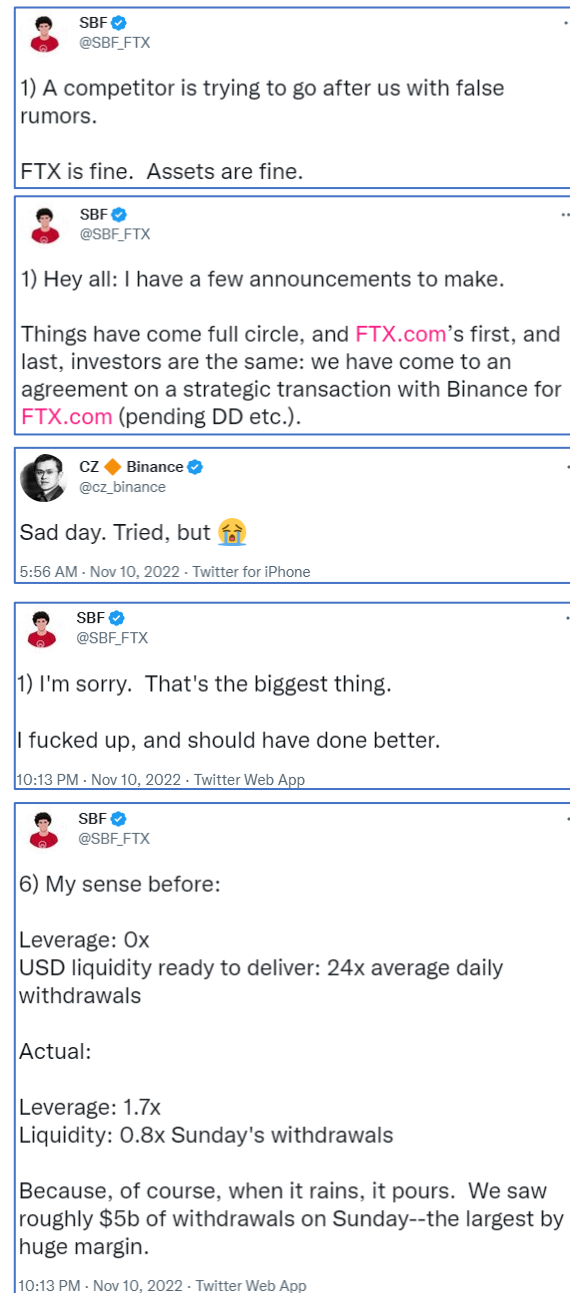


# Web3.0 Biweekly

11 November 2022 | AMTD Research

# Another Lehman moment for crypto

- FTX, the world's second-largest crypto exchange, crumbled following a liquidity crisis that brought the crypto market into another crash. **Binance walked away from saving the firm after corporate due diligence and reports of “mishandled customer funds and alleged US agency investigations.”**
- FTX founder SBF's trading firm, **Alameda Research, was revealed to have a large portion of its net equity comprised of FTX's own token.** Concerns of Alameda's solvency arose following the report since it held a lot of illiquid (locked and low volume) tokens
- Binance CEO CZ then said that it would liquidate its remaining FTT tokens on its books.** In a series of tweets, CZ noted that they won't “support people who lobby against other industry players behind their backs,” a reference to SBF's political lobbying.
- The compounding news led to a run on the exchange, triggering a liquidity crisis. With Binance canceling on the deal, SBF announced that it is in talks with a number of players in the industry for a bail out. The **liquidity shortfall is reported to be over US\$8 billion.**
- FTX's future and contagion effects are still unknown and developing. The **Bahamas Securities Commission have frozen the assets of FTX Digital Markets and applied for a provisional liquidator of FTX.**



# Contents

1

## Market Performance

Prices, Valuation, and Exchange Flows

2

## Sector Updates

a

Layer-1 Blockchains — Ethereum gets new roadmap, FTX's sudden implosion shakes crypto market

b

Stablecoins — Coinbase becomes custodian of US\$1.6b MakerDAO reserves, BlackRock creates fund for USDC

c

DeFi — TVL declined as FTX liquidity crisis ripples across crypto markets

d

NFT & Metaverse — Floor prices decline and trading volume spikes as users rush to sell

e

Regulatory Updates — HK mulls lifting retail crypto trading ban, US SFC & DoJ reportedly investigating FTX after collapse

f

Notable Tweets

# Market Performance

# Summary

## 1. Prices

- **One-Year Price Recap**
- **Layer 1 Price Recap** (27 October – 9 November 2022)
  - BNB comes out ahead as Binance confirms intent to acquire rival FTX
  - DOGE also led gains following Elon Musk's acquisition of Twitter, though gains subsided after reports of Twitter shelving crypto wallet plans
  - SOL spiked after Google becomes Solana validator, but gains quickly erased following FTX collapse; founder SBF was an early and influential backer of SOL
  - L1 tokens declined mostly on November 8 as panic and fear spread across the market due to FTX liquidity issues
- **Protocol Price Recap** (27 October – 9 November 2022)
  - All protocol prices declined significantly on November 7 as the market felt the ripple effects of FTX liquidity crisis and user panic.

## 2. Valuation

- Market Cap to Active Addresses – ETH's price rally driven more by multiple expansion than network usage

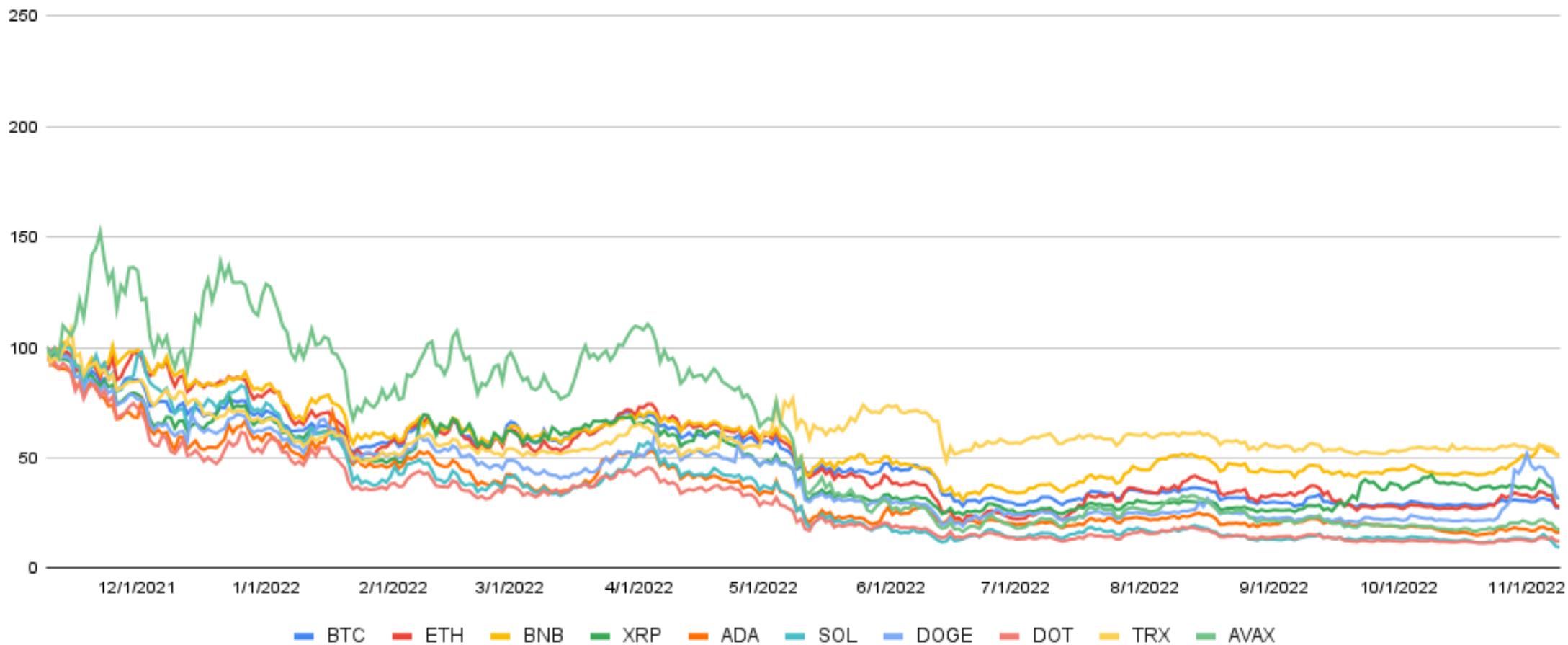
## 3. Exchange Flows

- Bitcoin - exchange outflows continue as users move holdings out of CeFi, likely to continue
- Ethereum - outflows increase slightly as panic causes prices to drop due to FTX crisis

## One-Year Layer-1 Price Recap

Performance of Top-Ranking Crypto (One Year)

(9 November 2021 = 100)

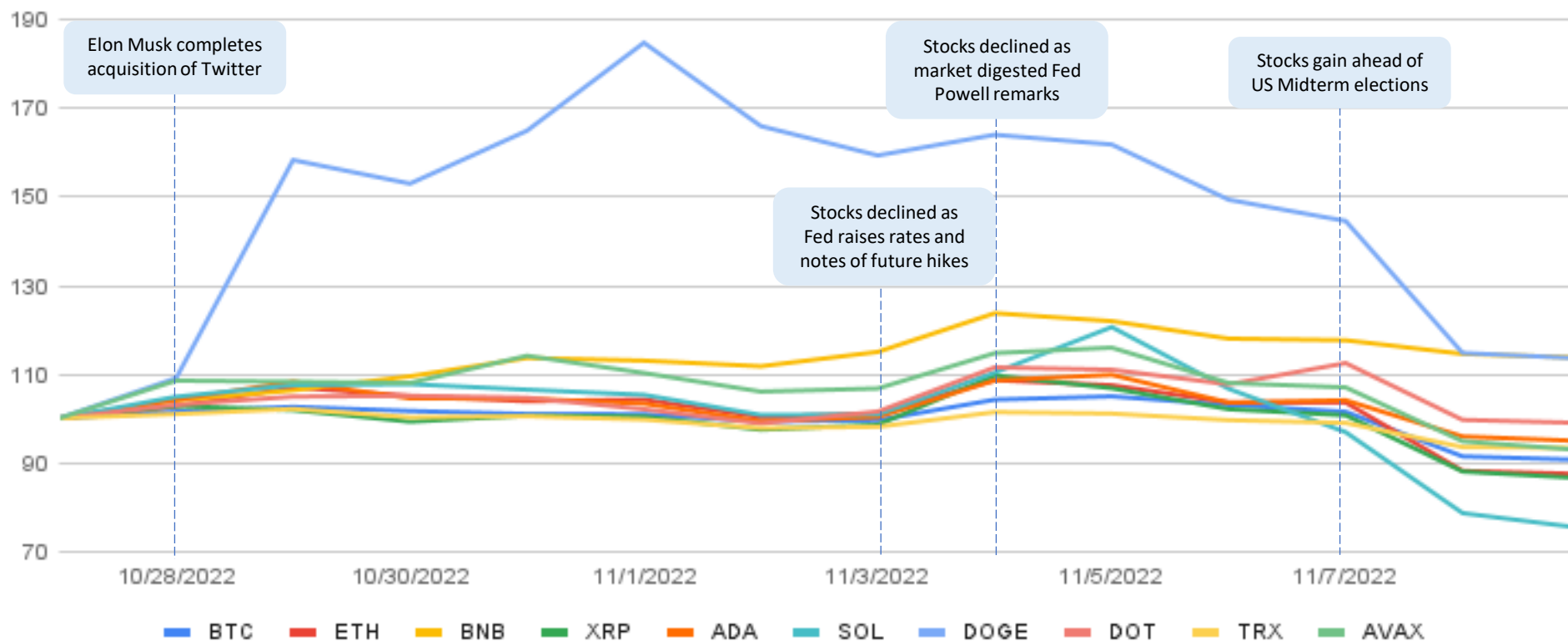


## Layer-1 Price Recap (27 October – 9 November 2022)

- **BNB** comes out ahead as Binance confirms intent to acquire rival FTX
- **DOGE** also led gains following Elon Musk's acquisition of Twitter, though gains subsided after reports of Twitter shelving crypto wallet plans
- **SOL** spiked after Google becomes Solana validator, but gains quickly erased following FTX collapse; founder SBF was an early and influential backer of SOL
- L1 tokens mostly declined on November 8 as panic and fear spread across the market due to FTX liquidity issues

