

## Weekly Thoughts

Bitcoin (BTC) and Ethereum (ETH) have both held their respective local lows for one week while also sitting within 2021 price ranges. BTC and ETH are also entering historic areas of oversold territory based on high time frame moving averages, as noted on the moving average multiplier charts. Although these levels and zones do not provide exact bottom or top signals, they have proved useful at highlighting extremes in price oscillations. On lower time frames, as a local bottom solidifies, the likelihood of mean reversion behaviors increases over the next few weeks. BTC and ETH are currently 22% below their 200-day moving averages, at \$48,900 and \$3,500, respectively. These levels can act as both a magnet and strong resistance for near-term price. Alternatively, any lower lows for BTC and ETH will likely find support at the mid-2021 lows of \$29,300 and \$1,800, respectively.

Irrespective of price, Bitcoin hash rate has not only recovered from the mid-2021 lows but continuously pushed all-time highs since late last year. The Bitcoin mining exodus out of China has brought many miners to the United States with a focus on clean energy development, increasing energy efficiency, and improving grid flexibility and resiliency.

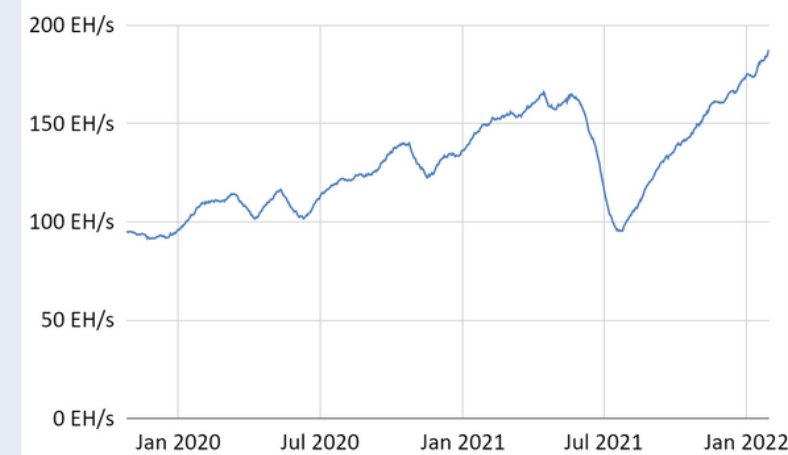
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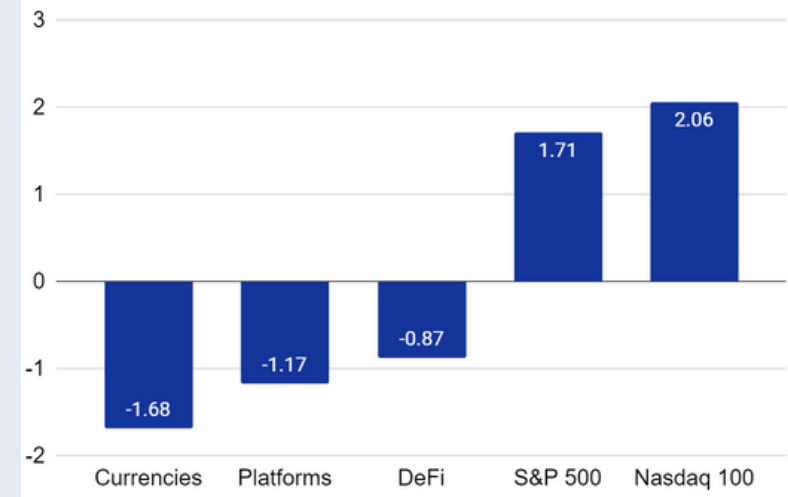


