Alpha Navigator

Quest for Alpha

6 July 2022

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Crypto.com Research & Insights

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Macro

Macro View: Walking a Tightrope; Focus on Active Selection

- Investors find themselves in a challenging situation where almost all major asset classes except commodities had significant drawdowns in 1H2022.

- The U.S. Fed currently needs to curtail demand momentum to control inflation, but this increases recession risks. Looking further out, lower energy costs from demand destruction could perhaps lead to disinflationary effects - potential catalyst for a softening of the Fed stance, which would reduce pressure on risk assets (including crypto). The Baltic Dry Index (a leading economic activity indicator that measures shipping costs) is implying softer demand.

- In this low-visibility market environment, we would focus on active selection, and low-volatility/defensive strategies.

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Baltic Dry Index suggests supply glut easing and softer demand

As of 30 Jun 2022   Sources: Baltic Exchange, TradingView, Crypto.com Research
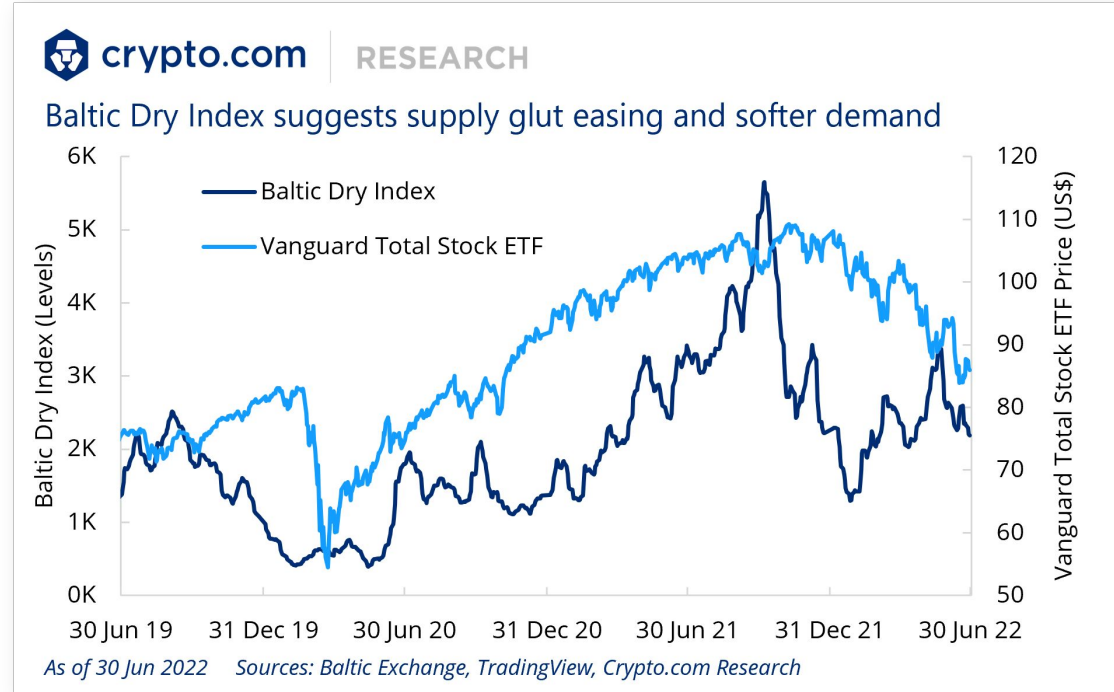
Macro View (cont.): Inflationary Pressure Easing?

- The U.S. Purchasing Managers Index (PMI) from the Institute of Supply Management (ISM), another widely used indicator of economic activity, dropped more than expected in June from 56.1 to 53.0 points.

- Over in Europe, S&P Global's PMI declined from 54.6 to 52.1 points in June, and other economic indicators such as new orders and foreign business signal continued economic downturn, according to S&P Global.

- Potential softening of demand and inflation should in turn give central banks some flexibility for slowing the pace of rate hikes.

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U.S. inflation to soften next quarter

Consensus estimates

Inflation Rate (% YoY)

Month	Inflation Rate (% YoY)
Jun 21	5.4
Jul 21	5.4
Aug 21	5.3
Sep 21	5.4
Oct 21	6.2
Nov 21	6.8
Dec 21	7.0
Jan 22	7.5
Feb 22	7.9
Mar 22	8.5
Apr 22	8.3
May 22	8.6
3Q2022E	7.8
4Q2022E	6.3

As of 30 Jun 2022   Sources: Trading Economics, Crypto.com Research

Asset Class Performance

• Commodities were the best performing asset class in 1H2022 at +28.20%. The worst performers were again BTC and ETH, which dropped -57.39% and -70.42% respectively. Equities and fixed income were down significantly as well.

		Price Performance (%)				
		YTD	1-month	3-month	6-month	12-month
Crypto	BTC	-57.39	-36.90	-57.27	-57.39	-44.09
	ETH	-70.42	-43.47	-67.52	-70.42	-49.35
Equity	S&P 500	-20.57	-7.90	-16.47	-20.57	-11.87
	NASDAQ 100	-29.55	-8.41	-22.69	-29.55	-20.92
	MSCI All Country World	-20.69	-8.28	-15.93	-20.69	-17.10
	MSCI Emerging Markets	-17.91	-5.29	-11.18	-17.91	-27.29
Real Assets	Gold	-1.46	-2.19	-6.75	-1.46	1.71
	S&P REIT Index	-21.04	-7.34	-17.50	-21.04	-8.20
	Invesco DB Commodity Index	28.20	-7.95	2.23	28.20	38.39
Fixed Income	U.S. Treasury Bond 20+ Year	-22.48	-1.16	-13.03	-22.48	-20.42
	U.S. Core Aggregate Bond	-10.87	-1.15	-5.06	-10.87	-11.84
	International Aggregate Bond	-8.66	-1.23	-4.45	-8.66	-9.60

As of 30 Jun 2022   Sources: CoinGecko, TradingView, Crypto.com Research

Asset Class Correlations

- BTC shows strong correlations with almost all asset classes. During times of severe market stress, correlations between asset classes rise as investors become indiscriminate and risk tolerance drops to zero, resulting in muted diversification benefits just when it is needed most.

BTC price correlation vs.:		1-month	3-month	6-month	12-month
Crypto	ETH	0.99	0.99	0.98	0.96
Equity	S&P 500	0.86	0.93	0.91	0.79
	NASDAQ 100	0.80	0.92	0.88	0.80
	MSCI All Country World	0.87	0.93	0.88	0.78
	MSCI Emerging Markets	0.86	0.83	0.72	0.57
Real Assets	Gold	0.70	0.85	0.41	-0.20
	S&P REIT Index	0.78	0.94	0.91	0.67
	Invesco DB Commodity Index	0.74	-0.50	-0.57	-0.51
Fixed Income	U.S. Treasury Bond 20+ Year	0.61	0.86	0.72	0.64
	U.S. Core Aggregate Bond	0.72	0.82	0.69	0.60
	International Aggregate Bond	0.72	0.88	0.75	0.62

As of 30 Jun 2022   Sources: CoinGecko, TradingView, Crypto.com Research

Asset Class Correlations (cont.)

- Similar to BTC, ETH's correlations with other asset classes were mainly strongly positive across all timeframes.

ETH price correlation vs.:		1-month	3-month	6-month	12-month
Crypto	BTC	0.99	0.99	0.98	0.96
Equity	S&P 500	0.89	0.91	0.91	0.84
	NASDAQ 100	0.84	0.90	0.88	0.83
	MSCI All Country World	0.90	0.90	0.88	0.78
	MSCI Emerging Markets	0.89	0.78	0.71	0.50
Real Assets	Gold	0.70	0.85	0.33	-0.17
	S&P REIT Index	0.83	0.94	0.93	0.77
	Invesco DB Commodity Index	0.69	-0.57	-0.60	-0.48
Fixed Income	U.S. Treasury Bond 20+ Year	0.66	0.84	0.69	0.61
	U.S. Core Aggregate Bond	0.77	0.80	0.67	0.55
	International Aggregate Bond	0.77	0.89	0.73	0.58

As of 30 Jun 2022   Sources: CoinGecko, TradingView, Crypto.com Research

Bitcoin Historical Drawdowns

- We continue to track Bitcoin's current drawdown, which has now reached -71.0%, and is the 4th largest historically.

