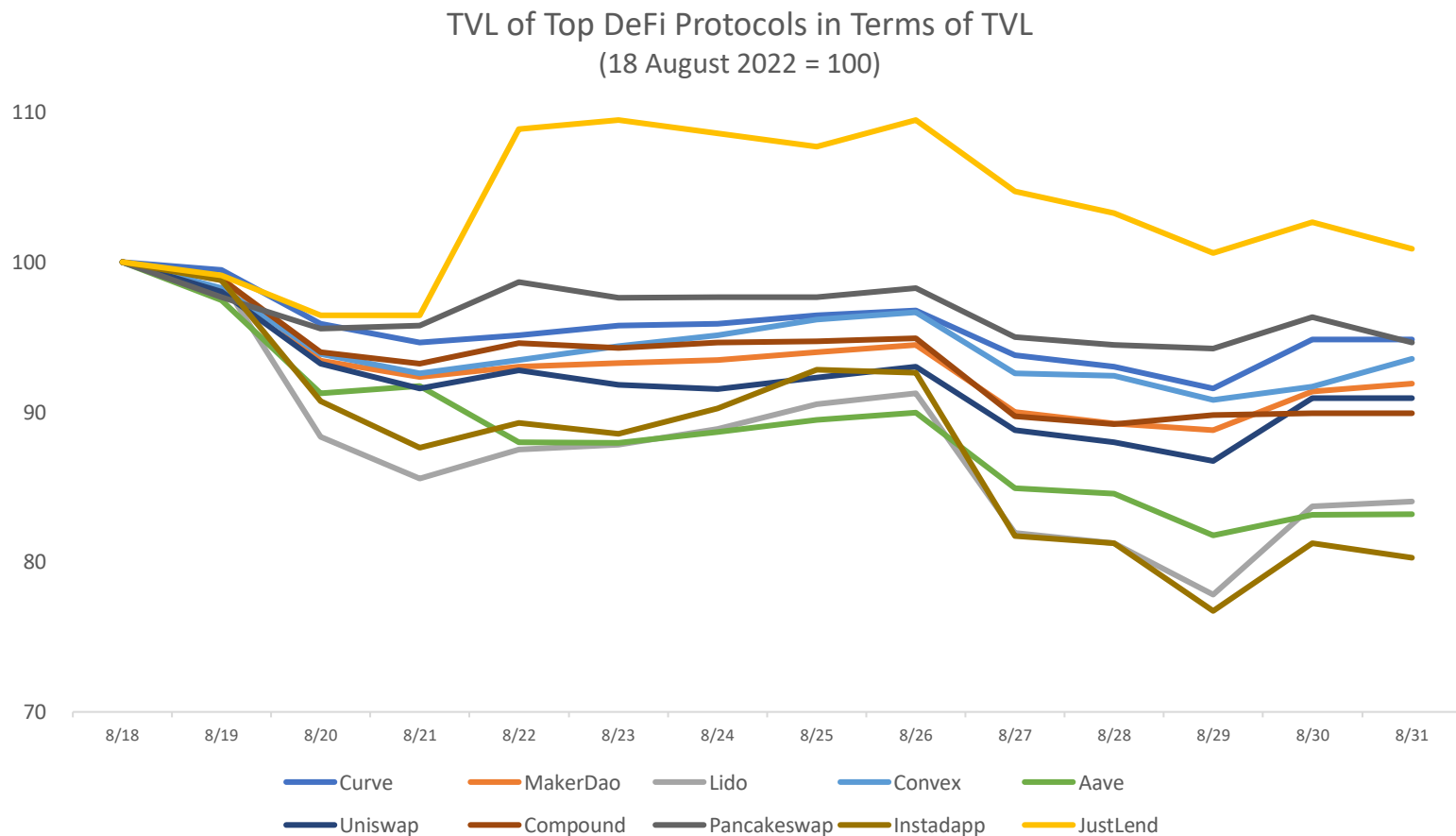


Total TVL dropped 8.1% to US\$59.2bn driven by a decline in crypto prices. During the period, notable winners/losers were:

- Avalanche TVL dropped 14.8%, mostly from the last three days, likely affected by the negative press on Ava Labs.
- Polygon TVL declined 15.5%, with TVL leader MM Finance facing a 33.6% TVL drop.
- Cronos TVL fell nearly 16%, with leading protocols all facing double-digit %TVL declines, including MM Finance as well.

TVL Overview by Protocols

- Overall TVL declined with native token price depreciation, in-line with global market performance

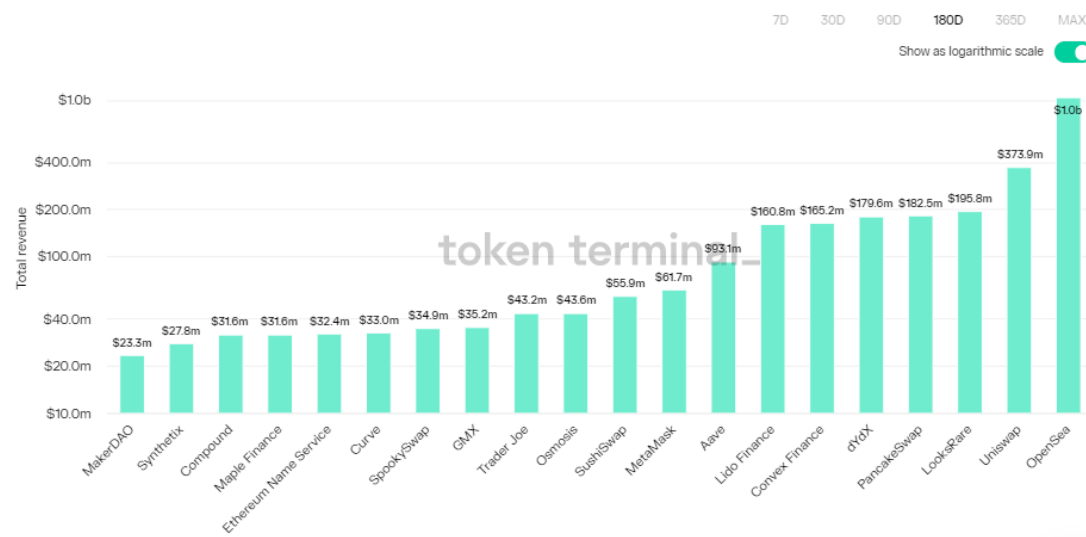


| Proccotol | 18 Aug TVL (USD m) | 31 Aug TVL (USD m) | Period Change |
|-----------|--------------------|--------------------|---------------|
| MakerDAO | 8,696 | 7,991 | -8.1% |
| Uniswap | 6,161 | 5,602 | -9.1% |
| Pancake | 3,209 | 3,037 | -5.4% |
| Compound | 2,977 | 2,676 | -10.1% |
| Instadapp | 2,674 | 2,147 | -19.7% |
| Lido | 8,124 | 6,826 | -16.0% |
| Uniswap | 4,506 | 4,215 | -6.5% |
| Curve | 6,111 | 5,795 | -5.2% |
| Convex | 4,506 | 4,215 | -6.5% |
| Aave | 7,291 | 6,065 | -16.8% |
| JustLend | 3,380 | 3,410 | 0.9% |

DeFi Revenue - DeFi Protocols

- Protocol revenue have in general declined week over week, with a few outliers, in line with the broader market where crypto prices retrace from earlier runs.
- Lyra, a decentralized exchange to trade crypto options, entered the top 20 list in revenue, likely boosted by high interest for Ethereum options ahead of the Merge.

Top dapps based on cumulative total revenue in the past 180 days.

