

October 2023 Investor Update

ProChain Capital increased in value **+16.81%** in **October**.
Year-to-date, ProChain has gained **+52.39%**.

Attached is ProChain's month-end summary sheet.

Cryptocurrency investment is a MUST in every portfolio.

ProChain's ordinary investor class has just a **\$100,000** initial investment minimum.

To schedule a discussion, please reply at your convenience.

ProChain in the News

[Middle East conflict creating a 'sideways' market](#); *Fox Business News*, Oct 26

[Global Business: Netflix Reports a 3rd Quarter Subscribers Boost](#); *CGTN America*, Oct 19

1. **Adoption**

a. Investment.

- We've previously highlighted that **JPMorgan** (JPM Coin) and **Citibank** (Citi Token Services) have been tokenizing bank-held assets and facilitating internal transactions using private blockchain systems. Recently, JPMorgan has [exceeded of \\$1B of daily JPM Coin transactions](#).
 - *ProChain*- The increasing adoption, utilization and comfort-level with digital assets is positive for overall momentum of cryptocurrencies.
- Anticipation for the spot Bitcoin ETF is rising, evidenced by [record open interest on the Chicago Mercantile Exchange \(CME\) for Bitcoin futures](#).
 - *ProChain*- Currently, the CME and its Bitcoin futures are the premier access channel to Bitcoin exposure for institutional investors. Therefore, the rising open interest is evidence that institutional investors are preparing for a rise in the price of Bitcoin resulting from the anticipated SEC approval of a spot Bitcoin ETF.

b. Currency and Use.

- **Ferrari (RACE)**, through BitPay, now accepts cryptocurrency (Bitcoin, Ether and USDC) as [payment for its cars in the U.S.](#)
 - It's been a while since a merchant announced integration of cryptocurrency into its payment system. For that reason and because of its stature, Ferrari's announcement is notable, and it is also timely, in light of the progress on the spot Bitcoin ETF.

- Our previously conveyed concerns surrounding **Tether's** balance sheet and increased lending have been softened by the company's [recent report of \\$3.2B of excess reserves](#).

2. Regulation and Legal

- [The SEC has foregone its opportunity to appeal](#) the decision of the D.C. Circuit Court of Appeals, which deemed the SEC's denial of Grayscale Investment's application to convert the Grayscale Bitcoin Trust (**GBTC**) into an ETF as invalid, calling it an "arbitrary and capricious" rejection. As a result, the decision has been [deemed final](#).
 - The non-appeal doesn't automatically guarantee that GBTC will become an ETF, but it increases the likelihood and hastens the conversion.
 - In line with the non-appeal, [the discount between GBTC and Bitcoin narrowed to a 22 month low](#).
 - *ProChain* has been an outspoken holder of GBTC, expecting the discount to close and an advocate for the return of excessive fees charged by GBTC.
- Another recent SEC retrenchment is its decision, in the 3-year old case of **Ripple (XRP)**, to [dismiss allegations against the executives](#), and to solely pursue the case against the company.

3. Public Companies

- Despite [legislative pressure on debit-card fees](#), **Visa (V)** and **Mastercard (MA)** continue to [benefit from increasing digital payments](#) (versus cash). In addition, we are confident that both payment giants continue to work on the integration of cryptocurrency in the platforms.
 - With the draw of self-custody crypto wallets in mind, Mastercard is [looking for ways to work with MetaMask and Ledger](#).



David D. Tawil

President

+1-646-479-9387

david@prochaincap.com

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