

Weekly Thoughts

The Russian war in Ukraine continues for another week with negotiation discussions failing to provide ceasefire conditions. Global social and financial sanctions continue to tighten against Russia from the West, along with the Russian government removing social connections of Russian citizens to the West. The Russian ruble has declined 40% against the U.S. dollar since the war began, with Russia now headed for an imminent sovereign debt default as they are no longer able to access funds necessary to service the debt. Russian Finance Minister Anton Siluanov suggested debt payments could be made in Chinese yuan reserves or Russian rubles.

Bitcoin and cryptocurrencies continue to act as a financial lifeline for those in Ukraine, particularly the Ukrainian government who has now received over \$100 million in cryptocurrency donations. Ukraine's deputy minister at the Ministry of Digital Transformation, Alex Bornyakov, announced last week that these funds have been used to purchase food, medicine, bulletproof vests, and night-vision goggles for the Ukrainian army. Cryptocurrency exchanges Kraken and Binance have also each pledged \$10 million in aid to Ukraine.

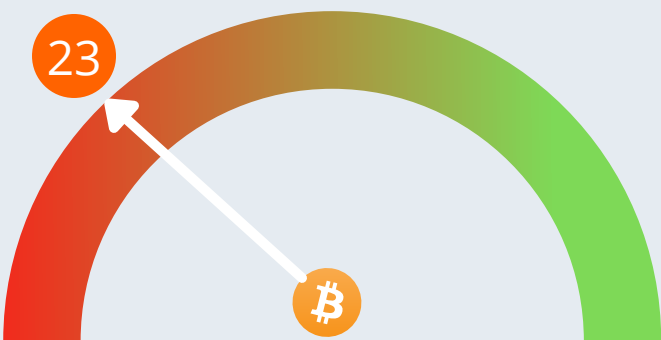
Technical analysis for Bitcoin continues to suggest a brewing ascending triangle, which carries a bullish bias. The chart pattern yields a 1.618 fibonacci extension and measured move of \$50,000 to \$55,000 and remains active so long as no lower lows in price are achieved. The probability of this pattern resolving as expected declines significantly once price breaches the diagonal support. If the pattern does fail, the mid-2021 lows at \$32,000 will likely act as price support.

Crypto	Ticker	Price (\$)	Returns (%)					M Cap (bn)	Consensus	Annualized			
			1 week	1 month	3 month	YTD	1 year			Issuance (%)	Stake Yield (%)	Volatility	Sharpe
Bitcoin	BTC	38605.09	3.03	-9.84	-19.48	-15.73	-30.00	739.28	PoW	1.77	N/A	0.75	-0.20
Ethereum	ETH	2562.76	2.48	-11.75	-33.18	-29.82	43.71	309.45	PoW	4.19*	N/A*	0.99	0.80
Binance Coin	BNB	366.43	1.77	-7.00	-30.34	-28.01	44.74	60.78	PoS	0.00	7.80	1.08	0.85
Terra	LUNA	91.39	5.94	1.51	53.86	8.45	469.65	34.55	PoS	2.30	6.41	1.72	1.92
Solana	SOL	80.38	2.55	-18.92	-49.91	-52.42	470.96	25.86	PoS	4.85	5.81	1.42	1.92
Avalanche	AVAX	68.33	-1.61	-20.89	-23.37	-38.80	131.15	17.82	PoS	5.06	9.13	1.50	1.41
Polkadot	DOT	17.46	1.85	-7.54	-33.10	-34.17	-48.88	17.32	PoS	8.28	13.93	1.31	0.13
Polygon	MATIC	1.37	0.44	-15.39	-29.54	-45.74	250.06	10.49	PoS	4.78	11.93	1.75	1.48
Cosmos	ATOM	26.68	2.14	-14.40	23.11	-17.09	35.27	7.69	PoS	9.82	14.12	1.51	1.01
Tron	TRX	0.06	1.00	-2.97	-31.11	-20.33	18.50	6.10	PoS	1.90	6.17	1.18	0.75
Algorand	ALGO	0.70	2.71	-19.32	-49.28	-57.77	-41.36	4.64	PoS	2.24	0.63	1.33	0.42
Fantom	FTM	1.10	-1.17	-38.24	-16.16	-50.97	200.96	2.81	PoS	7.15	5.12	1.82	1.42
Dash	DASH	94.78	1.60	-5.12	-27.57	-28.68	-56.94	1.01	PoW/PoS	2.83	5.88	1.24	-0.01
Zilliqa	ZIL	0.04	1.08	-9.71	-34.84	-47.35	-75.57	0.49	Other	11.26	13.87	1.37	-0.31