Currencies	Ticker	Price (\$)	M Cap (bn)	Returns (%)					Consensus	Annualized			
				1 week	YTD	3 month	6 month	1 year		Issuance (%)	Staking Yield (%)	Volatility	Sharpe
Bitcoin	BTC	37293.81	706.27	-1.68	-19.34	-41.07	-6.15	11.17	PoW	1.76	N/A	0.77	0.42
Dogecoin	DOGE	0.14	18.44	-0.29	-18.43	-49.31	-30.98	-65.38	PoW	3.72	N/A	2.01	1.62
Litecoin	LTC	106.55	7.39	-2.15	-27.31	-47.13	-25.43	-19.50	PoW	3.98	N/A	1.14	0.39
Stellar	XLM	0.19	4.86	-0.09	-26.58	-48.90	-30.59	-39.70	Other	7.88	N/A	1.15	0.13
Monero	XMR	144.04	2.59	-3.27	-37.40	-47.92	-41.42	-0.16	PoW	1.63	N/A	1.15	0.52
Zcash	ZEC	90.71	1.24	-2.57	-38.14	-47.25	-23.14	2.14	PoW	12.14	N/A	1.36	0.79
Dash	DASH	90.59	0.95	-2.71	-32.41	-54.86	-44.06	-12.76	PoW/PoS	5.97	5.82	1.41	0.59
Decred	DCR	58.85	0.82	-0.70	-14.87	-47.62	-56.31	-10.61	PoW/PoS	5.21	4.10	1.20	0.48
<b>Platforms</b>													
Ethereum	ETH	2548.09	305.26	-1.85	-30.48	-44.35	-6.16	86.01	PoW	4.22	N/A	1.00	1.03
Cardano	ADA	1.02	34.34	-1.35	-21.79	-48.12	-25.69	150.22	PoS	4.27	5.94	1.25	1.38
Solana	SOL	91.58	28.94	-1.66	-45.92	-58.45	156.68	1890.03	PoS	4.86	5.78	1.52	2.77
Terra	LUNA	46.15	19.01	2.33	-44.48	5.97	227.14	2532.89	PoS	2.89	7.63	2.03	2.63
Polkadot	DOT	17.69	17.55	-2.22	-33.30	-65.59	-7.13	8.07	PoS	8.27	13.96	1.35	0.71
Avalanche	AVAX	66.39	16.27	-2.23	-39.23	-2.01	385.28	402.21	PoS	6.00	9.27	1.78	1.80
Algorand	ALGO	0.93	6.12	-1.21	-43.67	-49.91	12.83	44.99	PoS	2.24	9.18	1.44	0.99
Tron	TRX	0.06	5.96	0.22	-22.28	-45.58	-12.83	76.26	PoS	1.91	7.30	1.25	1.08
Zilliqa	ZIL	0.04	0.54	-2.58	-41.71	-61.90	-46.44	-41.67	Other	11.39	13.87	1.49	0.41

## Bitcoin Monthly Average Hashrate



## Weekly Sector Returns (%)



## Bitcoin Two-Year Moving Average Multiplier



## Ethereum One-Year Moving Average Multiplier





# Weekly Crypto Market Review - Jan 31st, 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.

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.

Bitcoin Two-Year Moving Average Multiplier: Source: Valkyrie Investments, Inc., TradingView - INDEX:BTCUSD, provided by TradingView, Indicator "2Y MA M" defined as 730 moving average and 5\*730 moving average

Ethereum One-Year Moving Average Multiplier: Source: Valkyrie Investments, Inc., TradingView - INDEX:ETHUSD, provided by TradingView, Indicator "1Y MA M" defined as 365 moving average and 5\*365 moving average

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 Monthly Average Hashrate: Source: Valkyrie Investments, Inc., TradingView - INDEX:BTCUSD, provided by TradingView

**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 8th - Congressional hearing on stablecoins
- Feb 11th - ETHDenver conference

## Weekly Thoughts

The essence of Decentralized Finance (DeFi) includes the ability to gain access to decentralized exchanges and lending services in a frictionless manner. Other bedrock services of DeFi include; price oracles, stablecoins, derivatives platforms, and insurance protocols. Much of this ecosystem also requires and encourages assets to be held within various smart contracts and is typically referred to as Total Value Locked or TVL. Incentives and yield to hold TVL within a smart contract vary from protocol to protocol, but participation in some of these decentralized protocols via TVL allows participants to generate revenue for these deposits. Throughout 2021, new Ethereum competitors and DeFi protocols emerged, bringing TVL dominance on Ethereum to around 55% currently. Most DeFi activity has occurred on Ethereum historically, although this activity has ebbed and flowed to other chains, in part related to the rising transaction fees on the Ethereum blockchain.

