



> Similarly to the previous monthly, we start this month's Maven's Insights with more institutional participants entering our industry. This time the biggest player yet comes in, as **Tesla** announced their USD 1.5B Bitcoin allocation. Elon Musk motivated the purchase by increased risk associated with holding dollars on the balance sheet. Other parties that doubled down on Bitcoin were NASDAQ listed **Square** and **MicroStrategy** buying for USD 170M and USD 1B respectively. This is in line with the trend we have been seeing for the last few months with more institutional entities making an allocation into Bitcoin. As mentioned earlier, it seems this is mostly on the back of unconstrained monetary policy by the central banks. It seems that this trend will continue, as **Jerome Powell**, the FED chair, stated in a speech to the Congress that low interest rates and bond purchasing will keep up *"at least at the current pace until we make substantial further progress towards our goals"*.

> A positive milestone for the **decentralized finance** ecosystem in our industry. The total value locked metric, similar to AUM, has passed **USD 40B** for the first time ever. This is on the back of further development by existing protocols and new projects going live.

> On the regulatory side of our industry a lot has happened over the last month. **SEC** commissioner **Hester Pierce** voiced an opinion on regulators in the digital economy. She stated that regulators need to provide "legal clarity and freedom to experiment", specifically mentioning DeFi as a challenging area. Interestingly, she also mentioned the anti Wall Street sentiment and the sense that TradFi could be thrown out entirely and be replaced by DeFi. Additionally, **Tether**, the largest stablecoin, settled with the NYAG which suspected Tether of issuing unbacked stablecoins. It seems that with the settlement no proof of wrongdoing was found, essentially removing some controversy from the biggest stablecoin in our industry.

> **Coinbase** has officially announced their filing for a direct public listing on the NASDAQ. The official announcement came after a confidential draft of registration about which we wrote in [December](#). Coinbase revealed its financials for 2019 and 2020 in which they generated a net loss of \$30.4M and net income of \$322.3M. Furthermore, the company is expected to go public at a **\$77B valuation**. The user data is also of interest as it indicates the adoption of digital assets. Noteworthy, Coinbase has 43 million

verified users and 7000 institutions as their clients as of the end of 2020.

> When last year the U.S. **Office of the Comptroller of the Currency (OCC)** allowed national savings banks and federal savings associations to offer crypto custody services to their customers, an increased number of financial institutions started indicating interest in offering crypto custody services. In February, **BNY Mellon** stated that it will start to custody Bitcoin and other cryptocurrencies later this year. In addition, JP Morgan and Citi are also exploring crypto custody services which indicates that regulatory clarity does increase adoption, as noted by Pierce of the SEC.

> **Mastercard** has announced that they will start supporting (specific) digital assets with their payment network. This means that Mastercard users, with ~1B cards in circulation, can pay vendors with digital assets. Mastercard notes that they will do so because they are *"preparing right now for the future of crypto and payments"*.

> After the successful launch of the first Bitcoin ETF in Canada, it seems that the first Ether ETF may also be on the way, after CI Global Asset Management filed a preliminary prospectus. If approved, the ETF would trade on the **Toronto Stock Exchange (TSX)**. It would allow for institutional investors to get exposure to Ether, the native asset of the Ethereum blockchain.

> With **Tesla** allocating capital into Bitcoin, the company also noted that they will start accepting Bitcoin payments. This caused other tech companies to follow. In fact, both **Uber** and **Twitter** stated that they were considering allowing crypto payments on their platforms. Twitter went even a step further stating that they are also researching whether they can allow its users to receive tips, or digital payments, from their followers. This is the second social media platform after **Reddit** that looks into utilizing digital assets on their platform.

> This month we [announced](#) our participation in the **\$890K seed round of NFTfi**. NFTfi is a peer-to-peer lending protocol that allows non-fungible tokens (NFTs) to be used as collateral. It is positioned at the intersection of non-fungible tokens and decentralized finance, both ecosystems for which we foresee tremendous growth. We look forward to working with NFTfi to add further utility to NFTs as an asset class and are happy to announce our **first investment** in the **NFT** space.