Huobi Research

HB RESEARCH WEEKLY REPORT

MAR.14 – MAR.20, 2022

Huobi Research Weekly Report

Weekly Summary

Crypto market analysis: The overall cryptocurrency market cap was $1.816 trillion this week, up 7.14% from last week, with BTC and ETH market cap are 43.13% and 19.17% respectively. BTC market cap market cap decreased slightly, ETH market cap market cap rose slightly.

Market review: Total value locked (TVL) is $209.23 billion, with Cronos performed well last week. TVL in layer 2: total value locked (TVL) is $6.35 billion, 10.80% higher than last week.

Projects review: Ethereum Classic (ETC), THORChain (RUNE) and Aave (AAVE) are the three gainers among top 100 market cap projects. New projects such as ARize, MetaWEAR, Wizardia, Tribal Credit and Choise.com are worthy of attention.

Weekly Breaking News: The Ethereum testnet has successfully transitioned to a proof-of-stake (PoS) consensus mechanism, with more than 106,000 validators and 3.4 million testnet ETH currently on the testnet.

Investment and Financing News: There were a total of 30 investment and financing deals this week , with a total value of over $1.33 billion. From the perspective of the track, the investment and financing of the track was mainly distributed in infrastructure and GameFi.

Market indicators:

Market Indicators	Total Market Cap(T)	BTC MVRV	BTC dominance	ETH dominance	USDT market cap(B)	ETH burnt volume
This week	$1.809	1.705	42.86%	18.88%	$80.82	25275
Last week	$1.672	1.566	43.31%	18.18%	$80.15	20132
% change	8.19%	8.88%	-1.04%	3.85%	0.84%	25.55%

Bitcoin ETF Assets Under Management ($/M)	BITO (Proshares)	BTF (Valkyrie)	XBTF (VanEck)
This week	1130.7	44.6	26.1
Last week	1130.5	45.7	26.8
% change	0.02%	-2.41%	-2.61%

Note:
1: MVRV: MVRV is calculated by dividing Market Value by Realised Value.
MVRV>3.7: possible market top, it could be reasonable to sell the position off; MVRV<1: possible market bottom, it's time for taking a gradual long position.

VA data source: trading view & coingecko & ultrasound.money & Yahoo Finance

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Crypto Market Analysis

- **BTC & ETH technical analysis**

BTC market price



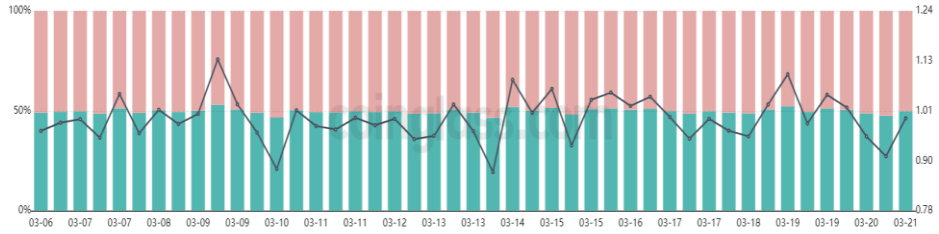
ETH market price



- BTC first oscillated narrowly sideways and then rose slightly. The rise in the second half of the week failed to break above the March 10 high and volume was shrinking. This suggests that the strength of this brief uptrend is limited and prices are more inclined to continue oscillating in a triangle.
- ETH is also shaking sideways before rising. ETH broke the upper edge of the triangle and looks like a stronger short-term uptrend. Considering that the volume is decreasing, it is likely that it will revert back to the triangle.

- **Market overview**

BTC Long/Short Ratio



Fear & Greed Index



***Green area: Long position
***Red area: Short position
***Black line: long-short ratio

- The BTC Long/Short Ratio shows that market sentiment was relatively pessimistic last week, with a higher frequency and proportion of short orders.
- This week, investor sentiment is fear, with FGI hits 27.

