Monthly Market Recap

April 2024

BLOOMBERG <CFBX> GO

Market
Performance

Higher Inflation & Rates Bite at 'Halving' Hopes

Multi-token indexes

Legend:
- CF Free-Float Broad Cap Index
- CF DeFi Index
- CF Ultra Cap 5 Index
- CF Blockchain Infrastructure Index
- CF Diversified Large Cap Index
- CF Digital Culture Index
- CF Smart Contract Platforms Index

All index performance is rebased to 100. Source: CF Benchmarks, Bloomberg, as of April 30, 2024

Monthly Index Performance
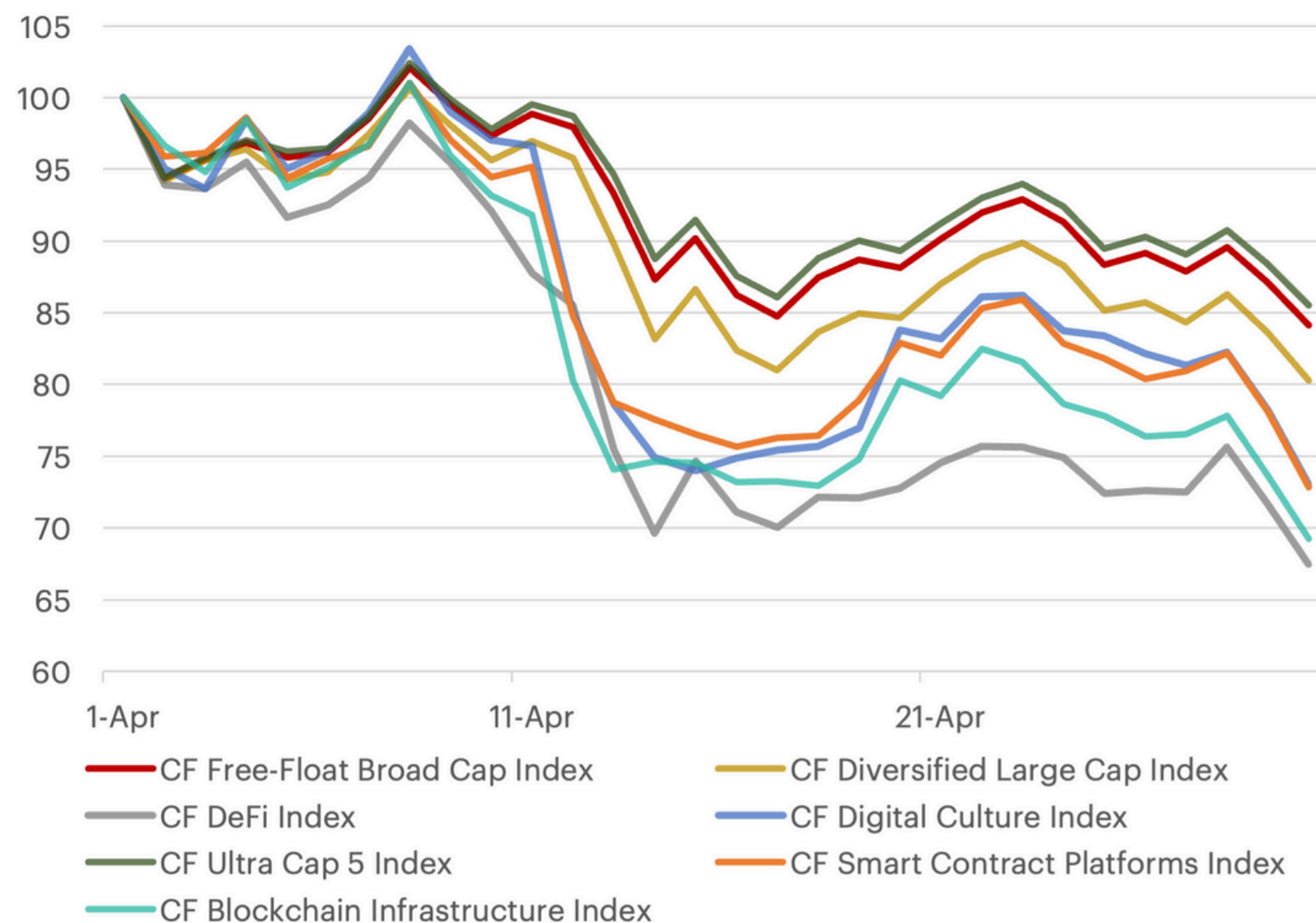
- Inflation pressures remain stubbornly high, with both the headline and core figures topping economist estimates for the third straight monthly reading. As a result, bond yields broadly rose, with the 10-year marking a new yearly high of 4.72% as markets continue to price out future monetary policy easing.

- Despite these macro headwinds, April saw some notable milestones in the digital asset space. Firstly, the Bitcoin network successfully completed its fourth 'halving', reducing the rewards earned by miners from 6.25 bitcoins to 3.125. Additionally, there was the highly anticipated launch of spot Bitcoin and Ether ETFs in Hong Kong.

- Ultimately, price action for digital assets was broadly negative, with the relatively more defensive CF Ultra Cap 5 and CF Broad Cap Index indices outperforming the rest, falling just 14.5% and 15.8%, respectively.

- This month's major laggards included, the CF Blockchain Infrastructure and CF DeFi Composite Index, each falling over 30%.