TradFi		Stablecoins			DeFi APYs (%)		
Ticker	Price (\$)	1 week	1 month	Supply (bn)	Lend	Borrow	
S&P 500	SPX	4204	-2.88	-4.85	79.84	2.34	3.59
Nasdaq 100	NDX	13301	-3.87	-6.68	52.38	1.68	3.05
Russell 2000	RUT	1979	-1.06	-2.49	18.04	2.55	3.92
Dow Jones Ind.	DJI	32944	-1.99	-5.16	9.50	2.24	3.72
Gold	GC00	1966	-1.80	4.95	0.26	0.96	2.31

Bitcoin Fear and Greed Index

Multifactorial Market Sentiment Analysis



Last Week: 23 Last Month: 44

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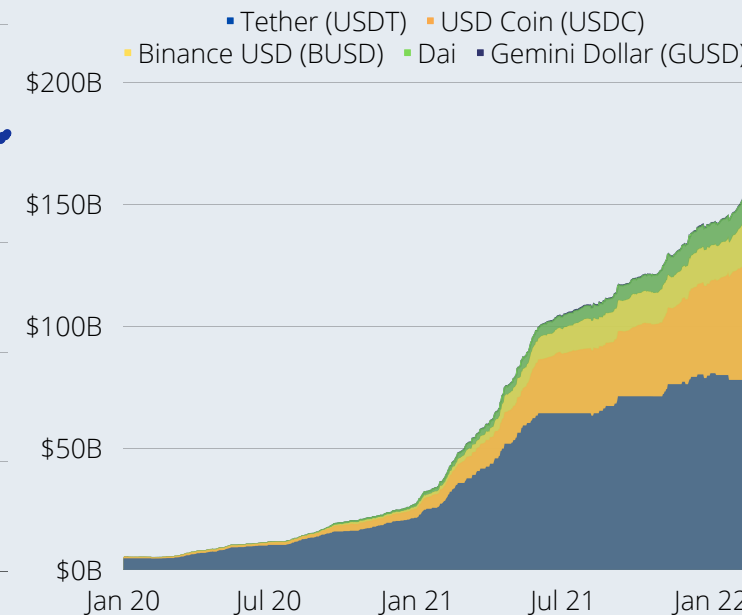
Bitcoin Ascending Triangle