VA data source: coinglass & trading view & coingecko

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Market review

- Total Value Locked (TVL)

TVL in Chain

Name	Protocols	1d Change	7d Change	1m Change	TVL	Mcap/TVL
1 Ethereum	571	-1.19%	+6.45%	-3.61%	$118.2b	2.89723
2 Terra (LUNA)	26	+1.35%	+7.54%	+71.09%	$26.45b	1.29586
3 BSC (BNB)	341	-1.83%	+1.88%	-3.62%	$11.94b	5.47885
4 Avalanche (AVAX)	185	-1.98%	+4.22%	+0.20%	$11.13b	2.03927
5 Solana (SOL)	62	-3.79%	+0.66%	-9.20%	$6.96b	4.04306
6 Fantom (FTM)	204	-1.74%	+2.09%	-18.21%	$6.62b	0.46888
7 Tron (TRON)	9	-1.03%	+0.30%	-3.27%	$4.18b	1.48771
8 Polygon (MATIC)	209	-1.31%	+11.02%	-12.24%	$3.88b	2.58326
9 Cronos (CRO)	51	+0.61%	+26.28%	+39.04%	$3.24b	3.14167
10 Waves (WAVES)	4	-4.79%	+22.21%	+200%	$2.9b	1.09579

TVL in Layer 2

No.	Name	TVL	Breakdown	7d Change	Market share	Purpose	Technology
1.	Arbitrum	$3.20B		+12.16%	50.45%	Universal	Optimistic Rollup
2.	dYdX	$972M		-0.01%	15.30%	Exchange	ZK Rollup
3.	Metis Andromeda OP	$742M		+2.15%	11.67%	Universal	Optimistic Rollup
4.	Optimism OP	$530M		+19.77%	8.34%	Universal	Optimistic Rollup
5.	Loopring	$351M		+26.67%	5.52%	Payments, Exchange	ZK Rollup
6.	Boba Network OP	$152M		+0.94%	2.40%	Universal	Optimistic Rollup
7.	zkSync	$141M		+85.53%	2.22%	Tokens, NFTs	ZK Rollup
8.	ZKSpace	$74.53M		+6.25%	1.17%	Payments, Exchange	ZK Rollup
9.	Immutable X	$70.40M		+12.30%	1.11%	NFT, Exchange	Validium
10.	DeversiFi	$57.49M		+12.82%	0.90%	Exchange	Validium

- TVL in chain: total value locked (TVL) is $209.23 billion. Ethereum has $114.97 billion, holding 54.95% of total TVL; Terra has $26.45 billion, holding 12.64% of total TVL; BSC, Avalanche and Solana hold 5.71%, 5.32%, 3.32% of total TVL respectively.
- TVL in layer 2: total value locked (TVL) is $6.35 billion, 10.80% higher than last week. Arbitrum, dYdX and Metis Andromeda hold 50.45%, 15.30% and 11.67% market share respectively. dYdX locked value had decreased during this week.

Total TVL in DeFi



- TVL in DeFi: total value locked (TVL) is $77.51 billion.

TVL in DeFi: Lending



- TVL: $36.68B.
- Maker, Aave, Compound hold $16.14B, $9.85B and $6.75B TVL respectively. Maker dominance is 43.99%.

TVL in DeFi: Dexes



- TVL: $24.13B.
- Curve, Uniswap, Balancer hold $10.50B, $7.04B and $2.19B TVL respectively. Curve market dominance is 42.39%.

TVL in DeFi: derivatives



- TVL: $2.05B.
- dydx, Nexus Mutual, Synthetix hold $987.7M, $442.0M and $325.4M TVL respectively. dydx market dominance is 48.16%.

TVL DeFi: in payments



- TVL: $1.6B.
- Flexa, Tornado Cash, xDai hold $690.3M, $489.5M and $175.2M TVL respectively. Flexa market dominance is 43.08%.

TVL in DeFi: Assets



- TVL: $13.05B.
- Convex Finance, yearn.finance, Rari Capital hold $9.21B, $2.02B and $945.9M TVL respectively. Convex Finance market dominance is 70.55%.

VA data source: defillama & l2beat & Defi Pulse

Projects overview

- Weekly mainstream cryptocurrency gainers

Market Cap TOP 100 cryptocurrency gainers



- THORChain(RUNE): the reason behind RUNE's rally can be attributed to the protocol went live with synthetic assets trading on the platform last Thursday. The launch of synthetic assets allows users to swap assets at relatively low costs and high speeds.
- Aave(AAVE): Aave V3 brings groundbreaking new features than span from increased capital efficiency to enhanced decentralization.

