

### Upcoming Events

- Jan 18th - The North American Bitcoin Conference
- Jan 20th - Congressional oversight hearing on crypto mining

### Weekly Thoughts

Bitcoin (BTC) has largely held within a 5% range over the past two weeks with 30-day rolling volatility levels not seen since late 2020. Prolonged contraction of volatility typically leads to violent expansion of volatility, hinting at a price move sooner rather than later. Although BTC remains within the 2021 price range from \$30,000 to \$60,000, trend metrics for price continue to lean bearish, hinting at bearish continuation for an upcoming price move. Last week, a bearish 50-day and 200-day moving average cross confirmed on price, indicating a definitive bearish trend. However, these bearish crosses have not led to strong bearish continuation since May 2018. Significant volume support also sits from \$31,000 from \$40,000 based on 2021's price action, suggesting significant volume or momentum would be needed to breach the \$30,000 level.

Please see important disclosure on next page.

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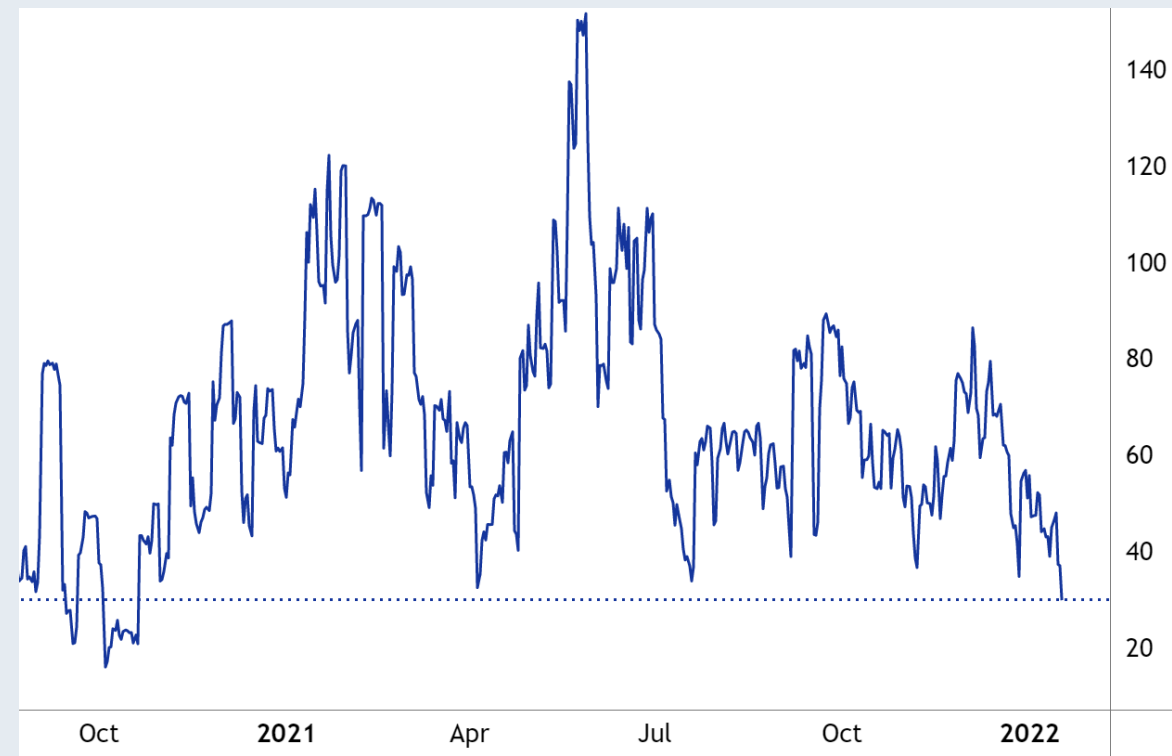


