

Upcoming Events

- Jan 26th - FOMC Statement

Weekly Thoughts

Price volatility for Bitcoin (BTC) and Ethereum (ETH) has increased substantially after reaching a multi-month lull last week. Both assets are now down 50% or more from their respective November all-time-highs and bearish momentum continues to persist.

Although BTC remains within the 2021 price range from \$30,000 to \$60,000, a bearish continuation chart pattern has now been confirmed. This head and shoulders support breakdown over the past few days now carries a 1.618 fib extension target of \$25,000. A yearly support pivot, based on the 2021's highs and lows, also sits at \$26,250.

This week, ETH will confirm a "death cross", a 50 day over 200 day moving average cross, the first since May 2020. The nearest horizontal support for ETH sits between \$1,800 to \$1,900, based on the local highs and lows of early and mid 2021. A yearly support pivot also sits at \$1,300.

The Relative Strength Index (RSI) for both assets continues to push into oversold territory and lower lows in price are likely until a higher high in price is made or a bullish divergence begins to form on RSI. *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	35612.69	671.59	-16.88	-23.47	-41.38	-11.66	9.63	PoW	1.76	N/A	0.78	0.41
Dogecoin	DOGE	0.14	18.52	-19.86	-18.08	-45.45	-32.20	-65.23	PoW	3.72	N/A	4.41	1.57
Litecoin	LTC	109.59	7.57	-23.44	-25.50	-44.84	-22.45	-20.56	PoW	3.98	N/A	1.15	0.39
Stellar	XLM	0.20	4.86	-22.40	-26.12	-47.37	-27.50	-24.77	Other	7.88	N/A	1.18	0.32
Monero	XMR	153.05	2.74	-30.11	-33.76	-45.92	-35.50	10.38	PoW	1.63	N/A	1.15	0.60
Zcash	ZEC	95.15	1.29	-31.30	-35.46	-41.30	-10.74	7.69	PoW	12.14	N/A	1.37	0.80
Dash	DASH	97.80	1.03	-27.22	-27.32	-51.04	-36.26	-7.13	PoW/PoS	5.97	5.82	1.40	0.65
Decred	DCR	54.92	0.75	-16.08	-21.94	-54.04	-60.57	-7.17	PoW/PoS	5.21	4.10	1.22	0.62
Platforms													
Ethereum	ETH	2479.23	293.75	-24.19	-33.04	-40.39	7.05	86.85	PoW	4.22*	N/A	1.02	1.10
Cardano	ADA	1.09	36.12	-20.33	-17.66	-49.62	-16.36	213.66	PoS	4.27	5.94	1.26	1.47
Solana	SOL	94.52	29.07	-32.42	-45.62	-53.77	231.20	2396.28	PoS	5.12	6.63	1.53	2.96
Terra	LUNA	67.53	26.90	-20.11	-21.94	52.06	507.42	7560.01	PoS	2.89	7.63	2.10	3.08
Polkadot	DOT	18.13	17.66	-32.08	-32.90	-60.10	22.91	3.78	PoS	8.27	14.68	1.36	0.72
Avalanche	AVAX	62.70	15.16	-30.00	-43.34	-9.83	402.68	407.71	PoS	6.00	9.77	1.78	1.74
Algorand	ALGO	0.96	6.23	-30.85	-42.46	-53.32	12.45	71.31	PoS	3.36	2.50	1.45	1.21
Tron	TRX	0.06	5.66	-17.47	-26.13	-45.11	-8.58	87.34	PoS	1.91	7.05	1.25	1.17
Zilliqa	ZIL	0.04	0.52	-31.45	-43.14	-60.37	-42.54	-36.30	Other	12.28	14.66	1.50	0.47