Major Crypto-Pairs

Name	DACS Level 1	DACS Level 2	DACS Level 3	1 Day	1 Week	1 Month	3 Month	1 Year	30 D Volatiltity
Bitcoin	Settlement	Non-Programmable	Store Of Value And Payment	-4.9%	-9.8%	-15.5%	41.0%	104.0%	46.92
Ether	Settlement	Programmable	General Purpose Smart Contract Platforms	-6.7%	-7.7%	-18.5%	30.1%	56.5%	62.08
Hedera	Settlement	Programmable	General Purpose Smart Contract Platforms	-9.0%	-40.4%	-18.9%	35.0%	46.1%	201.83
Ripple	Settlement	Non-Programmable	Store of Value and Payment	-3.1%	-9.8%	-20.4%	-0.9%	5.5%	94.86
Stellar	Settlement	Non-Programmable	Store Of Value And Payment	-3.9%	-8.3%	-23.7%	-2.1%	13.6%	56.87
Litecoin	Settlement	Non-Programmable	Store Of Value And Payment	-4.3%	-7.5%	-25.5%	18.3%	-11.0%	84.08
Ethereum Classic	Settlement	Programmable	General Purpose Smart Contract Platforms	-7.2%	-10.8%	-26.2%	3.4%	30.4%	103.77
Chiliz	Sectors	Culture	Social	-4.5%	-9.3%	-27.7%	8.1%	-15.7%	103.62
Chainlink	Services	Utility	Oracles	-6.9%	-14.9%	-31.4%	-14.2%	84.6%	93.31
Internet Computer	Settlement	Programmable	General Purpose Smart Contract Platforms	-4.1%	-11.0%	-31.4%	12.2%	100.2%	84.91
EOS	Settlement	Programmable	General Purpose Smart Contract Platforms	-5.0%	-10.6%	-31.6%	9.7%	-26.2%	118.92
Maker	Sectors	Finance	Stablecoin Issuance & Management	-5.7%	-9.0%	-32.2%	35.8%	283.1%	77.77
Cardano	Settlement	Programmable	General Purpose Smart Contract Platforms	-3.2%	-13.0%	-32.4%	-11.9%	10.4%	89.62
Polygon	Services	Infrastructure	Scaling	-5.6%	-10.4%	-34.2%	-16.3%	-33.1%	99.01
Algorand	Settlement	Programmable	General Purpose Smart Contract Platforms	-7.8%	-9.4%	-34.6%	10.8%	-2.9%	93.91
Aave	Sectors	Finance	Borrowing & Lending	-5.4%	-12.0%	-35.1%	-3.0%	17.9%	89.42
Fantom	Settlement	Programmable	General Purpose Smart Contract Platforms	-8.8%	-11.2%	-35.2%	83.7%	52.5%	134.55
Polkadot	Settlement	Programmable	General Purpose Smart Contract Platforms	-5.7%	-15.8%	-35.4%	-7.0%	5.1%	94.87
Tezos	Settlement	Programmable	General Purpose Smart Contract Platforms	-7.2%	-14.3%	-35.7%	-7.2%	-10.9%	68.56
Bitcoin Cash	Settlement	Non-Programmable	Store Of Value And Payment	-6.4%	-15.3%	-36.6%	83.4%	264.7%	97.08
Solana	Settlement	Programmable	General Purpose Smart Contract Platforms	-8.1%	-18.1%	-37.4%	30.7%	449.9%	80.78
Cosmos	Settlement	Programmable	General Purpose Smart Contract Platforms	-3.8%	-12.2%	-37.6%	-15.0%	-32.7%	87.99
Decentraland	Sectors	Culture	Vr And Ar	-4.9%	-14.3%	-38.7%	-5.2%	-24.6%	93.40
Avalanche	Settlement	Programmable	General Purpose Smart Contract Platforms	-7.4%	-15.1%	-39.7%	-1.4%	89.9%	94.09
Dogecoin	Settlement	Non-Programmable	Store Of Value And Payment	-6.3%	-17.9%	-40.4%	67.5%	65.4%	102.33
Stacks	Services	Infrastructure	Computing	-12.7%	-25.4%	-41.0%	41.4%	199.1%	94.58
Curve DAO Token	Sectors	Finance	Trading	-5.3%	-13.3%	-42.1%	-9.8%	-55.4%	99.35
Apecoin	Sectors	Culture	Social	-6.5%	-13.5%	-43.0%	-19.0%	-71.5%	92.36
Filecoin	Services	Utility	Information & Data Management	-3.2%	-12.0%	-43.6%	13.9%	3.7%	88.72
Synthetix	Sectors	Finance	Derivatives	-7.0%	-14.9%	-43.7%	-13.0%	-56.5%	101.79
Uniswap	Sectors	Finance	Trading	-8.2%	-12.9%	-46.4%	16.8%	27.6%	117.45

- Bitcoin (-15.5%) and Ether (-18.5%) demonstrated relative outperformance over other altcoins in last month's crypto rout, as investors preferred more defensive positioning in the most established and liquid 'bellwether' tokens.
- Finance tokens led the major crypto pairs lower, with Uniswap's UNI token falling over 46% after the Securities and Exchange Commission issued a Wells notice to the decentralized exchange. This regulatory headline risk spilled over to Synthetix's SNX token, which also posted over a 40% decline.