Currencies	Ticker	Price (\$)	M Cap (bn)	Returns (%)					Consensus	Annualized			
				1 week	YTD	3 month	6 month	1 year		Issuance (%)	Staking Yield (%)	Volatility	Sharpe
Bitcoin	BTC	42553.00	806.91	-1.21	-7.82	-33.75	35.57	16.32	PoW	1.76	N/A	0.79	0.61
Dogecoin	DOGE	0.16	22.39	-4.64	-1.12	-31.34	-11.55	-58.03	PoW	3.72	N/A	4.41	1.62
Litecoin	LTC	151.67	10.55	3.84	4.03	-19.40	29.09	0.15	PoW	3.98	N/A	1.15	0.60
Stellar	XLM	0.25	6.30	-2.43	-5.43	-32.72	10.05	-17.85	Other	7.88	N/A	1.19	0.58
Monero	XMR	225.01	4.06	1.04	-1.09	-11.14	15.34	44.36	PoW	1.63	N/A	1.15	0.77
Zcash	ZEC	140.15	1.90	-0.71	-4.11	-2.54	47.67	34.97	PoW	12.14	N/A	1.38	1.00
Dash	DASH	136.76	1.44	-0.14	2.56	-29.37	-1.26	6.12	PoW/PoS	5.97	5.82	1.41	0.75
Decred	DCR	64.66	0.88	-4.58	-6.79	-47.38	-42.08	16.12	PoW/PoS	5.21	4.10	1.20	0.71
<b>Platforms</b>													
Ethereum	ETH	3234.17	386.73	-2.99	-11.65	-16.21	62.78	158.20	PoW	4.22*	N/A	1.04	1.53
Cardano	ADA	1.51	49.05	6.37	14.83	-28.78	28.34	304.44	PoS	4.27	5.94	1.27	1.71
Solana	SOL	142.76	44.99	-3.39	-15.81	-8.28	435.83	3667.72	PoS	5.12	6.63	1.53	3.19
Terra	LUNA	81.33	29.25	-6.30	-4.49	116.61	1136.04	10079.90	PoS	2.89	7.63	2.09	3.21
Polkadot	DOT	26.22	25.91	-5.34	-1.61	-36.60	112.54	58.09	PoS	8.27	14.68	1.47	1.49
Avalanche	AVAX	88.52	21.71	-3.11	-12.40	134.65	538.94	497.99	PoS	6.00	9.77	1.81	2.23
Algorand	ALGO	1.37	8.92	-4.37	-17.61	-20.15	77.68	140.94	PoS	3.36	2.50	1.47	1.62
Tron	TRX	0.07	7.26	1.17	-6.18	-29.55	30.86	124.29	PoS	1.91	7.05	1.25	1.28
Zilliqa	ZIL	0.06	0.87	-4.57	-17.01	-32.43	6.20	-21.12	Other	12.28	14.66	1.51	0.78

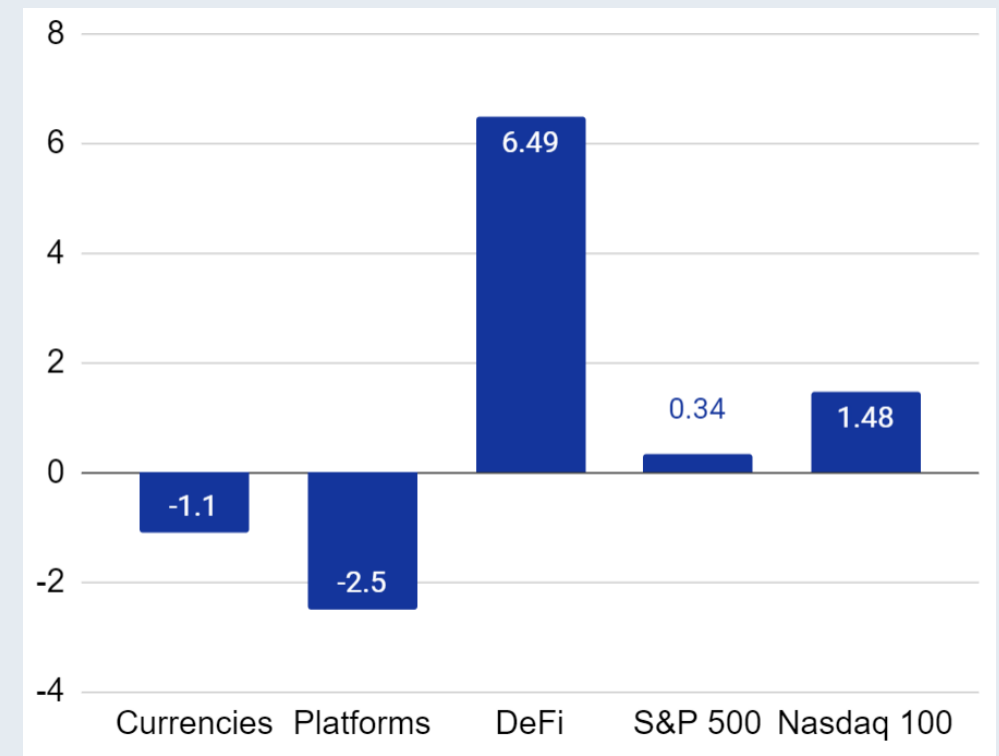
### Bitcoin Quarterly Returns (%)

