

Arca Market Call

March 2024

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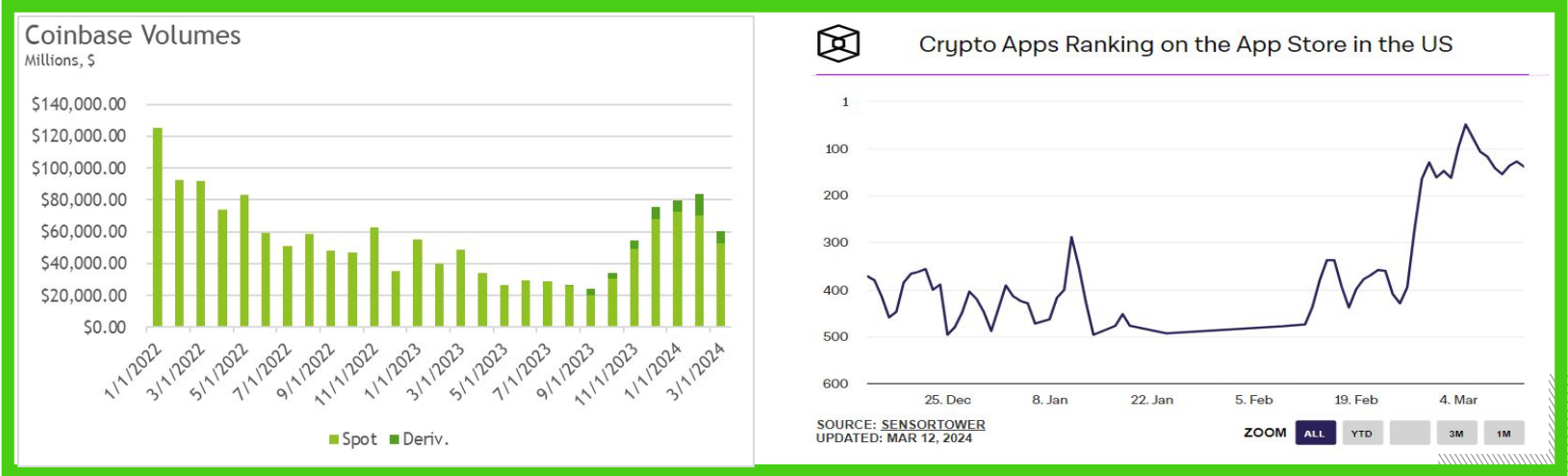
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Crypto Stocks are Mixed – Lots of Alpha



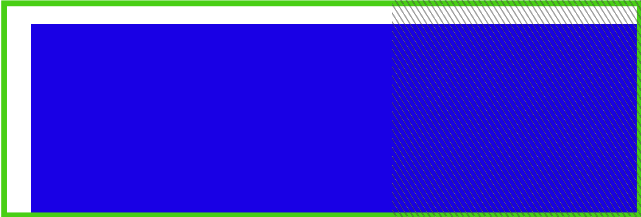
Source: TradingView

Coinbase (COIN) Leading the Way



Source: Coingecko, Internal Calcs

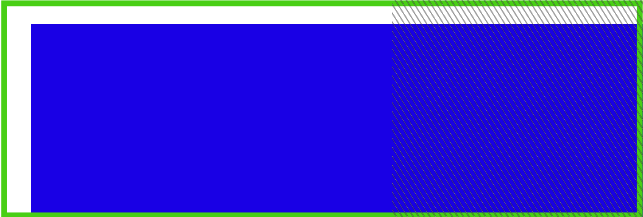
Source: The Block, SensorTower



The Street Continues To Underestimate Earnings

Earnings calls			
Previous	EPS	Revenue	
Dec 2023	Beat 420.00%	Beat 16.55%	▼
Sep 2023	Beat 98.13%	Beat 3.42%	▼
Jun 2023	Beat 44.98%	Beat 11.31%	▼
Mar 2023	Beat 80.68%	Beat 18.13%	▼