Source: Returns are based in USD terms, CF Benchmarks, Bloomberg, as of Apri 30, 2024
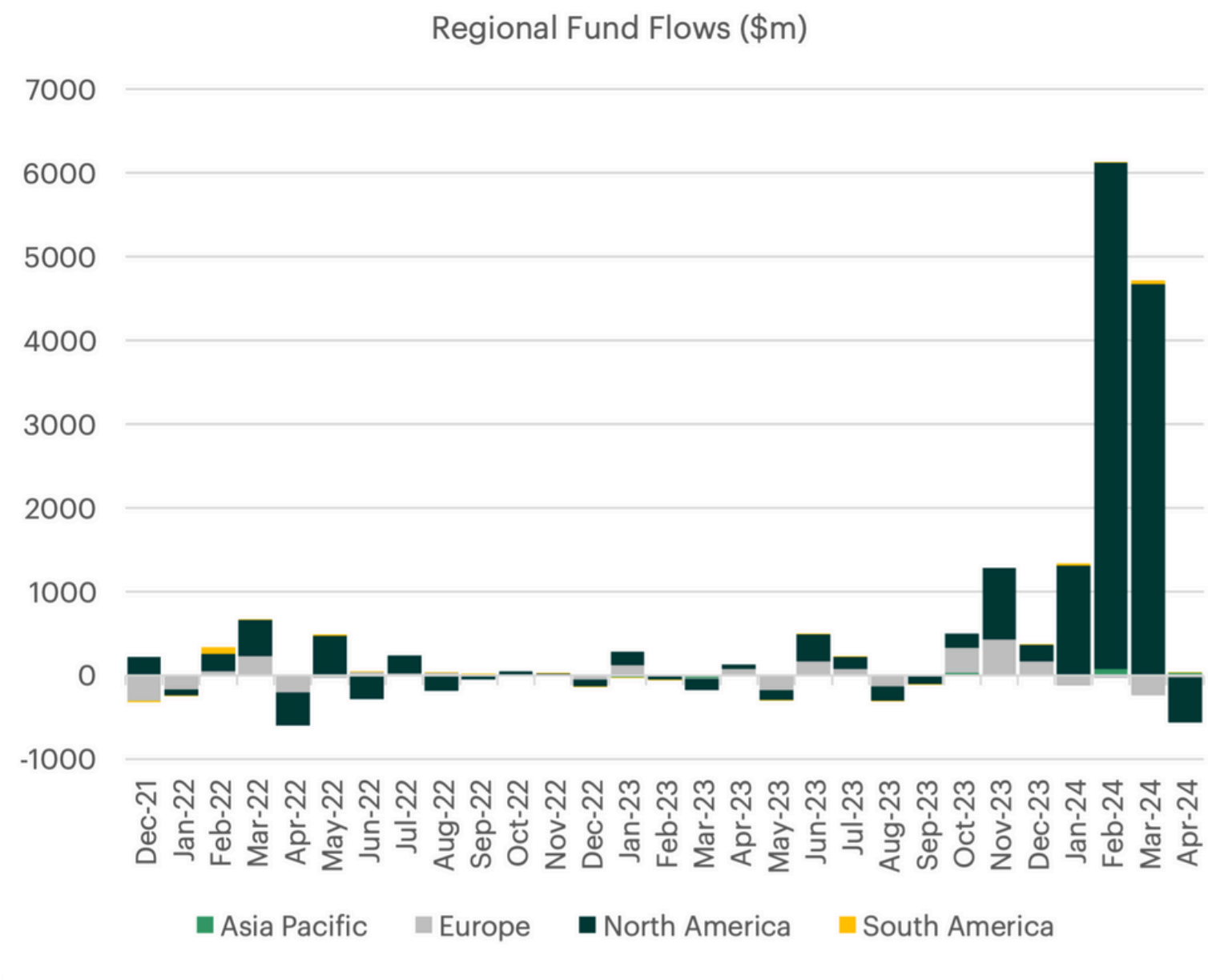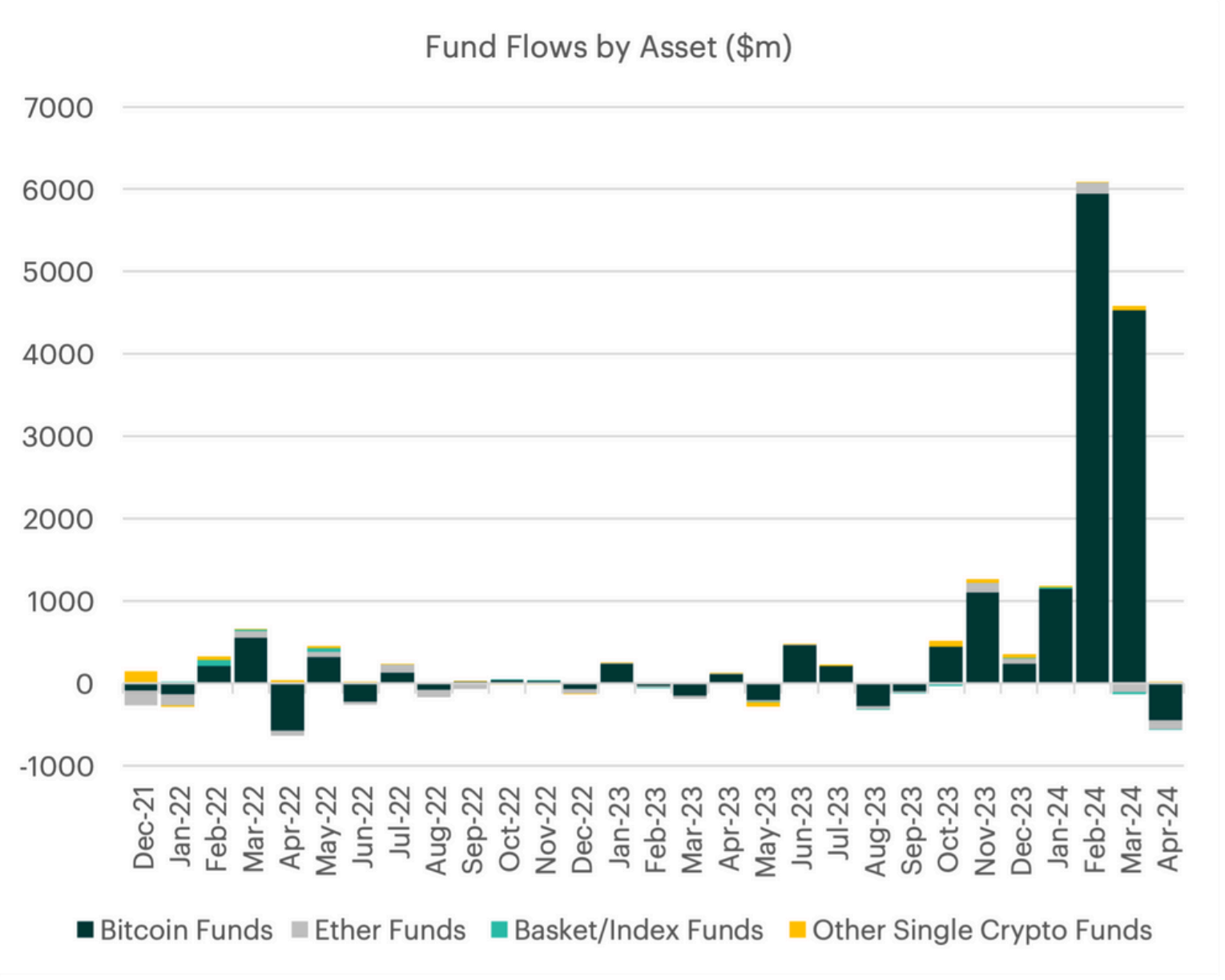
Trailing Risk-Adjusted Returns