	Q1	Q2	Q3	Q4	Mean
2014	-37	41	-40	-18	-14
2015	-22	7	-10	81	14
2016	-3	61	-10	58	27
2017	11	128	76	219	109
2018	-50	-6	3	-40	-23
2019	10	160	-23	-14	33
2020	-10	42	17	157	51
2021	100	-38	25	6	23
2022	-8				
Mean	-1	49	5	56	

### Historical Bitcoin Volatility



### Weekly Sector Returns (%)



### Ethereum Quarterly Returns (%)

	Q1	Q2	Q3	Q4	Mean
2015				-30	-
2016	1127	8	5	-38	276
2017	513	463	9	146	283
2018	-46	15	-48	-43	-31
2019	6	103	-38	-29	11
2020	4	70	59	82	54
2021	159	15	42	22	60
2022	-12				
Mean	21	51	4	8	



# Weekly Crypto Market Review - Jan 18th, 2022

Weekly Thoughts: Source: Valkyrie Investments, Inc.

Coin Prices, Market Capitalizations, and Returns: Source: Valkyrie Investments, Inc., TradingView, Messari. All returns represent total return for stated period.

"Currencies" and "Platforms" taxonomy provided by Messari. Currencies as defined by digital representation of value that functions as a medium of exchange, a unit of account, and/or a store of value. Platforms as defined by virtual machines which can act as computing systems able to execute arbitrary code and power decentralized applications.

Historical Bitcoin Volatility: Source: Valkyrie Investments, Inc., TradingView - "HV" 30-day rolling calculation

Weekly Sector Returns: Source: Valkyrie Investments, Inc., Messari, TradingView - "Currencies" and "Platforms" returns based on top 10 coins by market cap in each category as provided by Messari.com, "DeFi" returns provided by DEFIPERP on FTX.com which tracks the price of a basket of Decentralized Finance coins, using a weighed average of the prices of KNC, MKR, ZRX, REN, REP, SNX, COMP, TOMO, RUNE, CRV, DOT, LINK, MTA, SOL, CREAM, BAND, SRM, SUSHI, SWRV, AVAX, YFI, UNI, WNXM, AAVE, BAL, "S&P 500" provided by Standard & Poor's and is a stock market index tracking the performance of 500 large companies listed on stock exchanges in the United States, "Nasdaq 100" provided by NASDAQ OMX Group and includes 100 of the largest domestic and international non-financial companies listed on the Nasdaq Stock Market based on market capitalization.

Bitcoin Quarterly Returns: Source: Valkyrie Investments, Inc., TradingView - INDEX:BTCUSD, provided by TradingView

Ethereum Quarterly Returns: Source: Valkyrie Investments, Inc., TradingView - INDEX:ETHUSD, provided by TradingView

Consensus: Source: Valkyrie Investments, Inc., Messari - Proof of Work (PoW), Proof of Stake (PoS), Other - indicating hybrid PoS or unique PoS consensus.

Annualized Issuance, Staking Yield, Volatility, and Sharpe Ratio: Source: Valkyrie Investments, Inc., Messari, StakingRewards.com. \*ETH's EIP-1559 token burn not included.

Past performance is not indicative of future results. Investments may be speculative, illiquid and there is a risk of total loss. There is no guarantee that any specific outcome will be achieved. This is not an offer to buy or sell securities. We do not offer legal, tax or financial advice. Information is purported to be as of the time period provided therein. Charts/graphs are for illustrative purposes only.

