

# **Arca Market Call**

**January 2024**

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# The Cointucky Derby is Going to be Competitive



## Bitcoin ETF Wars

Issuer	Initial Fees	Long-Term Fees	Details
BlackRock	0.20%	0.30%	First 12 months or \$5B AUM, there is \$2B already lined up from investors
Fidelity	0%	0.39%	First 6 months or \$1B AUM
Invesco	0%	0.59%	First 6 months and \$5B AUM
Grayscale	1.50%	1.50%	Largest issuer with a \$29B GBTC AUM
ARK & 21 Shares	0%	0.25%	First 6 months or \$1B AUM
Bitwise Invest	0.00%	0.24%	First 6 months or \$1B AUM
Franklin	0.29%	0.29%	N/A
VanEck	0.25%	0.25%	N/A
Wisdomtree	0.50%	0.50%	N/A
Valkyrie	0.80%	0.80%	N/A
Hashdex	0.90%	0.90%	N/A

Data as of January 8, 2024

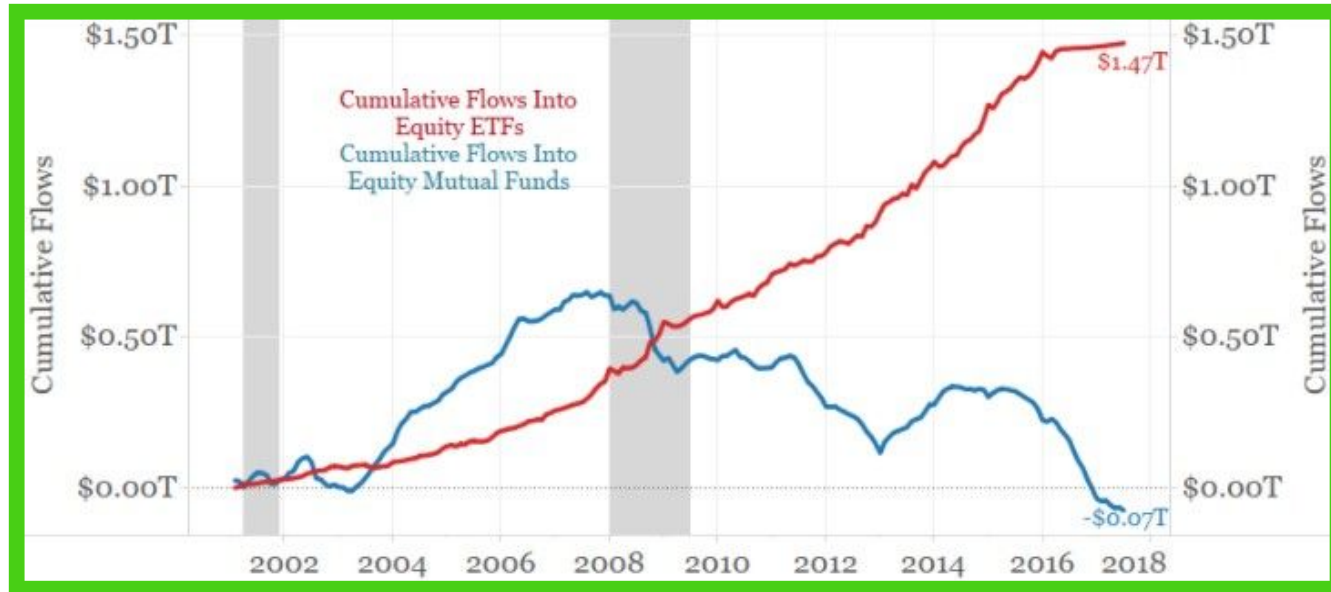
Source: SEC.gov

**AN APE'S  
PROLOGUE**

Source: An Ape's Prologue

# Passive Investing is Coming to Crypto

Specific to the ETF, the movement toward passive management has been a gradual and consistent shift in equity markets for decades. We expect digital assets growth to look similar as Wall Street attempts to take over in 2024. While this may not be ideal for a technology built on intermediation and trussless transactions, it would most definitely be good for the price of tokens.