Source: Google



FASB Benefits: What *The Street* Will Miss Next

	2023		
	Carrying Value		Fair Value ⁽²⁾
	Recorded at Cost ⁽¹⁾	Recorded at Fair Value	
Crypto assets held as investments:			
Bitcoin ⁽³⁾	\$ 126,614	\$ —	\$ 388,326
Ethereum ⁽³⁾	129,131	—	272,411
Solana	6,611	—	61,166
Other	68,254	—	306,060
Total held as investments	330,610	—	1,027,963
Crypto assets held for operating purposes:			
Bitcoin	7,243	—	9,006
Ethereum	15,775	—	20,176
Solana	10,275	—	11,625
Other	40,810	—	71,617
Total held for operating purposes	74,103	—	112,424
Crypto assets borrowed:			
Bitcoin	—	36,368	36,368
Ethereum	—	3,720	3,720
Solana	—	3,516	3,516
Other	—	1,608	1,608
Total borrowed	—	45,212	45,212
Total crypto assets held	\$ 404,713	\$ 45,212	\$ 1,185,599

MicroStrategy (MSTR) – Premium to NAV?

Microstrategy Summary

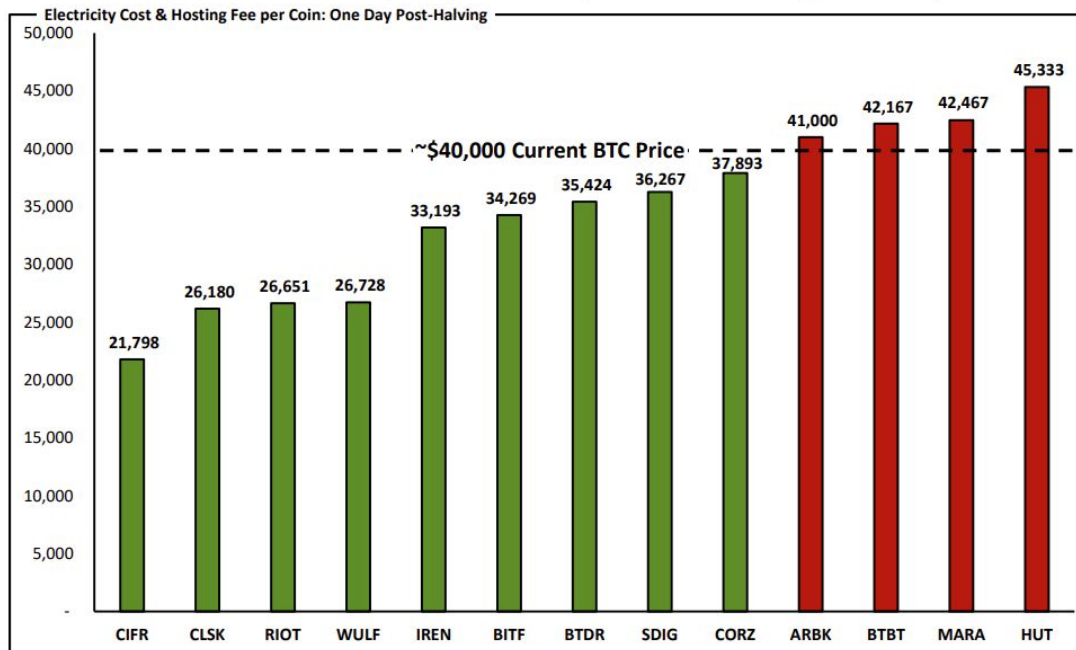
Bitcoin current held		205000
Price per bitcoin	\$	72,000
Value of portfolio		14760 mm USD
Value of Software biz		550 mm USD
Net debt ex 2025 convert		534 mm USD
Implied NAV		14776 mm USD
Shares out	shares	17070 thousand
Options exercisable)	shares	1294 thousand
Converts convertible	shares	2820 thousand
Dil share count	shares	21184 thousand
Share px	\$	1,565
Value		33153.0 mm USD
Implied bitcoin price	\$	161,644
Premium to NAV		124%
Target price	\$	697.51

