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WEEKLY REPORT

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## **Agenda:**

- Market update
- Redsan Digital Technologies Top Holdings Summary

## **Summary:**

In a significant development, Binance, the world's largest cryptocurrency exchange, has agreed to pay a hefty \$4.3 billion to settle charges with the U.S. government for anti-money laundering and sanctions violations. This move comes amidst a broader regulatory crackdown on the crypto industry, with the SEC filing a separate complaint against Kraken for illegally offering unlicensed securities. Despite these regulatory challenges, the cryptocurrency market has remained surprisingly stable. These events suggest a potential cleansing that could pave the way for the entry of major institutional players like Blackrock.

# MARKET UPDATE

- Binance, has agreed to pay \$4.3 billion in fines and penalties to settle charges with the U.S. government related to anti-money laundering and sanctions violations. The company's CEO, Changpeng Zhao, has also stepped down. The situation is very different to the FTX situation where customer funds weren't there when they wanted to withdraw.
- The cryptocurrency market has demonstrated remarkable stability in the face of recent regulatory actions targeting Binance, the world's largest crypto exchange. This recent events suggests a potential market cleansing, driven by regulatory efforts to weed out non-compliant players and pave the way for the entry of major institutional investors like Blackrock. One of the things that the CEO of Blackrock has highlighted in the past is that they want to know who is behind every trade.
- BTC currently trades above 37,000 USD and ETH over 2,000 USD.

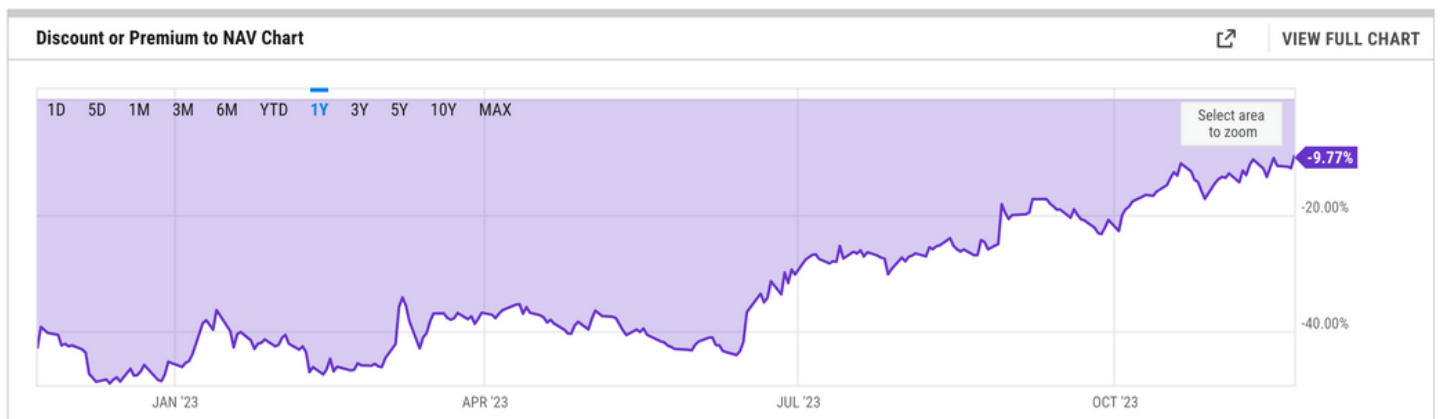


- JPMorgan analysts believe the settlement is positive for the exchange and the crypto industry as a whole. The settlement eliminates the potential systemic risk that could have arisen from a hypothetical collapse of Binance. The DC team agrees with this position.
- Stricter regulations are leveling the playing field for cryptocurrency exchanges like Coinbase and Kraken. They accuse Binance of flouting the rules, contributing to its rapid growth and subsequent dominance over older, more compliant exchanges.

# MARKET UPDATE

- The U.S. Securities and Exchange Commission (SEC) has filed a complaint against Kraken, a popular U.S.-based centralized exchange, alleging that it illegally offered unlicensed securities to retail investors. Some of the assets called securities include ADA, ALGO, ATOM, FIL, FLOW, ICP, MANA, MATIC, NEAR, OMG, and SOL. The SEC also claims that Kraken commingled customer funds, which created a significant risk for users. Kraken has vowed to fight the SEC's lawsuit and has said that it will continue to provide services to its users without interruption.
- The Grayscale Bitcoin Trust (GBTC) discount to net asset value (NAV) has fallen below 10% for the first time since July 2021. This is a sign that investors are becoming more confident in the prospects of a spot bitcoin ETF being approved in the U.S.

Grayscale Bitcoin Trust (BTC) (GBTC) Discount or Premium to NAV: -9.77%. Discount/premium to NAV is a measure of how much an exchange-traded fund (ETF) or closed-end fund (CEF) is trading above or below its net asset value (NAV). NAV is the total value of all the assets held by the fund divided by the number of shares outstanding. A discount to NAV means that the fund is trading for less than its NAV, while a premium to NAV means that the fund is trading for more than its NAV.



- Ark Invest, a prominent investment manager, has sold over \$2 million worth of GBTC in the past two days. However, bitcoin is trading up 2.5% over the last 24 hours, suggesting that there is still strong demand for the cryptocurrency.

[https://ycharts.com/companies/GBTC/discount\\_or\\_premium\\_to\\_nav](https://ycharts.com/companies/GBTC/discount_or_premium_to_nav)

<https://www.theblock.co/post/264464/gbtc-discount-to-nav-falls-below-10-per-cent>

<https://www.sec.gov/files/litigation/complaints/2023/comp-pr2023-237.pdf>

<https://thedefiant.io/sec-sues-kraken-alleging-unlicensed-securities-trades-and-commingling-of-customer-funds>

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# ACKNOWLEDGEMENTS & DISCLAIMER

Digital Compass Ventures reports conclude with a page acknowledging the contributions of the people who worked tirelessly on the projects mentioned within. Below, list down the names of those committed to these projects, such as:

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Jose M. Ancona, **Subject Mastery**

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Lorenzo Cue **Investment Expertise** behind the DCV Portfolio

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