Cautionary Statement Concerning Forward-Looking Statements:

This document contains forward-looking statements. In addition, from time to time, we or our representatives may make forward-looking statements orally or in writing. We base these forward-looking statements on our expectations and projections about future events, which we derive from the information currently available to us. Such forward-looking statements relate to future events or our future performance, including: our financial performance and projections; our growth in revenue and earnings; and our business prospects and opportunities. You can identify forward-looking statements by those that are not historical in nature, particularly those that use terminology such as "may," "should," "expects," "anticipates," "contemplates," "estimates," "believes," "plans," "projected," "predicts," "potential," or "hopes" or the negative of these or similar terms. In evaluating these forward-looking statements, you should consider various factors, including: our ability to change the direction of the Company; our ability to keep pace with new technology and changing market needs; and the competitive environment of our business. These and other factors may cause our actual results to differ materially from any forward-looking statement. Forward-looking statements are only predictions. The forward-looking events discussed in this document and other statements made from time to time by us or our representatives, may not occur, and actual events and results may differ materially and are subject to risks, uncertainties and assumptions about us. We are not obligated to publicly update or revise any forward-looking statement, whether as a result of uncertainties and assumptions, the forward-looking events discussed in this document and other statements made from time to time by us or our representatives might not occur.

### Upcoming Events

- Jan 22nd - DeFi Security Summit
- Feb 11th - ETHDenver

### Weekly Thoughts

Decentralized Finance (DeFi) is defined as the ability to participate in complex financial transactions in a peer-to-peer fashion without an intermediary. This includes both exchanges as well as lending and borrowing protocols. Decentralized price oracles, such as Chainlink, also provide the necessary reliable information to participate in this ecosystem. Most DeFi related projects and platforms had a historic bullish rally in the first few months of 2021 and then held within a wide price range for the remainder of 2021. On aggregate, aside from January and February 2021, most DeFi coins provided lackluster returns through the remaining months of 2021. As Ethereum (ETH) transaction fees increased throughout 2021, mostly due to sustained NFT activities, many DeFi protocols adopted a multi-chain approach. ETH transaction fees have remained relatively high and continue to price out many individuals from participating in DeFi on Ethereum. Ultimately, ETH will need to quickly adopt scaling initiatives or watch most of the DeFi ecosystem move to an alternative chain. *Please see important disclosure on next page.*

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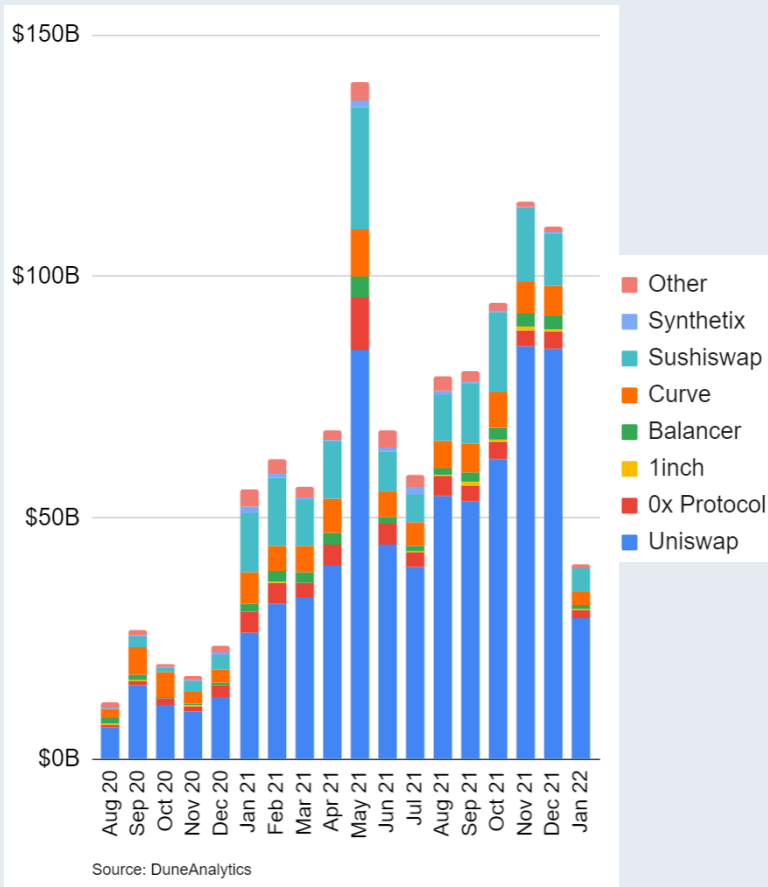