Source: BofAML

# January is Historically a Strong Month for BTC

Compounded Monthly Return By Month					
	Bitcoin	Ethereum	Equal-Weight Alts	Average	Rank
January	44%	47%	24%	38%	11
February	15%	23%	25%	21%	6
March	20%	8%	26%	18%	5
April	7%	62%	76%	48%	12
May	30%	18%	32%	27%	10
June	8%	7%	6%	7%	1
July	28%	31%	16%	25%	8
August	16%	12%	21%	16%	4
September	12%	9%	6%	9%	2
October	24%	31%	16%	24%	7
November	10%	13%	16%	13%	3
December	8%	25%	43%	25%	9
Start Date	10/1/2014	12/1/2017	1/1/2017		

# Bitcoin's Older Brother Sniffing Out Debasement



Source: TradingView

# BTC Bull Cycle Outperformance Slowed A Year In



Source: TradingView



# But Will ETH and Alts Outperform Going Forward?



Source: TradingView



# Ethereum: Narrative Poor



Source: TradingView

# Eigenlayer Brings in Tons of TVL Despite No Yield



Source: DeFi Llama

# High Gas Fees on Ethereum Push More to L2s



## Layer 2 User Base

Number of unique addresses interacting with one or multiple Layer 2s in a given week.

Total Users

Users per Chain

Percentage

90 days

180 days