Period	Drawdown	Events
Nov-2013 to Jan-2016	-86.9%	China Bitcoin ban
Dec-2017 to Dec-2018	-83.6%	U.S. Fed rate hike; QT shrinking balance sheet; Bitcoin futures began trading on the CBOE
Apr-2013	-80.7%	Mt Gox hack
Nov-2021 to Current	-71.0%	U.S. Fed rate hike; Stablecoin depegs; DeFi liquidations

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Bitcoin Historical Drawdowns (US$)

	Drawdown	Date
	-42.9	Jan 12 - 27, 2012
	-56.3	Aug 17-19, 2012
	-32.7	Mar 6-7, 2013
	-35.1	Mar 21-23, 2013
	-80.7	Apr 10-12, 2013
	-49.9	Nov 19, 2013
	-86.9	Nov 30, 2013 - Jan 14, 2016
	-34.0	Mar 10-25, 2017
	-33.0	May 25-27, 2017
	-38.6	Jun 12-Jul 17, 2017
	-40.3	Sept 2-15, 2017
	-29.6	Nov 8-12, 2017
	-83.6	Dec 17, 2017 - Dec 15, 2018
	-60.8	Jun 26, 2019 - Mar 12, 2020
	-51.1	Apr 14, 2021 - May 17, 2021
	-71.0	10 Nov 2021 - Current

Drawdown (%)

As of 30 Jun 2022   *Sources: TradingView, Crypto.com Research*

Derivatives Pulse

- BTC put-call ratio has levelled while ETH's continues downward. This could be interpreted as a shift to more positive sentiment for ETH (perhaps a leveraged play on the upcoming Merge) - however, it could also simply be due to investors having fully exited long-positions (cash is king), therefore negating the need for exposure hedging.

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Options Open Interest Put-Call Ratios

As of 30 Jun 2022   Sources: Glassnode, Crypto.com Research

Derivatives Pulse (cont.)

- Implied volatility (vol) for BTC is up during the past 1 month and term structure remains inverted, reflecting heightened near-term risks. 1-month implied vol for BTC currently stands at 82.1% compared to 65.1% a month ago.

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BTC: Options ATM Implied Volatility

1-Week — 1-Month — 3-Month — 6-Month

As of 30 Jun 2022　　　*Sources: Glassnode, Crypto.com Research*
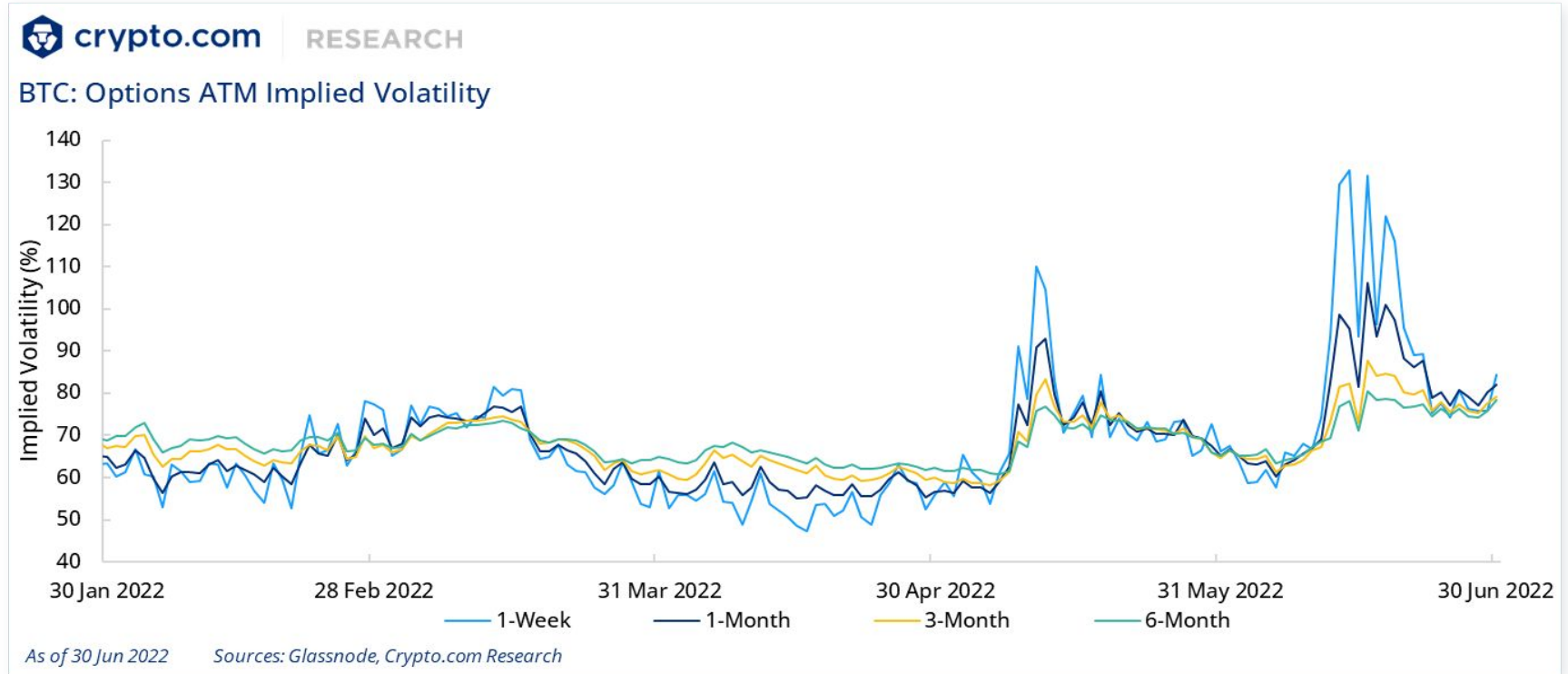
Derivatives Pulse (cont.)

- Similar to BTC, implied vols for ETH have increased during the past 1 month, and term structure is inverted. ETH 1-month implied vol currently is at 108.8% compared to 77.4% a month ago.
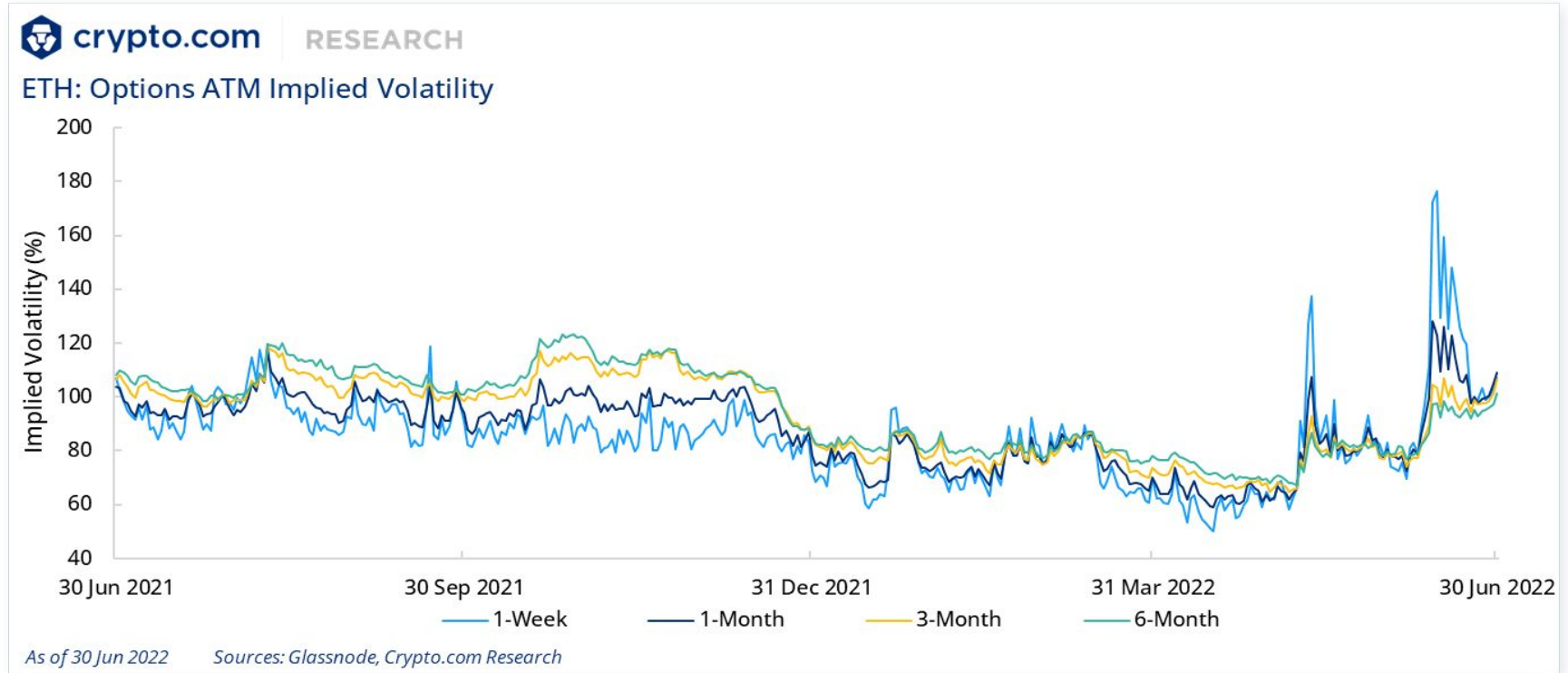
Fund Flow Tracker