DEX Tokens	Ticker	Price (\$)	M Cap (bn)	Returns (%)					Annualized				
				1 week	YTD	3 month	6 month	1 year	TVL (bn)	Rev (mn)	M Cap / Rev	Volatility	Sharpe
Uniswap	UNI	16.73	7.15	-6.48	-1.97	-35.89	-0.20	81.72	7.76	1600	4.9	1.02	1.42
Curve	CRV	4.75	2.01	-7.67	-10.85	69.73	227.61	195.85	23.00	30	71.9	1.51	3.19
SushiSwap	SUSHI	6.47	1.36	-6.94	-31.22	-39.54	-8.51	-13.36	5.11	364	4.0	1.25	3.70
Bancor	BNT	3.05	0.83	-4.30	-4.80	-25.17	7.96	71.70	1.44	23	37.9	0.61	-0.30
Balancer	BAL	16.10	0.19	-7.41	-8.41	-26.67	-9.12	-30.20	3.19	8.0	24.6	1.00	3.31
1inch Protocol	1inch	2.25	0.99	-7.70	-5.98	-39.71	22.89	19.36	0.35	1.6	578	1.60	1.16
Ox Protocol	ZRX	0.73	0.61	-4.96	-9.33	-24.70	14.53	24.54	0.00	0	N/A	1.45	1.16