Source: X.com, Hedgewatch

Bitcoin Miners: What *The Street* Gets Wrong

Electricity Cost & Hosting-Fee-per-Coin Analysis: Immediately Post Halving

- Below, we provide an electricity cost per coin comparison, immediately post-halving



Source: Cantor Fitzgerald Research

Note: We do not hold views on the validity of guidance from NC names

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How Arca Looks at Miners' Hashprice



Source: [Luxor Hashrate Index](#)

Hash Costs Replaces Costs-Per-BTC

Daily Breakeven Hashcosts (\$/PH/s) at current Hashrate of 584.153873606804

		Current Hashprice: \$119.71				Electricity Costs (\$/kWh)																																						
Rig Efficiency		\$	0.02	\$	0.03	\$	0.04	\$	0.05	\$	0.06	\$	0.07	\$	0.08	\$	0.09	\$	0.10	\$	0.11	\$	0.12	\$	0.13	\$	0.14	\$	0.15	\$	0.16	\$	0.17	\$	0.18	\$	0.19	\$	0.20	\$	0.21	\$	0.22	
M30S+	S19J	36	\$	29.58	\$	44.37	\$	59.16	\$	73.95	\$	88.74	\$	103.53	\$	118.32	\$	133.12	\$	147.91	\$	162.70	\$	177.49	\$	192.28	\$	207.07	\$	221.86	\$	236.65	\$	251.44	\$	266.23	\$	281.02	\$	295.81	\$	310.60	\$	325.39
		35	\$	28.76	\$	43.14	\$	57.52	\$	71.90	\$	86.28	\$	100.66	\$	115.04	\$	129.42	\$	143.80	\$	158.18	\$	172.56	\$	186.94	\$	201.32	\$	215.70	\$	230.08	\$	244.46	\$	258.84	\$	273.22	\$	287.60	\$	301.98	\$	316.36
		34	\$	27.94	\$	41.91	\$	55.88	\$	69.84	\$	83.81	\$	97.78	\$	111.75	\$	125.72	\$	139.69	\$	153.66	\$	167.63	\$	181.60	\$	195.56	\$	209.53	\$	223.50	\$	237.47	\$	251.44	\$	265.41	\$	279.38	\$	293.35	\$	307.32
		33	\$	27.12	\$	40.67	\$	54.23	\$	67.79	\$	81.35	\$	94.91	\$	108.46	\$	122.02	\$	135.58	\$	149.14	\$	162.70	\$	176.25	\$	189.81	\$	203.37	\$	216.93	\$	230.49	\$	244.05	\$	257.60	\$	271.16	\$	284.72	\$	298.28
		32	\$	26.29	\$	39.44	\$	52.59	\$	65.74	\$	78.88	\$	92.03	\$	105.18	\$	118.32	\$	131.47	\$	144.62	\$	157.77	\$	170.91	\$	184.06	\$	197.21	\$	210.36	\$	223.50	\$	236.65	\$	249.80	\$	262.94	\$	276.09	\$	289.24
S19 Pro		31	\$	25.47	\$	38.21	\$	50.95	\$	63.68	\$	76.42	\$	89.15	\$	101.89	\$	114.63	\$	127.36	\$	140.10	\$	152.84	\$	165.57	\$	178.31	\$	191.05	\$	203.78	\$	216.52	\$	229.25	\$	241.99	\$	254.73	\$	267.46	\$	280.20