- Aggregated exchange balance for BTC has fallen, while ETH's has increased during the past 1 month, implying stronger selling inclination for ETH. The past month saw net outflows of 122.21K for BTC, and net inflows of 1.19M for ETH.
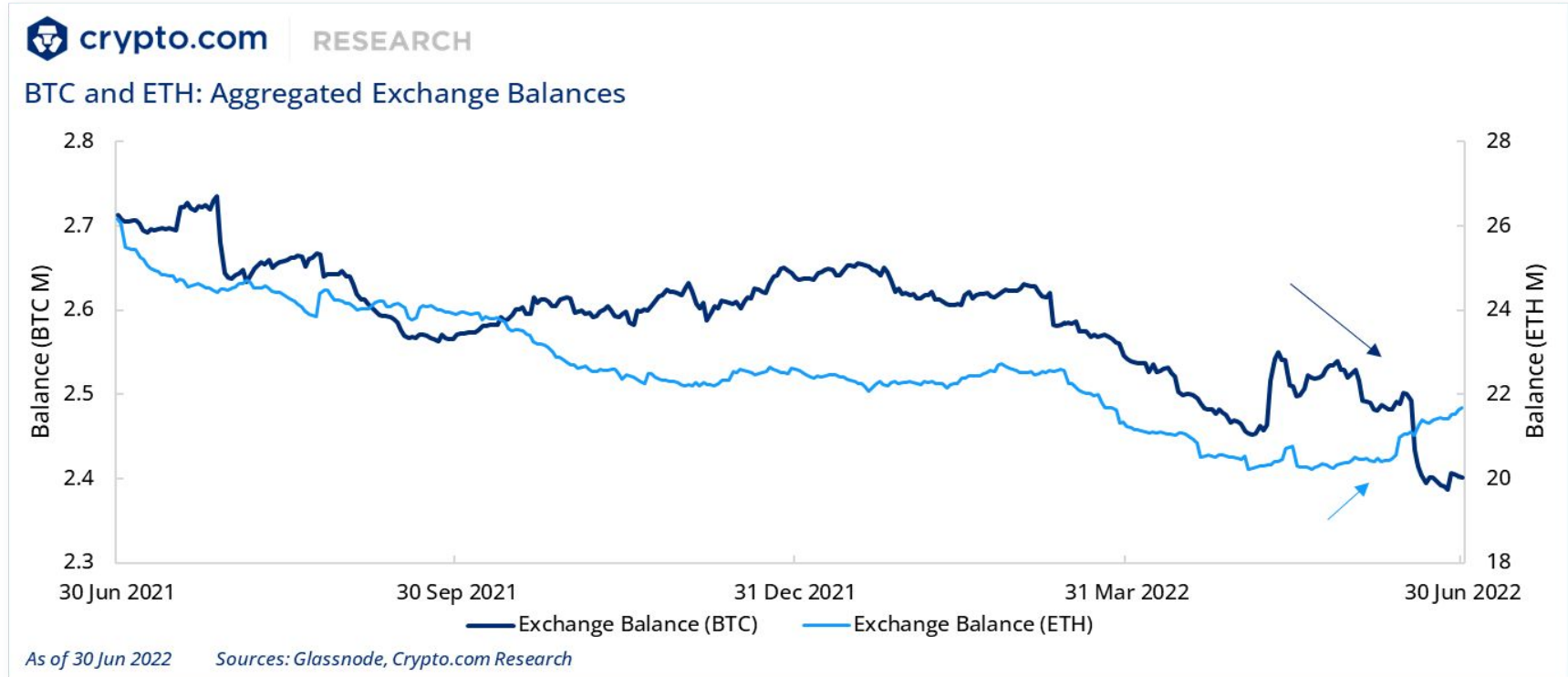
Fund Flow Tracker (cont.)

- BTC balance of OTC desks has fallen to a yearly low, potentially implying stronger inclination to hold by larger investors.

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BTC: OTC* Desks Balance and Spot Price

As of 29 Jun 2022   Sources: Glassnode, Crypto.com Research
*OTC = Over the counter (Glassnode tracks 3 different OTC desks)
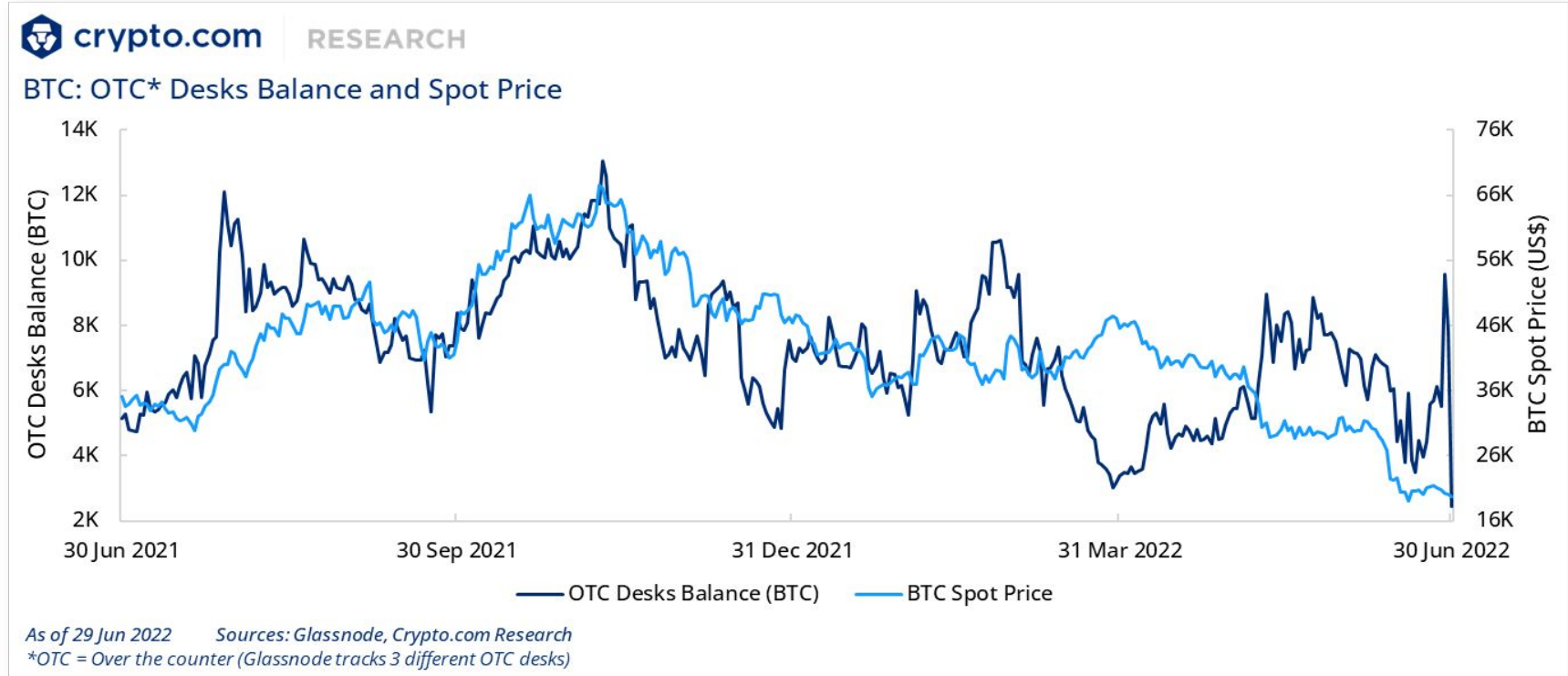
Market-Neutral Pair Trader

Picking Pairs

- **Market-Neutral Pair Trader** hunts for strongly correlated tokens. Such pairs with price ratios that deviate from historical averages can be considered as candidates for a market-neutral pair trade (i.e., long the underperforming token and short the outperforming token, with equal dollar value positions in each token to enable market-neutrality).