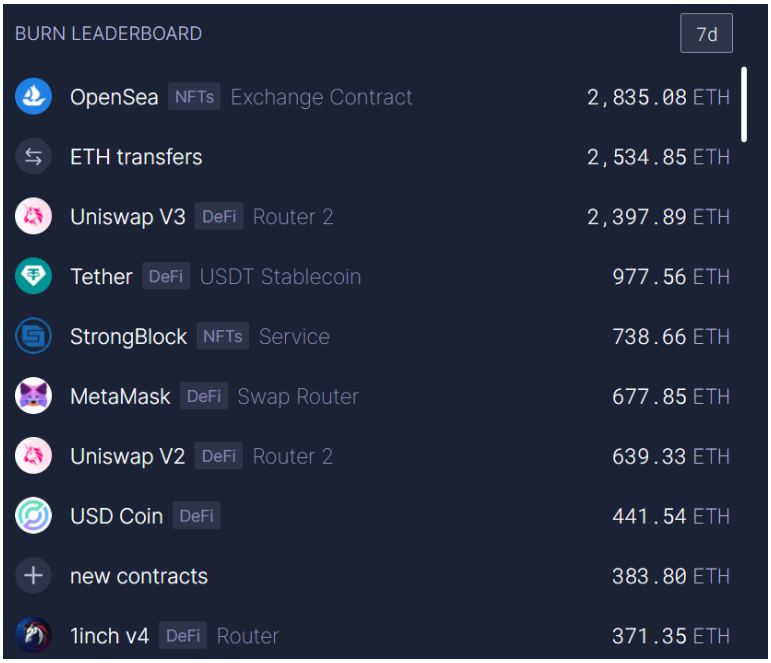
- New projects introductions

Projects	Category	Platform	Closing date	Introduction	Website/Whitepaper
ARize	Platform	cryptorank	Mar.23	ARize is the first 3D cross-metaverse NFT asset platform.	https://arize.io/
MetaWEAR	Blockchain Service	trustpad	Mar.22	MetaWear is providing the integration of the textile industry existing in the real world.	https://www.metaversewear.io/
Wizardia	Game	Icodrops	Mar.19	Wizardia is a P2E online role-playing strategy game built on innovative turn-based combat, base-building with sophisticated economy model and player-decision driven game evolution.	https://wizardia.io/
Tribal Credit	DeFi	Icodrops	Mar.24	Tribal is a payment and financing platform that can underwrite and approve SMBs using a proprietary AI-driven algorithm.	https://www.tribal.credit/
Choise.com	DeFi	Icodrops	Mar.24	Choise.com is a MetaFi (CeFi/DeFi) ecosystem based on Crypterium CeFi solutions and Charism DeFi protocol.	https://choise.com/

VA data source: crypto bubbles & Icodrops & coinlist

Projects overview

Top 10 GAS Consumers of Ethereum



- ETH burnt volume: indicates most used or most expansive projects. Top 5 areas that consumed the most GAS on Ethereum this week were NFT transactions, ETH transfers, DEX transactions and stablecoin transfers.

Weekly Breaking News – mainstream projects

- The Ethereum testnet has successfully transitioned to a proof-of-stake (PoS) consensus mechanism, with more than 106,000 validators and 3.4 million testnet ETH currently on the testnet. If all goes well on the test network, the official network is expected to transition to PoS in June or July this year, which also means that the five-year related development work is about to come to an end.

- *Comments: The successful merger of the Ethereum Kiln testnet shows that the tasks originally completed in the second quarter have been advanced ahead of schedule, increasing the probability of success in the future mainnet merger. Kiln follows the Kintsugi merged testnet, the last public testnet for the entire network before transitioning from PoW to proof-of-stake this year, which will be phased out in the coming weeks.*

- BAYC parent company Yuga Labs officially launched ApeCoin, 15% of which will be airdropped to BAYC/MAYC NFT holders. Some arbitrageurs used Bored Ape NFTX vault to get over 60,000 ApeCoin airdrops. Yuga Labs will also launch virtual land sales.

- *Comments: ApeCoin has strong value capture ability and can participate in new land sales and games. On the day of the issuance, the unit price was as high as more than 200 US dollars. However, since Yuga Labs did not use the snapshot function, many people used the airdrop rules to arbitrage, which once made BAYC's transaction volume exceeded 1.5 billion US dollars on the 17th and 18th, a record high, and the floor price once exceeded 100ETH. ApeCoin is issued by the ApeCoin DAO, whose council members include Reddit co-founder Alexis Ohanian, FTX Ventures and Gaming Head Amy Wu, Sound Ventures head Maaria Bajwa, Animoca co-founder Yat Siu and Horizen Labs president Dean Steinbeck.*

- The Boba Network is hosting a hackathon from March 30th to April 13th with the goal of creating an open source solution that allows users on Boba to easily deploy and interact with Arweave via Bundlr using BOBA tokens.