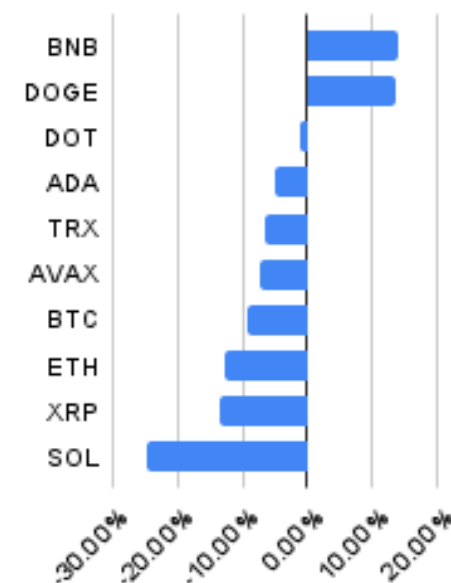
### Performance of L1 Tokens (Two Weeks)

(27 October - 9 November 2022)



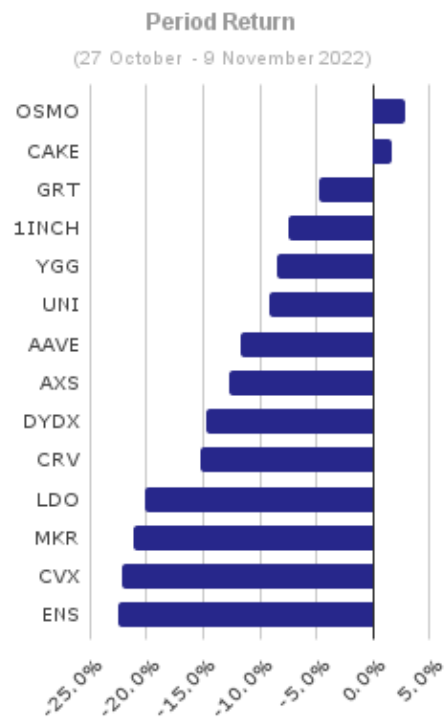
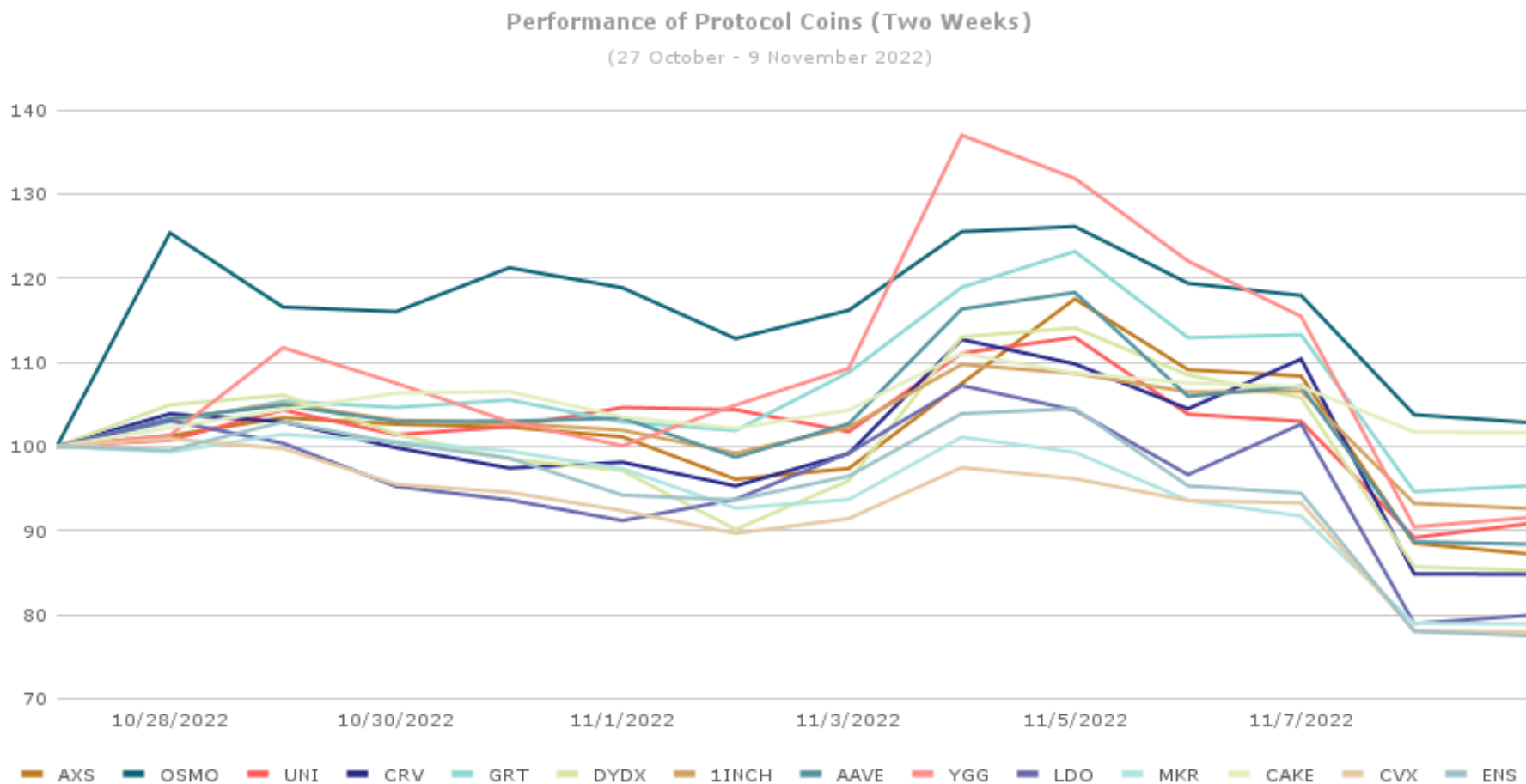
### Period Return

(27 October - 9 November 2022)



## Protocol Price Recap (27 October – 9 November 2022)

- All protocol prices declined significantly on November 7 as the market felt the ripple effects of FTX liquidity crisis and user panic.





## Valuation – BTC and ETH Market Cap to Active Addresses

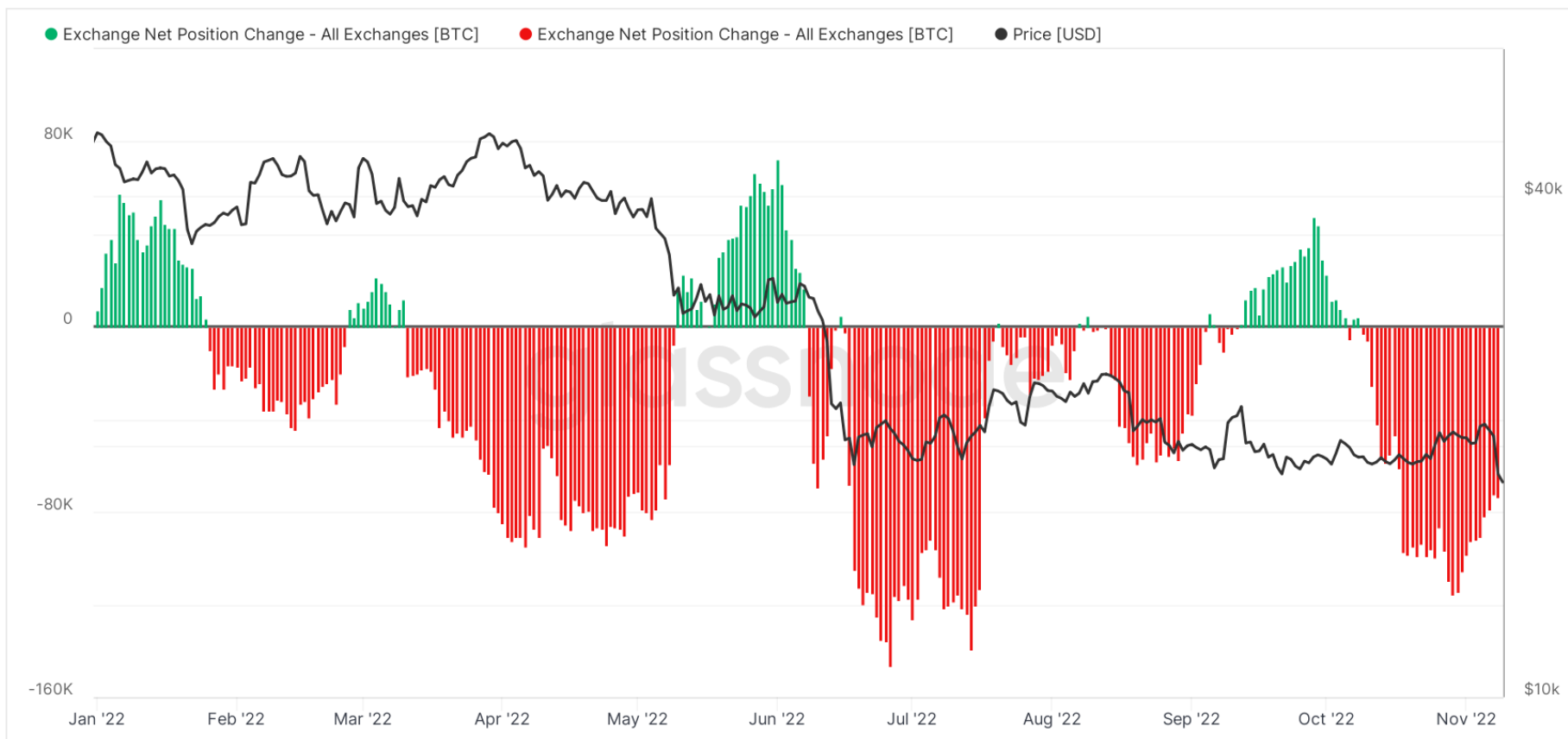


	BTC	ETH
<b>Valuation Multiple</b>		
2017-2018 Run	2.2x	7.1x
2020-2022 Run	5.6x	13.4x
<b>Network Usage</b>		
2017-2018 Run	1.3x	7.0x
2020-2022 Run	1.5x	2.8x

- Ethereum's price rally (30x+) in the 2020-2022 cycle was driven more by valuation multiple expansion (13x) than network activity increase (3x).
- The market cap to active address for ETH overtakes BTC amid a brief active address spike for BTC and price declines for both.