		30	\$	24.65	\$	36.98	\$	49.30	\$	61.63	\$	73.95	\$	86.28	\$	98.60	\$	110.93	\$	123.26	\$	135.58	\$	147.91	\$	160.23	\$	172.56	\$	184.88	\$	197.21	\$	209.53	\$	221.86	\$	234.18	\$	246.51	\$	258.84	\$	271.16
		29	\$	23.83	\$	35.74	\$	47.66	\$	59.57	\$	71.49	\$	83.40	\$	95.32	\$	107.23	\$	119.15	\$	131.06	\$	142.98	\$	154.89	\$	166.81	\$	178.72	\$	190.63	\$	202.55	\$	214.46	\$	226.38	\$	238.29	\$	250.21	\$	262.12
		28	\$	23.01	\$	34.51	\$	46.02	\$	57.52	\$	69.02	\$	80.53	\$	92.03	\$	103.53	\$	115.04	\$	126.54	\$	138.05	\$	149.55	\$	161.05	\$	172.56	\$	184.06	\$	195.56	\$	207.07	\$	218.57	\$	230.08	\$	241.58	\$	253.08
		27	\$	22.19	\$	33.28	\$	44.37	\$	55.46	\$	66.56	\$	77.65	\$	88.74	\$	99.84	\$	110.93	\$	122.02	\$	133.12	\$	144.21	\$	155.30	\$	166.39	\$	177.49	\$	188.58	\$	199.67	\$	210.77	\$	221.86	\$	232.95	\$	244.05
S19XP		26	\$	21.36	\$	32.05	\$	42.73	\$	53.41	\$	64.09	\$	74.77	\$	85.46	\$	96.14	\$	106.82	\$	117.50	\$	128.19	\$	138.87	\$	149.55	\$	160.23	\$	170.91	\$	181.60	\$	192.28	\$	202.96	\$	213.64	\$	224.32	\$	235.01
		25	\$	20.54	\$	30.81	\$	41.09	\$	51.36	\$	61.63	\$	71.90	\$	82.17	\$	92.44	\$	102.71	\$	112.98	\$	123.26	\$	133.53	\$	143.80	\$	154.07	\$	164.34	\$	174.61	\$	184.88	\$	195.15	\$	205.43	\$	215.70	\$	225.97
		24	\$	19.72	\$	29.58	\$	39.44	\$	49.30	\$	59.16	\$	69.02	\$	78.88	\$	88.74	\$	98.60	\$	108.46	\$	118.32	\$	128.19	\$	138.05	\$	147.91	\$	157.77	\$	167.63	\$	177.49	\$	187.35	\$	197.21	\$	207.07	\$	216.93
		23	\$	18.90	\$	28.35	\$	37.80	\$	47.25	\$	56.70	\$	66.15	\$	75.60	\$	85.05	\$	94.50	\$	103.95	\$	113.39	\$	122.84	\$	132.29	\$	141.74	\$	151.19	\$	160.64	\$	170.09	\$	179.54	\$	188.99	\$	198.44	\$	207.89
		22	\$	18.08	\$	27.12	\$	36.15	\$	45.19	\$	54.23	\$	63.27	\$	72.31	\$	81.35	\$	90.39	\$	99.43	\$	108.46	\$	117.50	\$	126.54	\$	135.58	\$	144.62	\$	153.66	\$	162.70	\$	171.74	\$	180.77	\$	189.81	\$	198.85
A1466i		21	\$	17.26	\$	25.88	\$	34.51	\$	43.14	\$	51.77	\$	60.40	\$	69.02	\$	77.65	\$	86.28	\$	94.91	\$	103.53	\$	112.16	\$	120.79	\$	129.42	\$	138.05	\$	146.67	\$	155.30	\$	163.93	\$	172.56	\$	181.19	\$	189.81
