

Monthly Market Recap

January 2024

Market Performance

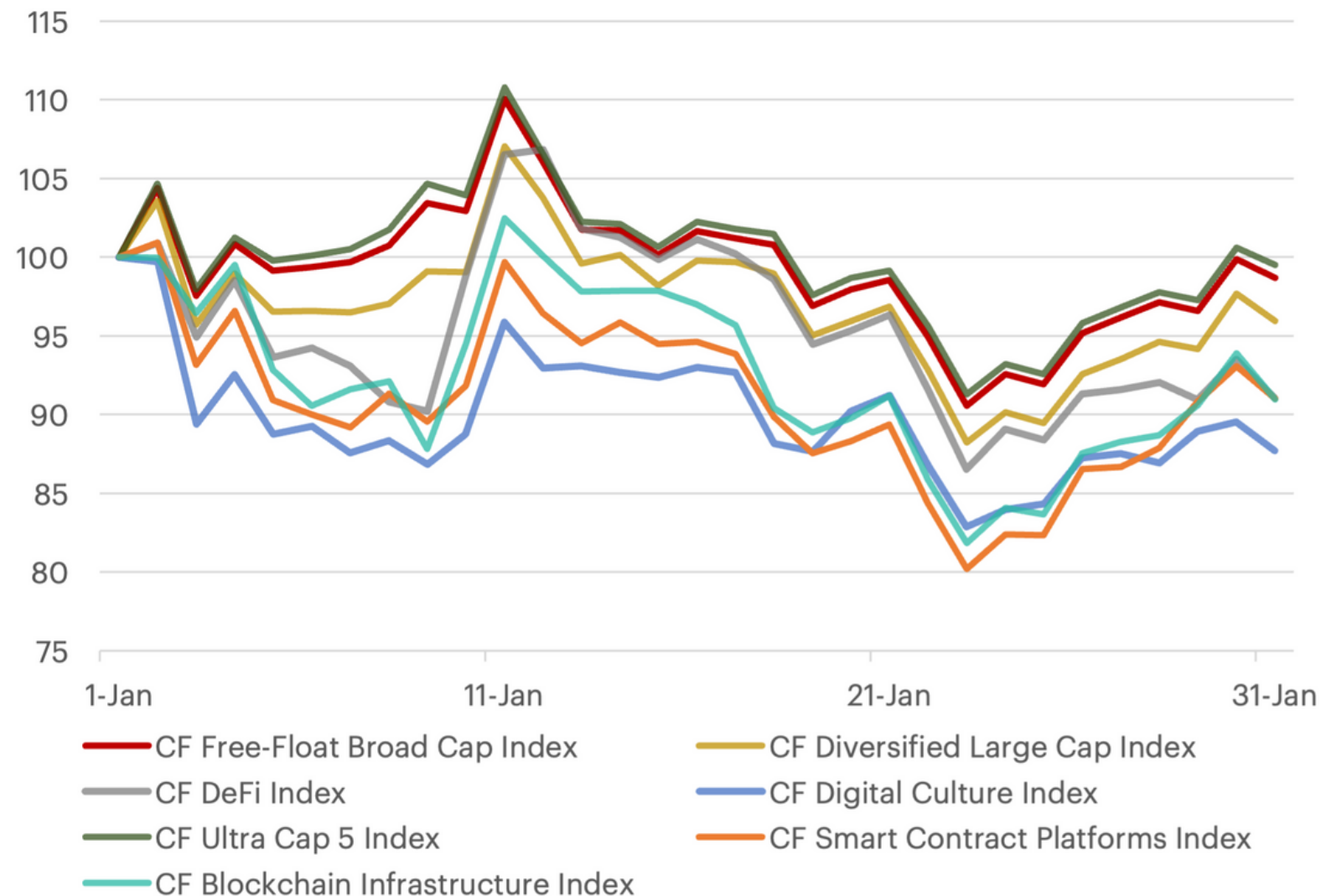


Monthly Index Performance



Spot ETFs Ignite Inflows as Prices Idle

Multi-token indexes



- This month, digital assets saw a milestone as the SEC approved the first series of spot Bitcoin ETFs in the U.S. The initial demand for these new products has been extremely positive. Net fund inflows have surpassed \$1.4 billion and total assets under management for the newly launched funds broke totaled \$7.3 billion. Despite the spot ETF approval, Bitcoin's value ended the month largely unchanged, although it had risen over 80% since the initial spot ETF filing news broke in the summer of 2023.
- Overall market performance finished the first month of the year on a lackluster note. Our definitive measure of the institutional crypto market, the CF Free-Float Broad Cap Index, finished the month nearly unchanged (-1.3%). Meanwhile, our barometer for mega cap tokens, the CF Ultra Cap 5 Index, outpaced the rest of its peers, edging out the broader market by approximately 80 basis points in absolute performance.
- Laggards included the CF Digital Culture Index (-12.2%) and CF Blockchain Infrastructure Index (-9.0%).