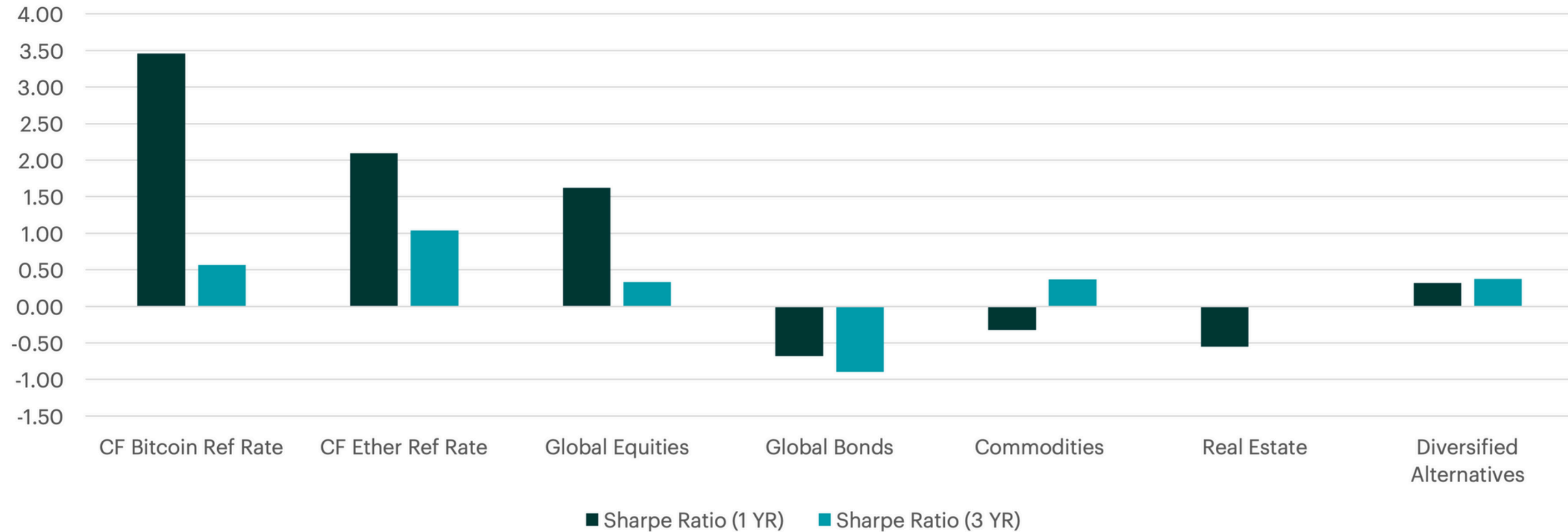
- When compared to traditional asset classes, both Bitcoin and Ether have delivered above average risk-adjusted performance over both shorter and longer time horizons.