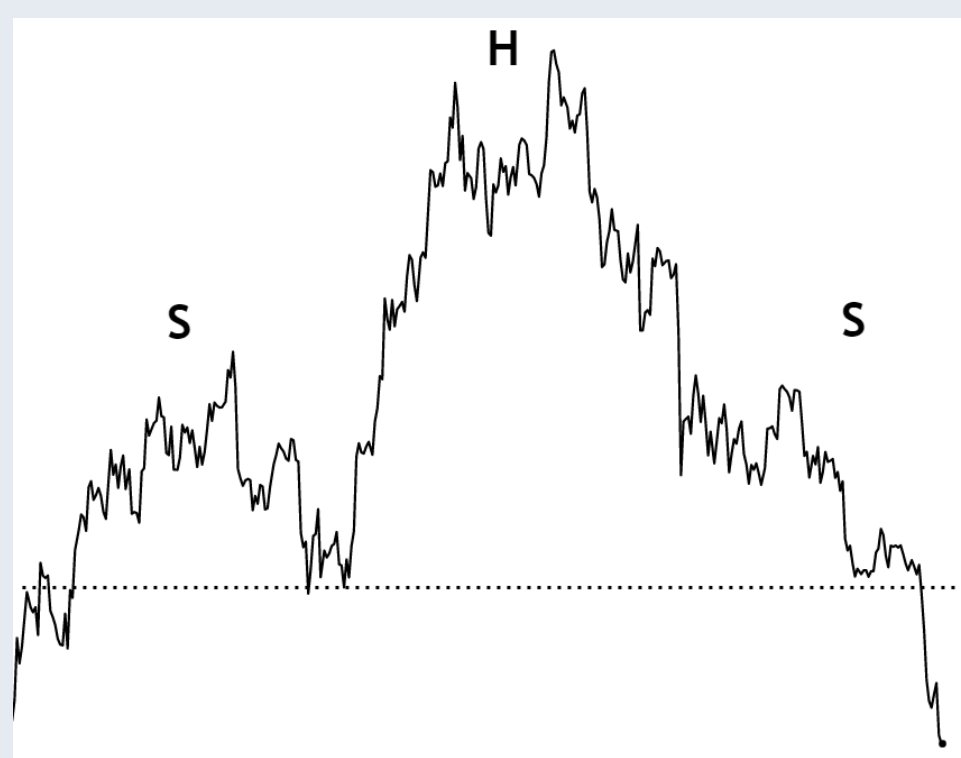
Bitcoin Drawdowns & Recoveries

Peak	Trough	Recovery	Drawdown	Days	
				Length	Recovery
6/6/11	11/17/11	2/27/13	-93.76%	164	632
4/10/13	4/16/13	11/7/13	-81.20%	6	211
12/5/13	2/21/14	3/2/17	-86.94%	78	1183
12/17/17	12/15/18	11/30/20	-84.23%	363	1079
6/26/19	3/13/20	11/3/20	-72.12%	261	496
4/14/21	6/22/21	10/20/21	-55.75%	69	189
11/10/21	1/22/22	N/A	-50.63%	73	N/A