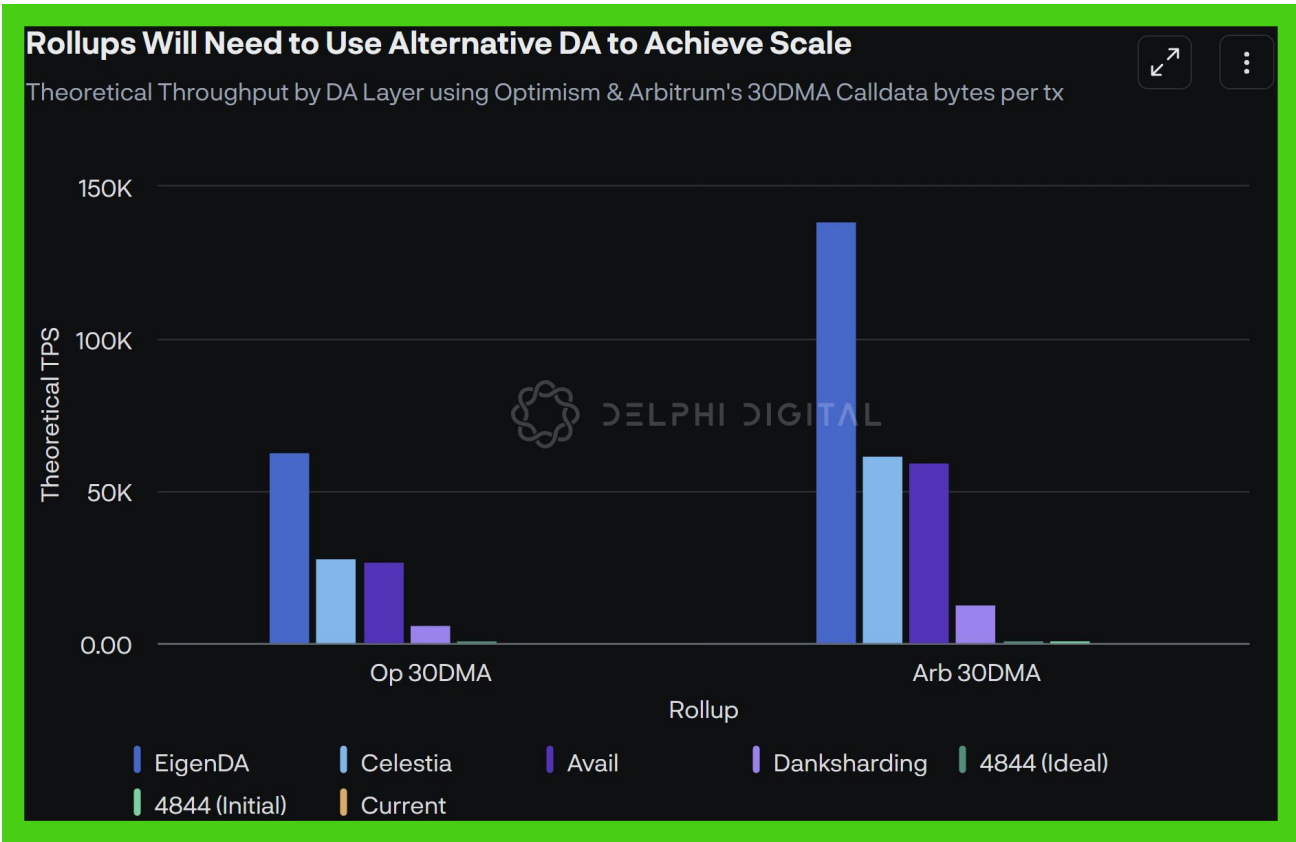
1 year

Maximum



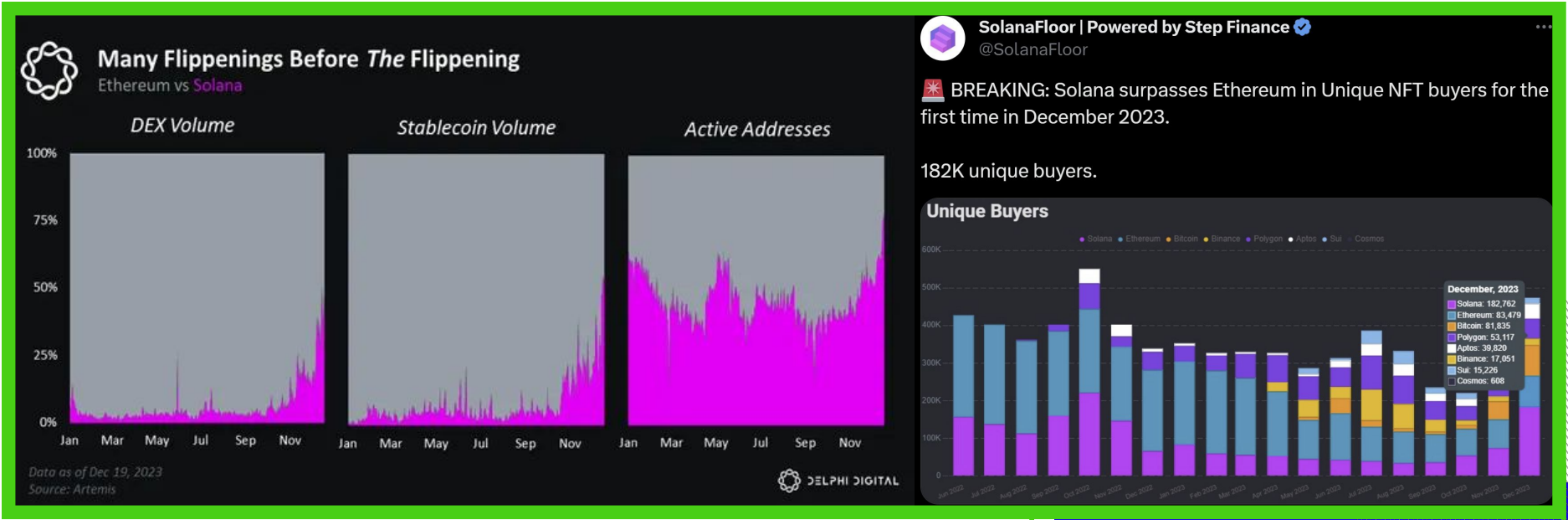
Source: GrowThePie

# Alternative Data Sources Will Hyperscale L2s



















































Source: Delphi Digital

# Solana Metrics Catching Ethereum Mainnet



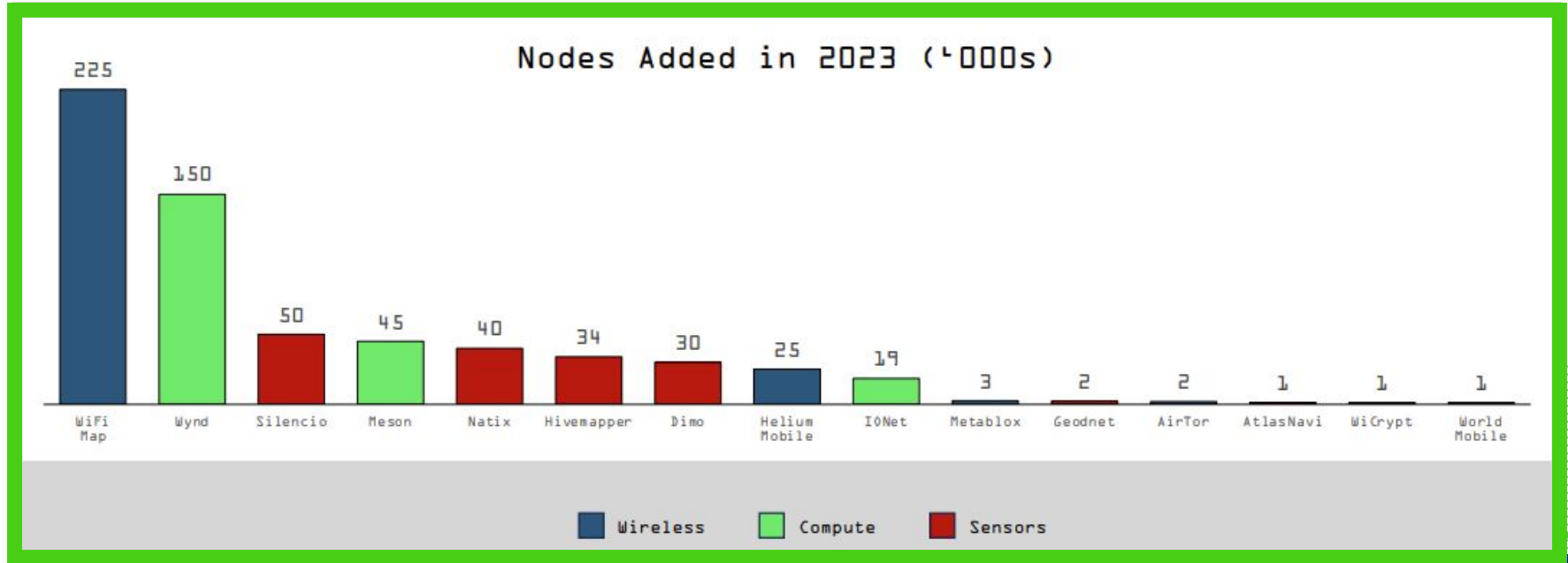
Source: Delphi Digital, SolanaFloor

# Solana is the DePIN Hub

	Solana	Rollups	DePIN-focused L1s		
		   	   		
Value Prop:	High throughput & low fees. Compressed NFTs. Rust developers.	Fast, custom deployments. ETH security and/or Solana VM. Flexibility & sovereignty.	High-throughput & low fees. DePIN-specific devtools. DePIN interoperability.	Braintrust will migrate 35k wallets to Base in Q1'24, making it the first (but certainly not the last!) DePIN to launch on Base.	
	 Render <a href="#">started</a> Solana migration in Mar'23 and <a href="#">finished</a> in Nov'23.  Helium <a href="#">started</a> Solana migration in Sep'22 and <a href="#">finished</a> in Nov'23.  Hivemapper <a href="#">launched</a> on Solana in Nov'22 and mapped 10% of global roads.	