## Bitcoin – exchange outflows continue as users move holdings out of CeFi, likely to continue

Bitcoin: Exchange Net Position Change [BTC] - All Exchanges

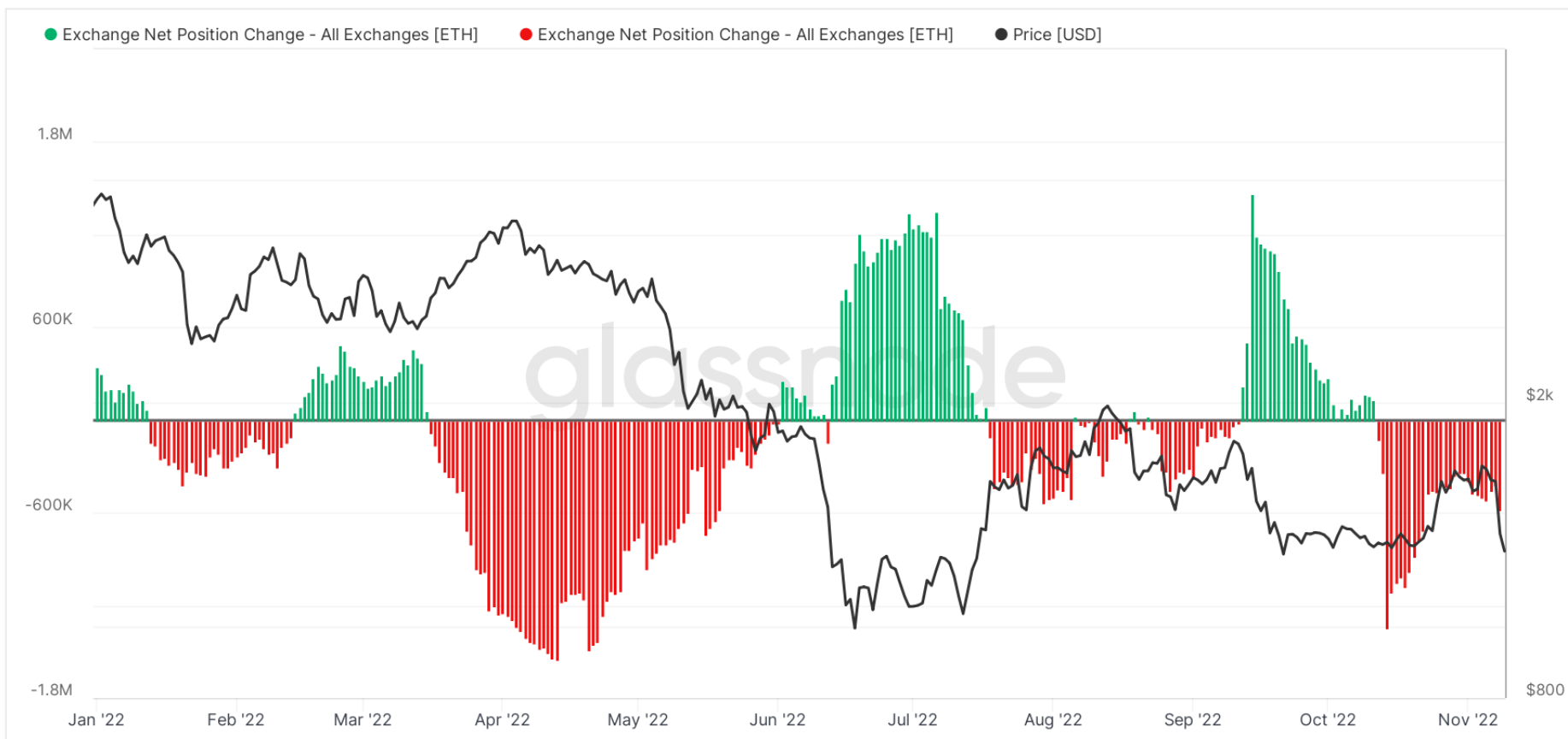


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## Ethereum – outflows increase slightly as panic causes prices to drop due to FTX crisis

Ethereum: Exchange Net Position Change [ETH] - All Exchanges



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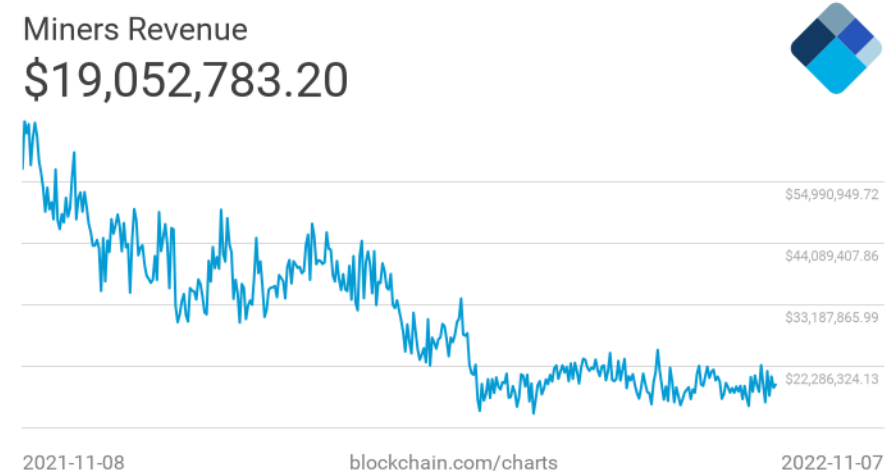
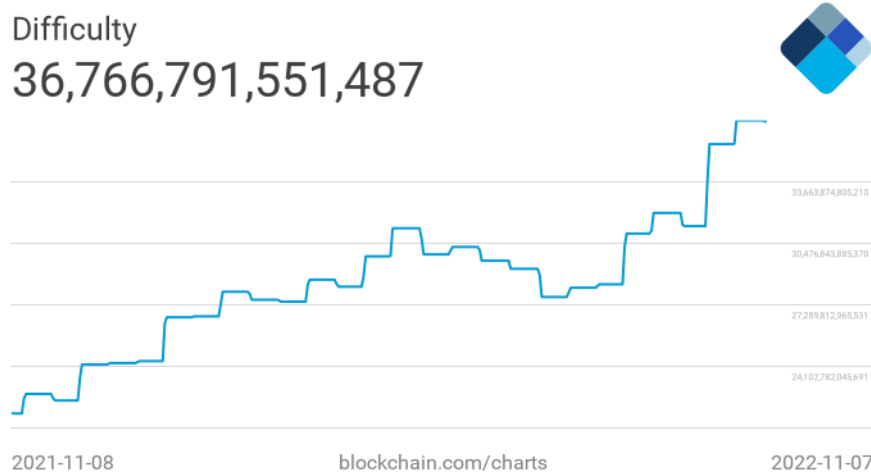
# Layer-1 Blockchains

# Layer-1 Summary (27 October – 9 November 2022)

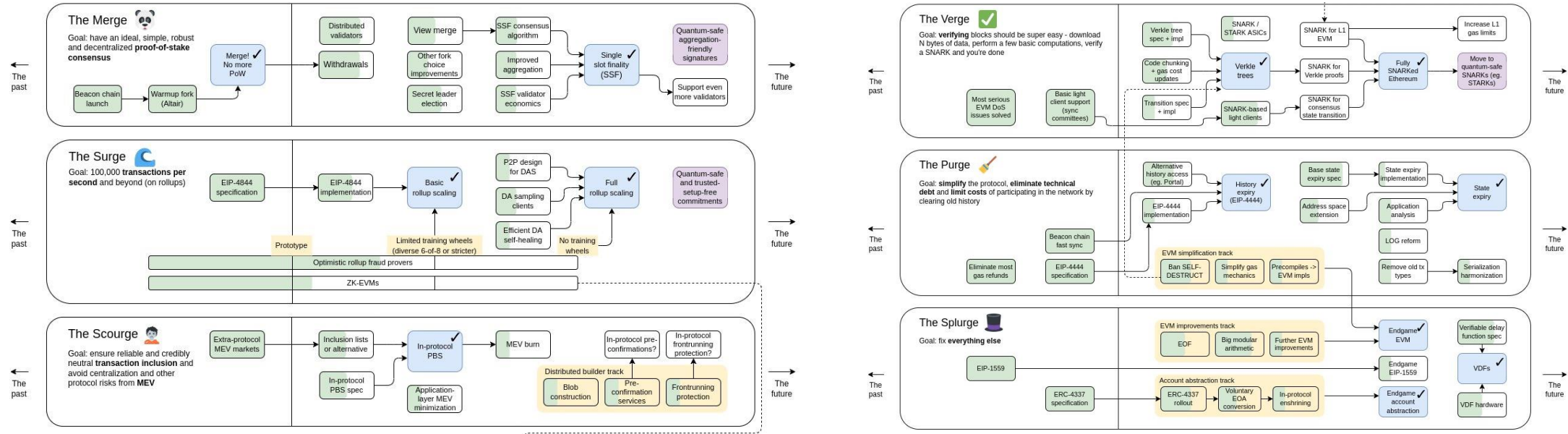
- 1. Bitcoin (2W: -9.5%)/(YTD: -61.5%)**  
Core Scientific on the brink of bankruptcy amid low mining profitability
- 2. Ethereum (2W: -12.5%)/(YTD: -64.8%)**  
Vitalik publishes updated Ethereum roadmap
- 3. News and Headlines**

# Bitcoin – Core Scientific on the brink of bankruptcy amid low mining profitability

- **Core Scientific**, one of the largest bitcoin miners in the world, **warned that it may run out of cash soon** and could file for bankruptcy for relief, among other alternatives to raise capital. It also disclosed that it would not make debt payments coming due in October and November.
- Following this news, a group of bondholders is reportedly working with lawyers to assess options as the company weighs a potential bankruptcy.
- It recently released an operational update for October, where it sold 2,285 bitcoins for US\$44.8 million. It held onto 62 bitcoins (~US\$1.2 million) and US\$32 million cash.
- Miners have struggled in this market amid rising mining difficulty, declining bitcoin price, and high energy costs.



## Ethereum – Vitalik publishes updated Ethereum roadmap



- Vitalik has released the updated roadmap for Ethereum; major changes and additions include:
  - **The Verge** – In addition to just verkle trees, verifying blocks should be very easy and so the endgame is a fully SNARKed Ethereum.
  - **The Scourge** – a new addition which will ensure reliable and fair credibly neutral transaction inclusion, as well as fixing MEV protocol risks.
  - **The Merge** – single-slot finality for stage 2 of Merge milestone

# News & Headlines

### Twitter Drops Plans for Crypto Wallet

Twitter has reported halted its plans to develop a crypto wallet after Elon Musk, the new owner of Twitter, is reviewing project priorities. Dogecoin declined nearly 10% in light of the news, which is oftentimes linked to Elon Musk's activities and announcements. [[CoinDesk](#)]

### Japan to Create a DAO to Understand Web3

Japan's Digital Ministry will create a DAO to help the government to understand the use cases and limitations of DAOs. Part of the testing will also help the government look further into issues such as the legal position of DAO voting and governance tokens. [[CoinDesk](#)]

### Fidelity Launches New Retail Crypto Offerings

Investment broker Fidelity opened up its waiting list for Fidelity Crypto, which will offer its retail customers commission-free trading of crypto in its existing stock trading app. While trading will be commission-free, the platform will factor in a 1% spread for each trade. [[The Block](#)]

### Binance's CZ Considering Buying a Bank

Binance's founder Changpeng Zhao is looking into investing in or buying banks to bridge the gap between traditional finance and crypto. CZ noted that the value of banks usually increase when Binance partners with it, helping drive users to them. [[Bloomberg](#)]

### Deribit Hit with Hot Wallet Hack, Loses US\$28 million

Options and futures exchange giant Deribit was hacked with its hot wallet drained of US\$28 million. The exchange keeps 1% of its assets in hot wallets, so the remainder of client assets are safe. Additionally, the loss will be covered by Deribit's own separate assets. [[CoinDesk](#)]

### Google Unveils Blockchain Node Hosting Engine

Google has introduced its blockchain node engine, a cloud-based fully-managed node-hosting service to help web3 developers build and deploy new products on blockchain platforms. The node engine will first support Ethereum, providing fully managed Ethereum nodes, with Solana to follow next. [[Google](#)]

### NTT Docomo Partners with Accenture for Web3 Investment

Japan telecom giant NTT Docomo announced a partnership with Accenture for a major web3 initiative. It committed to investing JPY500-600 billion in the web3 sector and will establish a subsidiary in doing so. It would also engage in using DAOs. [[Ledger Insights](#)]

### US Seizes 50,000 Bitcoins Tied to Darknet Silk Road Marketplace

The US Department of Justice has seized over 50,000 bitcoins related to the Silk Road marketplace, currently worth nearly US\$1 billion. The bitcoin was found in a circuit board hidden in the bottom of a popcorn tin following investigations of James Zhong, who managed to manipulate the darknet marketplace in 2012 (valued at US\$3.36 billion). [[CoinDesk](#)]



# Stablecoins

# Stablecoins Summary

### 1. **Centralized Stablecoins**

Circle creates new USDC fund with BlackRock

### 2. **Decentralized Stablecoins**

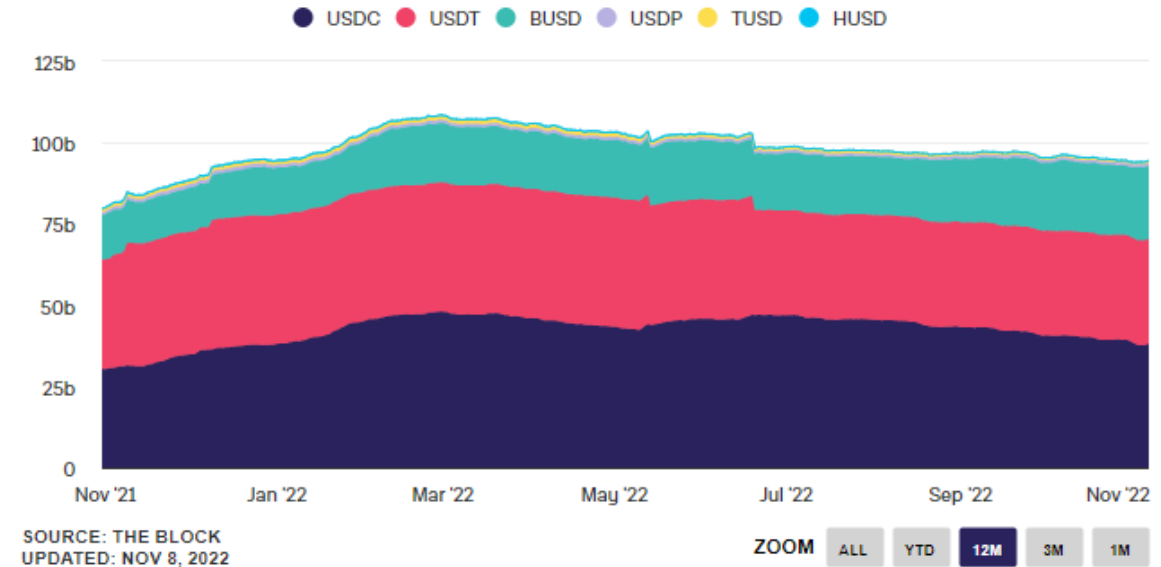
MakerDAO approves US\$1.6 billion custodianship to Coinbase Prime  
Justin Sun's USDD depegs as contagion spreads from FTX crisis