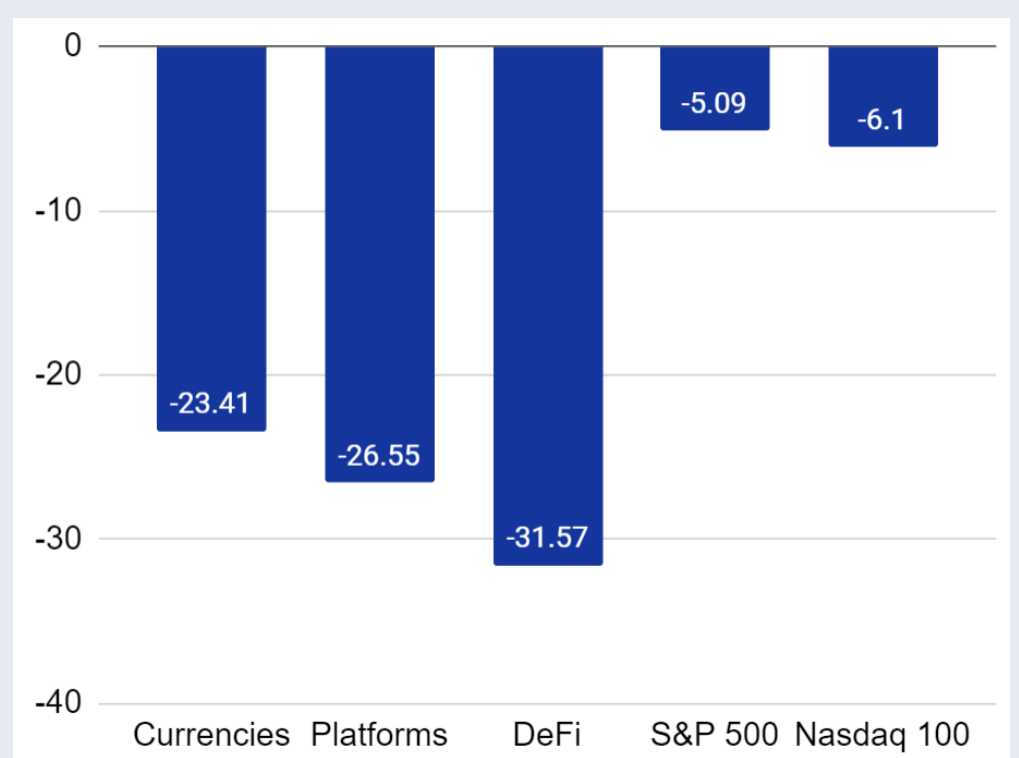
Ethereum Drawdowns & Recoveries

Peak	Trough	Recovery	Drawdown	Days	
				Length	Recovery
6/17/16	12/6/16	3/13/17	-72.05%	172	269
1/12/17	6/16/17	11/24/17	-66.51%	155	316
1/13/18	12/15/18	1/25/21	-94.45%	336	1108
6/25/19	12/18/19	8/1/20	-67.96%	176	403
2/15/20	3/13/20	6/25/20	-69.16%	27	131
3/12/21	6/22/21	10/29/21	-61.07%	102	231
10/10/21	1/24/22	N/A	-55.52%	106	N/A