Price Correlations (1-year) of Top Tokens by Market Cap													
	BTC	ETH	BNB	SOL	ADA	AVAX	DOT	MATIC	NEAR	CRO	LTC	ATOM	TRX
BTC	-	0.96	0.89	0.85	0.73	0.59	0.95	0.68	0.35	0.38	0.91	0.71	0.72
ETH	0.96	-	0.96	0.91	0.65	0.72	0.90	0.80	0.47	0.55	0.87	0.72	0.67
BNB	0.89	0.96	-	0.90	0.55	0.77	0.84	0.82	0.50	0.66	0.81	0.66	0.62
SOL	0.85	0.91	0.90	-	0.54	0.78	0.89	0.73	0.54	0.57	0.76	0.78	0.69
ADA	0.73	0.65	0.55	0.54	-	0.14	0.78	0.36	-0.05	-0.13	0.85	0.50	0.72
AVAX	0.59	0.72	0.77	0.78	0.14	-	0.53	0.81	0.79	0.90	0.42	0.75	0.24
DOT	0.95	0.90	0.84	0.89	0.78	0.53	-	0.61	0.30	0.28	0.91	0.74	0.80
MATIC	0.68	0.80	0.82	0.73	0.36	0.81	0.61	-	0.66	0.73	0.58	0.73	0.24
NEAR	0.35	0.47	0.50	0.54	-0.05	0.79	0.30	0.66	-	0.69	0.12	0.69	-0.01
CRO	0.38	0.55	0.66	0.57	-0.13	0.90	0.28	0.73	0.69	-	0.24	0.48	0.01
LTC	0.91	0.87	0.81	0.76	0.85	0.42	0.91	0.58	0.12	0.24	-	0.58	0.74
ATOM	0.71	0.72	0.66	0.78	0.50	0.75	0.74	0.73	0.69	0.48	0.58	-	0.38
TRX	0.72	0.67	0.62	0.69	0.72	0.24	0.80	0.24	-0.01	0.01	0.74	0.38	-

*As of 30 Jun 2022   Sources: CoinGecko, Crypto.com Research   *Correlations equal to or above 0.60 in bold*

Picking Pairs (cont.)

- Price correlations between tokens in the DeFi category are shown below.

Price Correlations (1-year) of Top Tokens by Market Cap in DeFi Category													
	UNI	AAVE	MKR	RUNE	CAKE	LRC	SNX	CVX	KAVA	CRV	GNO	COMP	LDO
UNI	-	0.96	0.91	0.68	0.97	0.16	0.93	-0.09	0.88	0.38	0.25	0.93	0.77
AAVE	0.96	-	0.92	0.68	0.96	0.89	0.96	-0.11	0.92	0.31	0.20	0.96	0.79
MKR	0.91	0.92	-	0.68	0.89	0.68	0.88	-0.02	0.85	0.40	0.32	0.90	0.78
RUNE	0.68	0.68	0.68	-	0.68	0.87	0.66	0.32	0.74	0.55	0.64	0.55	0.76
CAKE	0.97	0.96	0.89	0.68	-	0.96	0.95	-0.14	0.93	0.30	0.20	0.92	0.82
LRC	0.16	0.89	0.68	0.87	0.96	-	0.14	0.90	0.90	0.90	0.96	0.61	0.93
SNX	0.93	0.96	0.88	0.66	0.95	0.14	-	-0.24	0.89	0.19	0.10	0.95	0.78
CVX	-0.09	-0.11	-0.02	0.32	-0.14	0.90	-0.24	-	-0.03	0.81	0.86	-0.30	0.07
KAVA	0.88	0.92	0.85	0.74	0.93	0.90	0.89	-0.03	-	0.31	0.27	0.83	0.87
CRV	0.38	0.31	0.40	0.55	0.30	0.90	0.19	0.81	0.31	-	0.87	0.16	0.34
GNO	0.25	0.20	0.32	0.64	0.20	0.96	0.10	0.86	0.27	0.87	-	0.02	0.38
COMP	0.93	0.96	0.90	0.55	0.92	0.61	0.95	-0.30	0.83	0.16	0.02	-	0.68
LDO	0.77	0.79	0.78	0.76	0.82	0.93	0.78	0.07	0.87	0.34	0.38	0.68	-

*As of 30 Jun 2022   Sources: CoinGecko, Crypto.com Research   *Correlations equal to or above 0.60 in bold*

Pair Trader: BTC vs. ETH

- **BTC** (Price: US$20,108.5, MCap: US$384.1B, Volume: US$27.5B). **ETH** (Price: US$1,098.9, MCap: US$133.3B, Volume: US$18.4B).

- BTC outperformance vs. ETH resulting in price ratio (BTC price divided by ETH price) breaching the 2-standard deviation (SD) ceiling band.

- ETH 2.0 merge catalyst still in play for Q3 or Q4 2022 (estimated). Also, any return to risk-on sentiment could potentially favour ETH over BTC.

- Market-neutral pair trade (i.e., long one and short the other) on price ratio touching standard deviation bands.

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BTC / ETH Price Ratio

Price Ratio — Mean — +2 SD — -2 SD — +1 SD — -1 SD

As of 30 Jun 2022   Sources: CoinGecko, Crypto.com Research

Pair Trader: LTC vs. ADA

- **LTC** (Price: US$51.0, MCap: US$3.5B, Volume: US$577.5M). **ADA** (Price: US$0.47, MCap: US$15.7B, Volume: US$1.1B).

- This trade played out since our **last issue**, as LTC underperformed ADA, driving the price ratio (LTC price divided by ADA price) down to the 2-standard deviation (SD) floor. It has currently bounced back up to the mean.

- Exchange delistings from LTC's MWEB privacy upgrade remains a risk. ADA's Vasil hard fork is running into delays, but still estimated to be in 2H2022.

- Market-neutral pair trade (i.e., long one and short the other) on price ratio touching standard deviation bands.

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LTC / ADA Price Ratio

As of 30 Jun 2022   Sources: CoinGecko, Crypto.com Research

Pair Trader: AVAX vs. MATIC

- **AVAX** (Price: US$17.5, MCap: US$5.0B, Volume: US$575.8M). **MATIC** (Price: US$0.50, MCap: US$4.0B, Volume: US$504.4M).

- AVAX continues to underperform MATIC, driving the price ratio (AVAX price divided by MATIC price) down to near the 2-standard deviation (SD) floor band.

- AVAX recently announced new cross-chain bridging functionality for native Bitcoin.

- Market-neutral pair trade (i.e., long one and short the other) on price ratio touching standard deviation bands.

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AVAX / MATIC Price Ratio

Price Ratio — Mean — +2 SD — -2 SD — +1 SD — -1 SD

As of 30 Jun 2022   Sources: CoinGecko, Crypto.com Research

Pair Trader: SOL vs. NEAR

- **SOL** (Price: US$33.9, MCap: US$11.6B, Volume: US$1.6B). **NEAR** (Price: US$3.4, MCap: US$2.5B, Volume: US$295.1M).

- SOL outperformance vs. NEAR has driven the price ratio (SOL price divided by NEAR price) up to near the 2-standard deviation (SD) ceiling.