Source: CF Benchmarks, Bloomberg, total return indices are referenced in USD, as of April 30, 2024

# Investor Activity & Sentiment Positioning

Currency of Flows

Fund Flows by Asset ($m)

■ Bitcoin Funds ■ Ether Funds ■ Basket/Index Funds ■ Other Single Crypto Funds

Regional Fund Flows ($m)

■ Asia Pacific ■ Europe ■ North America ■ South America

- Net monthly inflows fell for the first time since September '23, with Bitcoin outflows accounting for $447M of the total $529M.

- From a regional perspective, the majority of the outflows were concentrated in the North American region as the incredibly strong investor appetite for spot ETFs has softened.

Source: CF Benchmarks, Bloomberg, as of April 30, 2024

Futures Positioning and Open Interest
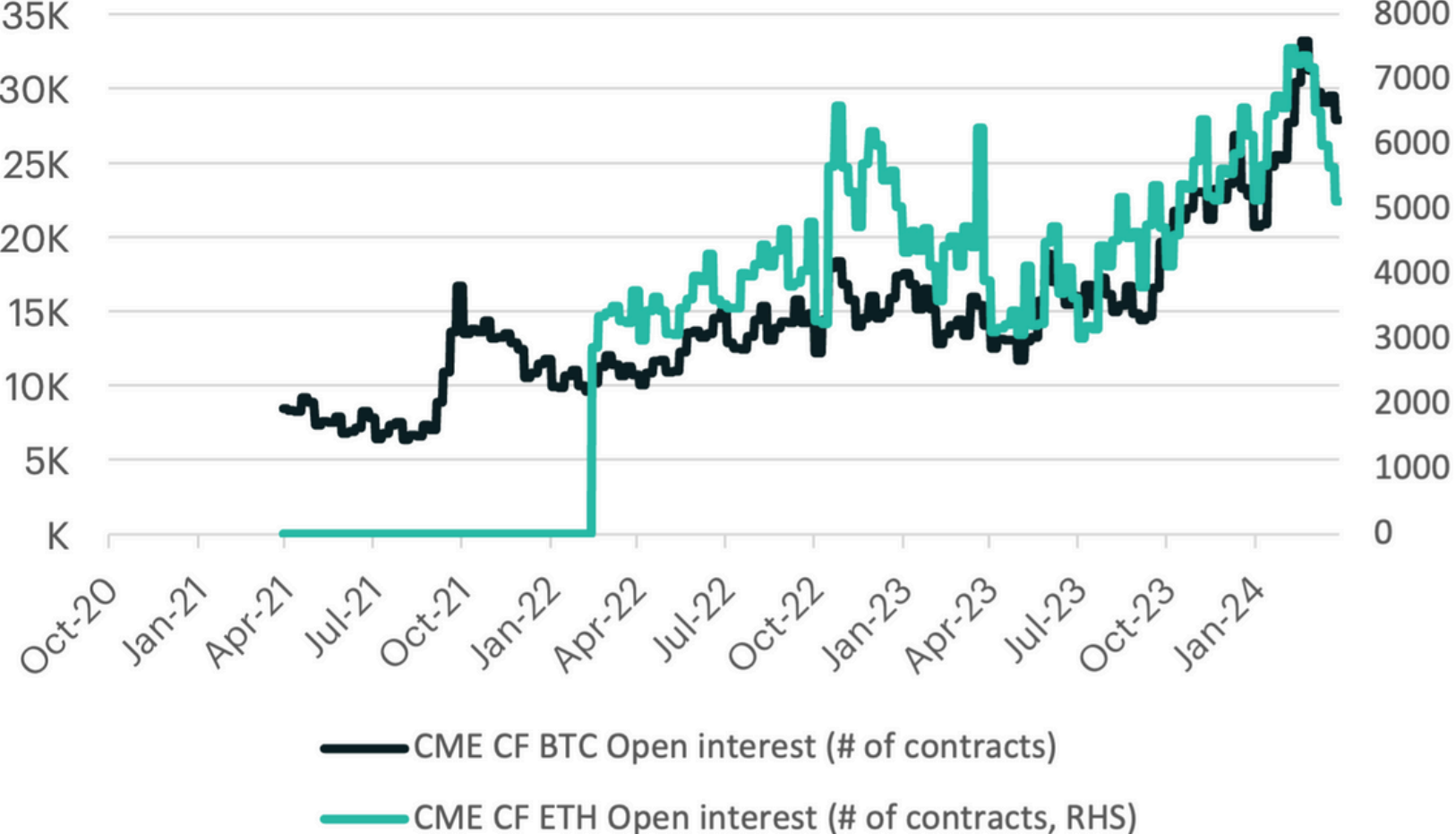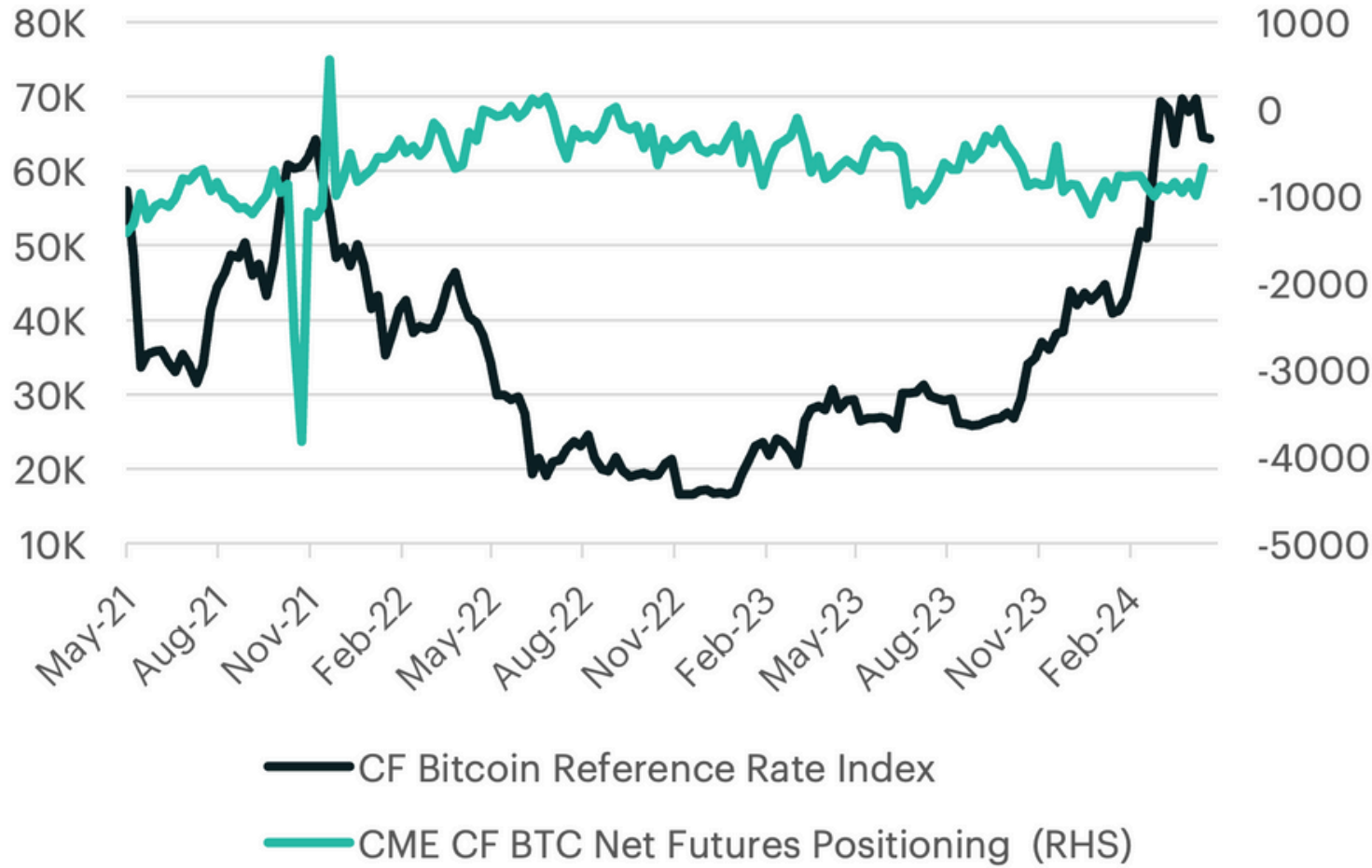
- Net sentiment positioning in Bitcoin rose slightly in April, with long positions outpacing shorts. This resulted in net futures positioning on the CME increasing to -676 from -996 contracts.

- Total open interest for both Bitcoin and Ether saw a sizeable retracement last month, falling 10.6% and 28.6%, respectively, from a month prior.

Source: CF Benchmarks, CFTC, Bloomberg, as of April 26, 2024

CF Bitcoin Interest Rate Curve

Term Structure (Annualized Rates)

Nominal Change (%)