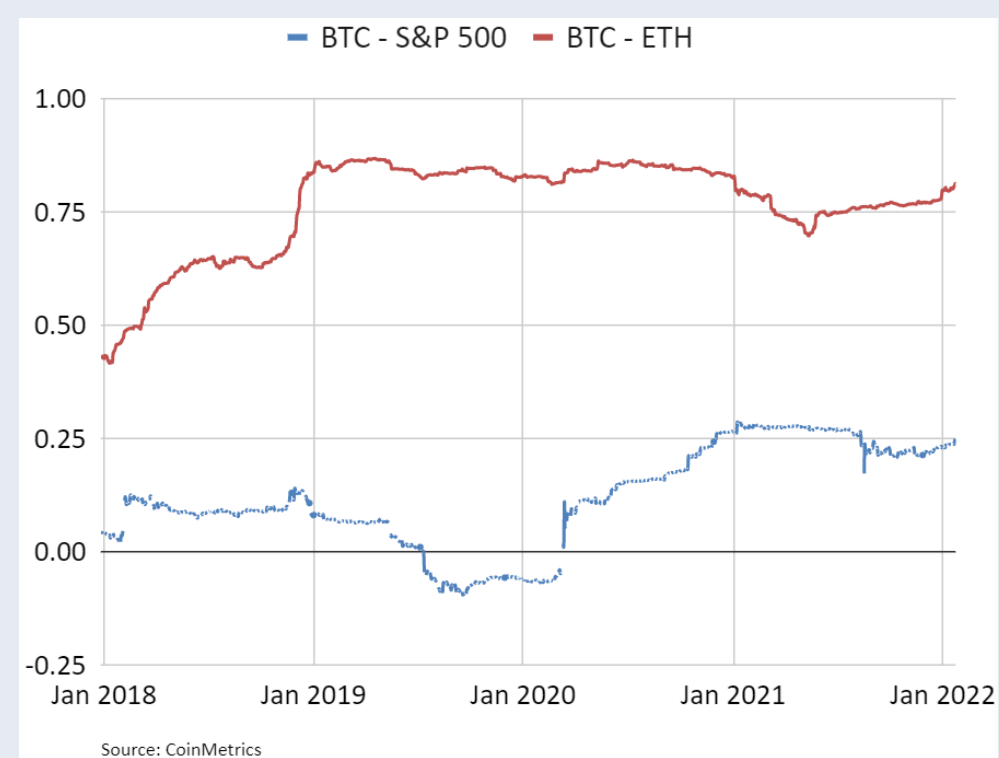
Bitcoin Head & Shoulders Price Action



Weekly Sector Returns (%)



Rolling Annualized Correlations





Weekly Crypto Market Review - Jan 24th, 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.

Bitcoin Head & Shoulders Price Action: Source: Valkyrie Investments, Inc., TradingView - INDEX:BTCUSD, provided by TradingView

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 Drawdowns and Recoveries: Source: Valkyrie Investments, Inc., TradingView - INDEX:BTCUSD, provided by TradingView

Ethereum Drawdowns and Recoveries: Source: Valkyrie Investments, Inc., TradingView - INDEX:ETHUSD, provided by TradingView

Rolling Annualized Correlations: Valkyrie Investments, Inc., CoinMetrics, "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

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

- Feb 11th - ETHDenver

Weekly Thoughts

Decentralized Finance (DeFi) has enabled significant participation in lending and borrowing protocols, both from an individual user and total volume perspective. These protocols have the ability to significantly balloon leverage and open interest in the DeFi ecosystem. Over the past few days, borrow volume has reduced substantially and liquidations on loan protocols have now exceeded \$250 million. Compared to the swift May 2021 drawdown cascade, which saw over \$650 million in liquidations on Aave, MakerDAO, and Compound Finance, the current pullback over the past week has been rather tame. As these loans approach partial or full liquidation levels based on the protocol, borrowers have the ability to add collateral and prevent liquidation. However, some users on Solana reported the inability to add collateral to these loan protocols, despite having the funds to do so, because of failed transactions on the network. Collectively, these loan protocols on all DeFi chains help partially explain the dramatic bullish or bearish price reactions during times of high volatility.

Please see important disclosure on next page.

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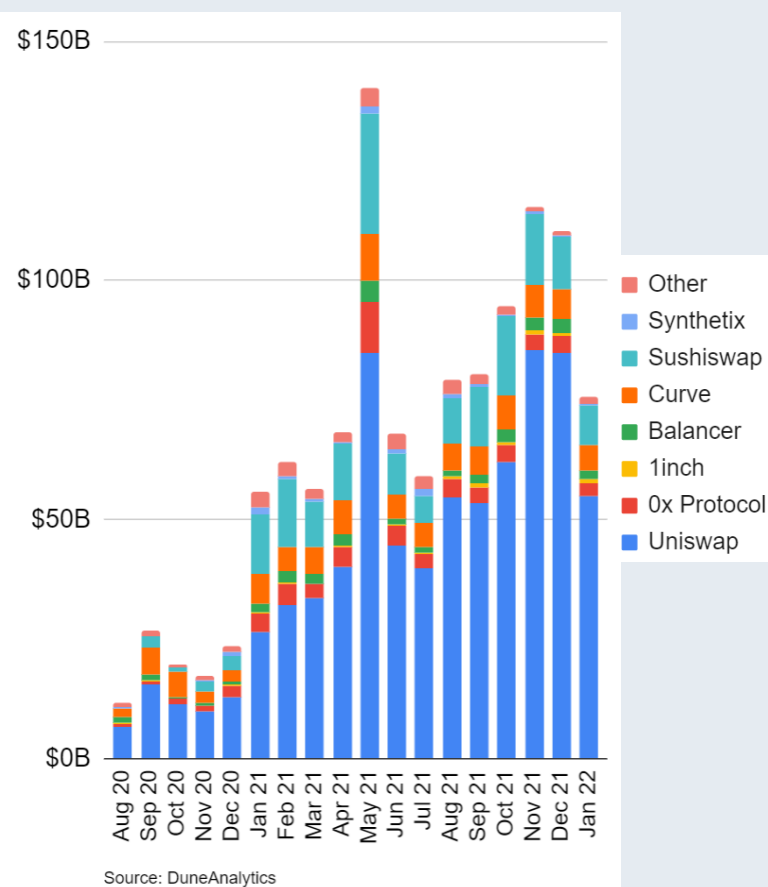