- SOL recently launched its Web3 mobile phone Saga, while its DeFi platform Solend was exposed to single-party liquidation risk and governance issues.

- NEAR ecosystem's flagship conference event, NEARCON, is coming up in September 2022.

- Market-neutral pair trade (i.e., long one and short the other) on price ratio touching standard deviation bands.

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SOL / NEAR Price Ratio

— Price Ratio — Mean --- +2 SD --- -2 SD ···· +1 SD ······· -1 SD

As of 30 Jun 2022   Sources: CoinGecko, Crypto.com Research

Pair Trader: CAKE vs. SNX

- **CAKE** (Price: US$3.0, MCap: US$457.5M, Volume: US$80.8M). **SNX** (Price: US$2.3, MCap: US$540.6M, Volume: US$90.9M).

- Price ratio (CAKE price divided by SNX price) near the 2-standard deviation (SD) floor band.

- CAKE recently tabled an emission reduction proposal, reiterating its goal to become emission neutral or even deflationary.

- Market-neutral pair trade (i.e., long one and short the other) on price ratio touching standard deviation bands.

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CAKE / SNX Price Ratio

As of 30 Jun 2022   Sources: CoinGecko, Crypto.com Research

Price Ratio — Mean — +2 SD — -2 SD — +1 SD — -1 SD

Pair Trader: MKR vs. KAVA

- **MKR** (Price: US$906.6, MCap: US$817.8M, Volume: US$71.1M). **KAVA** (Price: US$1.8, MCap: US$410.4M, Volume: US$46.9M).

- Price ratio (MKR price divided by KAVA price) currently near the mean.

- MakerDAO is currently voting on diversifying its treasury assets into U.S. Treasury bills and bonds.

- Market-neutral pair trade (i.e., long one and short the other) on price ratio touching standard deviation bands.

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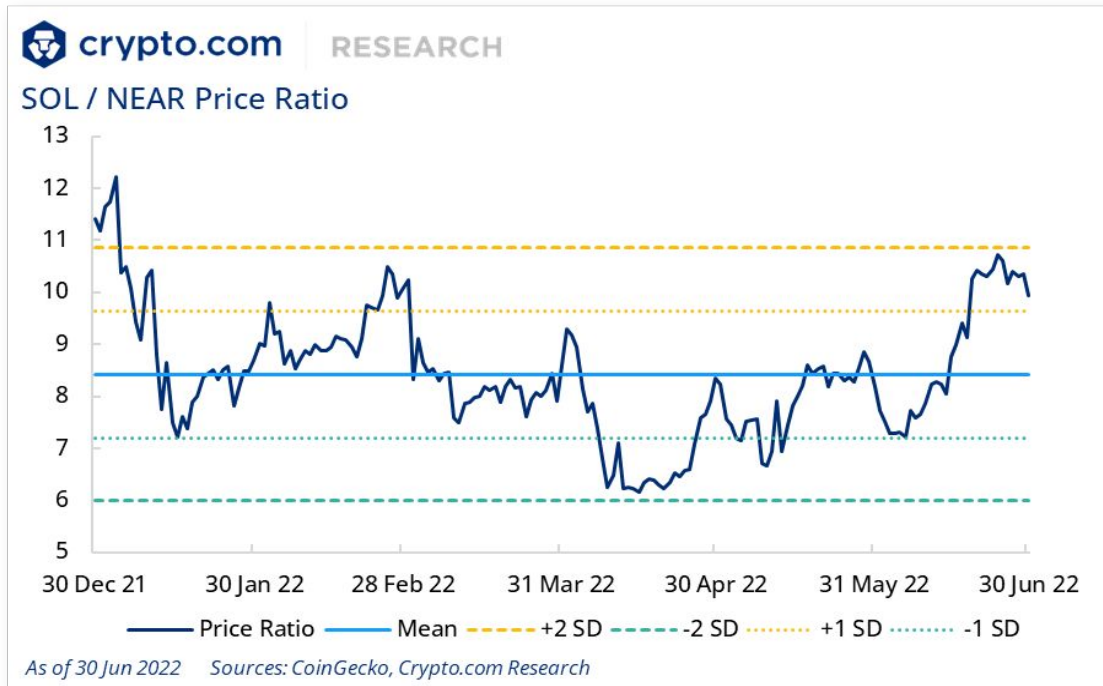
MKR / KAVA Price Ratio

Legend: Price Ratio — Mean — +2 SD — -2 SD — +1 SD — -1 SD

As of 30 Jun 2022   Sources: CoinGecko, Crypto.com Research

Pair Trader: AAVE vs. LRC

- **AAVE** (Price: US$59.7, MCap: US$827.4M, Volume: US$193.0M). **LRC** (Price: US$0.3, MCap: US$459.2M, Volume: US$97.4M).

- Price ratio (AAVE price divided by LRC price) currently at the 1-standard deviation (SD) floor band.

- ZK-rollups (utilised by LRC) are losing popularity to Optimistic-rollups likely due to differences in resource-intensity, in a **recent report by our analysts** that examines scaling solutions for Layers 1 and 2.

- Market-neutral pair trade (i.e., long one and short the other) on price ratio touching standard deviation bands.

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AAVE / LRC Price Ratio

Price Ratio — Mean — +2 SD — -2 SD +1 SD -1 SD

As of 30 Jun 2022   Sources: CoinGecko, Crypto.com Research

Pair Trader: COMP vs. UNI

- **COMP** (Price: US$49.1, MCap: US$337.5M, Volume: US$60.5M). **UNI** (Price: US$5.0, MCap: US$2.3B, Volume: US$126.9M).

- Price ratio (COMP price divided by UNI price) at the 2-standard deviation (SD) floor band.

- Compound has relatively lower leverage compared to other lending protocols, as **our analysts' recent Chartbook report** shows. Also, Compound Labs recently released code for a multi-chain lending protocol.

- Market-neutral pair trade (i.e., long one and short the other) on price ratio touching standard deviation bands.

COMP / UNI Price Ratio

As of 30 Jun 2022   Sources: CoinGecko, Crypto.com Research

Pair Trader: AAVE vs. CAKE

- **AAVE** (Price: US$59.7, MCap: US$827.4M, Volume: US$193.0M). **CAKE** (Price: US$3.0, MCap: US$457.5M, Volume: US$80.8M).

- Price ratio (AAVE price divided by CAKE price) near the 1-standard deviation (SD) floor band.

- AAVE recently launched Lens Protocol, aimed at helping developers build social networking DApps on the Polygon blockchain.

- Market-neutral pair trade (i.e., long one and short the other) on price ratio touching standard deviation bands.