Source: CF Benchmarks, as of May 1, 2024
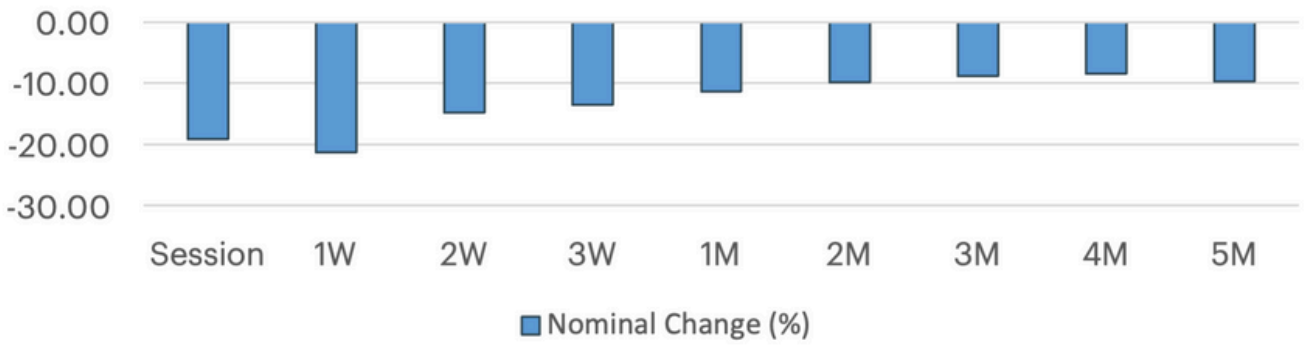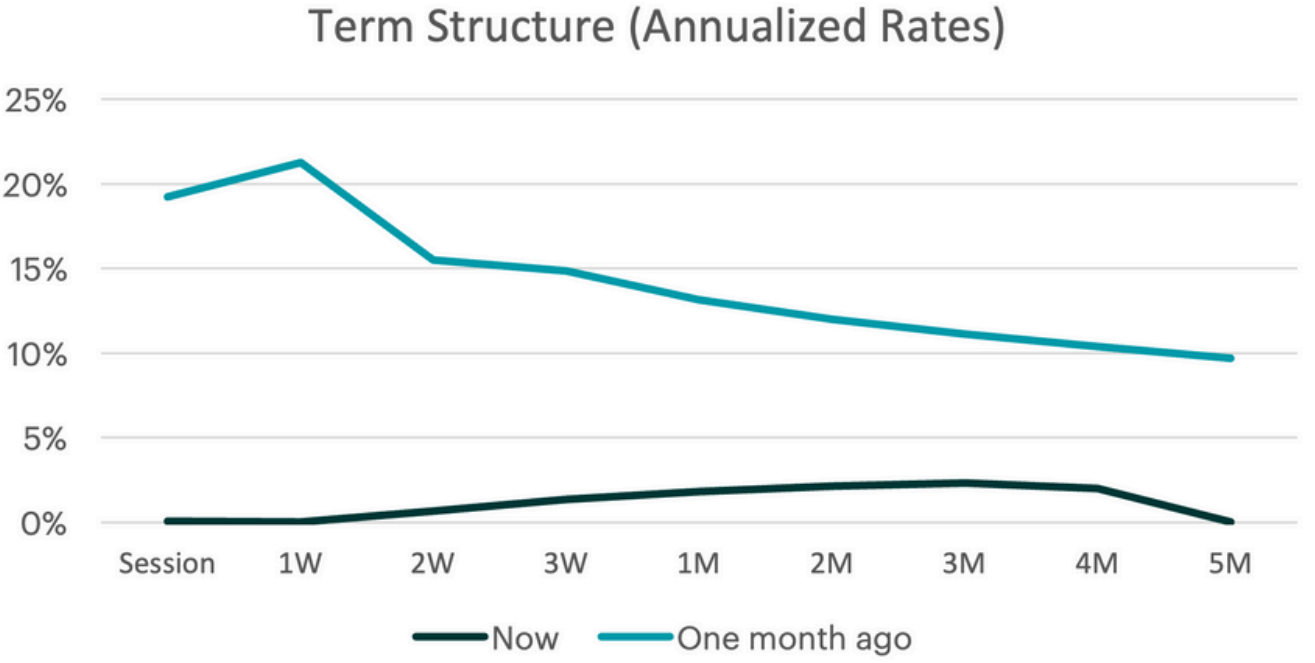
BIRC Flattens as Macro Headwinds Loom

- The Bitcoin Interest Rate Curve (or BIRC) represents the profit of a static cash and carry strategy (sell the futures and buy the spot or vice-versa) from the perspective of an economic agent who owns Bitcoins and is trying to generate yield.

- Changes, or shifts, of the CF BIRC have historically been indicative of bullish or bearish sentiment.

- Despite the anticipation surrounding the recent Bitcoin halving, negative macro headwinds, such as persistent inflation and higher interest rates, have dampened investor sentiment. This has resulted in a broad-based downward shift in the BIRC, with all tenors experiencing declines. The most significant changes were observed in the short-term tenors, with the one-week (1W) and two-week (2W) tenors seeing notable nominal decreases of 21.24% and 14.82%, respectively. Overall, the BIRC's downward trend indicates a cautious market sentiment amid the challenging macroeconomic environment.

Network & On-chain Updates

Bitcoin's Hash Rate & Mining Revenue
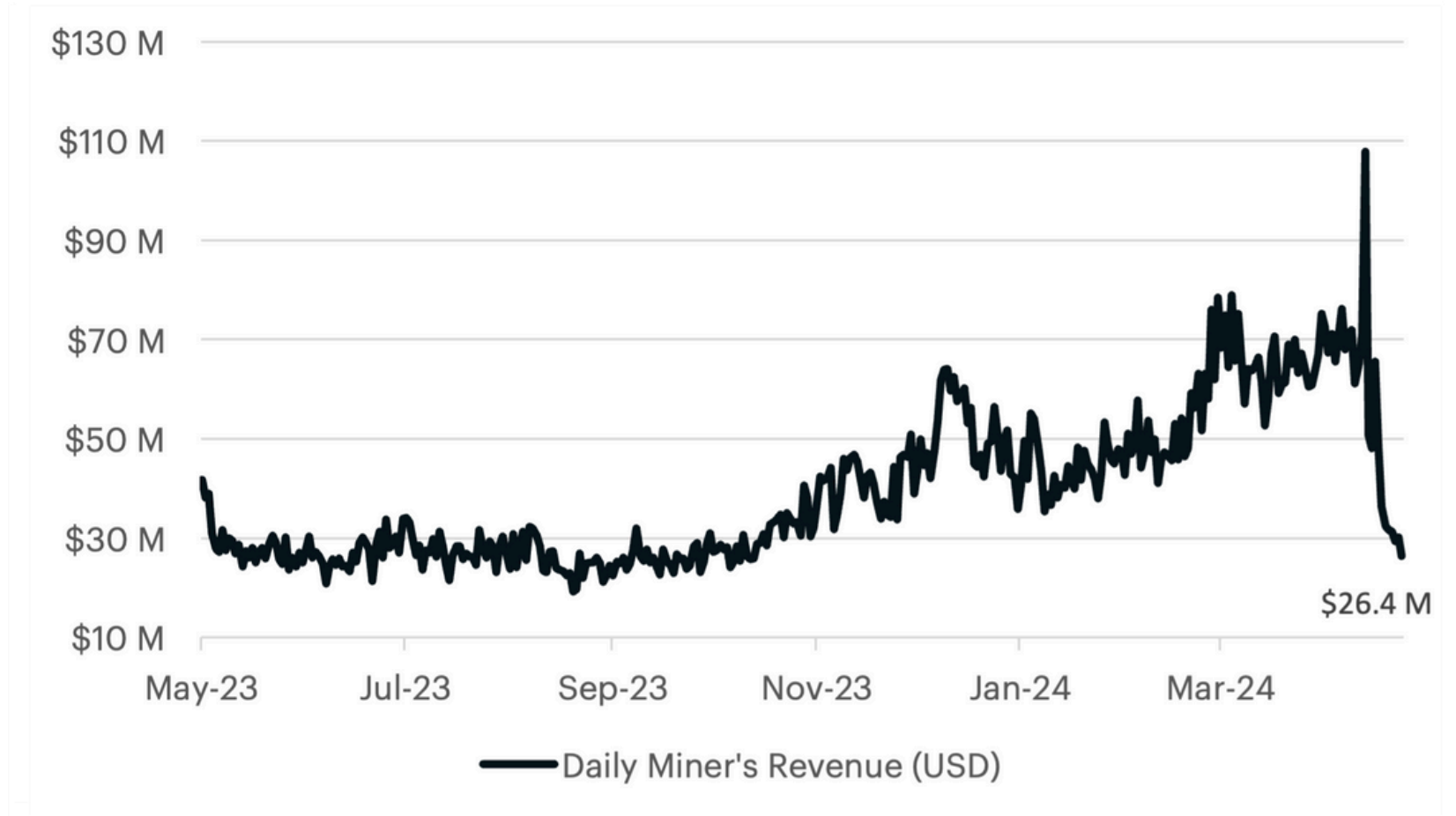
- Bitcoin's network hash rate edged higher in the past month, rising by 1.1% to reach 614 million terahashes per second. This growth in hash rate indicates rising computing power dedicated to mining Bitcoin and enhanced security of the network.