		20	\$	16.43	\$	24.65	\$	32.87	\$	41.09	\$	49.30	\$	57.52	\$	65.74	\$	73.95	\$	82.17	\$	90.39	\$	98.60	\$	106.82	\$	115.04	\$	123.26	\$	131.47	\$	139.69	\$	147.91	\$	156.12	\$	164.34	\$	172.56	\$	180.77
		19	\$	15.61	\$	23.42	\$	31.22	\$	39.03	\$	46.84	\$	54.64	\$	62.45	\$	70.26	\$	78.06	\$	85.87	\$	93.67	\$	101.48	\$	109.29	\$	117.09	\$	124.90	\$	132.70	\$	140.51	\$	148.32	\$	156.12	\$	163.93	\$	171.74
		18	\$	14.79	\$	22.19	\$	29.58	\$	36.98	\$	44.37	\$	51.77	\$	59.16	\$	66.56	\$	73.95	\$	81.35	\$	88.74	\$	96.14	\$	103.53	\$	110.93	\$	118.32	\$	125.72	\$	133.12	\$	140.51	\$	147.91	\$	155.30	\$	162.70
		17	\$	13.97	\$	20.95	\$	27.94	\$	34.92	\$	41.91	\$	48.89	\$	55.88	\$	62.86	\$	69.84	\$	76.83	\$	83.81	\$	90.80	\$	97.78	\$	104.77	\$	111.75	\$	118.74	\$	125.72	\$	132.70	\$	139.69	\$	146.67	\$	153.66
S21 Hydro		16	\$	13.15	\$	19.72	\$	26.29	\$	32.87	\$	39.44	\$	46.02	\$	52.59	\$	59.16	\$	65.74	\$	72.31	\$	78.88	\$	85.46	\$	92.03	\$	98.60	\$	105.18	\$	111.75	\$	118.32	\$	124.90	\$	131.47	\$	138.05	\$	144.62
		15	\$	12.33	\$	18.49	\$	24.65	\$	30.81	\$	36.98	\$	43.14	\$	49.30	\$	55.46	\$	61.63	\$	67.79	\$	73.95	\$	80.12	\$	86.28	\$	92.44	\$	98.60	\$	104.77	\$	110.93	\$	117.09	\$	123.26	\$	129.42	\$	135.58
		14	\$	11.50	\$	17.26	\$	23.01	\$	28.76	\$	34.51	\$	40.26	\$	46.02	\$	51.77	\$	57.52	\$	63.27	\$	69.02	\$	74.77	\$	80.53	\$	86.28	\$	92.03	\$	97.78	\$	103.53	\$	109.29	\$	115.04	\$	120.79	\$	126.54
		13	\$	10.68	\$	16.02	\$	21.36	\$	26.71	\$	32.05	\$	37.39	\$	42.73	\$	48.07	\$	53.41	\$	58.75	\$	64.09	\$	69.43	\$	74.77	\$	80.12	\$	85.46	\$	90.80	\$	96.14	\$	101.48	\$	106.82	\$	112.16	\$	117.50
		12	\$	9.86	\$	14.79	\$	19.72	\$	24.65	\$	29.58	\$	34.51	\$	39.44	\$	44.37	\$	49.30	\$	54.23	\$	59.16	\$	64.09	\$	69.02	\$	73.95	\$	78.88	\$	83.81	\$	88.74	\$	93.67	\$	98.60	\$	103.53	\$	108.46
		11	\$	9.04	\$	13.56	\$	18.08	\$	22.60	\$	27.12	\$	31.64	\$	36.15	\$	40.67	\$	45.19	\$	49.71	\$	54.23	\$	58.75	\$	63.27	\$	67.79	\$	72.31	\$	76.83	\$	81.35	\$	85.87	\$	90.39	\$	94.91	\$	99.43
		10	\$	8.22	\$	12.33	\$	16.43	\$	20.54	\$	24.65	\$	28.76	\$	32.87	\$	36.98	\$	41.09	\$	45.19	\$	49.30	\$	53.41	\$	57.52	\$	61.63	\$	65.74	\$	69.84	\$	73.95	\$	78.06	\$	82.17	\$	86.28	\$	90.39