## Centralized Stablecoin Updates – Circle creates new USDC fund with BlackRock

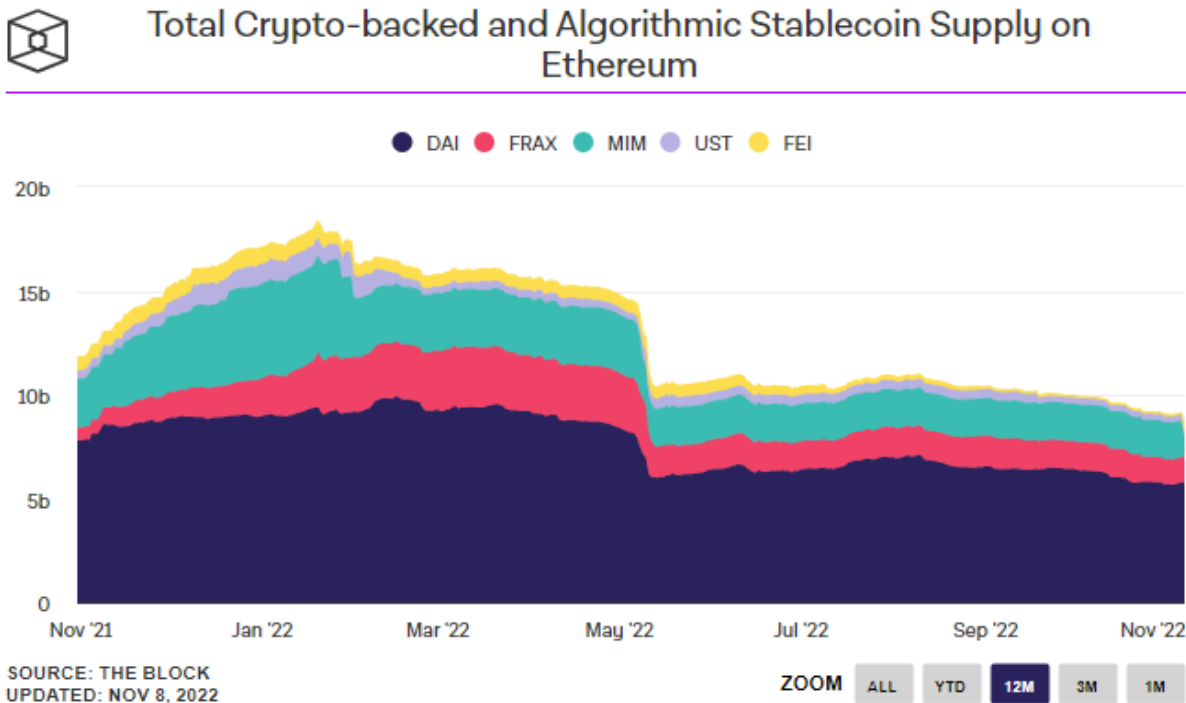
- In the past two weeks:
  - Total stablecoin supply on Ethereum declined to US\$100.2b (-3.7%) while centralized stablecoin supply was unchanged at US\$94.5b (0.0%).
  - USDT supply on Ethereum was unchanged at 32.3b, while USDC declined 3.0% to 38b.
- **USDC** – Circle will put a portion of USDC reserves into the Circle Reserve Fund, a new fund managed by BlackRock. The portfolio will consist of cash and short-term US Treasuries.
- **Euro Coin** – Circle will launch its Euro Coin on Solana in the first half of 2023, with FTX supporting deposits and withdrawals at launch.
- **USDT Slight Depeg** – USDT briefly depegged to \$0.97 as contagion risks from FTX/Alameda spread across the market. Twitter users have noted that Alameda may be attempting to short USDT.



### Total Fiat-backed Stablecoin Supply on Ethereum



## Decentralized Stablecoin Updates – Coinbase becomes custodian of MakerDAO assets, Justin Sun's USDD depegs



- The MakerDAO community voted to **approve the US\$1.6 billion partnership with Coinbase Prime.**
- Coinbase Prime will become the custodian, and MakerDAO will earn a maximum of 1.5% reward on the USDC onboarded.
- The parties have agreed on a yield schedule starting from 1% APY on the first 100 million USDC, going up by increments of 0.1% APY for each additional 100 million, and a max of 1.5%.
- The program will enable MakerDAO to earn income on its reserves while being able to freely and instantaneously mint or withdraw USDC held with Coinbase.

### FTX Crisis: Justin Sun's USDD Depegs

- Justin Sun's algorithmic stablecoin USDD depegged to ~\$0.97 following FTX's collapse.
- Justin Sun speculated that Alameda Research could have sold its USDD holdings.
- The 2pool on SunCurve is generally balanced at 53.8%/46.2% USDD/USDT.

# DeFi

# DeFi Summary (27 October – 9 November 2022)

## 1. TVL by Chain

- Solana TVL fell 35.3% to US\$618m, the most out of the major chains, due to its close relationship with FTX/SBF.
- BSC TVL gained 1.1% to US\$5.6b, relatively unscathed by the FTX crisis with Binance coming out to acquire FTX.
- TVL on other chains declined in general because of the FTX liquidity crisis rippling industry-wide.

## 2. TVL by Protocol

- Most protocols saw TVL declines due to price declines and market panic from FTX liquidity crisis
- Pancakeswap TVL gained as BNB outperformed during this market crisis

## 3. DeFi Revenue

- MEV-boost relay Flashbots enters the top DeFi revenue list after Ethereum Merge.

## 4. DeFi Valuation – Uniswap and Curve relatively overvalued based on P/TVL and P/Revenue respectively

## 5. Top DEX Pools

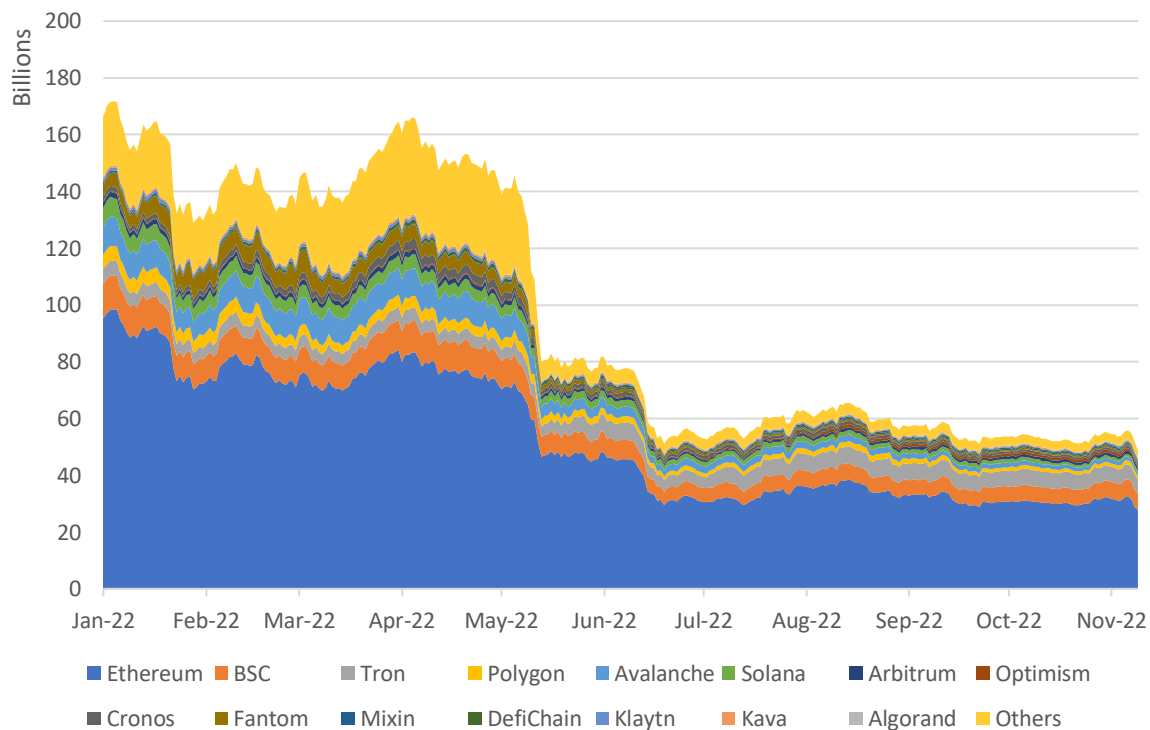
- Total pool liquidities dropped in general following broad-market price declines in wake of FTX crisis

## 6. Noteworthy DeFi Protocols

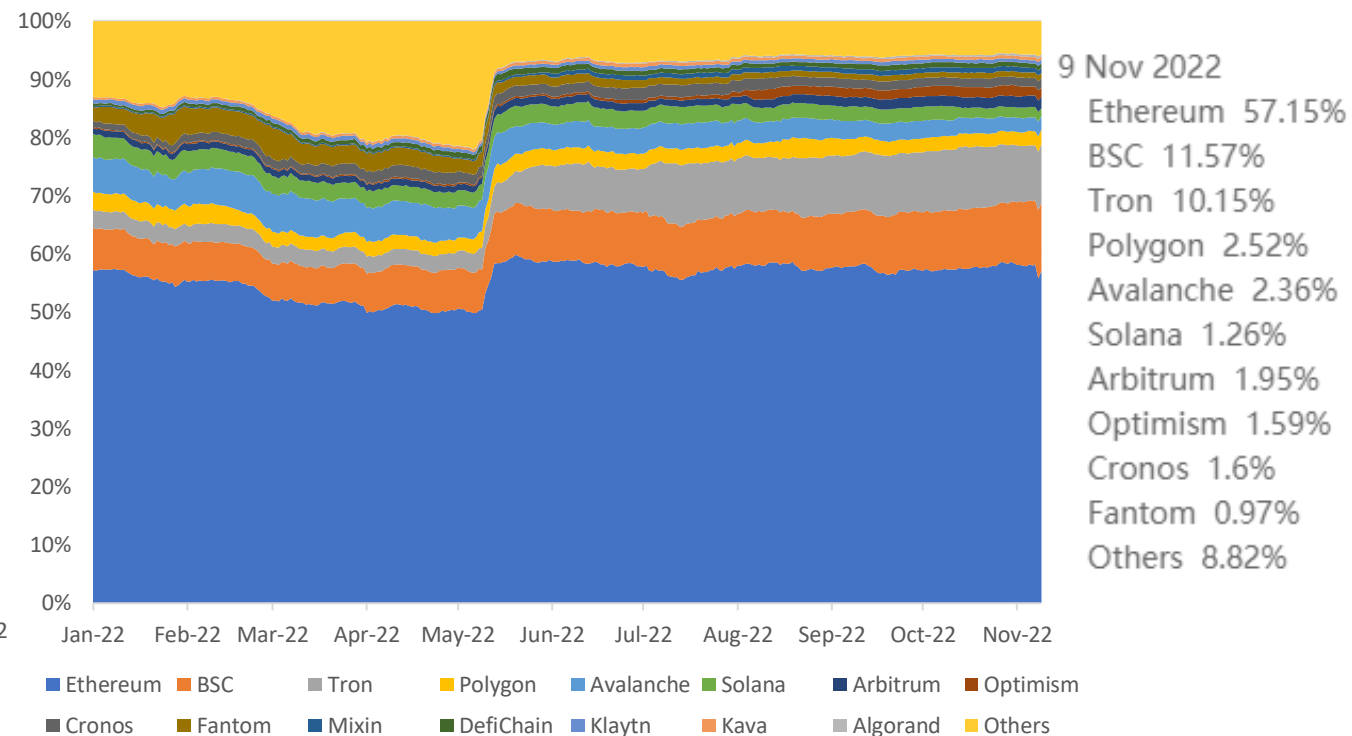
- **Solend** faces liquidity crisis as SOL price collapses
- ETH in **Tornado Cash** drops by 60% after OFAC sanctions
- FUD and panic around **pGALA** token amid white hat operation