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	10.66	6.79	0.20	-36.30	-58.63	-54.01	-47.22	6.44	1,600	3.6	1.38	0.23
Curve	CRV	3.07	1.39	-4.95	-42.98	-29.39	87.35	19.43	17.13	93	14.9	1.66	0.98
Bancor	BNT	2.43	0.59	-1.81	-24.31	-45.75	-33.18	24.21	0.99	69	15.6	1.40	0.70
SushiSwap	SUSHI	4.00	0.51	-1.67	-57.30	-66.80	-54.02	-69.08	5.13	465	1.7	1.61	0.21
Balancer	BAL	11.80	0.08	-3.71	-33.21	-57.29	-48.32	-61.29	2.85	97	1.8	1.28	-0.04
1inch Protocol	1inch	1.62	0.76	-2.02	-31.98	-64.84	-30.61	-67.60	0.23	30	25.3	1.47	0.04
Ox Protocol	ZRX	0.54	0.46	-2.75	-33.10	-59.14	-38.27	-21.88	0.00	0	N/A	1.44	0.76

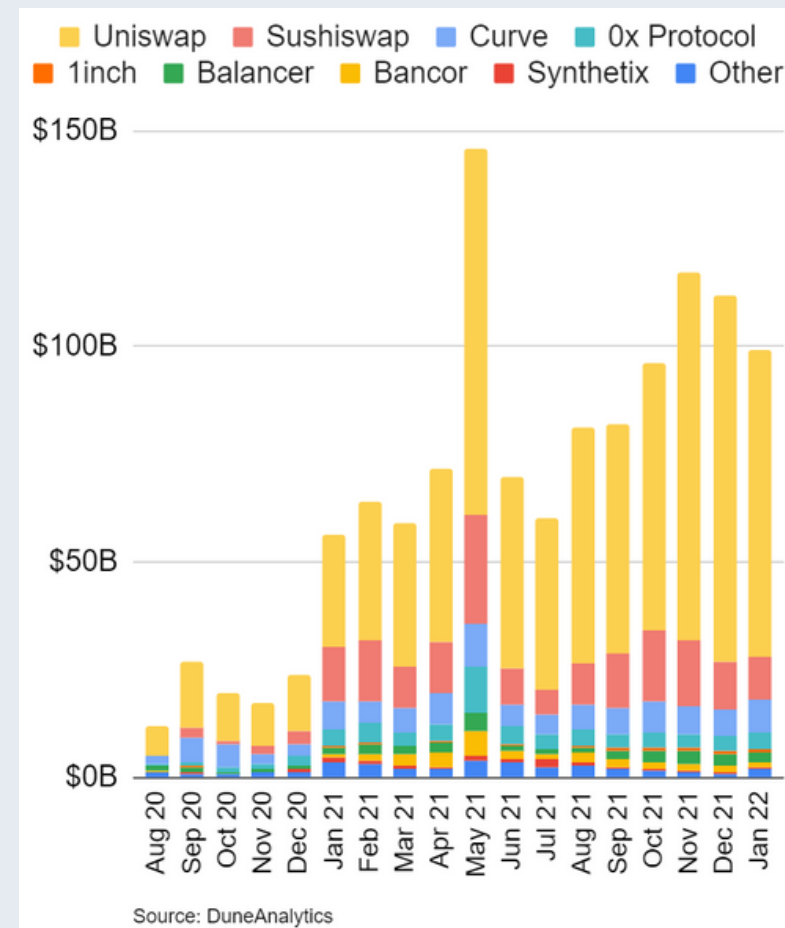
  

Loan Platforms									TVL (bn)	Rev (mn)	M Cap / Rev	Volatility	Sharpe
Platform	Ticker	Price (\$)	M Cap (bn)	1 week	YTD	3 month	6 month	1 year					
Aave	AAVE	140.87	1.79	-16.30	-47.66	-59.71	-55.45	-46.42	11.55	374	5.3	1.34	0.04
Maker	MKR	1728.74	1.65	-7.86	-27.67	-31.36	-36.35	23.38	15.44	125	14.3	1.33	0.79
Compound	COMP	116.86	0.74	-11.98	-43.52	-67.04	-70.99	-47.03	6.49	199	3.9	1.32	-0.13
Synthetix	SNX	3.67	0.41	-9.24	-34.95	-65.49	-60.80	-76.92	1.05	2	118.0	1.58	-0.60