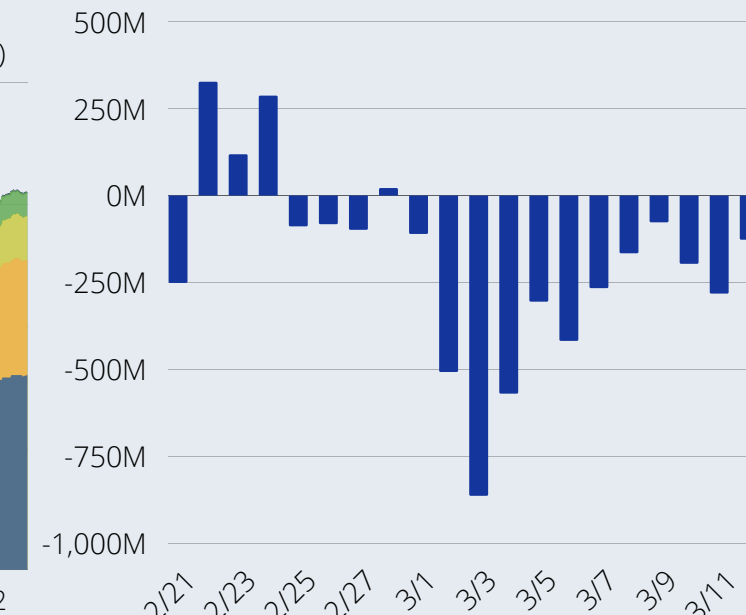
Bitcoin Monthly Average Hashrate



Stablecoin Circulating Supply



Stablecoin Net Exchange Flow



Macro Commentary

As the Russian-Ukraine war enters the third week, the conflict turns complicated with a wide range of possible ending scenarios which don't leave much flexibility for error. Recent Russian attacks near the Polish border, along with more aggressive military behavior towards civilians, are making a solution difficult to picture.

This turns to an important week for Fed policy makers, with the much anticipated March two-day FOMC meeting starting Tuesday leading to Wednesday afternoon's decision. Expectations call for one 25 basis point hike, in addition to possible details on further action in the near term. Current indications point to a total of six hikes within the next year as investors more concerned on inflationary effects on the economy mixed with the spread of war leading to dampened growth. The CPI rose 0.8% last month, marking a new 40-year high, with next month's CPI print potentially reaching a full 1.0%. Last week's passage of a \$1.5 trillion government spending bill will also likely have additive longer term impacts on increasing inflation.

The S&P 500 index settled into a trading range between 4300 high and about 4200 low, with the VIX declining to the 30 level after a high level of almost 38 earlier in the week. While investors wait on the FOMC decision details this week, markets are tracking possible optimism from the outcome of more frequent cease-fire talks between Russia and Ukraine. The 10-year treasury yield steadily rose last week almost 30 basis points to the 2.00% level, then a push higher to 2.11% mid-Monday. After a three day period of oil futures prices above \$120 a barrel, futures declined to the \$110 level by Friday, declining further to \$105 this morning. Strategists are hopeful that consumers will see some benefit soon as the average price of unleaded gasoline is now above \$4.20 a gallon.

Finally, President Biden's executive order last week is a clear attempt to provide the regulatory clarity that many cryptocurrency-related entities have been seeking and to do so while encouraging innovation rather than hindering it.