## TVL Overview by Chain – Effects of FTX liquidity crisis felt industry-wide as crypto prices declined

TVL Trend by Chain



TVL Breakdown by Chain



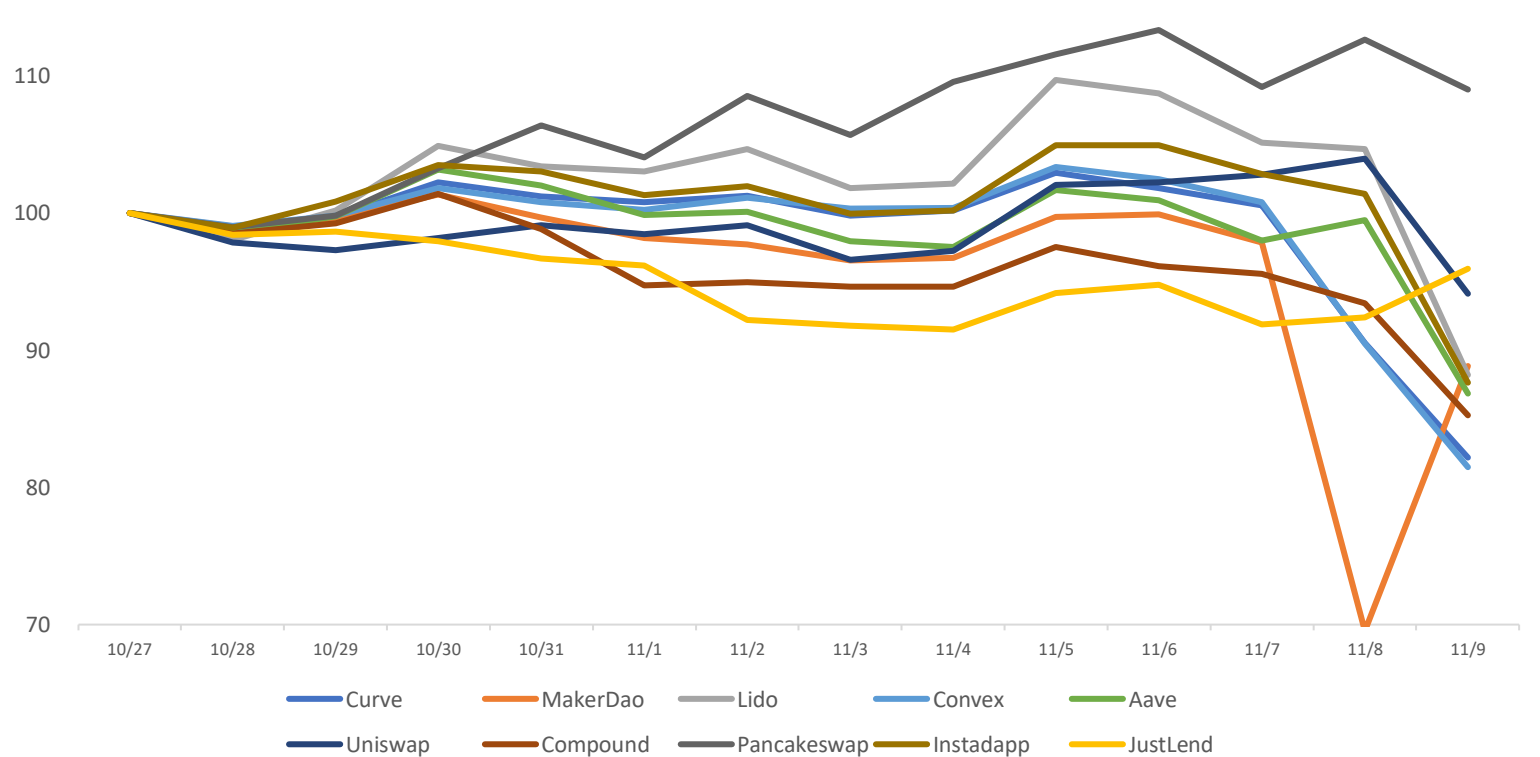
Total TVL dropped 10.4% to US\$48.9bn as prices fell sharply during FTX crisis. During the period, notable winners/losers were:

- Solana TVL fell 35.3% to US\$618m, the most out of the major chains, due to its close relationship with FTX/SBF.
- BSC TVL gained 1.1% to US\$5.6b, relatively unscathed by the FTX crisis with Binance coming out to acquire FTX.
- TVL on other chains declined in general because of the FTX liquidity crisis rippling industry-wide.

## TVL Overview by Protocols

- Most protocols saw TVL declines due to price declines and market panic from FTX liquidity crisis
- Pancakeswap TVL gained as BNB outperformed during this market crisis

TVL of Top DeFi Protocols in Terms of TVL  
(27 October 2022 = 100)



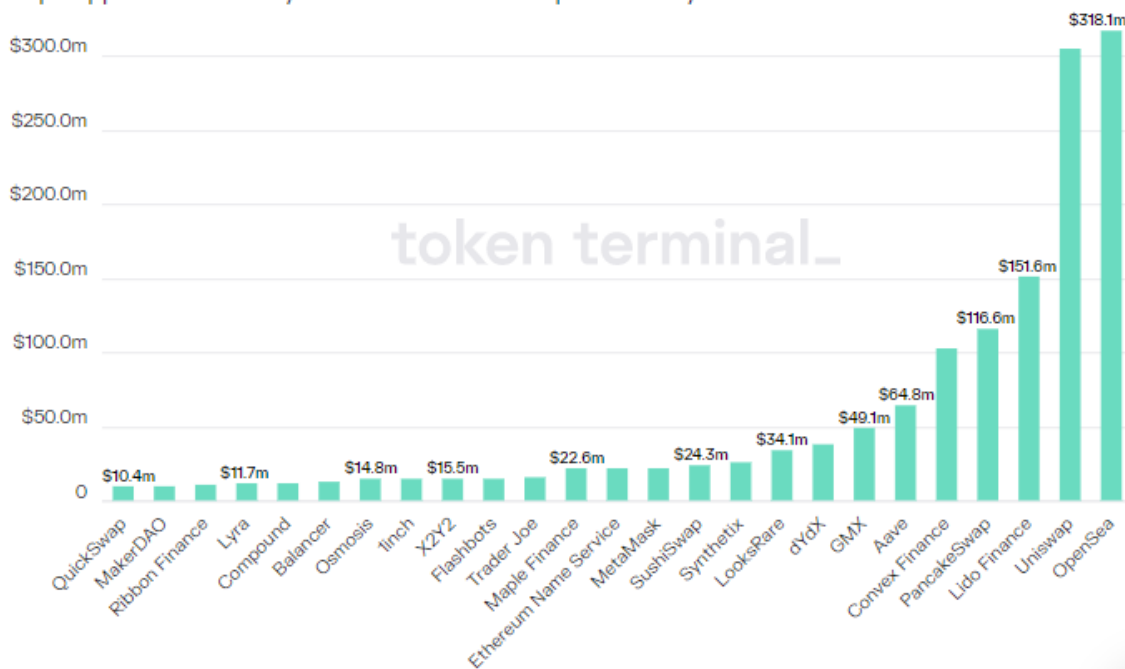
Proccol	27 Oct TVL (USD m)	9 Nov TVL (USD m)	Period Change
MakerDAO	8,208	7,294	-11.1%
Uniswap	4,275	4,024	-5.9%
Pancake	2,966	3,233	9.0%
Compound	2,237	1,907	-14.8%
Instadapp	2,086	1,828	-12.4%
Lido	7,254	6,399	-11.8%
Uniswap	3,827	3,118	-18.5%
Curve	5,877	4,829	-17.8%
Convex	3,827	3,118	-18.5%
Aave	5,394	4,686	-13.1%
JustLend	3,425	3,286	-4.1%



## DeFi Total Revenue - DeFi Protocols

- MEV-boost relay Flashbots enters the top DeFi revenue list after Ethereum Merge. ~88% of Ethereum blocks utilizes some MEV-boost relay.

Top dapps based on daily cumulative fees in the past 180 days.

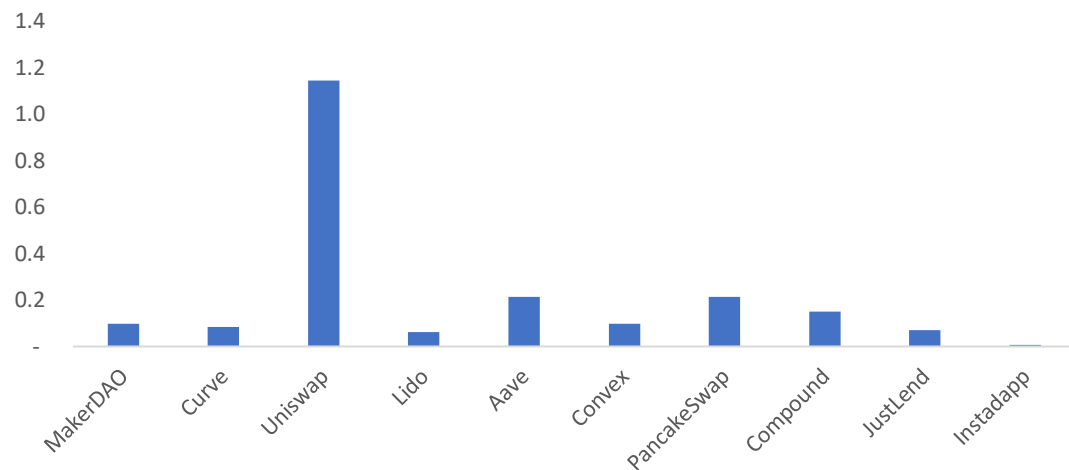


Project	Revenue 7d (US\$)	Revenue 30d (US\$)	Revenue 180d (US\$)	7d Change	30d Change
Uniswap	\$ 10.3m	\$ 36.7m	\$ 305.8m	-32.3%	-15.3%
OpenSea	\$ 9.3m	\$ 35.9m	\$ 318.1m	-15.9%	-5.0%
Lido Finance	\$ 8.5m	\$ 31.8m	\$ 151.6m	-24.0%	17.5%
PancakeSwap	\$ 4.3m	\$ 15.2m	\$ 116.6m	8.2%	-1.3%
Convex Finance	\$ 3.3m	\$ 13.3m	\$ 103.5m	-18.2%	-7.3%
Flashbots	\$ 2.0m	\$ 9.4m	\$ 15.6m	1.6%	54.3%
GMX	\$ 2.0m	\$ 8.4m	\$ 49.1m	2080.1%	-27.7%
Aave	\$ 1.3m	\$ 6.2m	\$ 64.8m	-52.3%	-47.3%
dYdX	\$ 1.3m	\$ 4.6m	\$ 38.8m	-12.3%	-19.1%
LooksRare	\$ 0.9m	\$ 3.4m	\$ 34.1m	-9.4%	1.6%
Lyra	\$ 0.8m	\$ 3.0m	\$ 11.7m	-7.6%	-0.9%
MetaMask	\$ 0.8m	\$ 2.9m	\$ 22.7m	-13.9%	11.1%
Maple Finance	\$ 0.7m	\$ 2.3m	\$ 22.6m	31.7%	12.0%
Osmosis	\$ 0.5m	\$ 2.3m	\$ 14.8m	21.4%	-13.3%
ENS	\$ 0.4m	\$ 2.0m	\$ 22.6m	-69.5%	-48.8%
SushiSwap	\$ 0.5m	\$ 1.9m	\$ 24.3m	-31.9%	-12.0%
Compound	\$ 0.4m	\$ 1.8m	\$ 12.2m	0.2%	-7.1%
Balancer	\$ 0.3m	\$ 1.6m	\$ 13.6m	-72.5%	-2.5%
QuickSwap	\$ 0.4m	\$ 1.3m	\$ 10.4m	-30.1%	43.5%
Euler	\$ 0.4m	\$ 1.2m	\$ 5.3m	-10.3%	-1.6%