Deploy customizable rollups in 1 click.  <b>andrena</b> <b>Thesis:</b> every dapp must eventually become a rollup to optimize for flexibility & long-term value capture.	Ethereum's fastest L2, powered by SVM.  <b>Daylight</b> ✨ <b>Thesis:</b> fixed costs to deploy individual app-rollups is too high; apps will deploy on fastest L2 that settles on ETH.	<div>- EVM-based chain - Raised \$10m led by SamsungNext &amp; Jump</div>  Bosoncan.io (explorer)  Liquid Hub (liquidity mining)  Peaq (vote-escrow) (verifiable compute)	<div>- Substrate-based - Raised \$6m led by Fundamental Labs</div> <b>Thesis:</b> DePIN L1 with enterprise integrations  AIRBUS  BOSCH  NTT  Gaox  @Infintental  DENSIO  Fraunhofer
	 grass  GenesysGo  NOSANA  Blockcast  IQ.NET  DAIN  MapMetrics  SYNERS DNB  SkyTrade  WIHI  STEP'N  Circuit  Media Network  Gear		 DIMO  WiFi Map  WIKRYPT  GEOINET  XNET Projects with bridged liquidity on IoTeX DePIN Liquidity Hub	 2blox  charge  Brainstem  BioXmove  wingbits  penomo  EL  P Announced projects building on Peaq L1	