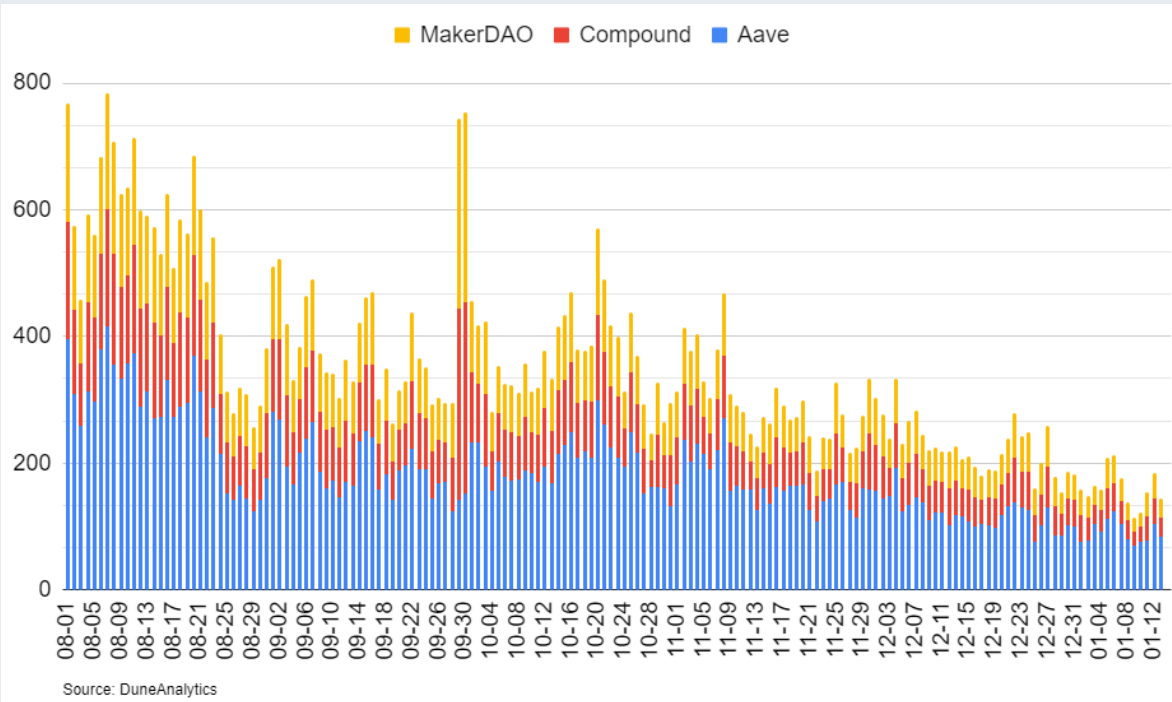
  

Loan Platforms									DeFi APYs (%)				
Platform	Ticker	Price (\$)	M Cap (bn)	1 week	YTD	3 month	6 month	1 year	Stablecoins	Ticker	Supply (bn)	Lend	Borrow
Aave	AAVE	230.94	2.97	-4.65	-8.85	-23.88	-10.76	15.65	Tether	USDT	78.53	3.20	4.40
Maker	MKR	2,111.00	1.93	-6.24	-9.38	-15.13	-13.34	48.55	USD Coin	USDC	39.83	3.00	4.06
Compound	COMP	193.18	1.22	-4.84	-8.95	-40.74	-51.76	-19.52	Binance USD	BUSD	14.2	4.19	5.95
Synthetix	SNX	5.45	1.08	-7.30	-9.22	-47.05	-41.11	-68.03	MakerDAO	DAI	9.02	2.91	4.27
									Gemini Dollar	GUSD	0.18	4.70	6.48

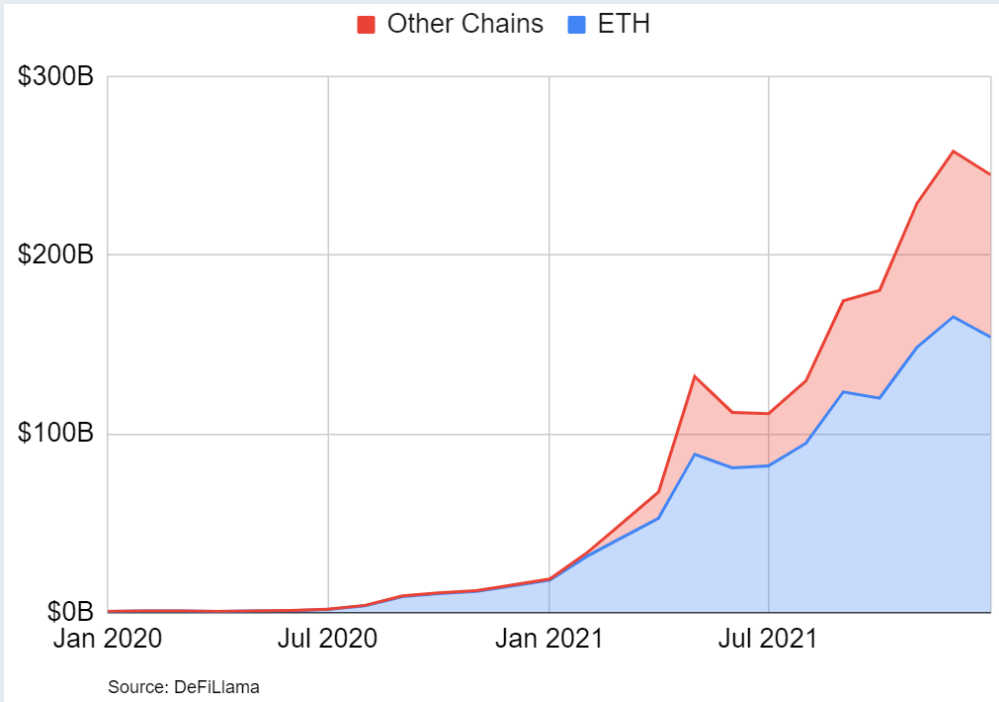
### Monthly DEX Volume (USD)