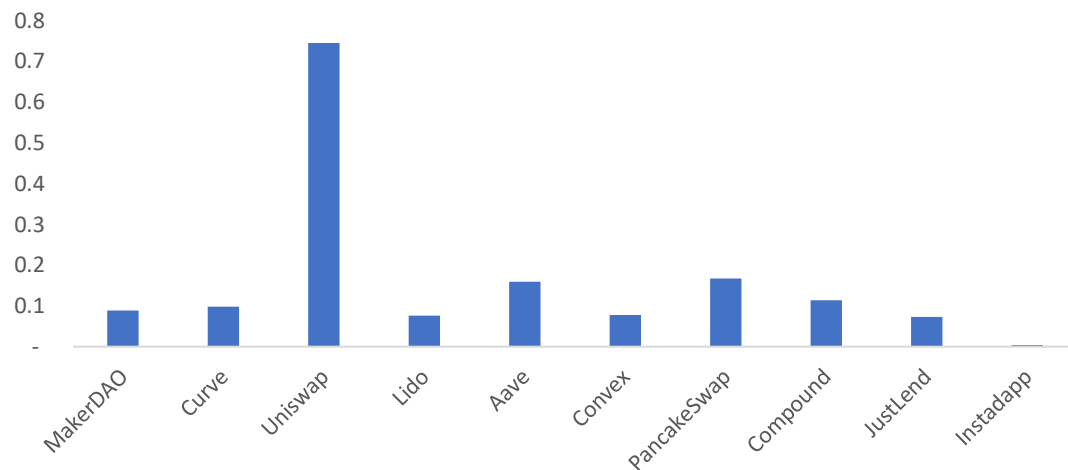


| Project | Revenue 7d (US\$) | Revenue 30d (US\$) | Revenue 180d (US\$) | 7d Change | 30d Change |
|----------------|-------------------|--------------------|---------------------|-----------|------------|
| OpenSea | \$ 10.8m | \$ 50.8m | \$ 1,034.5m | -7.5% | -9.5% |
| Uniswap | \$ 10.7m | \$ 47.6m | \$ 370.8m | -11.0% | -0.8% |
| Lido Finance | \$ 5.5m | \$ 25.5m | \$ 160.0m | -8.4% | 26.5% |
| dYdX | \$ 4.6m | \$ 23.9m | \$ 178.5m | -15.4% | 4.3% |
| Convex Finance | \$ 3.7m | \$ 20.7m | \$ 163.7m | -13.5% | 0.3% |
| PancakeSwap | \$ 4.0m | \$ 19.5m | \$ 181.2m | -6.9% | 39.9% |
| Aave | \$ 2.7m | \$ 11.8m | \$ 92.5m | -4.5% | 39.0% |
| GMX | \$ 2.4m | \$ 7.2m | \$ 34.9m | 18.6% | 44.6% |
| Synthetix | \$ 1.7m | \$ 5.8m | \$ 27.7m | 20.9% | -39.6% |
| SushiSwap | \$ 1.0m | \$ 5.5m | \$ 55.3m | -24.3% | 14.7% |
| 1inch | \$ 0.2m | \$ 5.2m | \$ 22.7m | 36.4% | 344.1% |
| LooksRare | \$ 1.0m | \$ 4.9m | \$ 193.8m | 1.6% | -14.0% |
| Maple Finance | \$ 0.6m | \$ 3.9m | \$ 31.4m | -48.3% | -2.0% |
| ENS | \$ 0.8m | \$ 3.7m | \$ 32.2m | -26.2% | -37.2% |
| MetaMask | \$ 0.7m | \$ 3.4m | \$ 48.8m | -28.2% | 0.8% |
| X2Y2 | \$ 0.6m | \$ 3.0m | \$ 13.5m | -9.5% | -11.1% |
| Balancer | \$ 0.4m | \$ 2.1m | \$ 21.4m | 8.1% | -12.0% |
| Lyra | \$ 0.5m | \$ 2.0m | \$ 10.2m | 0.4% | 105.5% |
| Compound | \$ 0.4m | \$ 1.8m | \$ 31.3m | -16.5% | 5.0% |
| Trader Joe | \$ 0.3m | \$ 1.8m | \$ 42.6m | -17.0% | -22.9% |

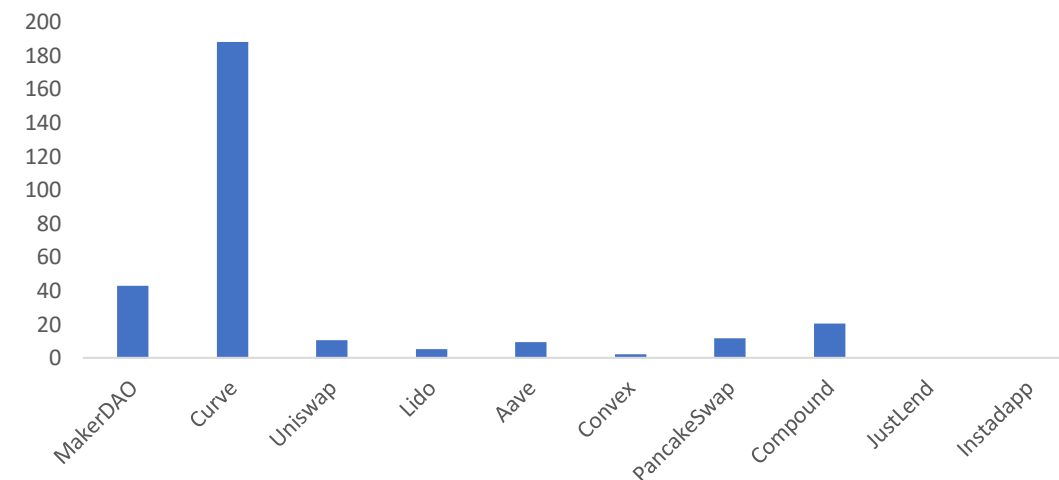
Note: As of 31 August 2022

DeFi Valuation

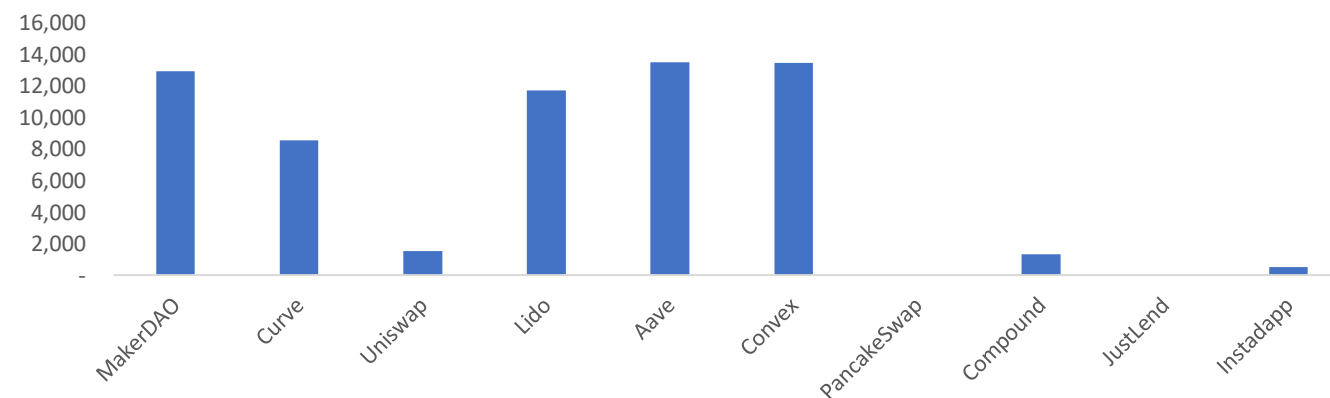
P/TVL Ratio (Top 10 Projects by TVL)



P/S Ratio (Annualized Revenue)



P/Users Ratio



Note: As of 31 August 2022. Protocols with a ratio of 0 means insufficient data.

