

June 2023 Investor Update

ProChain in the News

[BlackRock is applying for a spot bitcoin ETF. Here's why it matters to the crypto industry;](#) *MarketWatch*, June 15

[MicroStrategy makes its largest BTC buy in 2 years;](#) *Blockworks*, June 28

1. Adoption

a. *Investment.*

- The BIG news of the month surrounded TradFi's (traditional finance) [renewed effort to seek the approval of a spot Bitcoin ETF](#). This comes shortly on the heels of seeming clarity about the non-security status of Bitcoin, from the SEC's recent attacks on Binance and Coinbase and the increasing congressional anger toward the SEC.
 - First and foremost, **BlackRock**, the world's largest asset manager and the firm behind the "iShares" brand of ETFs, [filed its FIRST application for a Bitcoin ETF](#).
 - BlackRock's Bitcoin custodian partner for the ETF is **Coinbase (COIN)**.
 - Larry Fink, the CEO of BlackRock, [also appeared on Fox Business](#).
 - He said that BlackRock wants to comply with regulators and hear any concerns regarding the recent spot Bitcoin ETF filing
 - "We do believe that if we can create more tokenization of assets and securities – that's what bitcoin is – it could revolutionize finance,"
 - He also added that he views BTC as having the role of "digitizing gold".
 - Additional updated ETF filings have come from [Valkyrie](#) and ETF behemoths, [Invesco and Wisdom Tree](#); similar updates are expected from [Fidelity](#), [Van Eck](#).
- In another TradFi move related to crypto, **EDX Markets**, a new crypto exchange has recently started its trading activities.
 - EDX is a venture [backed by Citadel, Fidelity and Schwab](#).
- Furthermore, **Deutsche Bank** has [applied for digital asset custodian license in Germany](#).
- Correlation between Bitcoin and technology stocks [has never been lower](#).
 - This is GREAT. It justifies crypto as an independent and necessary asset-class.

b. *Currency and Use.*

- The percentage of the US population that owns cryptocurrency [widened from 2% in 2018 to 12% by the end of 2022](#).
- In the context of its bankruptcy proceedings, **Celsius Network**, has received permission [to convert its holdings in cryptocurrencies, other than Bitcoin and Ether, into Bitcoin and Ether](#)

(rather than into cash). It is anticipated that this exercise will put pressure on the prices of the currencies being sold and will strengthen the prices of Bitcoin and Ether.

2. Regulation and Legal

- Despite the continuous legal actions by the SEC, [the SEC has still not addressed whether stablecoins, a significant element of the rails of cryptocurrency, are securities](#).
 - Further muddying the point, Federal Reserve Chairman **Jerome Powell**, said that [stablecoins are a form of money](#).

3. Public Companies

- The renewed and raised interest in a Bitcoin ETF has [benefitted Grayscale Bitcoin Trust \(GBTC\) and Coinbase \(COIN\)](#), both investments in *ProChain*'s portfolio.
- *ProChain*'s portfolio investment, **Gryphon Digital Mining**, in preparation for its anticipated public stock listing, [has attracted its first CFO](#), Sim Salzman, who was previously the CFO of the **Marathon Digital (MARA)**.
- **MicroStrategy** has spent an additional \$347mm in its accumulation of Bitcoin. **MSTR** now owns \$4.5B of Bitcoin, at an average price below \$30k/BTC.



David D. Tawil

President

+1-646-479-9387

david@prochaincap.com

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