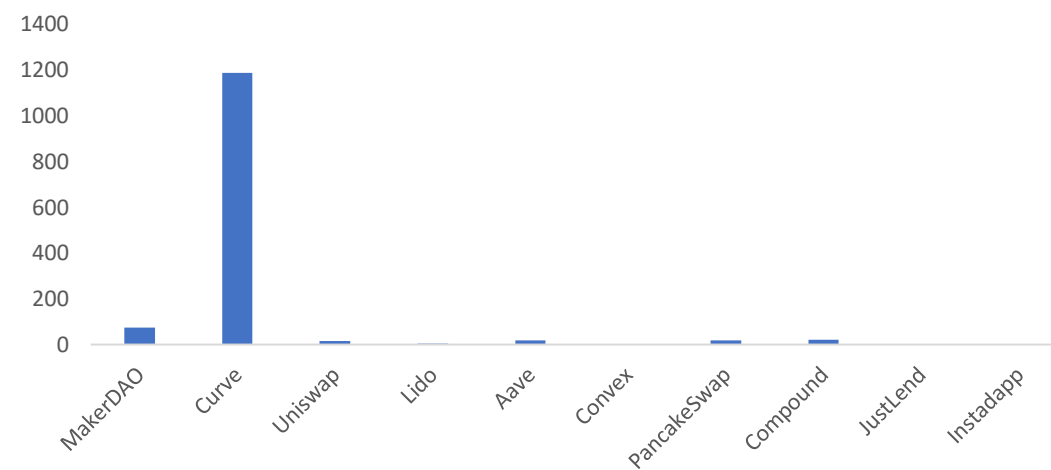
Note: As of 9 November 2022

## DeFi Valuation

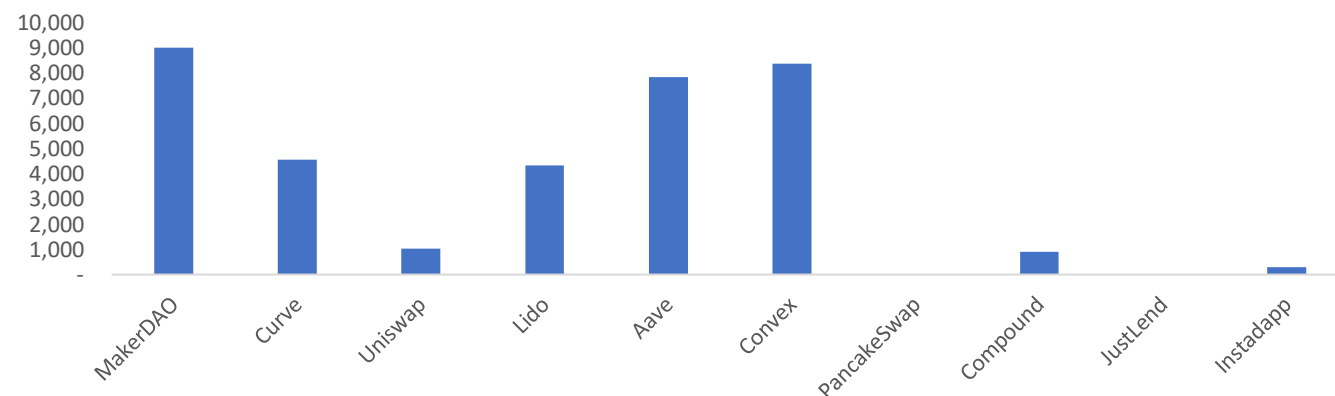
P/TVL Ratio (Top 10 Projects by TVL)



P/S Ratio (Annualized Revenue)



P/Users Ratio



Note: As of 9 November 2022. Protocols with a ratio of 0 means insufficient data.

Source: TokenTerminal, Dune Analytics, CoinMarketCap

## Top DEX Pool Trends

## Curve

Top Pools ?

#	Pool	Liquidity	Volume	Fees	ROL
1	<a href="#">steth</a>	\$1b	\$180.05m	\$42.51k	1.41%
2	<a href="#">3pool</a>	\$780.05m	\$331.47m	\$20.89k	0.97%
3	<a href="#">frax</a>	\$586.68m	\$1.14m	\$323.57	0.41%
4	<a href="#">tricrypto2</a>	\$183.77m	\$169.1m	\$50.74k	8.86%
5	<a href="#">mim</a>	\$92.58m	\$57.03m	\$14.25k	5.37%
6	<a href="#">alusd</a>	\$88.3m	\$7.52m	\$1.81k	1.12%
7	<a href="#">susd</a>	\$84.63m	\$13.36m	\$2.96k	1.26%
8	<a href="#">lusd</a>	\$78.58m	\$6.65m	\$1.36k	1.53%
9	<a href="#">compound</a>	\$45.31m	\$15.19k	\$3.04	0.00%
10	<a href="#">ren</a>	\$41.86m	\$1.01m	\$203.45	0.17%

## Liquidity Provided



## Uniswap

Top Pairs ?

#	Pair/Pool	Liquidity	Volume	Fees	ROL
1	<a href="#">WISE - ETH</a>	\$93.01m	\$5.76k	\$17.28	0.01%
2	<a href="#">USDC - ETH</a>	\$86.82m	\$36.73m	\$110.18k	46.32%
3	<a href="#">DAI - USDC</a>	\$35.31m	\$50.03k	\$150.09	0.16%
4	<a href="#">ETH - USDT</a>	\$31.67m	\$16.31m	\$48.92k	56.39%
5	<a href="#">FNK - USDT</a>	\$29.79m	\$157.37	\$0.47	0.00%
6	<a href="#">PAXG - ETH</a>	\$18.34m	\$3.84m	\$11.51k	22.89%
7	<a href="#">MC - ETH</a>	\$17.83m	\$799.17k	\$2.4k	4.91%
8	<a href="#">UNI - ETH</a>	\$17.62m	\$2.89m	\$8.68k	17.97%
9	<a href="#">FXS - FRAX</a>	\$15.36m	\$2.84m	\$8.52k	20.24%
10	<a href="#">DAI - ETH</a>	\$13.44m	\$4.6m	\$13.81k	37.51%

## Liquidity Provided



## SushiSwap

Top Pairs ?

#	Pair/Pool	Liquidity	Volume	Fees	ROL
1	<a href="#">ILV - ETH</a>	\$57.78m	\$2.65m	\$7.95k	5.02%
2	<a href="#">USDC - ETH</a>	\$54.83m	\$27.02m	\$81.06k	53.96%
3	<a href="#">ETH - USDT</a>	\$21.9m	\$9.48m	\$28.44k	47.40%
4	<a href="#">WBTC - ETH</a>	\$16.26m	\$1.8m	\$5.4k	12.12%
5	<a href="#">SUSHI - ETH</a>	\$12.27m	\$7.32m	\$21.96k	65.34%
6	<a href="#">TOKE - ETH</a>	\$8.1m	\$357.2k	\$1.07k	4.83%
7	<a href="#">DAI - ETH</a>	\$7.67m	\$2.89m	\$8.67k	41.29%
8	<a href="#">SYN - ETH</a>	\$7.42m	\$3.46m	\$10.39k	51.11%
9	<a href="#">ETH - ALCX</a>	\$6.98m	\$1.11m	\$3.32k	17.37%
10	<a href="#">PUNK - ETH</a>	\$6.79m	\$26.38k	\$79.15	0.43%

## Liquidity Provided



## Top DEX Pool Trends – Total pool liquidities dropped in general following broad-market price declines in wake of FTX crisis

## Curve

Top Pair Data: steth

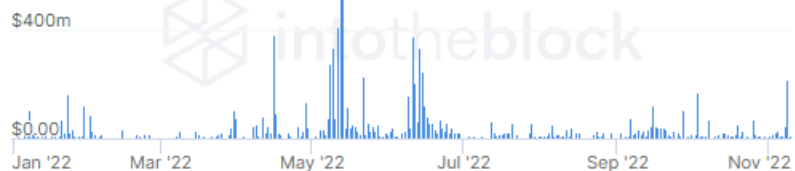
Total Liquidity, USD

\$7.5b



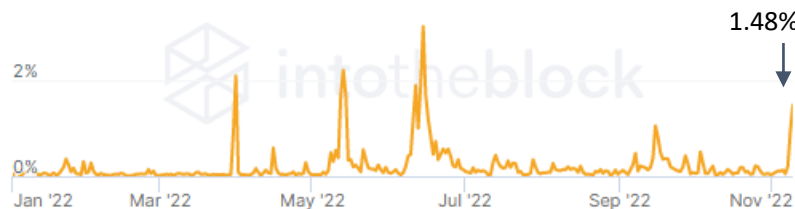
Volume Traded

\$800m



Fees per Liquidity

4%



## Uniswap

Top Pair Data: WISE - ETH

Total Liquidity, USD

400M



Volume Traded

\$3.2m



Fees per Liquidity

1.5%



## SushiSwap

Top Pair Data: ILV - ETH

Total Liquidity, USD

500M



Volume Traded

\$12m



Fees per Liquidity

15%



## Noteworthy DeFi Protocols – Solend faces liquidity crisis as SOL price collapses

SLND 1M performance



- **Solend's liquidity crisis stemmed from a lack of on-chain SOL liquidity**, to which the protocol raised interest rates to over 2,500% in a bid to attract more depositors.
- A single whale on Solend had borrowed ~US\$44m USDC against US\$51m in SOL, and its position began to be **slowly liquidated after the FTX crisis led to a collapse in the SOL price – down ~50% in a week.**
- The Solana ecosystem is feeling the effects of the downfall of FTX, Alameda, and SBF, who were early backers of the ecosystem.
- The lack of on-chain SOL liquidity was also due to most SOL being staked via Marinade or Lido and swapping back faced high slippage costs.
- The **Solend team managed to process SOL liquidations on Binance instead**, which had deeper SOL liquidity than on Solana.
- The **whale's account has been fully liquidated and thus stabilizing the Solend situation**, though there remains a US\$6.5m bad debt in the Main Pool due to the delayed liquidations.



The whale account has been fully liquidated, stabilizing the situation on Solend.

There is ~\$6.5M of bad debt in the Main Pool, and ~\$22M USDC in the treasury. A DAO vote will follow soon.

12:52 AM · Nov 11, 2022 · Twitter Web App

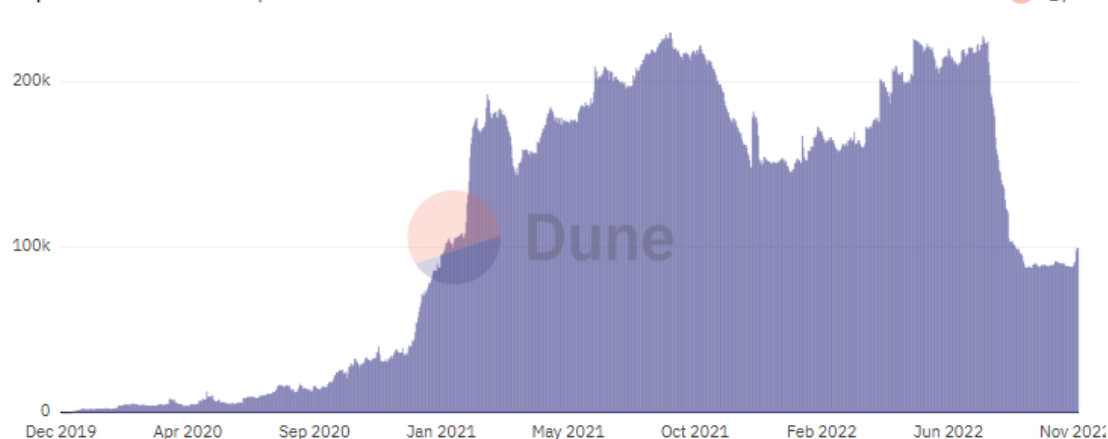
## Noteworthy DeFi Protocols – ETH in Tornado Cash drops by 60% after OFAC sanctions

TORN 1M performance

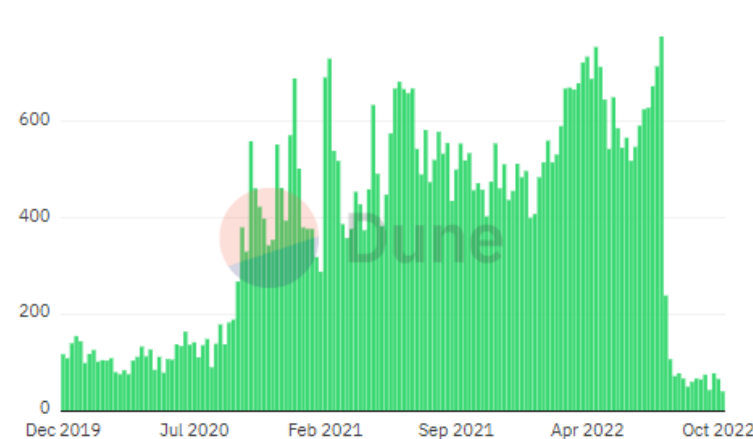


- Crypto mixer protocol Tornado Cash was hit by OFAC sanctions on August 8, citing it as the go-to platform of hackers trying to remove traces of their on-chain activity, though it is also used by users looking for on-chain privacy.
- As a result of the sanctions, the amount of ETH deposited in Tornado Cash has declined ~60% from ~224K ETH to ~90K ETH currently.
- The number of unique depositors (weekly) have declined ~90% from ~700 to below 100 currently.
- The U.S. Treasury's OFAC recently redesignated its sanctions against Tornado Cash by alleging that North Korea laundered crypto through the protocol for its weapons of mass destruction program.