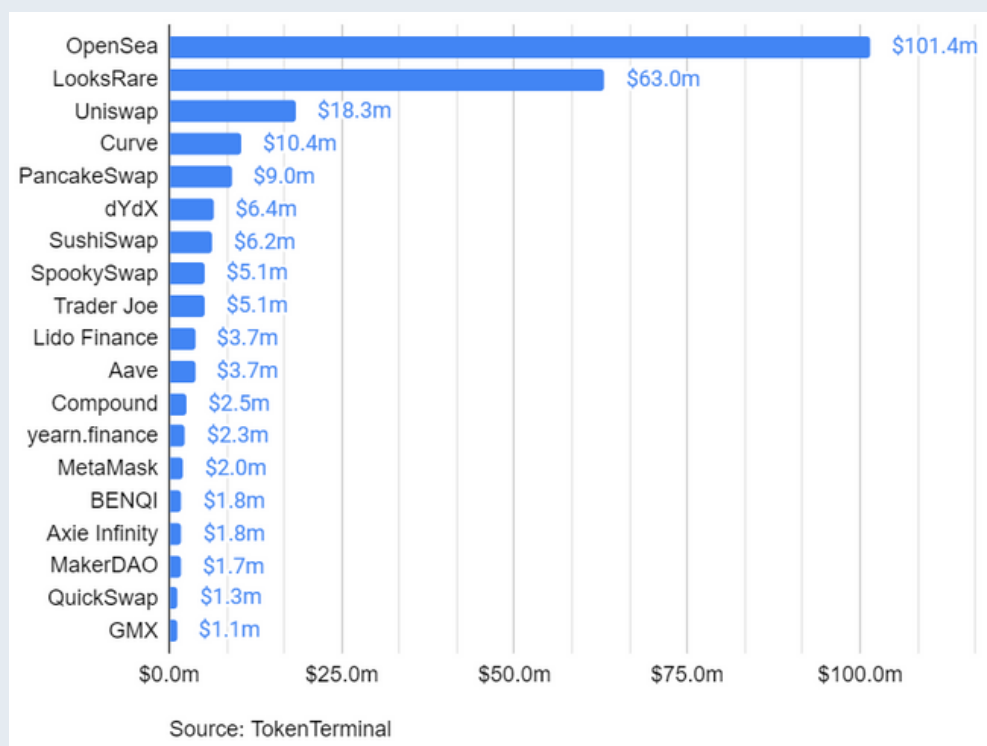
  

CEX Tokens									Stablecoins				DeFi APYs (%)	
Token	Ticker	Price (\$)	M Cap (bn)	1 week	YTD	3 month	6 month	1 year	Ticker	Supply (bn)	Lend	Borrow		
Binance Coin	BNB	356.47	57.51	-9.39	-31.88	-27.16	10.92	732.91	Tether	USD	78.17	2.66	3.89	
Crypto.com	CRO	0.34	8.41	-10.01	-38.78	67.93	180.74	64.76	USD Coin	USDC	49.80	2.77	3.91	
FTX Token	FTT	33.24	4.49	-9.86	-15.11	-48.30	1.77	231.72	Binance USD	BUSD	14.93	1.72	3.00	
Unus Sed Leo	LEO	3.55	3.38	-0.34	-5.75	4.88	14.07	158.01	MakerDAO	DAI	9.64	2.85	4.15	
									Gemini Dollar	GUSD	0.17	2.91	4.33	