Source: TokenTerminal, Dune Analytics, CoinMarketCap

Top DEX Pool Trends

- DAI-USDC pool (Uniswap) liquidity drops 58% amid regulatory risks on USDC and DAI uncertainty

Curve

Top Pools ?

| # | Pool | Liquidity | Volume | Fees | ROL |
|----|------------|-----------|-----------|----------|-------|
| 1 | steth | \$1.23b | \$6.82m | \$1.52k | 0.05% |
| 2 | 3pool | \$918.61m | \$41.56m | \$3k | 0.12% |
| 3 | frax | \$879.02m | \$608.04k | \$273.26 | 0.06% |
| 4 | tricrypto2 | \$248.77m | \$48.74m | \$10.76k | 1.59% |
| 5 | mim | \$169.37m | \$647.68k | \$480.70 | 0.13% |
| 6 | susd | \$116.38m | \$5.35m | \$1.32k | 0.41% |
| 7 | alusd | \$98.07m | \$1.16k | \$152.89 | 0.10% |
| 8 | tusd | \$87.2m | \$2.21k | \$0.44 | 0.07% |
| 9 | compound | \$64.75m | \$0.00 | \$0.00 | 0.00% |
| 10 | lusd | \$59.06m | \$12.23m | \$2.42k | 1.60% |

Liquidity Provided



Uniswap

Top Pairs ?

| # | Pair/Pool | Liquidity | Volume | Fees | ROL |
|----|-------------|-----------|-----------|----------|--------|
| 1 | WISE - ETH | \$116.44m | \$46.35k | \$139.05 | 0.04% |
| 2 | USDC - ETH | \$109.44m | \$13.01m | \$39.02k | 13.01% |
| 3 | DAI - USDC | \$50.41m | \$40.13k | \$120.40 | 0.09% |
| 4 | FXS - FRAX | \$48.27m | \$2.68m | \$8.03k | 6.07% |
| 5 | ETH - USDT | \$33.97m | \$5.15m | \$15.45k | 16.60% |
| 6 | FNK - USDT | \$29.84m | \$65.56 | \$0.20 | 0.00% |
| 7 | FEI - TRIBE | \$29.53m | \$645.77k | \$1.94k | 2.39% |
| 8 | MC - ETH | \$23.7m | \$168.16k | \$504.47 | 0.78% |
| 9 | UNI - ETH | \$20.67m | \$573.8k | \$1.72k | 3.04% |
| 10 | PAXG - ETH | \$20.34m | \$1.31m | \$3.93k | 7.05% |

Liquidity Provided



SushiSwap

Top Pairs ?

| # | Pair/Pool | Liquidity | Volume | Fees | ROL |
|----|-------------|-----------|-----------|----------|--------|
| 1 | ILV - ETH | \$78.8m | \$444.82k | \$1.33k | 0.62% |
| 2 | USDC - ETH | \$55.72m | \$7.17m | \$21.52k | 14.10% |
| 3 | ETH - USDT | \$25.51m | \$3.38m | \$10.14k | 14.52% |
| 4 | WBTC - ETH | \$20.23m | \$838.5k | \$2.52k | 4.54% |
| 5 | OHM - DAI | \$13.56m | \$543.57k | \$1.63k | 4.39% |
| 6 | SUSHI - ETH | \$11.79m | \$733.94k | \$2.2k | 6.82% |
| 7 | SYN - ETH | \$11.31m | \$816.75k | \$2.45k | 7.91% |
| 8 | TOKE - ETH | \$11.29m | \$25.94k | \$77.83 | 0.25% |
| 9 | AAVE - ETH | \$9.22m | \$427.12k | \$1.28k | 5.07% |
| 10 | ETH - ALCX | \$8.81m | \$663.04k | \$1.99k | 8.24% |

Liquidity Provided



Top DEX Pool Trends – Pool liquidities drop in general due to decline in token prices

Curve

Top Pair Data: steth

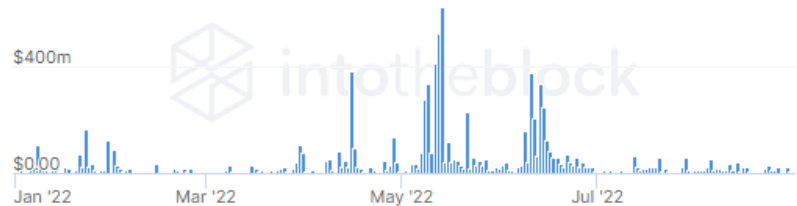
Total Liquidity, USD

\$7.5b



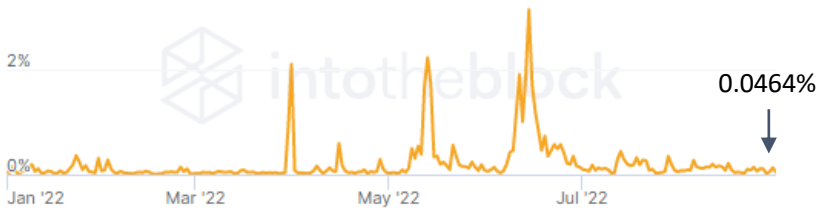
Volume Traded

\$800m



Fees per Liquidity

4%



Uniswap

Top Pair Data: WISE - ETH

Total Liquidity, USD

400M



Volume Traded

\$3.2m



Fees per Liquidity

1.5%



SushiSwap

Top Pair Data: ILV - ETH

Total Liquidity, USD

500M



Volume Traded

\$12m



Fees per Liquidity

15%



Top Yield Farming Pools - TVL

| Name | Protocol | Base | Reward | Rewards | APY | 7d ago | TVL |
|-----------------------------|--------------------------|-------|--------|-------------|-------|--------|-----------------|
| ETH | Lido Ethereum | 3.90% | - | | 3.90% | 3.90% | \$6,914,283,034 |
| USDC | Aave Ethereum | 0.36% | - | | 0.36% | 0.42% | \$1,497,079,027 |
| WETH | Aave Ethereum | 2.80% | - | | 2.80% | 2.15% | \$1,357,492,734 |
| DAI USDC | Uniswap Ethereum | 0.15% | - | | 0.15% | 0.09% | \$941,770,715 |
| stethETH stETH | Convex Ethereum | 2.89% | 5.82% | CRV CVX LDO | 8.71% | 8.49% | \$897,200,000 |
| fraxFRAX 3Crv | Convex Ethereum | 0.06% | 3.00% | CRV CVX FXS | 3.06% | 3.67% | \$884,500,000 |
| O5O BUSD <small>NEW</small> | PancakeSwap BNB Chain | 0.04% | - | | 0.04% | - | \$814,617,176 |
| ETH | Compound Ethereum | 0.10% | 0.08% | COMP | 0.17% | 0.17% | \$788,853,728 |
| WBTC | Aave Ethereum | 0.05% | - | | 0.05% | 0.07% | \$779,983,173 |
| USDC | Compound Ethereum | 0.71% | 0.38% | COMP | 1.09% | 1.14% | \$659,156,892 |

New pool on Pancakeswap – O5O, the “freshest brand” in web3

Top Yield Farming Pools - APY

Top APY pool (TVL > 100m)

| Name | Protocol | Base | Reward | Rewards | APY | 7d ago | TVL |
|------------------|------------------------|--------|--------|---------|--------|--------|---------------|
| USDC WETH | Uniswap Ethereum | 38.50% | - | | 38.50% | 38.88% | \$310,879,922 |
| WBTC WETH | Uniswap Ethereum | 34.00% | - | | 34.00% | 33.39% | \$279,735,156 |
| BTC DFI | DefiChain Defichain | - | 30.55% | DFI | 30.55% | 30.65% | \$126,618,684 |
| USDC WETH | Uniswap Ethereum | 28.73% | - | | 28.73% | 29.48% | \$339,239,582 |
| WETH USDT | Uniswap Ethereum | 28.54% | - | | 28.54% | 27.63% | \$119,984,053 |
| MEX EGLD | Maia Ethereum | 0.07% | 26.93% | MEX | 27.00% | 26.00% | \$110,247,949 |
| cvxcrvcrvCRV CRV | Convex Ethereum | 0.36% | 18.58% | CRV CVX | 18.94% | 19.70% | \$101,100,000 |
| USDC WETH | Uniswap Ethereum | 13.55% | - | | 13.55% | 8.16% | \$109,454,506 |
| USDN | Vires Waves | 12.50% | 0.19% | VIREN | 12.70% | 12.09% | \$159,688,957 |
| USDT USDC | WS Cronos | 0.01% | 9.45% | | 9.46% | 9.47% | \$315,100,000 |