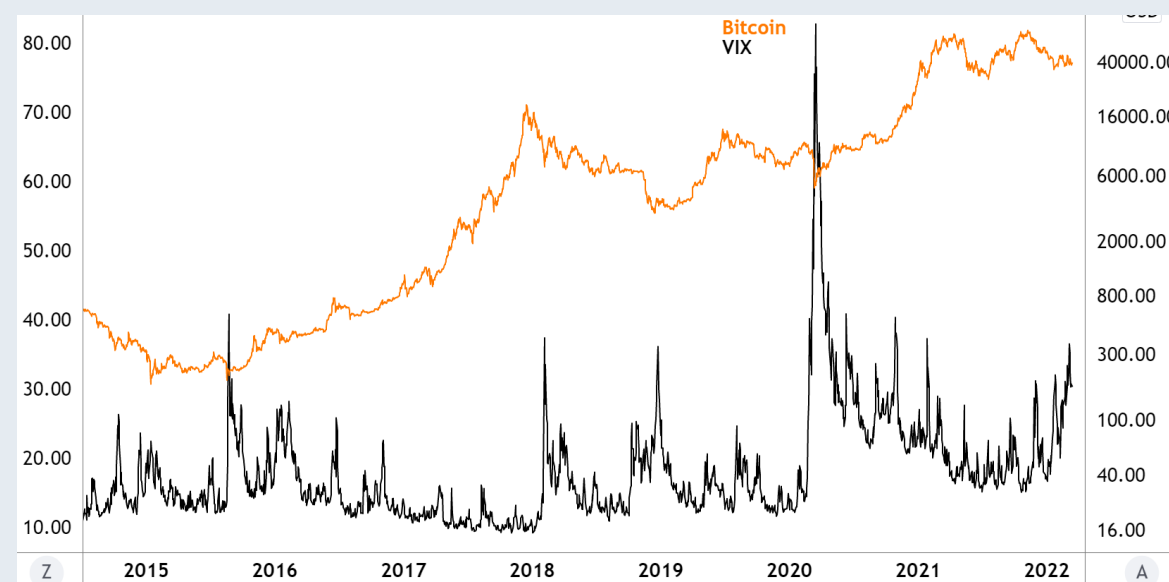
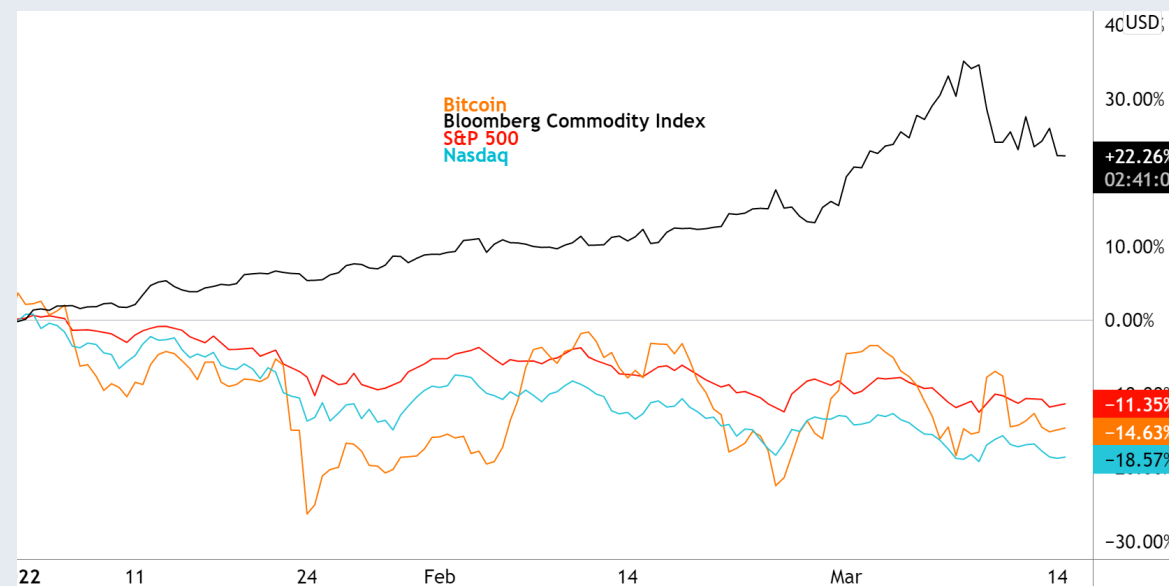
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Commodity	Ticker	Price (\$)	Returns (%)				
			1 week	1 month	3 month	YTD	1 year
Crude Oil	CL1	104.74	-12.92	10.56	47.25	38.82	60.54
Brent Crude	BRN00	108.30	-12.92	12.99	45.72	39.04	57.54
Gold	GC00	1966.00	-1.80	4.95	9.98	7.39	13.63
Silver	SI00	25.65	-0.79	7.48	14.82	9.81	-2.64
Natural Gas	NG00	4.68	-3.12	11.96	22.37	30.43	84.44
Unleaded Gas	RB00	3.21	-10.38	-16.47	51.76	45.06	52.99
Copper	HG00	4.53	-4.47	1.05	5.67	1.72	9.60
Corn	C00	752.75	0.30	14.62	28.79	26.92	37.23
Wheat	W00	1070.25	-17.25	33.76	35.80	39.01	66.33
Bloomberg Commodity Index	BCOM	124.17	-2.26	12.98	28.14	25.20	44.45
Bitcoin	BTC	38605.09	3.03	-9.84	-19.48	-15.73	-30.00