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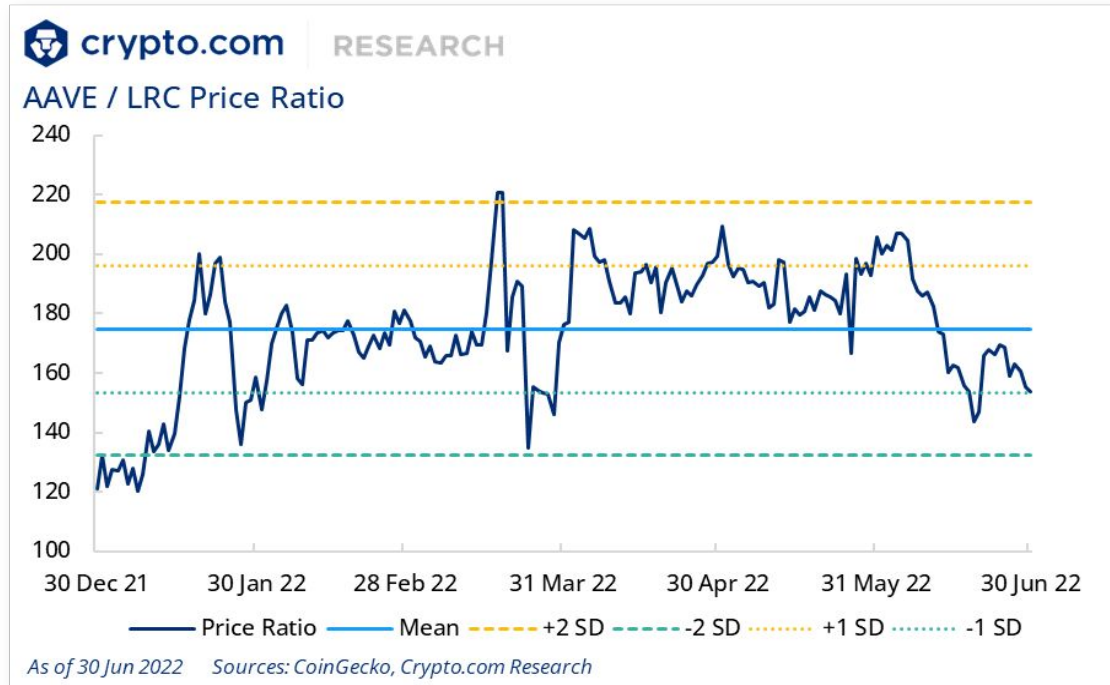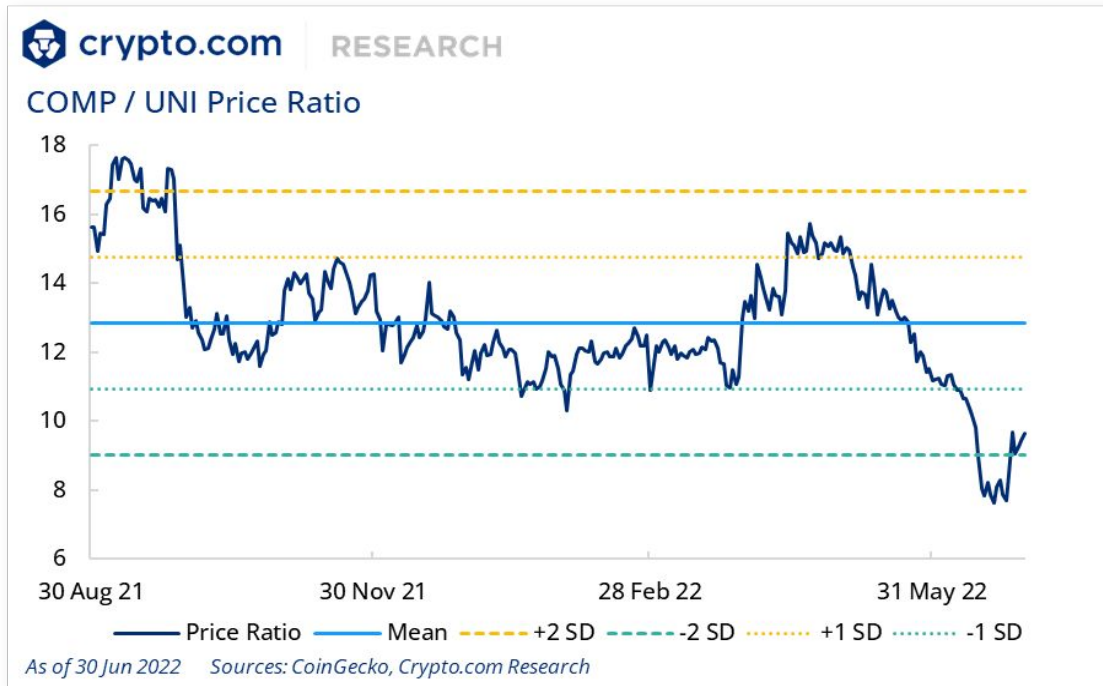
AAVE / CAKE Price Ratio

Legend: Price Ratio — Mean — +2 SD — -2 SD — +1 SD — -1 SD

As of 30 Jun 2022   Sources: CoinGecko, Crypto.com Research

Style-Factor Screen

Screening for Value, Growth, Momentum, Risk

- We apply style-factor screening based on value, momentum, growth, and risk. Style-factors seek to capture common drivers of return and risk. Metrics used within each style-factor category are shown below:

Style-Factor Category	Description	Metrics
Value	Seeks to capture excess returns to tokens with lower valuation.	Market Cap (MCap)/Total Value Locked (TVL) % off 1-year high
Momentum	Seeks to capture excess returns to tokens with stronger past performance.	1-month price performance 3-month price performance 6-month price performance
Growth	Seeks to capture excess returns to tokens with higher growth rates in fundamentals.	1-month TVL growth rate
Risk	Seeks to capture excess risk-adjusted returns to tokens with lower risk.	Volatility Beta (vs. ETH) Beta (vs. BTC)

Style-Factor Screen: Layers 1 & 2

- Protocols continued to suffer TVL losses in June, with **ADA** posting the smallest TVL contraction at -12.8%. In terms of price performance, **MATIC** was the best performer on a relative basis at -17.3% over the 1-month period.

Protocol	Symbol	Price (US$)	MCap (US$B)	Volume* (US$M)	Momentum			Value		Growth	Risk		
					Price Performance (%)			MCap/ TVL	% off 1Y High	1M TVL Growth (%)	Volatility 1Y (%)	Beta (vs ETH)	Beta (vs BTC)
					1M	3M	6M						
Ethereum	ETH	1,098.91	133.3	18,409.0	-39.5	-67.7	-69.8	2.9	-77.2	-32.1	83.9	-	1.08
Binance	BNB	219.37	35.8	1,253.7	-28.3	-49.5	-57.3	5.8	-66.5	-30.3	79.3	0.79	0.92
Cardano	ADA	0.47	15.7	1,135.7	-18.5	-60.9	-65.2	129.7	-84.3	-12.8	99.0	0.86	1.05
Solana	SOL	33.92	11.6	1,616.7	-24.5	-69.7	-80.2	4.6	-86.9	-37.0	121.6	1.00	1.09
Polkadot	DOT	7.00	7.9	427.9	-29.9	-68.7	-73.8	-	-87.1	-	112.5	1.04	1.20
TRON	TRX	0.06	6.0	1,047.5	-19.5	-6.4	-15.4	1.5	-47.9	-33.1	85.1	0.67	0.81
Avalanche	AVAX	17.57	5.0	575.8	-32.6	-81.1	-83.0	1.9	-86.9	-31.3	138.0	1.05	1.21
Polygon	MATIC	0.50	4.0	504.4	-17.3	-70.4	-80.0	2.4	-82.8	-35.2	124.1	1.14	1.33
Cronos	CRO	0.12	3.0	31.0	-33.2	-75.7	-78.6	2.6	-86.9	-15.8	113.8	0.93	1.14
Near	NEAR	3.41	2.5	295.1	-34.2	-75.8	-77.3	8.9	-83.2	-45.0	155.7	0.98	1.11
Cosmos	ATOM	7.37	2.2	261.6	-23.3	-75.6	-73.7	-	-83.2	57.2	135.0	0.95	1.12
Algorand	ALGO	0.30	2.1	104.9	-20.9	-67.5	-81.1	21.3	-87.4	-21.7	120.4	0.92	1.03
VeChain	VET	0.02	1.6	162.7	-24.7	-68.6	-72.7	383.7	-87.0	-25.2	107.5	1.05	1.23

*As of 30 Jun 2022   Sources: CoinGecko, DeFi Llama, Crypto.com Research   *Volume = 30-day average volume*

Style-Factor Screen: DeFi

- **UNI** was the only token to have a positive performance at +2.9% over the 1-month period, and also posted the smallest TVL contraction at -13.1%.