Top APY pool (TVL > 10m)

| | | | | | | | |
|--------------|----------------------|--------|--------|--------------|--------|--------|--------------|
| WS WCRO | WS Cronos | 0.22% | 119% | | 120% | 120% | \$98,770,000 |
| LDO WETH | Uniswap Ethereum | 99.77% | - | | 99.77% | 81.74% | \$10,669,717 |
| WETH USDC | Uniswap Optimism | 90.39% | - | | 90.39% | 73.08% | \$11,428,963 |
| CRV (locker) | StakeDAO Ethereum | - | 85.31% | CRV SDT 3CRV | 85.31% | 87.61% | \$22,218,926 |
| USDC WETH | Uniswap Polygon | 75.27% | - | | 75.27% | 51.37% | \$12,832,210 |
| USDC OSMO | Osmosis Osmosis | 65.83% | - | | 65.83% | 66.67% | \$32,100,000 |
| WBTC OSMO | Osmosis Osmosis | 60.81% | - | | 60.81% | 63.23% | \$12,700,000 |
| WETH OSMO | Osmosis Osmosis | 50.57% | - | | 50.57% | 51.67% | \$15,300,000 |
| BADGER WBTC | Balancer Ethereum | 0.43% | 49.49% | BAL | 49.92% | - | \$16,440,792 |
| CRV | StakeDAO Ethereum | 45.52% | - | | 45.52% | 54.62% | \$21,636,019 |

APYs increase as crypto
prices decline

Note: As of 31 August 2022

Source: Coindix

Noteworthy DeFi Protocols – Synthetix weighs ditching inflationary tokenomics

SNX 1M performance



L1 Spot Fees (30 days)

\$1,904,410

L1 Spot Fee Last 30 Days



L2 Spot Fee (30 days)

\$80,577

L2 Spot Fee Last 30 Days



L2 Perp Fees (30 days)

\$2,371,814

L2 Perps Fee Last 30 Days



Liquidation Fees (30 days)

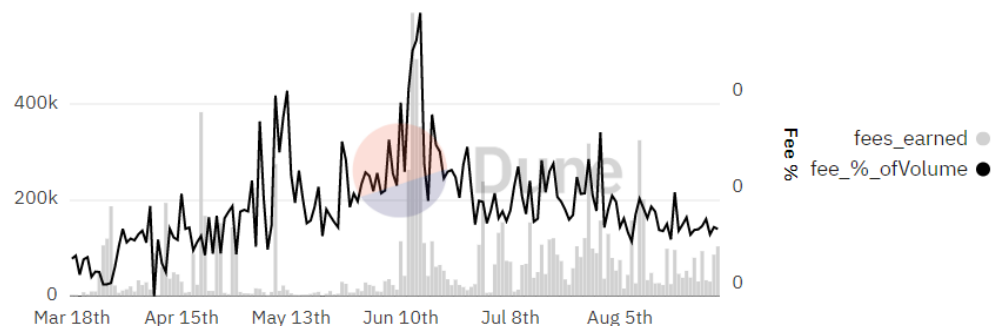
\$77,523

Liq. Fee Last 30 Days



- Synthetix founder Kain Warwick submitted a proposal to “turn off the money printer,” meaning to put an end to the protocol’s inflationary tokenomics by **capping the SNX supply at 300 million tokens**.
- Warwick noted that token inflation was intended to bootstrap the network, and it has done so “extremely effectively.” This could be seen from Synthetix’s skyrocketing volume in the past two months and emerging as the second largest protocol on Optimism.
- The fee yield from atomic swaps and perps is growing and have reached a scale that it is suitable to wind down the inflation, as well as a very “memeable 300 million mark,” according to Warwick.
- The fixed supply would ensure that the sUSD fee yield per SNX will grow alongside protocol revenue, helping with SNX token valuation models as well.

Approx. USD Value of Fees SNX Futures: Fees / Volume



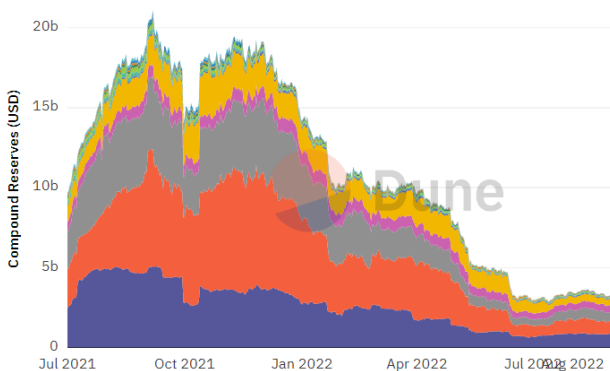
Noteworthy DeFi Protocols – Compound erroneously freezes cETH market

COMP 1M performance

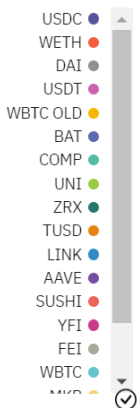


- Compound Finance recently executed a governance proposal which **indirectly led to the freezing of its Compound ETH (cETH) market for a week**, since the remedial proposal will take seven days to go into effect.
- The governance proposal updated the price feed that Compound uses, and while it was audited by three auditors, the price feed contained an error that caused people borrowing and lending cETH to have their transactions reverted.
- The error also caused Compound's front end to temporarily stop working.
- A new proposal has been created to the previous price feed and will take seven days to go into effect. While funds are not at risk, it would take seven days to unfreeze the cETH market.

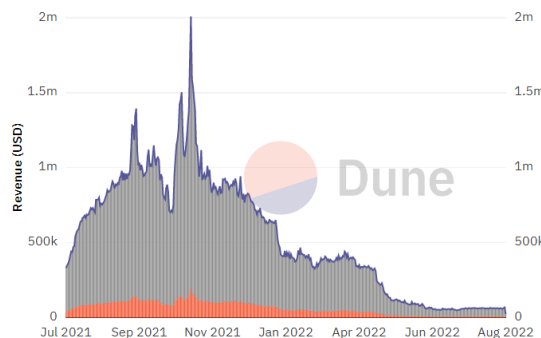
Aggregate Deposits (USD) Compound Financial Statements (Token)



@messari



Revenue (USD) Compound Financial Statements (USD)



@messari



Farmer Brown @FarmerBrownDeFi · 12h
Replying to @compoundfinance and @basedkarbon
plz tag the 'auditors'