DEX Tokens	Ticker	Price (\$)	M Cap (bn)	Returns (%)					TVL (bn)	Annualized			
				1 week	YTD	3 month	6 month	1 year		Rev (mn)	M Cap / Rev	Volatility	Sharpe
Uniswap	UNI	10.26	6.17	-13.93	-42.14	-62.98	-48.40	-13.11	7.76	1,440	4.8	1.46	0.80
Curve	CRV	2.60	1.10	-19.69	-54.37	-47.60	57.11	20.89	18.61	30	71.9	1.69	1.05
Bancor	BNT	2.20	0.52	-11.76	-33.82	-49.53	-34.30	10.76	1.44	23	22.6	1.65	0.53
SushiSwap	SUSHI	4.13	0.50	-14.85	-57.96	-65.16	-51.46	-48.00	5.11	448	2.6	1.41	0.73
Balancer	BAL	11.06	0.07	-11.40	-39.00	-56.27	-46.18	-49.10	3.19	62	2.7	1.31	0.23
1inch Protocol	1inch	1.52	0.68	-14.28	-39.42	-63.33	-33.82	-38.47	0.25	0	N/A	1.56	0.67
Ox Protocol	ZRX	0.48	0.39	-14.59	-42.28	-56.65	-34.52	-10.92	0.00	0	N/A	1.44	0.83

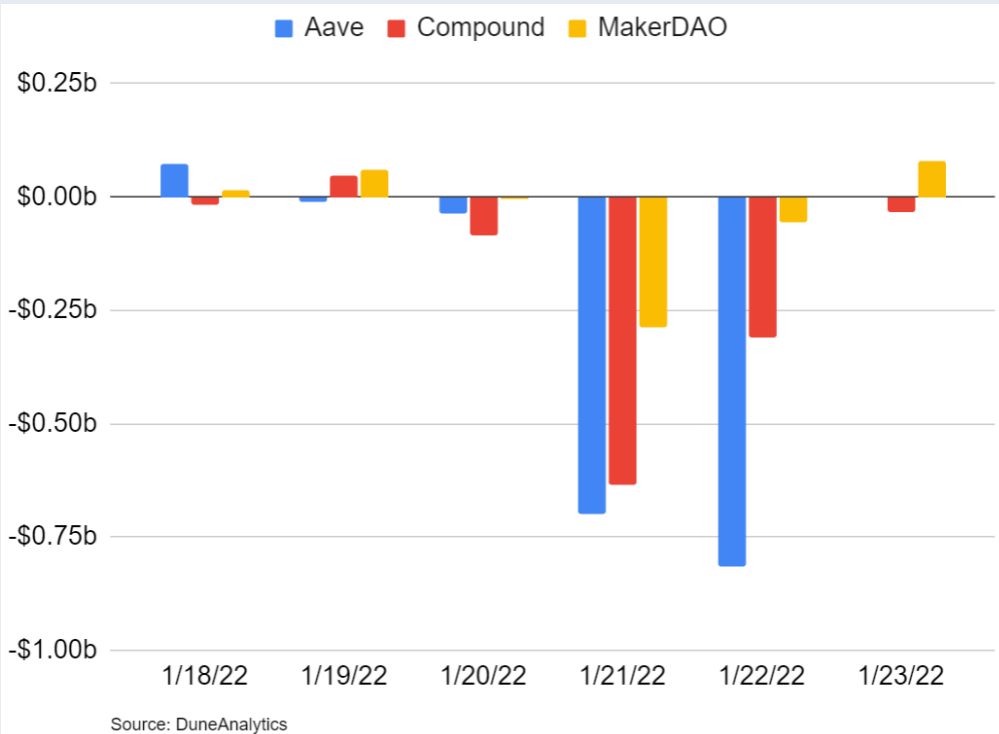
Loan Platforms										DeFi APYs (%)			
Platform	Ticker	Price (\$)	M Cap (bn)	1 week	YTD	3 month	6 month	1 year	TVL (bn)	Rev (mn)	M Cap / Rev	Volatility	Sharpe
Aave	AAVE	140.87	1.79	-16.30	-47.66	-59.71	-55.45	-46.42	10.27	456	6.3	1.45	0.37
Maker	MKR	1728.74	1.65	-7.86	-27.67	-31.36	-36.35	23.38	14.10	139	13.0	1.34	0.82
Compound	COMP	116.86	0.74	-11.98	-43.52	-67.04	-70.99	-47.03	6.06	235	4.6	1.37	0.31
Synthetic	SNX	3.67	0.41	-9.24	-34.95	-65.49	-60.80	-76.92	0.80	2	72.0	1.59	-0.68