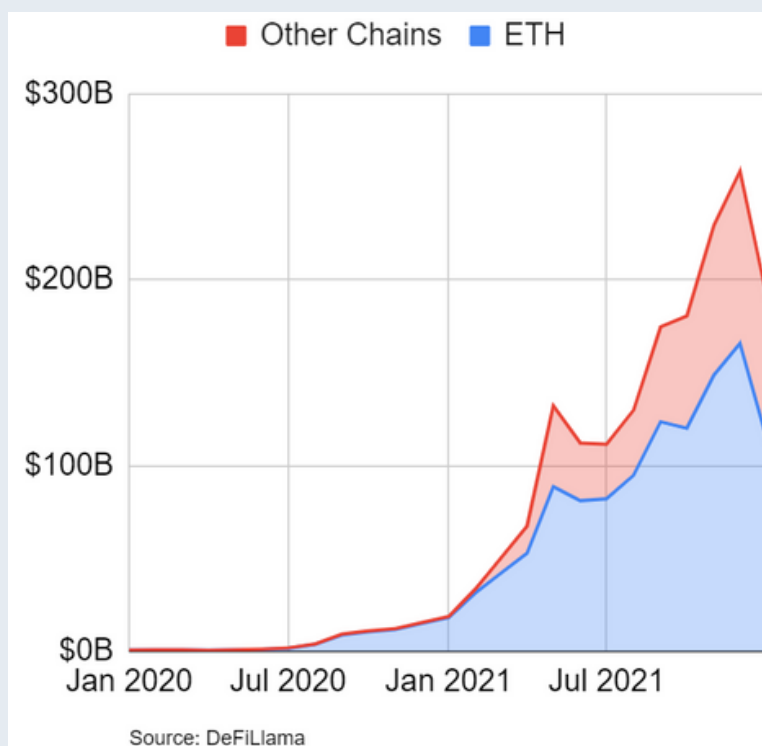
## Monthly DEX Volume (USD)



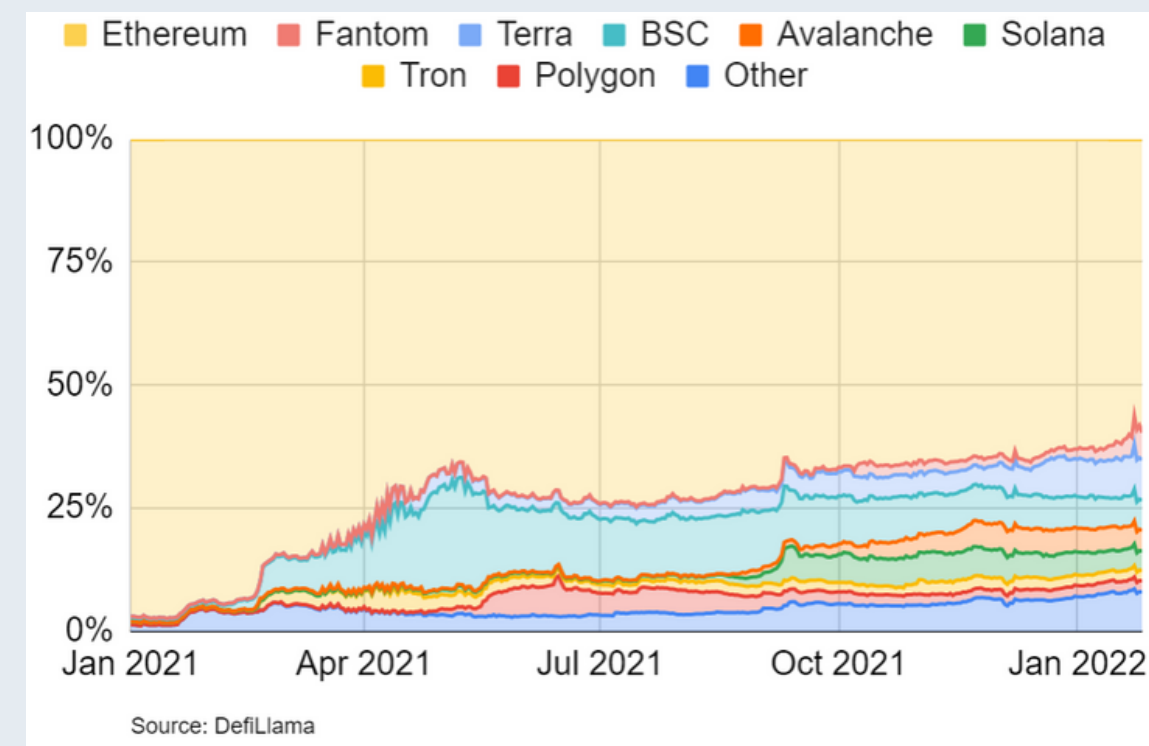
## Weekly Total Revenue by Protocol



## TVL - All Chains



## TVL Market Share by Chain







# Weekly DeFi+ Market Review - Jan 31st, 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

Weekly Total Revenue by Protocol: Valkyrie Investments, Inc., TokenTerminal

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

TVL Market Share by Chain: Valkyrie Investments, Inc., DeFiLlama - Defined as total USD value held in specified blockchains. "Other" category includes the following blockchains: 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

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