WULF

BTDR

CIFR*

CORZ

MARA

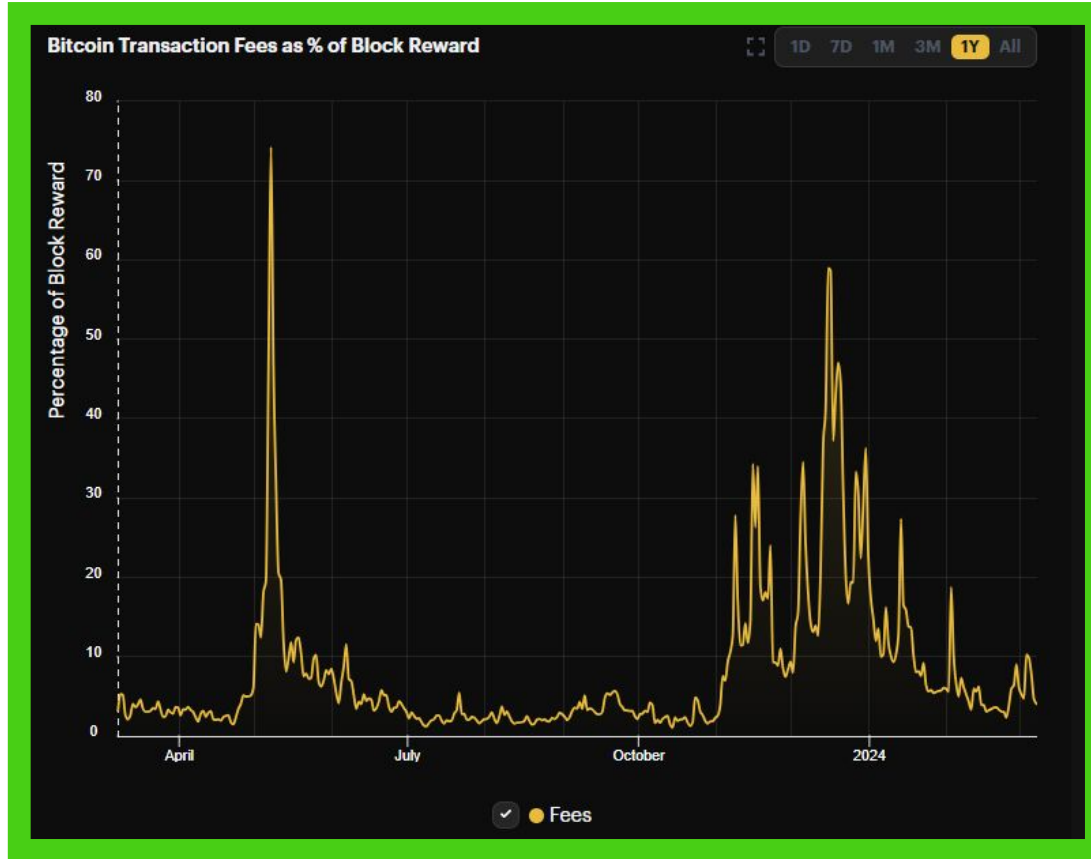
BITF

RIOT*

IREN**

CLSK***

L2s and Ordinals: What *The Street* Will Miss Next



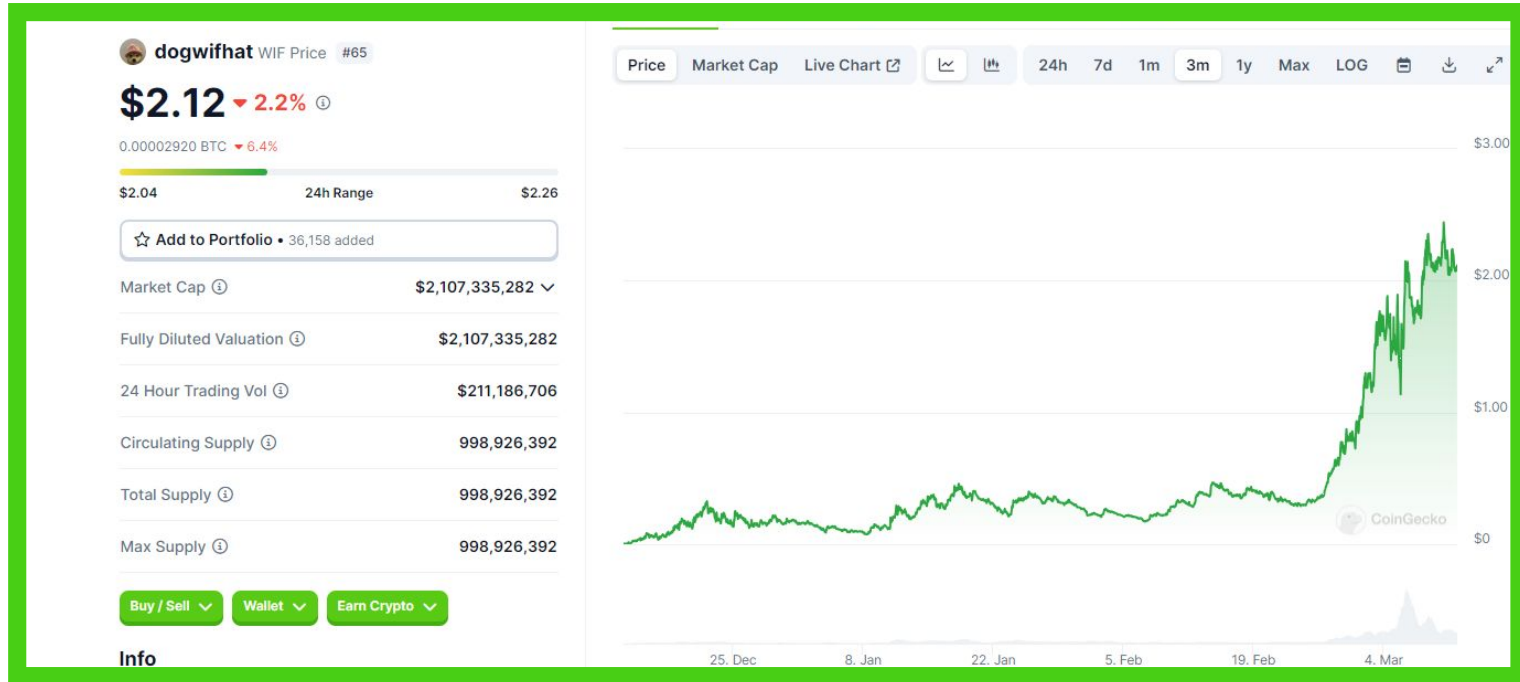
Source: [Luxor Hashrate Index](#)

Crypto Look More Like Equities: UNI



Source: Trading View

.... But It's Still Crypto. Yay, Memecoins!



Source: Coingecko

Join Us For Our Next Roundtable

Tuesday, March 19, 2024 at 11am ET/ 8am PT | Register at [AR.CA/BEYONDTOKENS](https://ar.ca/beyondtokens)

Investing Beyond Tokens: Unique Investment Opportunities in Digital Assets

- Market factors shaping the crypto investing landscape
- Differences between investing in digital assets and investing in traditional finance
- Applying traditional financial methods to crypto
- Analyzing the debt and equity of crypto businesses

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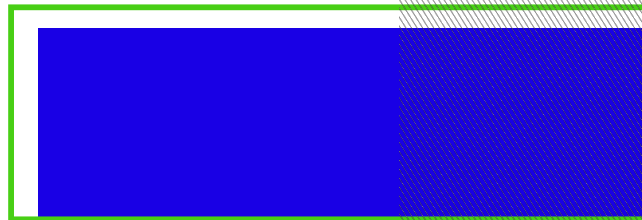
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