- The Sandbox has announced a partnership with HSBC, which will buy virtual land, and The Sandbox plans to provide the opportunity to interact with the sports community.

VA data source: ultrasound.money

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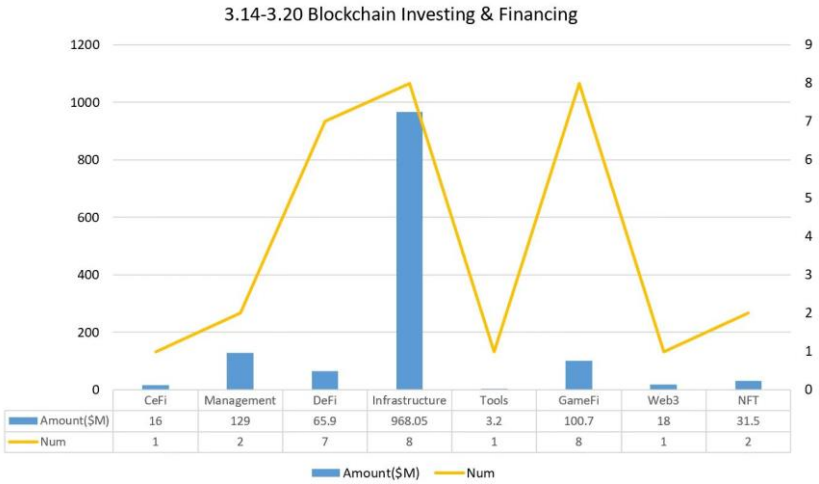
Weekly Breaking News – Industry Regulation

- The South Korean government is considering delaying the implementation of virtual currency taxation until early 2024.
- *Comments: South Korean President-elect Yoon Seok-hye's openness to digital assets may ease its regulation. Prior to this, the South Korean government had planned to impose a 22% tax on virtual currency transfer income exceeding 2.5 million won per year starting in January this year. At present, the ruling party and the opposition party have reached an agreement to delay the collection of virtual currency taxes for one year (until 2023). The Presidential Transition Council is considering an extension for another year. This is a big positive for the South Korean crypto market.*
- The official account of Ukraine's Ministry of Digital Transformation tweeted that Ukraine has legalized the crypto industry. And explained that President Zelensky signed a law. From now on, foreign and Ukrainian cryptocurrency exchanges will operate legally, and banks will open accounts for crypto companies.
- *Comments: Ukraine received a donation of nearly $100 million in crypto assets during the Russian-Ukrainian conflict, and the benefits gained from it enabled Ukraine to fully open up the crypto industry. Ukraine itself is an important market for consumers of crypto assets. This conflict has indeed brought a development opportunity to the encryption industry.*
- Australian regulator sues Facebook parent Meta over 'false' cryptocurrency ads. The ACCC said Facebook had published ads featuring prominent Australian public figures promoting cryptocurrency investments or money-making schemes, which the agency said were "hoaxes" but would convince users of the truth.
- The U.S. SEC plans to amend the Securities Exchange Act, which may have an impact on encryption and DeFi.
- Mayors of Miami and New York, USA: Blockchain is a means to increase equality and diversity.
- Ukraine has partnered with FTX and Everstake to launch a new cryptocurrency donation website called Aid for Ukraine.
- Indian Finance Minister: The government has no plans to introduce cryptocurrencies, the central bank is working on a phased CBDC strategy, and cryptocurrencies are not regulated in India.