2



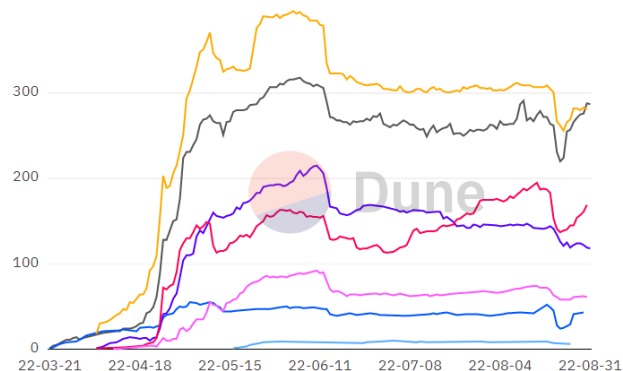
26

Noteworthy DeFi Protocols – BendDAO's liquidity crisis

CRV 1M performance



Bend Collateral Count



@cgq0123

- BendDAO, an NFT lending platform, **survived a disastrous liquidity crisis** amid a sharp decline in blue-chip NFT collections, such as Bored Ape Yacht Club.
- The majority of loans taken on BAYC and MAYC were during its near-peak of 125+ and 30+ floor prices, meaning that the prolonged dip in NFT prices put such loans in liquidation risk.
- 2.8% of BAYC supply were in the BendDAO wallet, and **over 45 BendDAO loans were at risk of being liquidated**. ETH depositors worried about the potential crisis also withdrew their ETH, **leading to a bank run of the platform's ETH wallet** from 10K ETH to just 5 ETH.
- The crisis was partially abated as some depositors went back to the platform, and some borrowers repaid their loans.
- The failure in the system was partially due to the platform's parameters – it had high minimum bid requirements and a 48-hour ETH lock-up period for bidding. It deterred buyers from participating in liquidation auctions, especially in a market downturn, where prices may decline further within the two days of lockup.
- In a proposal with emergency parameter changes, co-founder CodeInCoffee wrote “We are sorry that we underestimated how illiquid NFTs could be in a bear market when setting the initial parameters.”

Noteworthy DeFi Protocols – Arbitrum Nitro upgrade complete



- Ethereum Layer 2 solution **successfully upgraded the Arbitrum One network to Arbitrum Nitro** stack, which will help to **increase throughput, lower fees, and better experience** for developers.
- Specifically, the new improvements include:
 - Increased throughput – 7-10x higher than before
 - Advanced calldata compression – reduces amount of data posted to L1, which reduces transaction costs
 - Ethereum L1 gas compatibility – align pricing and accounting for EVM with Ethereum
 - Additional L1 interoperability – better synchronization with L1 Block numbers
- The upgrade benefits from the new prover, so the Arbitrum engine can be written and compiled using standard WebAssembly code instead of the previous custom-designed language, helping improve developer experience.

| Name | Send ETH | Swap tokens |
|----------------|----------|-------------|
| Loopring | \$0.02 | \$0.39 ▾ |
| ZKSync | \$0.02 | \$0.05 ▾ |
| Arbitrum One | \$0.03 | \$0.09 ▾ |
| Optimism | \$0.06 | \$0.09 ▾ |
| Boba Network | \$0.08 | \$0.23 ▾ |
| Aztec Network | \$0.24 | - ▾ |
| Polygon Hermez | \$0.25 | - ▾ |
| Ethereum | \$0.43 | \$2.15 ▾ |

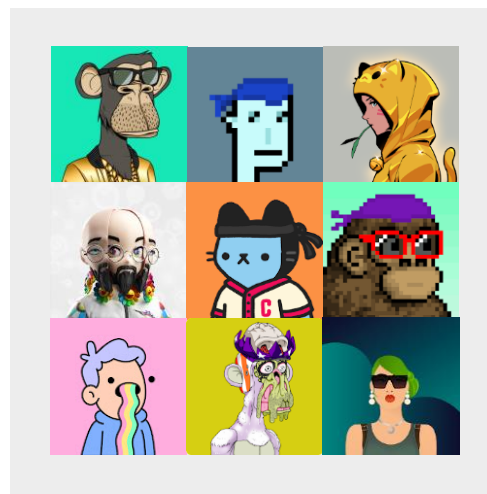
NFT & Metaverse

NFT & Metaverse Summary

1. **NFT Dashboard** – Azuki floor price boosted 30-40% after Adrian Cheng revealed as buyer of 101 Azukis
2. **Not much action in the ETH NFT space, with volume carrying previous trend**
3. **OpenSea and Magic Eden daily users in a downtrend as Sudoswap takes a portion**
4. **Sudoswap NFT AMM gains popularity**
5. **GameFi & Play-to-Earn**
Limit Break Raises US\$200mn
6. **News & Headlines**

NFT Dashboard

| Project | Floor Price | 14D | YTD |
|-----------------------------|-------------|-------|--------|
| "Blue Chip" Projects | | | |
| Bored Ape Yacht Club | 72.4Ξ | -5.8% | 13.8% |
| CryptoPunks | 67.5Ξ | -1.5% | 4.4% |
| Tier-A Projects | | | |
| Azuki | 8.0Ξ | 17.4% | 128.3% |
| Clone X | 7.0Ξ | 0.4% | 75.2% |
| Cool Cats | 2.4Ξ | 1.6% | -82.3% |
| CyberKongz Genesis | 15.0Ξ | -3.2% | -74.1% |
| Doodles | 8.5Ξ | 16.4% | 28.4% |
| Mutant Ape Yacht Club | 12.6Ξ | -3.3% | 8.0% |
| Otherdeeds | 1.8Ξ | 2.4% | -74.0% |
| World of Women | 2.8Ξ | 6.2% | 37.0% |



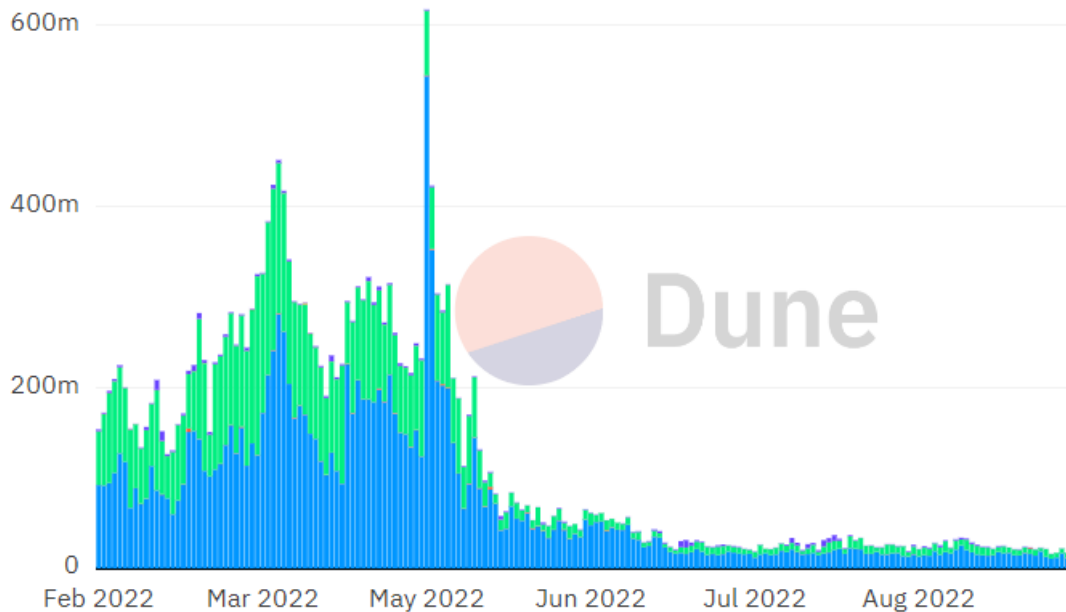
| Top Sales of the Week* | Price |
|------------------------|----------|
| BAYC #2909 | \$428.0k |
| BAYC #9315 | \$298.3k |
| BAYC #8590 | \$286.0k |
| Axie Land (-30, 14) | \$235.8k |
| BAYC #6160 | \$203.0k |
| BAYC #8607 | \$197.2k |
| Otherdeed #3095 | \$195.9k |
| BAYC #2553 | \$191.2k |
| BAYC #9932 | \$184.0k |
| BAYC 3989 | \$179.5k |

| Top Collections of the Week* (by volume) | Volume (USD) |
|---|-----------------|
| Bored Ape Yacht Club | \$12.9m |
| ImmutaSwap.io | \$8.8m |
| DigiDaigaku | \$6.6m |
| Otherdeed | \$5.0m |
| Mutant Ape Yacht Club | \$4.7m |
| Moonbirds | \$4.6m |
| CloneX | \$3.9m |
| ENS | \$3.7m |
| Azuki | \$3.1m |
| Art Blocks | \$2.8m |