Source: CF Benchmarks, blockchain.com, as of May 1, 2024

- As expected, daily mining revenues decreased by over 56% to $26.4 million. The substantial decrease in daily revenue earned by miners was driven by the network's fourth programmatic halving, which slashed the block rewards earned by half, along with simple price depreciation.

Total Value Locked (TVL) in DeFi Protocols
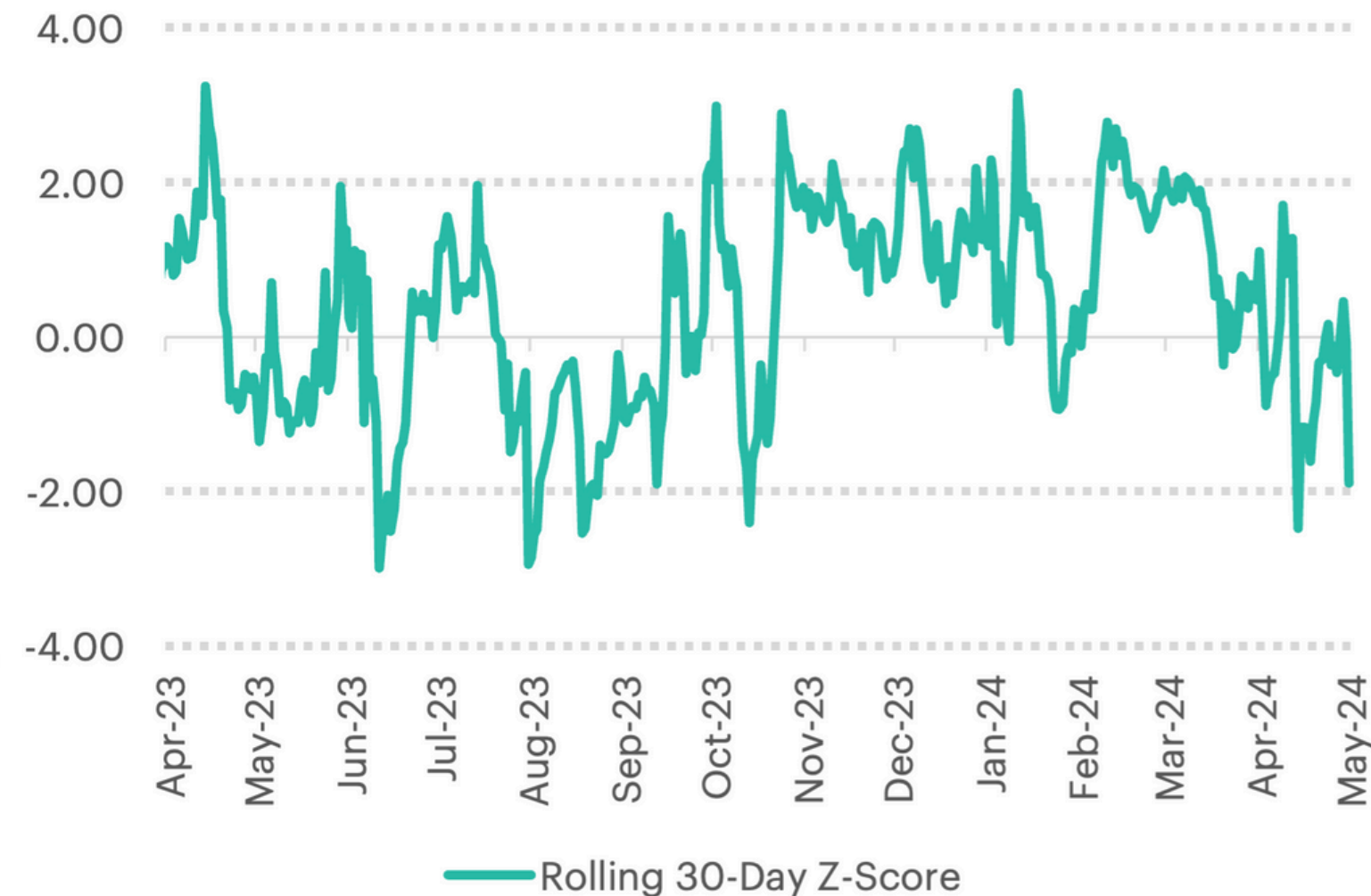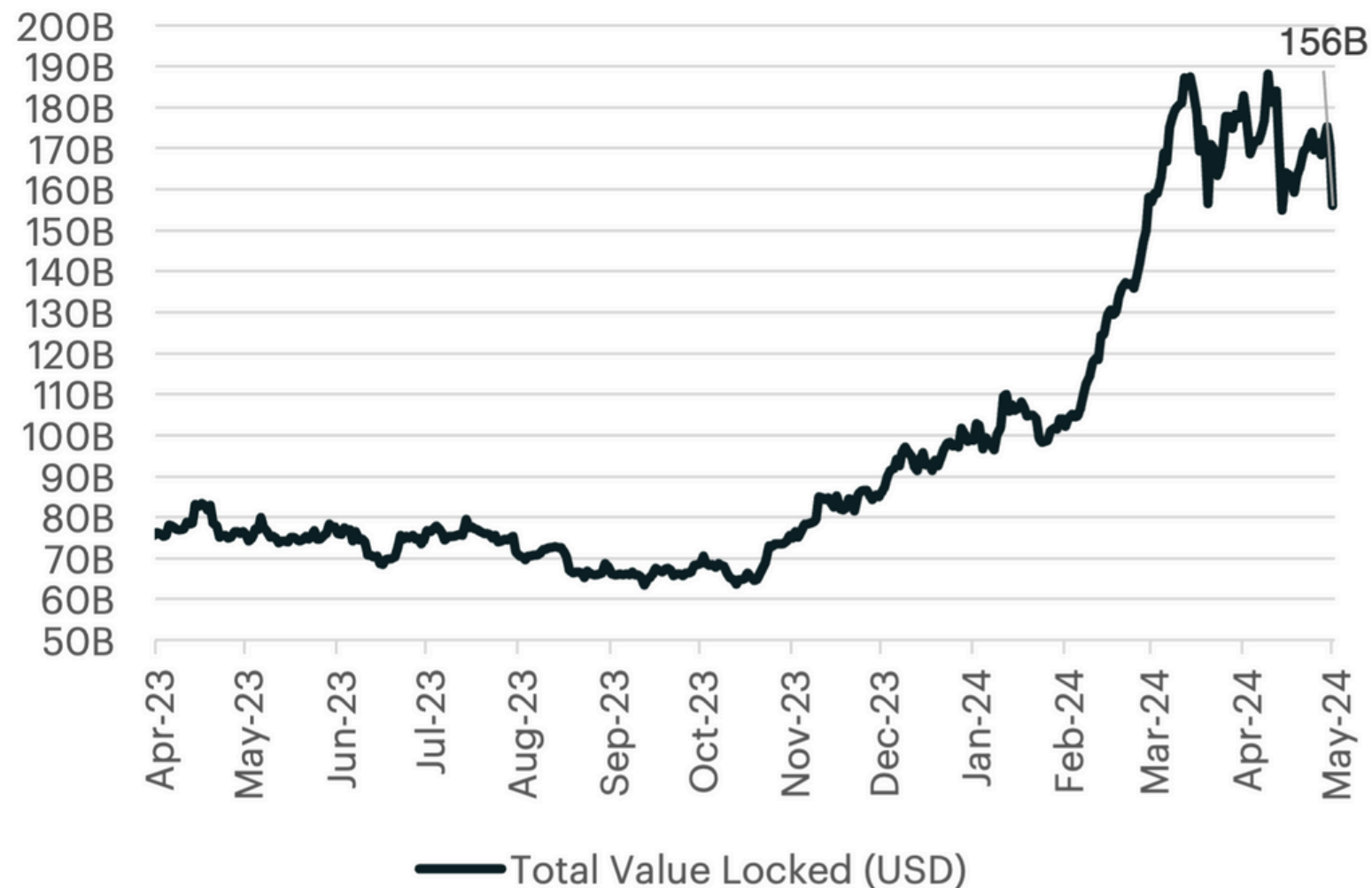
- Total value locked (TVL) in decentralized finance (DeFi) protocols experienced a significant decline over the past month, falling from $177 billion to approximately $156 billion. This notable decrease in TVL can be largely attributed to the negative impact of the SEC's Wells notice that was given to the world's most widely used Decentralized Exchange, Uniswap, which has led to increased regulatory uncertainty in the sector.