Weekly Breaking News – industry

- Vitalik Buterin appeared on the cover of "Time" Weekly, and Time magazine in the United States will issue its first NFT magazine on March 23, with the cover of Buterin Buterin.
- *Comments: The TIME article mentioned that Buterin has become a millionaire status symbol for the BAYC series of NFTs, and expressed concern that crypto investors are misled by wealth display. Meanwhile, TIME Magazine's NFT project was created in cooperation with LITDAO, allowing holders to read the entire contents of the magazine through an interactive NFT. With Circle support, TIME will airdrop NFT distributions to select TIMEPiece and Genesis LIT community wallet holders.*
- PwC: NFTs will shape the future of the sports industry. According to the report, NFTs are significantly changing the experience of sports fans and are becoming a new source of revenue for sports leagues and teams.
- *Comments: There have been many successful use cases of NFT in the sports industry, such as NBA Top Shot, which has driven the development of the entire Flow public chain. Three use cases of NFTs in the sports industry are described in the PwC report. 1. Member-only NFTs such as season tickets provide services such as special seating and VIP experiences; 2. The combination with the Metaverse provides new opportunities for interaction between fans and sports players. 3. NFTs can provide sports fans with privileges in the digital space, which will attract more fans and create new markets.*
- Music subscription service Spotify plans to add blockchain technology and NFTs to its streaming service after hiring a senior back-end engineer to explore technologies such as Web3 and for its new project Spotify Moonshots.
- Mark Zuckerberg: Efforts are being made to introduce NFTs to Instagram, and users may be able to mint NFTs within the APP.
- The founding architect of MetaMask announced the MetaMetaverse interoperability project, which will build its own Layer 1 blockchain and a new programming language "metametalang" to help users build their own metaverse.
- Canaan Technology announces up to $100 million in outstanding American Depositary Shares (ADS).

Investment and Financing News



- There were a total of 30 investment and financing deals this week (two of which did not disclose specific amounts), with a total value of over $13.3 billion dollar. The total amount and trading number continued to increas from last week. From the perspective of the track, the investment and financing of the track was mainly distributed in infrastructure and GameFi. Among them, there is 3 financing rounds over $100 million.
- On March 18, well-known Ethereum Layer 2 scaling solution Optimism has secured $150 million in funding to recruit new developers and continues to work on reducing Ethereum's fees. Optimism announced that it has completed a $150 million Series B financing, co-led by well-known venture capital firms Andreessen Horowitz (a16z) and Paradigm, at a valuation of $1.65 billion. After more than a year on mainnet, Optimism has deployed thousands of contracts, collectively saving users of the Ethereum network more than $1 billion in fees (GasFee). Funds raised in this round will be used to expand the Optimism team and focus on further reducing network fees, continuing to provide a best-in-class developer experience and stability.
- On March 15, ConsenSys, an Ethereum infrastructure development company, completed a $450 million Series D financing with a valuation of $7 billion. ParaFi Capital led the investment. New investments include Temasek, SoftBank Vision Fund Phase II, Microsoft, Anthos Capital, Sound Ventures And C Ventures, Third Point, Marshall Wace, TRUE Capital Management and UTA VC and other existing investors participated in the investment. Proceeds from the round will be converted into ETH to rebalance the ETH-to-dollar equivalent ratio in accordance with ConsenSys' funding strategy, ConsenSys said.
- On March 15th, Aptos, a new public chain project established by the original Diem team members, completed a strategic financing of US$200 million, led by a16z, and participating investors include Multicoin Capital, Katie Haun, 3 Arrows Capital, ParaFi Capital, IRONGREY, Hashed , Variant, Tiger Global, BlockTower, FTX Ventures, Paxos, and Coinbase Ventures.
- It is worth noting that the number of financings on the GameFi track has been ahead of other tracks recently. Other financing news is that FanCraze, the cricket NFT collectibles market, is raising about $100 million in Series A financing, with Ronaldo participating. Taiwanese crypto exchange MaiCoin is raising a Series C round at a $400 million valuation and plans to list on Nasdaq within two years.

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Huobi Research

The Huobi Blockchain Application Research Institute (referred to as 'Huobi Research') was established in April 2016. Since March 2018, it has been committed to comprehensively expanding research and exploration in various fields of blockchain. The research institute takes the pan-blockchain field as the research object, aimed to accelerate the research and development of blockchain technology, promote the application of the blockchain industry, and promote the ecological optimization of the blockchain industry. The main research content of the institute includes industry trends, technology paths, application innovation, and model exploration in the field of blockchain. In line with the principles of public welfare, rigor and innovation, Huobi Research Institute will carry out extensive and in-depth cooperation with government, enterprises, universities and other institutions through various forms. We are building a research platform covering the complete industrial chain of the blockchain, providing a solid theoretical basis and trend judgment for the blockchain industry professionals, and promoting the healthy and sustainable development of the entire blockchain industry.

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