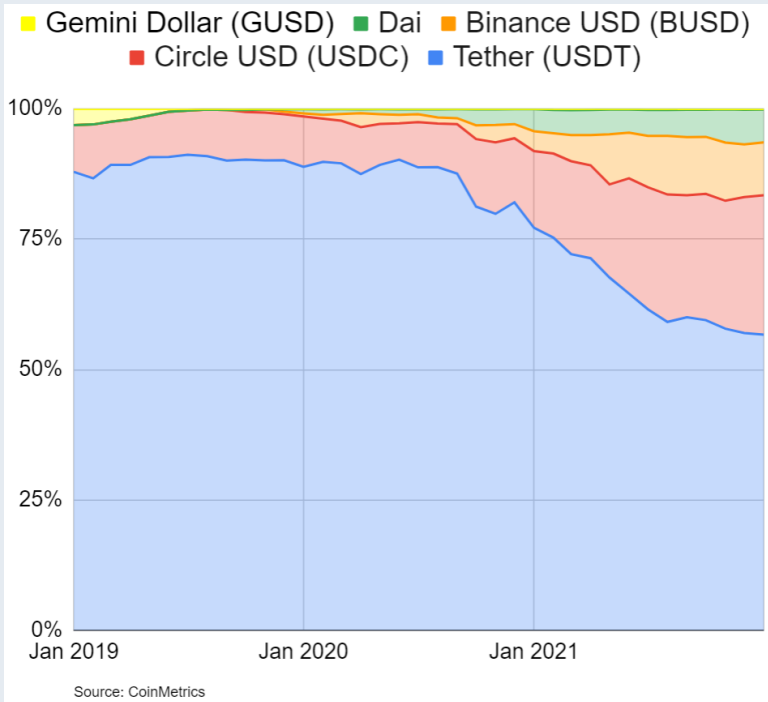
### Daily Unique Borrowers



### Total Value Locked (TVL) - All Chains



### Stablecoin Market Share







# Weekly DeFi+ Market Review - Jan 18th, 2022

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Coin Prices, Market Capitalizations, and Returns: Source: Valkyrie Investments, Inc., TradingView, Messari. All returns represent total return for stated period.

Abbreviations: Decentralized Exchange Token; DEX: Centralized Exchange Token; CEX: Total Value Locked; TVL: Revenue; Rev: M Cap; Market Capitalization: APY; Annual Percentage Yield

Daily Unique Borrowers: Valkyrie Investments, Inc., DuneAnalytics - Defined as unique blockchain addresses interacting with specified smart contracts each day.

Total Value Locked (TVL) - All Chains: Valkyrie Investments, Inc., DeFiLlama - Defined as total USD value held in specified smart contracts. "Other Chains" category includes the following blockchains: Terra, BSC, Avalanche, Fantom, Solana, Tron, Polygon, Arbitrum, Cronos, Harmony, Osmosis, Waves, Klaytn, Heco, Ronin, Moonriver, Elrond, Parallel, Aurora, Kava, Celo, DefiChain, Mixin, Optimism, Metis, xDai, Thorchain, IoTex, Near, OKExChain, Moonbeam, RSK, Bitcoin, Stacks, Oasis, Songbird, Secret, Godwoken, Icon, Telos, Boba, NEO, Tezos, Algorand, EOS, Karura, Sifchain, Wanchain, Theta, Stellar, Ontology, KCC, smartBCH, Velas, Everscal, Fuse, Sora, VeChain, Zilliqa, Kardia, Nuls, Energi, CSC, Cosmos, Callisto, Nahmii, ThunderCore, Meter, Elastos, Ultra, Cardano, EnergyWeb, Kusama, TomoChain, Lamden, Conflux, Ergo, Polkadot, XDC, Shiden, ZYX, Polis, Ubiq, Hoo, Gochain, Liquidchain, HPB, Syscoin, Palm, ETC, Fusion, zkSync

Stablecoin Market Share: Valkyrie Investments, Inc., CoinMetrics - Percent of total circulating supply for each specified stablecoin. Tether (USDT) market share representative of USDT available on Ethereum (ETH), Tron (TRX), and Omni Layer (OMNI).

Monthly DEX Volume (USD): Valkyrie Investments, Inc., DuneAnalytics - Defined as total reported volume for the specified DEX in the specified time period. "Other" category includes the following DEXs: airswap, clipper, DDEX, DefiPlaza, DFX Finance, DODO, dYdX, Gnosis Protocol, IDEX, Indexed Finance, Kyber, LINKSWAP, Loopring, mStable, Oasis, PowerIndex, Shell, xSigma

Annualized Revenue provided by The Block Research, Ethereum ETL, and The Graph; M Cap / Rev provided by The Block Research, Ethereum ETL, The Graph, and CoinGecko; Annualized volatility and Sharpe ratios provided by Messari; Stablecoin supply provided by CoinMetrics, DeFi APYs provided by DeFiRate.com and represent the 30-day average of rates offered on the Compound and AAVE platforms.

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