Protocol	Symbol	Price (US$)	MCap (US$M)	Volume* (US$M)	Momentum			Value		Growth	Risk		
					Price Performance (%)			MCap/ TVL	% off 1Y High	1M TVL Growth (%)	Volatility 1Y (%)	Beta (vs ETH)	Beta (vs BTC)
					1M	3M	6M						
Uniswap	UNI	5.09	2,328.7	126.9	2.9	-54.7	-70.3	0.47	-83.6	-13.1	109.8	1.06	1.18
AAVE	AAVE	59.70	827.4	193.0	-37.4	-72.9	-74.8	0.17	-86.0	-42.4	122.8	1.14	1.29
Maker	MKR	906.63	817.8	71.1	-24.1	-57.1	-61.5	0.11	-76.6	-19.2	99.1	0.91	1.04
THORChain	RUNE	1.93	579.4	102.1	-28.5	-83.8	-71.5	4.75	-88.4	-28.4	161.2	1.36	1.59
Synthetix	SNX	2.38	540.6	90.9	-8.3	-58.1	-56.1	1.42	-84.1	-20.7	150.6	1.17	1.38
Loopring	LRC	0.39	483.6	96.3	-21.5	-69.9	-80.2	3.04	-88.6	-24.3	183.0	1.19	1.35
PancakeSwap	CAKE	3.05	457.5	80.8	-31.7	-64.8	-74.3	0.16	-88.3	-25.8	100.1	0.92	1.07
Kava	KAVA	1.88	410.4	46.9	-21.0	-58.2	-47.0	2.05	-78.2	-20.8	120.6	0.97	1.15
Compound	COMP	49.13	337.5	60.5	-13.9	-66.3	-75.2	0.12	-90.4	-32.9	117.4	1.06	1.19
Curve DAO	CRV	0.70	276.1	88.8	-44.0	-75.0	-85.5	0.06	-89.2	-41.3	140.1	1.16	1.33
JST	JST	0.03	251.7	60.7	-29.9	-51.7	-47.2	0.17	-70.8	-47.4	114.9	0.94	1.11
Convex	CVX	3.60	232.7	9.7	-62.2	-87.6	-91.9	0.08	-92.8	-39.7	181.8	1.35	1.46

*As of 30 Jun 2022   Sources: CoinGecko, DeFi Llama, Crypto.com Research   *Volume = 30-day average volume*

Thematic

Drawdown Outperformers

- We continue to track tokens that are outperforming ETH in the current drawdown (9 November 2021 to 30 June 2022, peak to current). During this period, ETH has fallen -77.1%.

- Our **Drawdown Outperformers Basket** contains tokens that are outperforming ETH during this drawdown period, selected from the top tokens by market cap in each of the Layers 1 & 2, DeFi, GameFi, and NFT categories.

- The average performance of the tokens in the basket was -64.2% during this period versus -77.1% for ETH.

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Drawdown: Peak (9 November 2021) to 30 June 2022

Return (%)

ETH, CHR, PLA, OGN, MATIC, MKR, CRO, IMX, NEAR, KAVA, MANA, JST, BNB, SAND, TRX, GHST, GALA

As of 30 Jun 2022   Sources: CoinGecko, Crypto.com Research
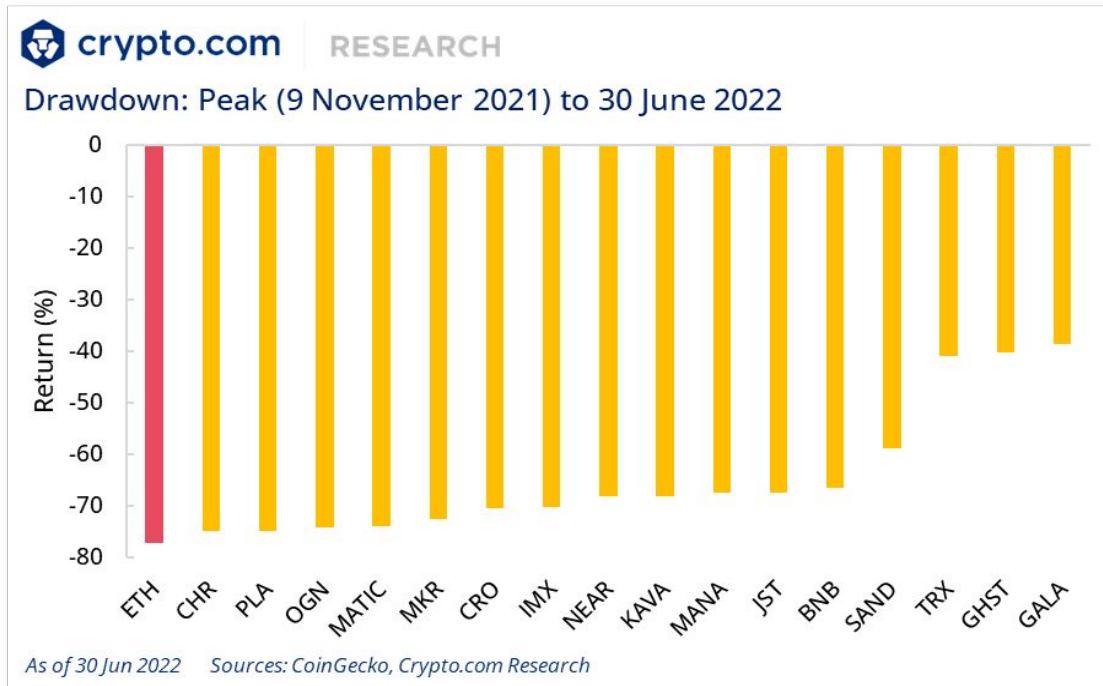
Drawdown Outperformers (cont.)

Protocol	Symbol	Price (US$)	MCap (US$M)	Volume* (US$M)	Momentum			Value	Risk		
					Price Performance (%)			% off	Volatility	Beta	Beta
					1M	3M	6M	1Y High	1Y (%)	(vs ETH)	(vs BTC)
Binance	BNB	219.37	35,835.4	1,253.7	-28.3	-49.5	-57.3	-66.5	79.3	0.79	0.92
TRON	TRX	0.06	6,002.9	1,047.5	-19.5	-6.4	-15.4	-47.9	85.1	0.67	0.81
Polygon	MATIC	0.50	3,966.4	504.4	-17.3	-70.4	-80.0	-82.8	124.1	1.14	1.33
Cronos	CRO	0.12	2,958.0	31.0	-33.2	-75.7	-78.6	-86.9	113.8	0.93	1.14
Near	NEAR	3.41	2,474.6	295.1	-34.2	-75.8	-77.3	-83.2	155.7	0.98	1.11
The Sandbox	SAND	1.06	1,335.1	301.0	-19.5	-69.8	-81.9	-85.9	171.7	1.05	1.18
Decentraland	MANA	0.88	1,319.7	257.0	-9.7	-67.4	-73.0	-83.1	209.7	0.97	1.12
Maker	MKR	906.63	817.8	71.1	-24.1	-57.1	-61.5	-76.6	99.1	0.91	1.04
Synthetix Network	SNX	2.38	540.6	90.9	-8.3	-58.1	-56.1	-84.1	150.6	1.17	1.38
Kava	KAVA	1.88	410.4	46.9	-21.0	-58.2	-47.0	-78.2	120.6	0.97	1.15
Gala	GALA	0.06	425.5	204.1	-28.3	-79.3	-87.5	-92.2	271.8	0.89	1.08
JST	JST	0.03	251.7	60.7	-29.9	-51.7	-47.2	-70.8	114.9	0.94	1.11
Immutable X	IMX	0.94	220.5	62.1	-8.2	-65.2	-80.7	-89.9	179.5	1.20	1.26
PlayDapp	PLA	0.36	152.6	19.8	-31.8	-67.1	-75.3	-88.1	184.2	1.09	1.15
Origin Protocol	OGN	0.27	135.7	88.7	31.7	-54.9	-57.0	-80.3	163.7	1.10	1.28

*As of 30 Jun 2022   Sources: CoinGecko, Crypto.com Research   *Volume = 30-day average volume*

GameFi: The New Battleground

- Our **GameFi Basket** tracks the performance of the top GameFi tokens by market cap, with select accompanying factor screen metrics.