CEX Tokens										Stablecoins			
Token	Ticker	Price (\$)	M Cap (bn)	1 week	YTD	3 month	6 month	1 year	TVL (bn)	Supply (bn)	Lend	Borrow	
Binance Coin	BNB	356.47	57.51	-9.39	-31.88	-27.16	10.92	732.91	10.27	78.22	3.03	4.20	
Crypto.com	CRO	0.34	8.41	-10.01	-38.78	67.93	180.74	64.76	14.10	43.18	2.97	3.39	
FTX Token	FTT	33.24	4.49	-9.86	-15.11	-48.30	1.77	231.72	6.06	13.99	2.22	3.53	
Unus Sed Leo	LEO	3.55	3.38	-0.34	-5.75	4.88	14.07	158.01	0.80	9.61	2.85	4.22	
Tether	USDT								10.27	78.22	3.03	4.20	
USD Coin	USDC								14.10	43.18	2.97	3.39	
Binance USD	BUSD								6.06	13.99	2.22	3.53	
MakerDAO	DAI								0.80	9.61	2.85	4.22	
Gemini Dollar	GUSD								0.80	0.25	4.58	6.36	

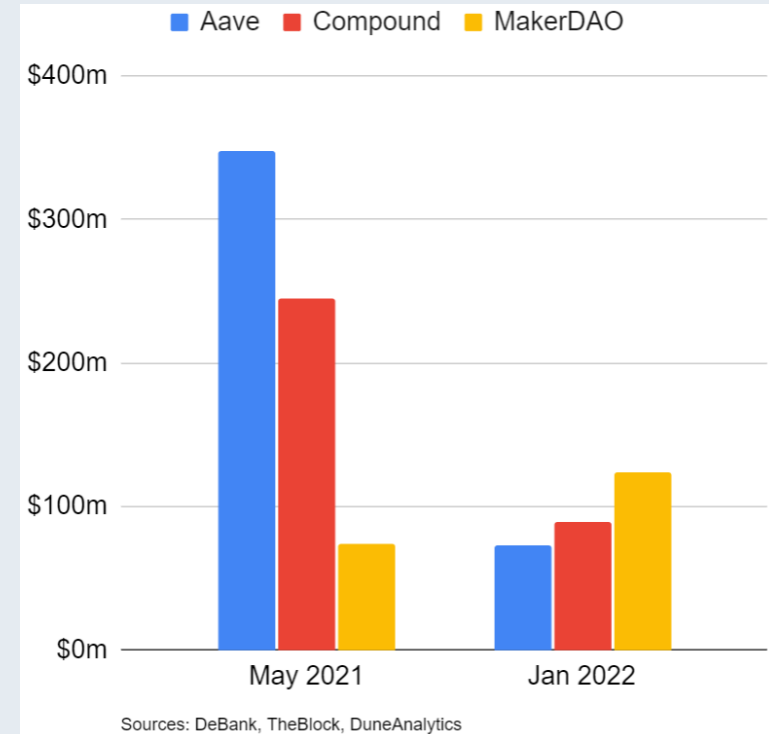
Monthly DEX Volume (USD)