ETH in pool TornadoCash Eth in pool



Unique users per week (deposits only) TornadoCash Unique Users Per Week @poma



# Noteworthy DeFi Protocols – FUD and panic around pGALA token amid white hat operation

## GALA 1M performance



Gala Games - Spider Tanks is LIVE!  
@GoGalaGames

...

Reminder: **\$GALA** was not hacked, breached, or exploited in any way.

Please see this thread from [@pNetworkDeFi](#), the creator of **\$pGALA** and the pNetwork Bridge.



pNetwork @pNetworkDeFi · Nov 4

1/n pGALA on BSC Notice: A misconfiguration of the p.Network bridge necessitated the redeployment of pGALA. We're working directly w/the Gala team and w/ exchanges to provide the necessary pGALA balances to restore functionality of pGALA deposits & withdrawals.

[Show this thread](#)

- Panic surrounded the Gala Games community when blockchain security firm PeckShield flagged an unusual activity – **pGALA tokens worth ~US\$2 billion were minted out of thin air** – leading to rug-pull and hacking rumors.
- pNetwork is the cross-chain bridge used by Gala Games on the BNB Smart Chain, and pGALA is the BEP20 version, backed 1:1 to the original Ethereum-issued GALA (ERC20) token.
- pNetwork noticed that a misconfiguration of pGALA smart contract led to a loss of ownership over the pGALA smart contract, leaving pGALA open to be maliciously taken over.
- pNetwork team worked with Gala Games team to coordinate a plan; pNetwork issued the ~US\$2 billion worth of pGALA tokens to engage in white hat draining of the PancakeSwap pool, frontrunning a potential malicious attack.
- Traders took advantage of this situation and bought GALA tokens from Pancakeswap and sold it on Huobi for price arbitrage. The tokens dropped 99% on Huobi as a result.
- Huobi made allegations against pNetwork and claimed that the actions were not a white hat move and were instead a scheme for malicious profit, causing Huobi users to lose massive amounts.

2:31 PM · Nov 4, 2022 · Twitter Web App

# NFT & Metaverse



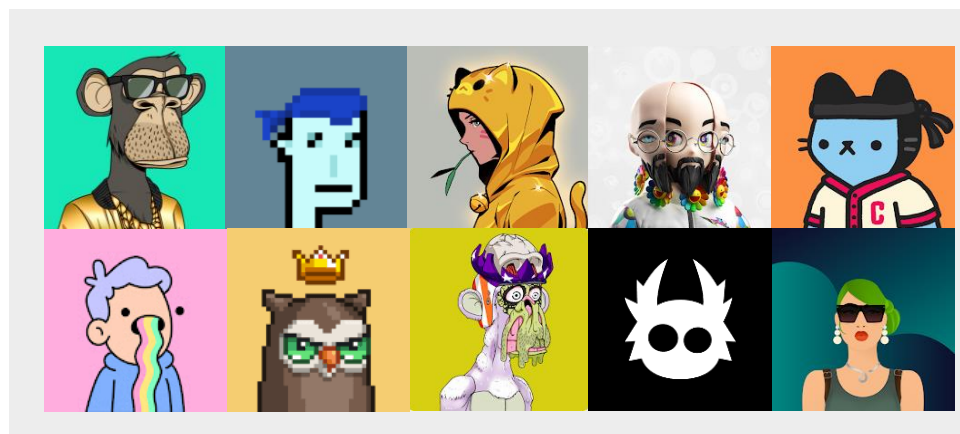
## NFT & Metaverse Summary

1. **NFT Dashboard** – Floor prices decline in general as users rush to sell
2. **NFT volume spikes due to selling pressure; Magic Eden DAU declines after royalty-free move**
3. **NFT marketplaces move to royalty-free trading**
4. **News & Headlines**

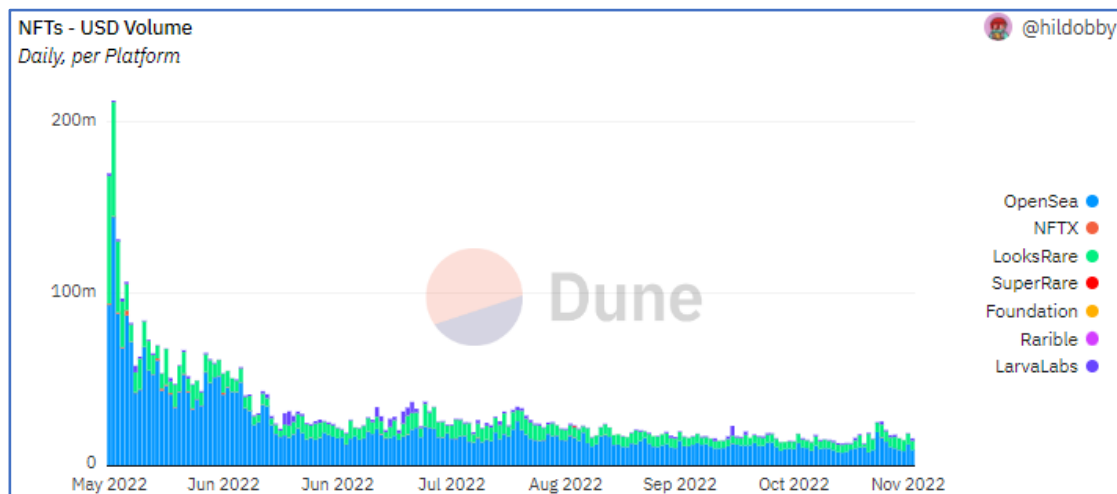
## NFT Dashboard

Project	Floor Price	14D	YTD
<b>“Blue Chip” Projects</b>			
Bored Ape Yacht Club	69.4Ξ	10.2%	9.1%
CryptoPunks	64.4Ξ	-0.9%	-0.3%
<b>Tier-A Projects</b>			
Azuki	10.8Ξ	-2.7%	208.6%
Clone X	8.3Ξ	2.7%	107.3%
Cool Cats	2.0Ξ	-14.3%	-85.2%
Doodles	6.2Ξ	-10.4%	-5.5%
Moonbirds	7.6Ξ	-10.5%	-39.7%
Mutant Ape Yacht Club	11.3Ξ	-8.9%	-3.2%
Otherdeeds	1.1Ξ	-10.5%	-84.1%
World of Women	2.0Ξ	-10.2%	-1.2%

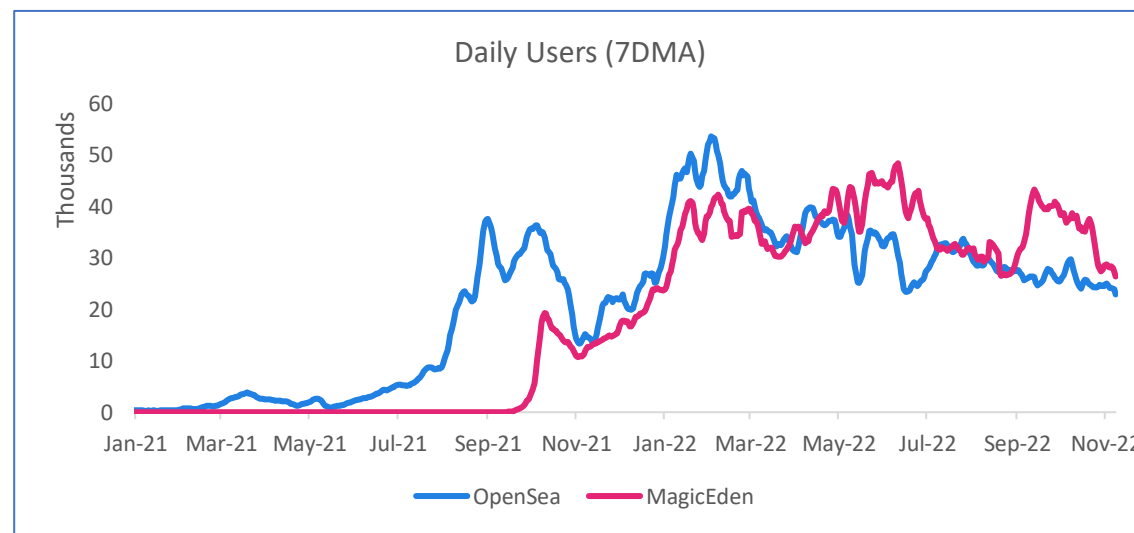
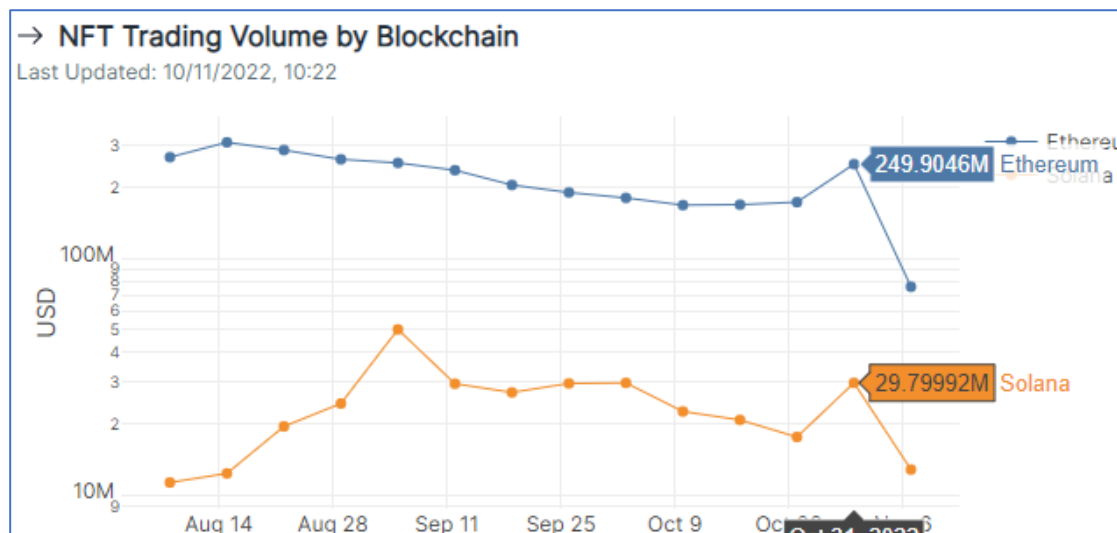
Top Sales of the Week*	Price	Top Collections of the Week* (by volume)	Volume (USD)
BAYC #5718	\$560.6k	Art Blocks	\$9.1m
BAYC #2062	\$508.6k	Bored Ape Yacht Club	\$7.4m
CryptoPunk #8191	\$438.3k	Gods Unchained	\$6.7m
Fidenza #214	\$320.2k	CryptoPunks	\$5.8m
CryptoPunk #5924	\$308.4k	y00ts	\$5.4m
Fidenza #100	\$212.2k	Otherdeed	\$3.8m
Chrome Squiggle #9502	\$204.4k	Mutant Ape Yacht Club	\$3.2m
Axie Land (-30, -23)	\$181.0k	Art Blocks Explorations	\$2.9m
CryptoPunk #6869	\$173.8k	KPR	\$2.8m
BAYC #1545	\$161.5k	DeGods	\$2.3m



## NFT volume spikes due to selling pressure; Magic Eden DAU declines after royalty-free move



- **NFT volume spiked slightly in recent days**, likely due to risk-off appetite of users in the wake of FTX collapse.
- Meanwhile, the daily active user gap between Magic Eden and OpenSea continues to close after Magic Eden made royalties optional.
- Based on community feedback, OpenSea will maintain creator fees on existing collections, diverging away from the recent trend of other platforms, such as LooksRare, Magic Eden, etc.