Not much action in the ETH NFT space, with volume carrying previous trend

NFTs - USD Volume

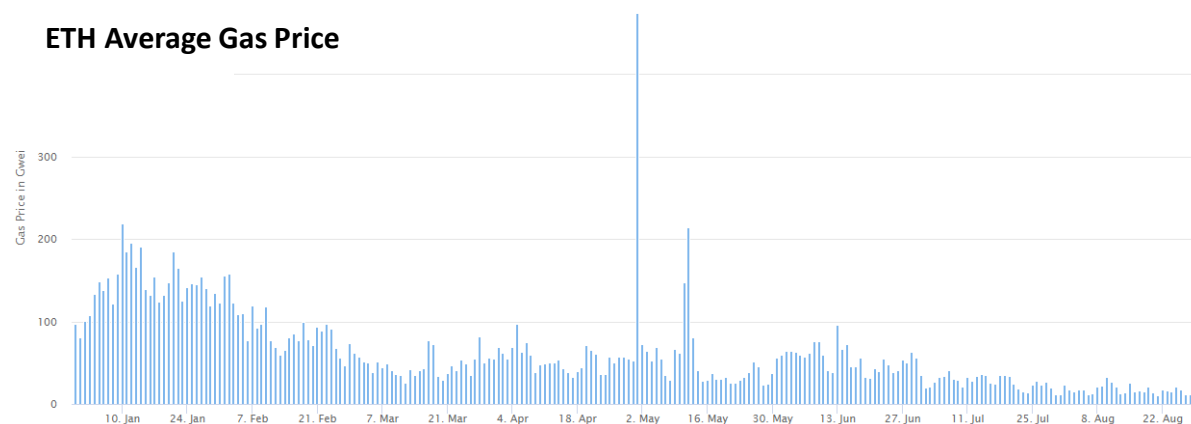
Daily, per Platform



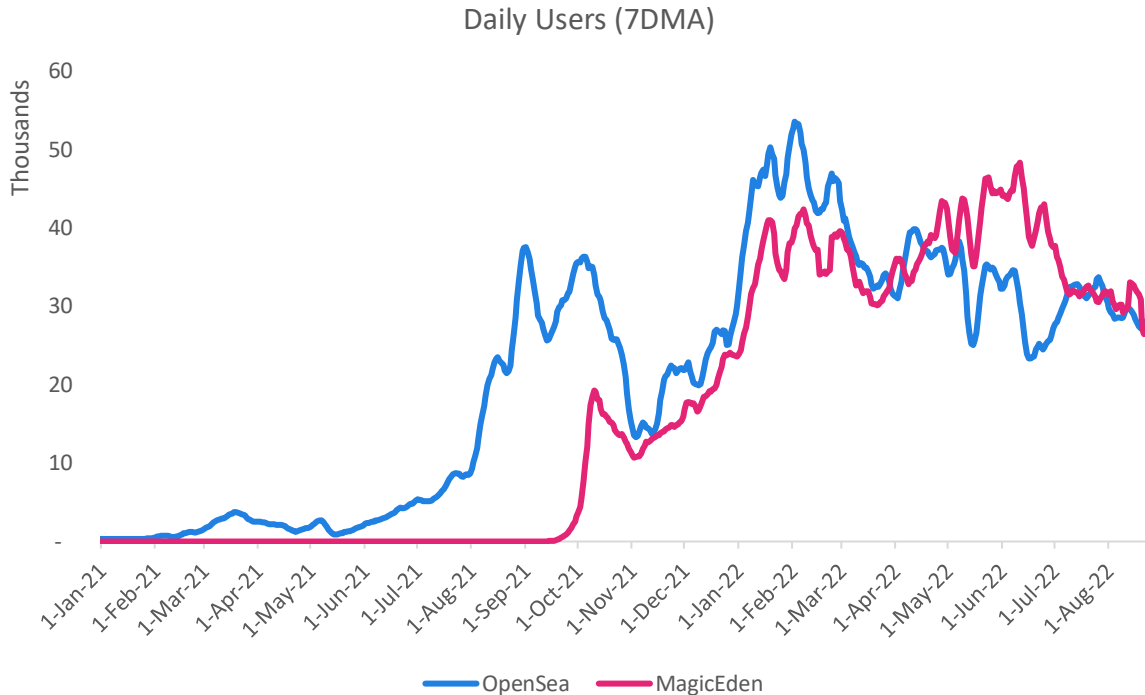
@hildobby

- Daily NFT volume in ETH continues the previous trend in prior periods. Monthly volume since June has been on a continuous downtrend.
- LooksRare continues to maintain ~30-60% of OpenSea's volume.
- Azuki floor price bounced ~30-40% after Adrian Cheng, or @LastKnightEth, prominent Hong Kong entrepreneur and CEO of New World Development, revealed he was behind the acquisition of 101 Azukis.