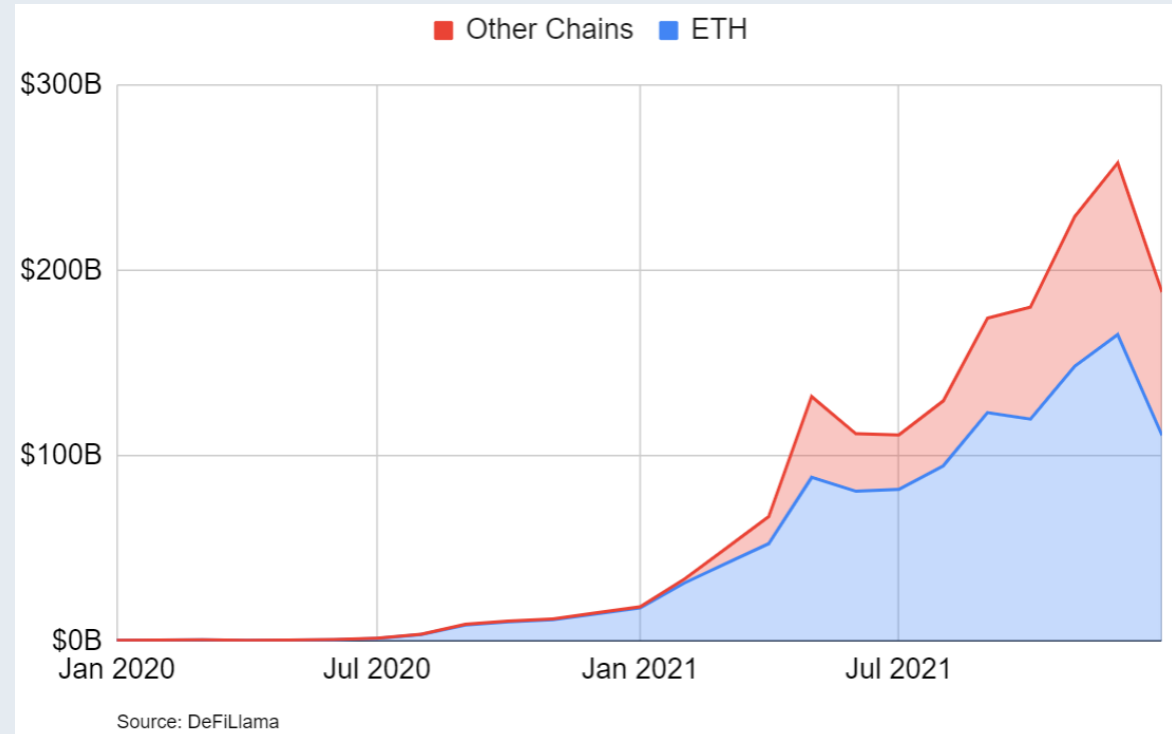
Daily Net Borrows by Protocol



Liquidation Volume by Protocol



Total Value Locked (TVL) - All Chains





Weekly DeFi+ Market Review - Jan 24th, 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.

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

Daily Net Borrows by Protocol: Valkyrie Investments, Inc., DuneAnalytics - Defined as net USD flow with specified smart contracts each day.

Liquidation Volume by Protocol: Valkyrie Investments, Inc., DeBank, TheBlock, DuneAnalytics - Defined as forced liquidations in USD per protocol for the months of May 2021 and Jan 2022.

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

Monthly DEX Volume (USD): Source: 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, Bancor Network, 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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