News Review

- [President Biden issues Executive Order on Digital Assets](#)
 - Protect U.S. Consumers, Investors, and Businesses
 - Protect U.S. and Global Financial Stability and Mitigate Systemic Risk
 - Mitigate the Illicit Finance and National Security Risks Posed by the Illicit Use of Digital Assets
 - Promote U.S. Leadership in Technology and Economic Competitiveness to Reinforce U.S. Leadership in the Global Financial System
 - Promote Equitable Access to Safe and Affordable Financial Services
 - Support Technological Advances and Ensure Responsible Development and Use of Digital Assets
 - Explore a U.S. Central Bank Digital Currency (CBDC)
- [Ukraine Is Buying Bulletproof Vests and Night-Vision Goggles Using Crypto](#)
- [Kraken distributes over \\$10 million worth of to aid clients in Ukraine](#)
- [Brian Armstrong, Coinbase CEO - "Some ordinary Russians are using crypto as a lifeline now that their currency has collapsed."](#)
- [Paul Grewal, Coinbase CLO - "We have not seen a surge in sanctions evasion activity in the post-invasion context."](#)
- [Santander Launches Loans Backed by Tokenized Commodities Such as Soy and Corn](#)
- [State Street Partners With Copper in Push for Crypto Custody](#)
- [Online payment processor Stripe now supports crypto businesses](#)
- [Russia's Central Bank Suspends Forex Sales To September 9th](#)



Weekly Crypto Market Review - March 14th, 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.

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 and ETH-2 staking not included.

"TradFi" prices and returns: Source: Valkyrie Investments, Inc., MarketWatch. "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. "Russell 2000" provided by FTSE Russell and is a small-cap stock market index that makes up the smallest 2,000 stocks in the Russell 3000 Index. "Dow Jones Ind." provided by S&P Dow Jones Indices and is a price-weighted measurement stock market index of 30 prominent companies listed on stock exchanges in the United States. "Gold" provided by NYMEX - CME Group and is a continuous futures product. All returns represent total return for stated period.

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.

Bitcoin Fear and Greed Index Source: Valkyrie Investments, Inc., alternative.me and represents a multifactorial sentiment analysis index of volatility, market momentum and volume, social media, bitcoin market cap dominance, and Google trends

Bitcoin Ascending Triangle: Source: Valkyrie Investments, Inc., TradingView

Bitcoin Monthly Average Hashrate, Stablecoin Circulating Supply: Source: Valkyrie Investments, Inc., CoinMetrics

Stablecoin Net Exchange Flow: Source: Valkyrie Investments, Inc., Nansen and represent wallet inflows and outflows of Tether, USD Coin, Binance USD, PAX, and Huobi USD through crypto exchanges, including but not limited to; Binance, Curve.fi, AnySwap, Crypto.com, Uniswap, Hop Protocol, OKEx, Kucoin, dYdX, Coinbase, Kraken, Huobi, FTX, Gemini, FTX US, CoinList, SushiSwap, Gate.io, Balancer, BitMEX, Bitfinex, Bittrex, Binance US, Bitstamp, BlockFi, Paxos, Celsius, Alameda OTC, Poloniex, HitBTC, Bancor, Kyber, and ShibaSwap.

"Commodity" prices and returns: Source: Valkyrie Investments, Inc., Wall Street Journal. Bloomberg Commodity Index provided by Bloomberg and tracks prices of futures contracts on physical commodities on the commodity markets. All returns represent total return for stated period. Volatility Index (VIX) provided by Chicago Board Options Exchange's and measures expectations of volatility based on S&P 500 index options.

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.

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