ETH Average Gas Price

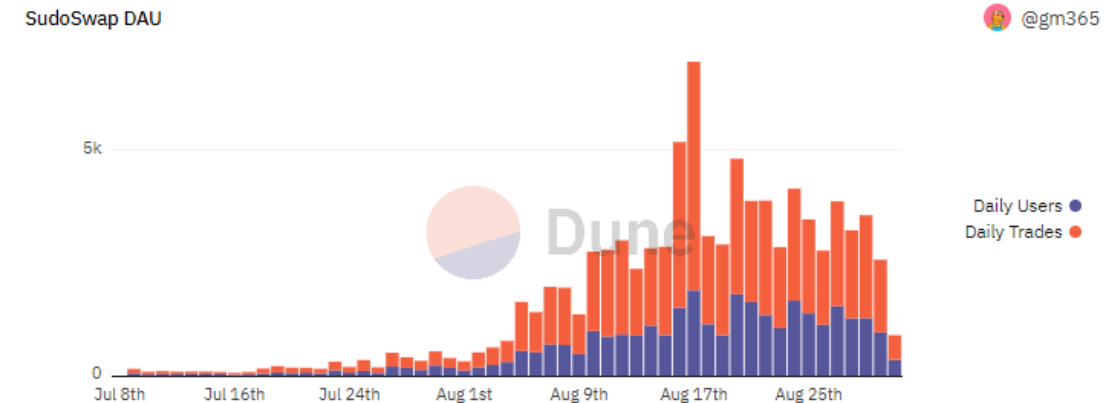


OpenSea and Magic Eden daily users in a downtrend as Sudoswap takes a portion



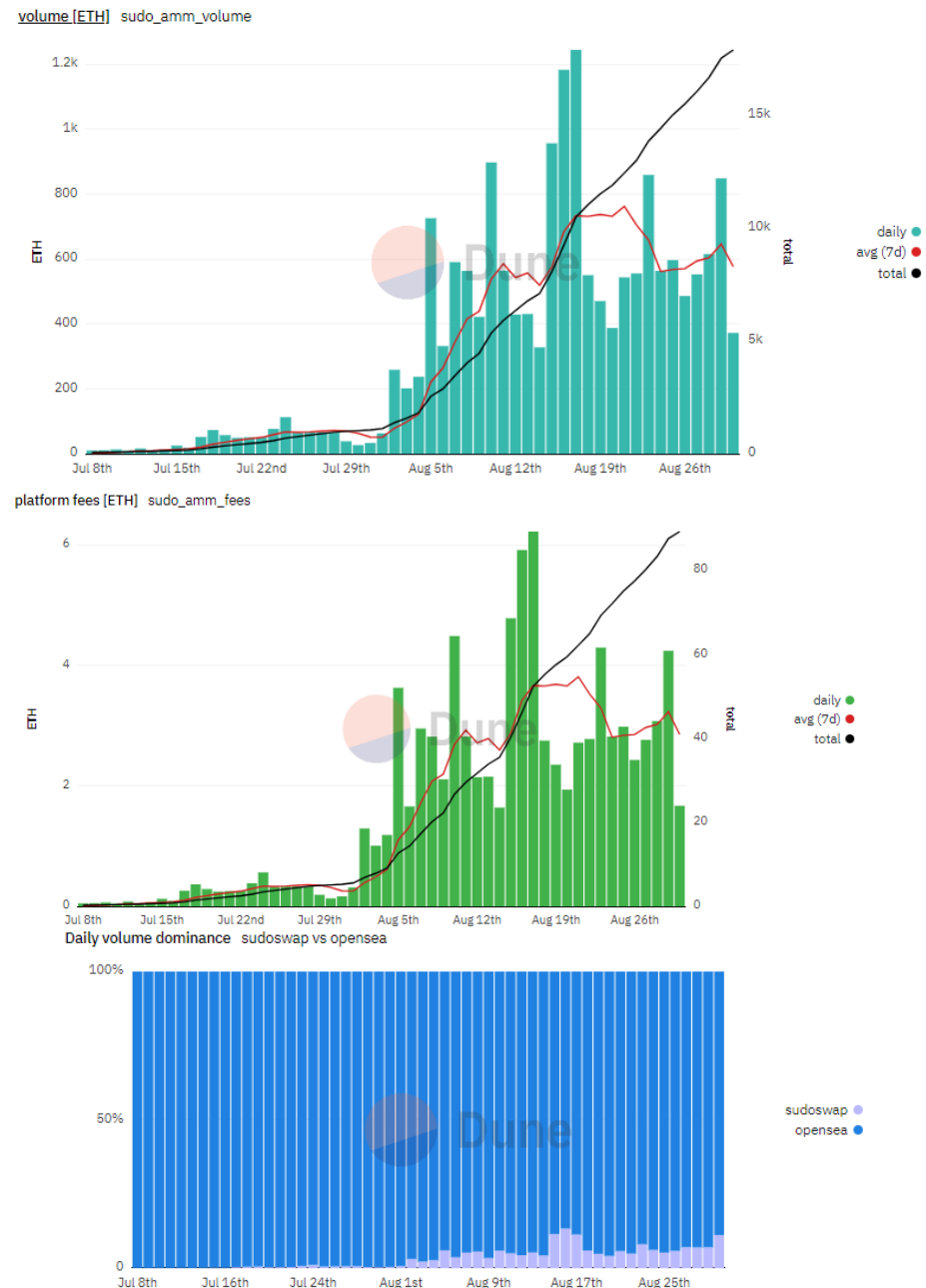
| Marketplace | Average Price per Trade* |
|-------------|--------------------------|
| OpenSea | US\$112.0 |
| MagicEden | US\$39.0 |

- The number of daily active users on Magic Eden and OpenSea are similar at ~27K/day but seems to be on a downward trajectory in recent weeks.
- While this may be explained by lack of volume for NFTs as a whole, the emergence of Sudoswap AMM NFT marketplace might have played a small role.
- Sudoswap has recorded nearly 21,000 unique users and DAU ranges from 1,000-1,500 in the past two weeks.



Sudoswap NFT AMM Gains Popularity

- Sudoswap is a decentralized NFT marketplace using an **automated market maker model (AMM)**, aiming to be **liquidity-efficient**.
- The marketplace gained popularity with its low fees and royalty-free transfers, as well as the ability to earn trading fees.
- Users buy and sell NFTs through **liquidity pools**. This allows for NFT owners to sell NFTs instantaneously, improving capital efficiency and liquidity.
- Each pool is run by a sole liquidity provider (LP), and the LP is able to set a **bonding curve** that will adjust the selling price of an NFT after each sale. This will help to **adjust collection prices** if demand rises or falls.
- Meanwhile, LPs are able to earn fees whenever other users buy/sell NFTs, which opens up a **new revenue stream** for users.
- However, its royalty-free nature has earned some debate in the community as project creators are unable to enforce a creator fee on the decentralized platform.
- Sudoswap's popularity will only continue to grow, with market aggregator Gem.xyz integrating the exchange recently. In a comparison with OpenSea, Sudoswap has reached >10% daily volume dominance in August.

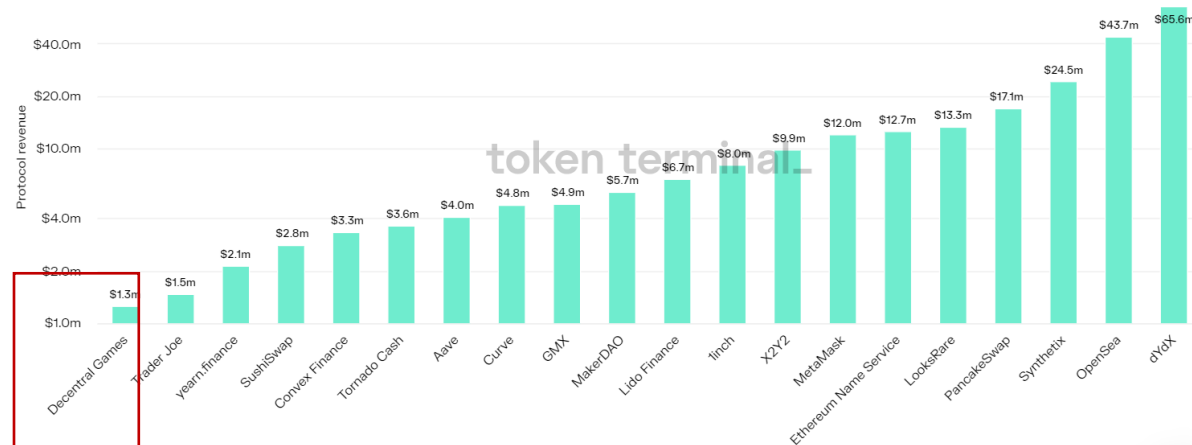


GameFi & Play-to-Earn

Limit Break Raises US\$200mn

- Limit Break, a web3 startup building massively multiplayer online (MMO) games, announced that it raised US\$200mn over two rounds of funding.
- Paradigm, Standard Crypto, and Mino Games chair Josh Buckley led the round, with additional backers such as FTX, Coinbase, and Positive Sum.
- The startup was founded by former CEO and CTO of mobile gaming firm Machine Zone, known for games such as Game of War and Mobile Strike.
- Limit Break intends to incorporate web3 elements into the free-to-play model (or free-to-own) where genesis NFTs can be minted for free.

Dapp 90D Protocol Revenue



News & Headlines

Animoca Brands Japan Raises US\$45 million

Animoca Brands Japan has raised US\$45 million split by its parent company Animoca Brands and Japanese bank MUFG Bank. The raise will help to secure local NFT and metaverse licenses and investments. [[CoinDesk](#)]

Adrian Cheng Reveals He is @LastKnightEth

On August 25, Adrian Cheng, entrepreneur and CEO of New World Development in Hong Kong, revealed himself as @LastKnightEth on Twitter, which acquired 101 Azukis earlier in the year. It has made prior investments in RTFKT and Animoca Brands and noted that the investment in 101 Azukis was only the beginning. [[@LastKnightEth](#)]

Meta Expands NFT Integration to Facebook

Meta announced that it would expand its NFT integration functions to Facebook, following earlier integrations with Instagram. The company had earlier announced a global expansion of its Instagram NFT integration pilot to 100 countries worldwide. [[CryptoBriefing](#)]

PROOF Raises US\$50 million in Series A

PROOF, the NFT collective founded by venture capitalist Kevin Rose, featuring hit projects like PROOF Collective and Moonbirds, announced that it raised US\$50 million in a Series A funding round led by a16z and joined by Seven Seven Six, True Ventures, Collab+Currency, Flamingo DAO, SV Angel, and VaynerFund. [[Proof](#)]