Source: Messari & EV3

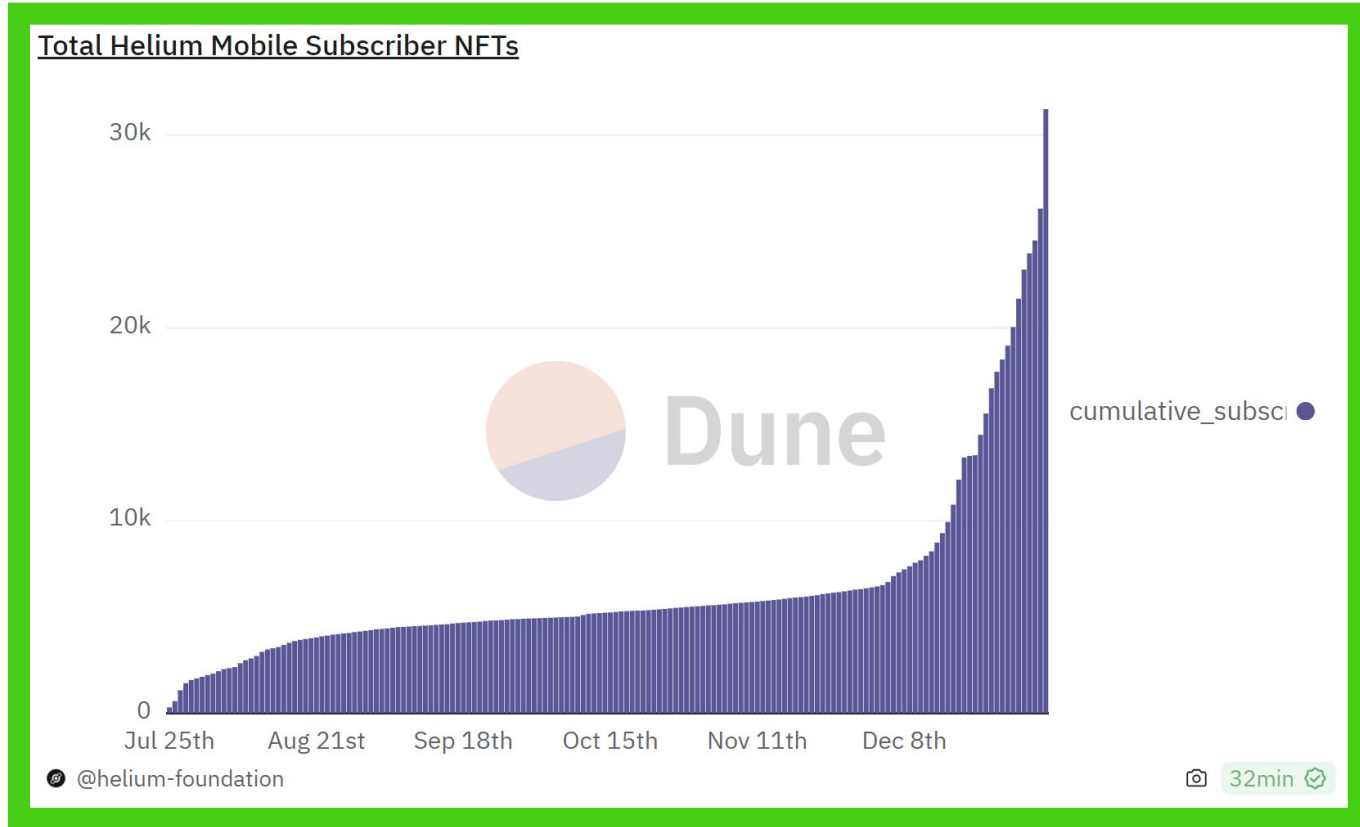
# DePIN Networks are Expanding Rapidly



Source: Messari & EV3



# Helium Mobile Explodes



Source: Dune

# ...A Little Reflexivity Never Hurts



Source: Coingecko

# Hivemapper Already Mapped 10% of the Globe



Source: Hivemapper

# Braintrust Uses Crypto + AI In Its Hiring Network



Source: Braintrust

# CONTACT US



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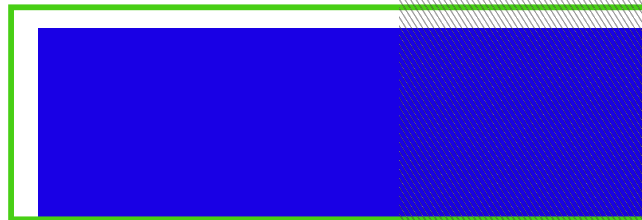
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