## NFT marketplaces move to royalty-free trading

- In recent weeks, numerous NFT marketplaces have announced removing creator royalties or making creator royalties optional on their platform.
- **X2Y2, Magic Eden, and LooksRare are exchanges that will shift away from creator royalties, while OpenSea will continue to enforce creator royalties.**
- NFT creator royalties are a percentage (usually 0-10%) that are set by creators on NFT marketplaces in order to receive income for each NFT trade.
- Depending on the business model of an NFT project, **a creator could set a higher initial mint price and a lower royalty fee, or they could do a free mint with a higher royalty rate.** Goblintown was a free mint project that took the NFT world by storm during the middle of 2022.
- At present, NFT royalties are unenforceable in the smart contract, so it is up to the marketplaces to do so. The community is working towards on-chain enforcement.
- The divisive debate surrounding NFT royalties are that while it provides a sustainable income for project creators, NFT trading/flipping is more difficult with high royalty rates. In addition, many have argued that projects provide no value after mint, arguably undeserving of royalties.



UPDATE: We will continue to enforce creator fees on all existing collections.



6:08 AM · Nov 10, 2022 · Twitter Web App



After some difficult reflection and discussions with many creators, we've decided to move to optional royalties on [@MagicEden](#).

Effective later today, we will also begin running a promotion to waive our platform fees.

9:53 AM · Oct 15, 2022 · Twitter Web App

### Declining royalties for project creators. Source: OpenSea

Avg. % fees received by top 20 NFT collections (by volume)



### News & Headlines

#### **LooksRare Defaults to Zero Royalty Trading**

LooksRare announced that it would no longer support creator royalties by default, following the path of many other exchanges as of late. However, it would share 25% of the LooksRare Protocol fee with creators, which amounts to 0.5% to the creators. [[@LooksRare](#)]

#### **Instagram Becomes NFT Marketplace**

Meta announced that it is testing minting and selling NFTs on Instagram for a small group of creators, inching towards becoming an NFT marketplace. The company is also expanding Instagram's NFT showcase feature which allows users to showcase their NFT collections. [[The Verge](#)]

#### **OpenSea Creates On-Chain Royalty Enforcement Tool**

OpenSea has launched a suit of tools to allow creators of new NFT collections to enforce royalties on-chain by restricting NFT sales to only marketplaces that enforce creator fees, similar to a whitelist. [[The Block](#)]

#### **Lionel Messi Invests in Sorare**

Soccer star Lionel Messi is joining NFT fantasy card game Sorare as an investor and brand ambassador. Messi will help the company to create new content and fan experiences, as well as setting standards in how fans connect with soccer clubs and players. [[CNBC](#)]

#### **Meta's Metaverse Division Loses US\$9.4b Year to Date**

Meta reported that Reality Labs, its metaverse division, had a US\$3.7 billion loss in 3Q22, bringing its year-to-date losses to US\$9.4 billion. CEO Mark Zuckerberg has double-downed on his investment in Metaverse-related projects, and has had to cut over 11,000 staff in order to reduce costs. [[CNBC](#)]

#### **Immutable Reveals NFT Royalty Enforcement Tool**

Immutable is releasing a community-governed whitelist and blacklist tool for smart contracts that honor royalty fees, in essence helping to enforce creator royalties on NFT platforms. The tool, which is being released on Ethereum, is already in use on Layer 2 platform ImmutableX. [[The Block](#)]

# Regulatory Updates

# Regulatory Updates

- Hong Kong's Financial Services and the Treasury Bureau has confirmed that it is looking into lifting a ban on retail crypto trading; securities regulators will consult the public on restoring crypto access for retail investors with the hopes of returning Hong Kong to a major international crypto hub.
- The EU is delaying the vote on the Markets in Crypto Assets (MiCA) crypto legislation until February, further delaying the landmark crypto bill for players in the region.
- The Monetary Authority of Singapore has completed its first phase of the CBDC project, Project Orchid, and noted that there is currently no urgent need for a retail CBDC but would be prepared in the event that the need arises.
- The US SEC and Justice Department are reportedly investigating FTX following its sudden implosion. According to reports, the SEC has been investigating FTX US for months with regards to securities law violations. Meanwhile, the Justice Department would investigate criminal violations such as fraud.
- India has suggested that a consensus for global virtual assets regulation would be a priority during India's presidency of the G-20 which will begin in December. With the presidency, India would have a key role in framing global crypto regulation as it sets the agendas and focus areas in terms of economic growth.
- Amid pro-crypto Rishi Sunak's recent rise to the position of Prime Minister of the UK, the House of Commons have voted to recognize cryptocurrencies as regulated financial instruments and products. The bill includes regulatory details for the inclusion of stablecoins and provides regulatory oversight for crypto promotions and unauthorized crypto businesses.
- Singapore's MAS has proposed new regulatory measures on crypto trading and stablecoins, aimed to reduce the risk of consumer harm from the volatile nature of cryptocurrencies. Among the new measures were restricting credit card payments or financing of crypto for retail customers, as well as ensuring separate customer assets and exchange assets.
- Canada is launching a legislative review focused on the digitalization of money, which includes consultations with stakeholders on cryptocurrencies, stablecoins, and CBDCs.

# Notable Tweets



## Notable Tweets

### CT's shifting sentiment on SBF after regulation drama



#### Current public sentiment poll on SBF

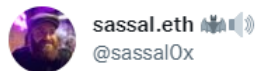
Based and autistic

WEF sold out capitalist

3,292 votes · Final results

6:19 AM · Oct 20, 2022 · Twitter for iPhone

### More criticism on SBF's viewpoints/actions



sassal.eth  
@sassal0x

SBF is and always will be a cancer on this ecosystem

Anyone supporting him and his cronies should be ashamed

scott (taylor's version) @scott\_lew\_is · Oct 19

FTX is spending money to push a law thru congress that may force defi protocols to operate like centralized exchanges.

the proposal is called the Digital Commodities Consumer Protection Act.

a better name would be the Digital Commodities FTX Protection Act.

8:29 AM · Oct 19, 2022 · Twitter Web App

### Binance are investors in the Twitter deal



Ash WSB ● @Ashcryptoreal · Oct 28  
CZ owns a part of twitter as well

Binance invested \$500 million in the elon musk deal.

315

533

4,521



CZ ◆ Binance  
@cz\_binance

Replying to @Ashcryptoreal

We are small potatoes, just a tiny bit.

2:49 PM · Oct 28, 2022 · Twitter Web App

374 Retweets

25 Quote Tweets

4,928 Likes

### FUD on FTX/Alameda



Cobie  
@cobie

All exchanges should have transparent proof of reserves, w transparent dashboards linking to on-chain data/wallets. Find it v difficult to believe FTX is insolvent, but having to trust some tweets is not good when the downside is possibly "you lose everything lol"

9:06 AM · Nov 7, 2022 · Twitter for iPhone

257 Retweets

51 Quote Tweets

2,572 Likes

### Clearing the FUD against Alameda



Caroline @carolinecapital · 12h

A few notes on the balance sheet info that has been circulating recently:  
- that specific balance sheet is for a subset of our corporate entities, we have > \$10b of assets that aren't reflected there

233

659

2,396



Caroline  
@carolinecapital

- the balance sheet breaks out a few of our biggest long positions; we obviously have hedges that aren't listed  
- given the tightening in the crypto credit space this year we've returned most of our loans by now

10:32 PM · Nov 6, 2022 · Twitter Web App

### Binance selling their FTT holdings



CZ ◆ Binance  
@cz\_binance

As part of Binance's exit from FTX equity last year, Binance received roughly \$2.1 billion USD equivalent in cash (BUSD and FTT). Due to recent revelations that have come to light, we have decided to liquidate any remaining FTT on our books. 1/4

11:47 PM · Nov 6, 2022 · Twitter for iPhone

### Bank run likely as influencers advise leaving FTX



Ran Neuner  
@cryptomanran

Get your funds out of FTX. This is financial advice.

7:06 AM · Nov 7, 2022 · Twitter for iPhone

## Notable Tweets

### TLDR on FTX/Binance



Shaan Puri  
@ShaanVP

CZ clears it up

"FTX was in trouble. We bought them to save them"

Binance basically started a rumor, made a threat, and ended up buying its biggest competitor overnight.

magnus carlsen approves

1:10 AM · Nov 9, 2022 · Twitter Web App

299 Retweets 90 Quote Tweets 4,164 Likes

### Overnight villain

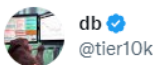


Cobie  
@cobie

Still cant believe it tbh

3:30 AM · Nov 9, 2022 · Twitter Web App

### Teams are jumping ship



db  
@tier10k

[DB] Most of FTX's Legal and Compliance Teams Just Quit: Semafor

1:22 AM · Nov 10, 2022 · DB News (Delayed 15s)

798 Retweets 389 Quote Tweets 4,850 Likes

### Word on the street



Liz Hoffman  
@lizrhoffman

This a.m. before securing an emergency lifeline from rival Binance, FTX was canvassing deep pockets in Silicon Valley and Wall St — think billionaires, not institutions — ppl familiar told me & @Imatsakis @SaacksAttack. Two of the ppl he he was seeking more than \$1bn.

12:39 AM · Nov 9, 2022 · Twitter Web App

169 Retweets 49 Quote Tweets 934 Likes

### #2 P&L ranked on FTX lost entire net worth



Alex Wice  
@AWice

Had entire net worth on FTX, oops.

Will do a FTX victim party live from Tokyo as a Twitter Space, about 29 hours from now. See you there.



5:21 PM · Nov 9, 2022 · Twitter Web App

### Reply to Senator Warren calling for aggressive enforcement after FTX collapse



Brian Armstrong  
@brian\_armstrong

Replying to @SenWarren and @SECGov

FTX.com was an offshore exchange not regulated by the SEC.

The problem is that the SEC failed to create regulatory clarity here in the US, so many American investors (and 95% of trading activity) went offshore.

Punishing US companies for this makes no sense.

9:05 AM · Nov 10, 2022 · Twitter for iPhone

### How did it fail?



boaz weinstein  
@boazweinstein

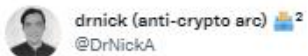
Every day I read about crypto, I understand it less and less. FTX was in talks two months ago to raise 1bn equity at a 32bn valuation. Binance threatens to dump 500mm FTX tokens and the whole thing just collapses? Explain it to me like I'm a 65 year old.

3:02 AM · Nov 9, 2022 · Twitter for iPhone



## Notable Tweets

### Empty NFT London halls?



drnick (anti-crypto arc) 2  
@DrNickA

NFT London yesterday was a bit sad. Big empty rooms.



6:13 PM · Nov 5, 2022 · Twitter for iPhone

2,579 Retweets 1,448 Quote Tweets 27K Likes

### Depends on where you go



NFT.NYC @NFT\_NYC · Nov 3

Full house for the opening talk at #NFTLondon2022!



### NFT London art gallery...



alexjm | the blue roo  
@alexjmingolla

No way NFT London charged £600 entry for this to be the art gallery 🤖



2:37 AM · Nov 6, 2022 · Twitter for iPhone

235 Retweets 117 Quote Tweets 3,294 Likes

### Holders' events were quite lively



VoyTech.eth @VoyTechEth · Nov 4

Thanks for coming to yesterday's event Punks! I had tons of fun meeting you all, I hope you did too. Have a good rest of your stay in London :)

disclaimer: a bunch of people who were there are missing from the pic, and some punks can be mislabeled, lmk and I'll fix 🤖

Show this thread



### Problematic RTFKT drop, again...



SamuelCardillo.eth - RTFKT  
@CardilloSamuel

Yes, I am aware of the issue with the loopable exploit. The reality is : this was the 1st raffle we've done, and also an intense collaboration with @oncyber. The entire team worked really hard, on both end, to ensure a very unique and new experience. 1/3

2:50 AM · Oct 28, 2022 · Twitter Web App

22 Retweets 11 Quote Tweets 238 Likes

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