Hermes plans metaverse fashion shows, crypto, and NFTs

Luxury brand Hermes is revealed to be preparing to enter web3 after filing a trademark application for NFTs, cryptocurrencies, virtual goods marketplace, and virtual fashion & fashion shows. [[CoinTelegraph](#)]

Eminem & Snoop Dogg's MTV VMA Performance in Otherside

Eminem and Snoop Dogg performed inside the Otherside during the MTV VMA ceremony, resembling a music video with Bored Ape avatars rapping on a floating stage in the metaverse. The duo's performance were in stark contrast with other performers during the event, which were in person. [[@vmas](#)]

Sotheby's Hires NFT Specialist

Art auction house Sotheby's has hired an NFT specialist to join its digital art team. Brian Beccafico, or @Arthemort, is the newest addition to Sotheby's growing involvement in NFTs. [[The Block](#)]

Regulatory Updates

Regulatory Updates

- The US Federal Deposit Insurance Corporation sent cease-and-desist letters to five crypto companies, including FTX US, over alleged misrepresentations of users' deposit insurances. The companies apparently made false representations stating or suggesting that certain crypto-related products are FDIC-insured or that stocks held in brokerage accounts are FDIC-insured, when it is not the case.
- The Monetary Authority of Singapore is planning to introduce new regulations to make it more difficult for retail investors to trade cryptocurrencies, as it seems like they are “irrationally oblivious” about the risks.
- The FBI issued a warning on attacks against DeFi platforms, saying that hackers are increasingly exploiting smart contract vulnerabilities to steal cryptocurrency, and suggests victims to contact a local FBI field office.
- The US has extradited Denis Mihaqloviv Dubnikov, an alleged cryptocurrency money launderer from the Netherlands. Dubnikov will face a five-day jury trial in October and if convicted, faces a maximum sentence of 20 years in prison. The Department of Justice cited that Dubnikov laundered ransom payments extracted from victims of Ryuk ransomware attacks.
- South Korean regulators are holding talks with authorities worldwide on various cryptoassets issues, including the regulation of stablecoins where there was now a consensus among regulators that it needed to be strengthened.
- The Japanese Financial Services Agency is considering making improvements on its virtual currency taxation system ahead of the country's 2023 tax reform in order to prevent the overseas outflow of crypto startups.
- The Korea Financial Intelligence Unit, South Korea's anti-money laundering authority, flagged 16 foreign crypto firms that have been operating in the country without proper regulatory approval. The exchanges include KuCoin and Poloniex, among others.
- The Monetary Authority of Singapore has asked some digital asset firms to submit data about their business activity ahead of expected changes to its crypto regulation policies following the collapse of Three Arrows Capital, which was based in Singapore, as well as Singapore-registered Terraform Labs, Vault, and HodlNaut.

Regulatory Updates

- Recipient of crypto airdrops in South Korea could potentially be taxed at up to 50%, according to a government official, based on local inheritance tax laws.
- The Australian government will begin its reform agenda for cryptocurrency assets, noting that Australians are experiencing a digital revolution across all sectors while regulation is struggling to keep pace. Australia will be the first to undergo token mapping as part of this reform.
- Tether issued a statement to not freeze Tornado Cash addresses en masse but will wait for law enforcement instructions as its usual policy.
- The US District of Columbia's attorney general announced a tax fraud lawsuit against MicroStrategy and its former CEO Michael Saylor. Saylor, a noted bitcoin bull, allegedly evaded over US\$25 million in D.C. taxes by misrepresenting his residence as either Florida or Virginia instead of D.C.

Regulatory Updates – Regulatory Tracker

G20+ Crypto Regulatory Tracker

August 2022

| Country | Crypto Framework | Tax | AML/CFT | Travel Rule | Stablecoin Reg | CBDCs |
|----------------|------------------|-----|---------|-------------|----------------|-------|
| Argentina | ● | ✓ | ● | ● | ● | ● |
| Australia | ● | ✓ | ✓ | ● | ● | ● |
| Brazil | ● | ✓ | ✓ | ● | ● | ● |
| Canada | ● | ✓ | ✓ | ✓ | ● | ● |
| China | ⊘ | ⊘ | ⊘ | ⊘ | ⊘ | ✓ |
| European Union | ● | ● | ✓ | ● | ● | ● |
| Hong Kong | ● | ✓ | ✓ | ● | ● | ● |
| India | ● | ✓ | ● | ● | ● | ● |
| Indonesia | ✓ | ✓ | ✓ | ● | ● | ● |
| Japan | ✓ | ✓ | ✓ | ✓ | ✓ | ● |
| Mexico | ✓ | ● | ✓ | ✓ | ● | ● |
| Russia | ● | ✓ | ● | ● | ● | ● |
| Saudi Arabia | ● | ● | ● | ● | ● | ● |
| Singapore | ✓ | ✓ | ✓ | ✓ | ● | ● |
| South Africa | ● | ✓ | ● | ● | ● | ● |
| South Korea | ● | ✓ | ✓ | ✓ | ● | ● |
| Switzerland | ✓ | ✓ | ✓ | ✓ | ✓ | ● |
| Turkey | ● | ● | ✓ | ● | ● | ● |
| United Kingdom | ● | ● | ✓ | ● | ● | ● |
| United States | ● | ✓ | ✓ | ✓ | ● | ● |

● Regulatory process not initiated

● Regulation underway

✓ Regulation in place

⊘ Prohibition



Notable Tweets

If crypto should be treated the same...

Gary Gensler @GaryGensler · Aug 23
There's no reason to treat the crypto market differently from the rest of the capital markets just because it uses a different technology...

Read my recent Op-Ed:



wsj.com

The SEC Treats Crypto Like the Rest of the Capital Markets

3,719

971

2,549



Cobie @cobie

Replying to @GaryGensler

sounds good, spot etf then?

4:14 AM · Aug 23, 2022 · Twitter Web App

348 Retweets 23 Quote Tweets 7,674 Likes

Mark Cuban on Gensler's Op-Ed

Mark Cuban @mcuban

Come in and talk to who ? Set up an appointment how ? You using Calendly these days ? Since you understand crypto lending/finances, why don't you just publish bright line guidelines you would like to see and open it up for comments ?

Gary Gensler @GaryGensler · Aug 23
There's no reason to treat the crypto market differently from the rest of the capital markets just because it uses a different technology...

Read my recent Op-Ed:

5:46 AM · Aug 23, 2022 · Twitter for Android

1,538 Retweets 115 Quote Tweets 8,285 Likes

On Tether's decision on bans

banteg @banteg

remember those who fight the toughest battles for you. infinite respect to tether for taking a stance.

Tether @Tether_to · Aug 24
Tether Holds Firm on Decision Not To Freeze Tornado Cash Addresses, Awaits Law Enforcement Instruction

tether.to/en/tether-hold...

12:07 AM · Aug 25, 2022 · Twitter Web App

How credible is CryptoLeaks?

Cobie @cobie

Things that discredit CryptoLeaks:

- fanfiction-style dramatic writing, worse than tabloids
- clearly bad faith & biased reporting
- paying to promote their own tweets
- their previous defending ICP articles

Things that look bad for Ava Labs:

- the video lol

8:48 PM · Aug 29, 2022 · Twitter for iPhone

189 Retweets 17 Quote Tweets 2,616 Likes

Overwhelming support for atzoy's lawsuit

atozy @atozy

AYOOO YOU ACTUALLY SENT \$100k!!!!!!???

Cobie @cobie · Aug 24
Replying to @koreanjewcrypto and @atozy
ill send 100k or somethin later when at pc

7:36 PM · Aug 24, 2022 · Twitter for iPhone

262 Retweets 57 Quote Tweets 6,597 Likes

IMPORTANT DISCLOSURES

Analyst Certification

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