Source: CF Benchmarks, DeFiLlama, as of May 1, 2024

NFT Sales Volume by Blockchain (30-day change)

Rank	Blockchain	Sales (USD)	Total (USD)	Transactions (#)	Buyers	Sellers
1	Bitcoin	$594,558,081	$595,300,678	329,904	16,746	10,493
	30-Day % Change	3.46%	3.18%	5.91%	31.39%	53.86%
2	Ethereum	$244,347,444	$453,081,717	516,524	38,176	31,054
	30-Day % Change	53.39%	44.26%	69.77%	27.83%	28.02%
3	Solana	$147,109,976	$194,273,353	2,026,514	110,572	53,165
	30-Day % Change	41.23%	53.69%	24.57%	59.21%	25.23%
4	Polygon	$54,091,266	$74,271,373	1,690,988	34,229	12,704
	30-Day % Change	5.18%	22.22%	54.42%	17.40%	42.22%
5	Mythos	$28,500,229	$28,704,756	1,209,662	12,709	10,778
	30-Day % Change	7.23%	7.56%	5.28%	24.26%	25.99%
6	Immutable	$25,908,830	$25,914,367	444,728	13,406	12,611
	30-Day % Change	11.31%	11.33%	10.43%	16.50%	13.91%
7	Avalanche	$21,332,070	$28,255,393	48,270	1,138	707
3	Avalanche	30.36%	47.23%	63.52%	72.92%	65.85%
8	BNB	$7,882,371	$7,902,300	200,614	8,674	2,360
	30-Day % Change	85.25%	85.59%	55.34%	44.56%	85.46%
9	Flow	$7,175,557	$7,175,557	343,673	3,075	3819
	30-Day % Change	14.40%	14.40%	4.04%	30.11%	11.06%
10	Stargaze	$4,787,514	$4,788,156	407,931	1,648	1,177
	30-Day % Change	13.11%	12.77%	105.84%	20.69%	12.20%

- Bitcoin assumed the top position on the NFT Sales Volume leaderboard, with a modest 30-day change of 3.46% in sales and a 5.91% increase in transaction counts. Ethereum followed closely, showing a strong 30-day change of 53.39% in sales and a substantial 69.77% rise in transactions.

Source: CF Benchmarks, cryptoslam.com.io, as of May 3, 2024

Appendix

CF Digital Asset Classification Structure

CF Digital Asset Classification Structure

The CF Digital Asset Classification Structure (CF DACS) classifies coins and tokens based on the services that the associated software protocol delivers to end users, grouping assets by the role they play in delivering services to end users. The CF DACS powers CF Benchmarks' sector composite and category portfolio indices and allows users to perform attribution analysis to better understand the fundamental drivers of returns within their digital asset portfolios.

CF Digital Asset Classification Structure

Additional Resources

For more information about our CF Benchmark indices and our methodologies, please visit the respective web links below:

- CF Diversified Large Cap Index
- CF DeFi Composite Index
- CF Web 3.0 Smart Contract Platforms Index
- CF Digital Culture Composite Index
- CF Blockchain Infrastructure Index
- CF Cryptocurrency Ultra Cap 5 Index
- CF Broad Cap Index Market Cap Weight
- CF Broad Cap Index Diversified Weight

Contact us

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info@cfbenchmarks.com

Appendix

Disclaimer and Disclosures

Appendix

Disclaimer and Disclosures (cont.)

Appendix

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