| Protocol | Symbol | Price (US$) | MCap (US$M) | Volume* (US$M) | Momentum | | | Value | Risk | | |
| | | | | | Price Performance (%) | | | % off | Volatility | Beta | Beta |
					1M	3M	6M	1Y High	1Y (%)	(vs ETH)	(vs BTC)
Decentraland	MANA	0.88	1,319.7	257.0	-9.7	-67.4	-73.0	-83.1	209.7	0.97	1.12
The Sandbox	SAND	1.06	1,335.1	301.0	-19.5	-69.8	-81.9	-85.9	171.7	1.05	1.18
Axie Infinity	AXS	14.41	1,189.9	213.2	-22.1	-77.6	-84.6	-91.0	177.9	1.20	1.35
STEPN	GMT	0.88	529.3	427.5	-18.8	-48.1	NA	-77.1	333.7	1.69	1.71
Enjin Coin	ENJ	0.52	487.3	86.0	-15.1	-70.2	-80.3	-88.3	127.0	1.09	1.24
Gala	GALA	0.06	425.5	204.1	-28.3	-79.3	-87.5	-92.2	271.8	0.89	1.08
WAX	WAXP	0.10	204.7	30.4	-13.3	-72.8	-78.5	-89.8	174.7	1.01	1.14
PlayDapp	PLA	0.36	152.6	19.8	-31.8	-67.1	-75.3	-88.1	184.2	1.09	1.15
Radio Caca	RACA	0.0004	125.4	17.7	-20.6	-83.3	-87.2	-96.5	267.9	1.12	1.37
Chromia	CHR	0.20	113.5	37.8	-7.0	-63.8	-72.0	-85.9	168.5	1.07	1.29
Illuvium	ILV	158.79	103.5	10.2	-42.1	-75.5	-84.1	-91.4	126.7	1.22	1.31
Alien Worlds	TLM	0.03	71.7	30.4	-22.6	-79.1	-87.7	-94.6	176.8	1.23	1.43

*As of 30 Jun 2022   Sources: CoinGecko, Crypto.com Research   *Volume = 30-day average volume*

NFT: Speculator's Delight

- Our **NFT Basket** tracks the performance of the top NFT tokens by market cap (filtered for overlap with our GameFi Basket), with select accompanying factor screen metrics.

Protocol	Symbol	Price (US$)	MCap (US$M)	Volume* (US$M)	Momentum Price Performance (%) 1M	3M	6M	Value % off 1Y High	Risk Volatility 1Y (%)	Beta (vs ETH)	Beta (vs BTC)
Flow	FLOW	1.57	1,625.5	43.4	-35.7	-77.8	-82.0	-94.3	125.7	0.97	1.14
ApeCoin	APE	4.66	1,402.0	340.4	-25.2	-65.7	NA	-80.3	229.3	1.68	2.03
Theta Network	THETA	1.23	1,231.9	97.5	4.9	-68.4	-75.0	-86.7	125.0	1.04	1.26
Chiliz	CHZ	0.10	535.0	90.0	-12.1	-66.0	-65.3	-82.1	123.7	0.92	1.08
Immutable X	IMX	0.94	220.5	62.1	-8.2	-65.2	-80.7	-89.9	179.5	1.20	1.26
Sushi	SUSHI	1.05	202.8	93.1	-29.8	-75.1	-88.5	-93.1	134.4	1.17	1.30
DigiByte	DGB	0.01	143.6	9.0	-23.1	-72.1	-72.1	-88.2	127.6	1.06	1.28
Origin Protocol	OGN	0.27	135.7	88.7	31.7	-54.9	-57.0	-80.3	163.7	1.10	1.28
MOBOX	MBOX	0.57	82.4	17.6	-38.0	-78.7	-89.3	-95.5	248.7	1.13	1.26
Aavegotchi	GHST	1.31	61.6	13.9	-13.0	-35.9	-43.4	-54.9	57.0	0.21	0.27
Yield Guild Games	YGG	0.69	60.5	23.8	12.5	-76.4	-86.6	-93.3	197.8	1.21	1.46
Fetch.ai	FET	0.08	52.9	22.4	-51.8	-83.6	-84.7	-91.9	132.0	0.91	1.07

*As of 30 Jun 2022   Sources: CoinGecko, Crypto.com Research   *Volume = 30-day average volume*

Event Driven

Token	Catalysts
Ethereum (ETH)	The Sepolia testnet is set to switch to PoS; 2.0 Merge upgrade (est. 2H2022).
Cardano (ADA)	Vasil successfully launched on testnet; Vasil hard fork (est. July 2022).
Solana (SOL)	Recently announced the launch of Saga, an Android Web3-focused smartphone. Deliveries are estimated to occur in 1Q2023.
Polkadot (DOT)	Recently announced changes to the governance model (Gov2) aim to allow users more freedom in creating governance proposals and establish a new body (The Polkadot Fellowship) to assist in governance.
NEAR Protocol (NEAR)	Nightshade introduces sharding (est. 3Q2022); Dynamic Resharding plans to drastically enhance scalability (est. 4Q2022).
Algorand (ALGO)	Napster (acquired by Algorand and Hivemind Capital Partners in May 2022) recently released a litepaper outlining plans to launch a music ecosystem on the Algorand blockchain.
Cosmos Hub (ATOM)	Rho upgrade (est. 2H2022); Lambda upgrade (est. 3Q2022); Epsilon upgrade (est. 4Q2022).
Monero (XMR)	Network upgrade (hard fork) (est. 3Q2022).
Theta Network (THETA)	Mainnet 4.0 launch (est. 4Q2022).

Economic Events Calendar

5 Jul
- **Australia RBA Interest Rate Decision**

6 Jul
- Eurozone Retail Sales (YoY)
- U.S. ISM Services PMI; FOMC Minutes

8 Jul
- U.S. Nonfarm Payrolls

9 Jul
- China Consumer Price Index (YoY)

13 Jul
- U.S. Consumer Price Index

15 Jul
- China Retail Sales (YoY)
- U.S. Retail Sales (MoM); Michigan Consumer Sentiment Index

18 Jul
- China Gross Domestic Product

20 Jul
- **China PBoC Interest Rate Decision**
- U.K. Consumer Price Index (YoY)

21 Jul
- **Japan BoJ Interest Rate Decision**
- **Eurozone ECB Interest Rate Decision; Deposit Rate Decision**

22 Jul
- Eurozone S&P Global Composite PMI
- U.K. S&P Global/CIPS Services PMI

27 July
- Australia Consumer Price Index (QoQ)
- U.S. Durable Goods Orders; Nondefense Capital Goods Orders ex Aircraft; **Fed Interest Rate Decision**

Economic Events Calendar (cont.)

28 July
- Australia Retail Sales s.a. (MoM)
- Eurozone HICP (YoY)
- U.S. Gross Domestic Product Annualized

29 July
- Eurozone Gross Domestic Product

31 July
- China NBS Manufacturing PMI; Non-Manufacturing PMI

2 Aug
- Australia RBA Interest Rate Decision

3 Aug
- U.S. ISM Manufacturing PMI

4 Aug
- **U.K. BoE Interest Rate Decision**

5 Aug
- U.S. Nonfarm Payrolls

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U.S. Fed Interest Rate Decisions Upcoming in 2022

Legend: ■ Previous ■ Market Implied Forecasts

Date	Previous	Market Implied Forecasts
28 Jul 2022	1.75%	2.50%
22 Sep 2022	2.50%	3.00%
02 Nov 2022	3.00%	3.25%
15 Dec 2022	3.25%	3.50%
02 Feb 2023	3.50%	3.50%

As of 30 June 2022   Sources: CME Fedwatch Tool, Crypto.com Research

Crypto Conferences Calendar

19-21 July
ETHCC 5 Conference, Paris, France
- Covering different subjects and to address different levels of comprehension of blockchain technology
- Sharing by Kevin Owocki (Gitcoin), Mudit Gupta (Polygon), and others

11-12 Aug
DeFiCon, New York, United States
- DeFiCon is bringing together DeFi builders and users for gatherings that benefit Philanthropic Causes

3-4 September
Baltic HoneyBadger 2022, Riga, Latvia
- European Bitcoin conference covering Bitcoin developments; speakers include Michael Saylor (CEO at MicroStrategy)

13-14 September
Blockworks Digital Asset Summit 2022, New York, United States
- Institution-focused conference (including speakers from TradFi institutions)

21-23 September
Mainnet 2022 Summit by Messari, New York, United States
- Official agenda will be available on Mainnet soon

28-29 September
TOKEN2049, Singapore, Singapore
- Covering global developments, ecosystem, and market views. Speakers include Vitalik Buterin.

11-14 Oct
DevCon, Bogota, Columbia
- Devcon is an intensive introduction for new Ethereum explorers.

28-30 Oct
ETHLisbon, Lisbon, Portugal
- ETHLisbon is a hackathon that welcomes all developers who want to build innovative ideas using the Ethereum blockchain

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