All index performance is rebased to 100. Source: CF Benchmarks, Bloomberg, as of January 31, 2024

Major Crypto-Pairs (USD)

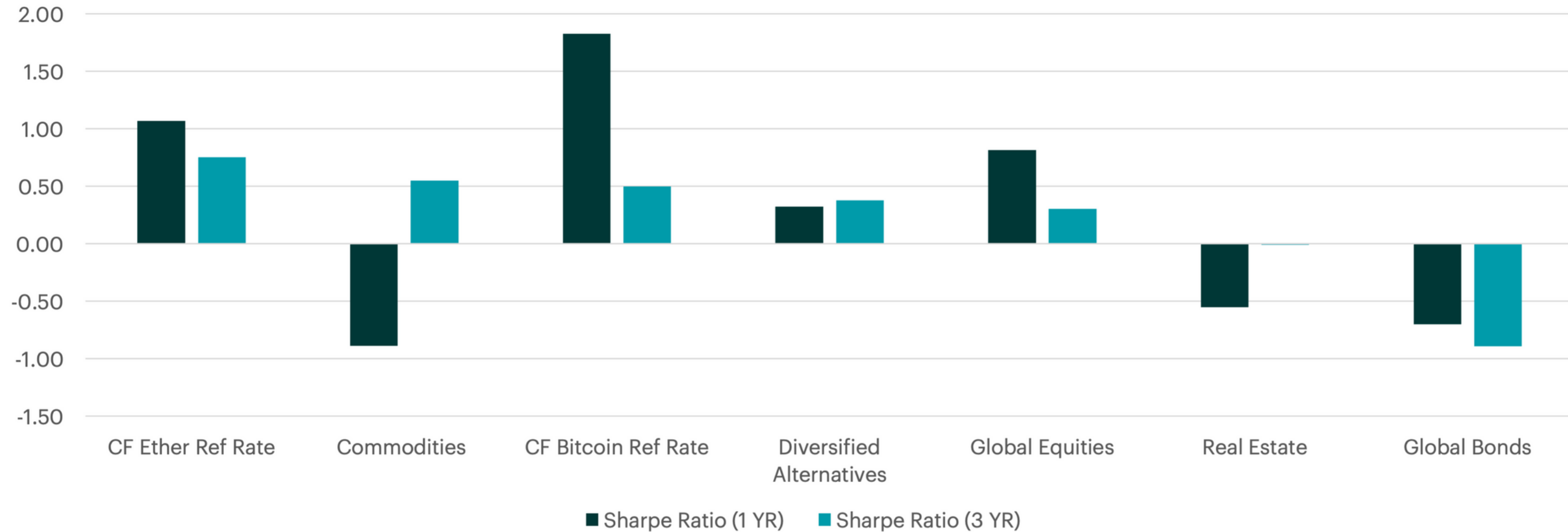


Name	DACS Level 1	DACS Level 2	DACS Level 3	1 Day	1 Week	1 Month	3 Month	1 Year	30 D Volatility
Maker	Sectors	Finance	Stablecoin Issuance & Management	-3.1%	-7.7%	15.5%	43.5%	15.5%	55.40
Ethereum Classic	Settlement	Programmable	General Purpose Smart Contract Platforms	-5.2%	7.4%	10.4%	41.1%	10.4%	99.67
Chiliz	Sectors	Culture	Social	-4.8%	2.1%	10.0%	52.3%	10.0%	98.85
Stacks	Services	Infrastructure	Computing	-1.3%	2.6%	1.0%	143.3%	1.0%	98.59
Chainlink	Services	Utility	Oracles	-2.7%	8.3%	0.2%	33.6%	0.2%	66.50
Bitcoin	Settlement	Non-Programmable	Store Of Value And Payment	-2.5%	6.8%	-0.1%	22.5%	-0.1%	45.49
Ether	Settlement	Programmable	General Purpose Smart Contract Platforms	-4.3%	2.8%	-0.2%	25.5%	-0.2%	52.78
Tezos	Settlement	Programmable	General Purpose Smart Contract Platforms	-2.0%	2.1%	-3.0%	31.1%	-3.0%	81.12
Solana	Settlement	Programmable	General Purpose Smart Contract Platforms	-4.2%	9.3%	-4.6%	152.5%	-4.6%	78.59
Litecoin	Settlement	Non-Programmable	Store Of Value And Payment	-2.6%	1.5%	-9.7%	-3.3%	-9.7%	52.20
Bitcoin Cash	Settlement	Non-Programmable	Store Of Value And Payment	-2.3%	-0.1%	-10.0%	-3.5%	-10.0%	55.49
Dogecoin	Settlement	Non-Programmable	Store Of Value And Payment	-3.1%	0.4%	-12.2%	15.0%	-12.2%	56.14
Avalanche	Settlement	Programmable	General Purpose Smart Contract Platforms	-4.3%	7.9%	-12.7%	196.8%	-12.7%	84.98
Internet Computer	Settlement	Programmable	General Purpose Smart Contract Platforms	-2.5%	-0.8%	-13.9%	190.0%	-13.9%	105.67
Apecoin	Sectors	Culture	Social	-2.0%	7.9%	-14.2%	7.0%	-14.2%	83.26
Stellar	Settlement	Non-Programmable	Store Of Value And Payment	-2.7%	-2.6%	-15.0%	-9.5%	-15.0%	42.83
Decentraland	Sectors	Culture	Vr And Ar	-4.5%	-1.7%	-17.0%	18.9%	-17.0%	72.47
Cardano	Settlement	Programmable	General Purpose Smart Contract Platforms	-5.2%	5.8%	-17.2%	69.1%	-17.2%	66.32
Ripple	Settlement	Non-Programmable	Store of Value and Payment	-1.6%	-2.3%	-18.6%	-16.2%	-18.6%	42.62
Cosmos	Settlement	Programmable	General Purpose Smart Contract Platforms	-4.9%	-1.7%	-19.1%	15.5%	-19.1%	64.14
Uniswap	Sectors	Finance	Trading	-5.1%	3.1%	-19.2%	44.7%	-19.2%	70.43
Hedera	Settlement	Programmable	General Purpose Smart Contract Platforms	-4.7%	-3.9%	-19.2%	32.4%	-19.2%	65.63
Polkadot	Settlement	Programmable	General Purpose Smart Contract Platforms	-4.7%	4.6%	-20.0%	49.2%	-20.0%	71.21
Polygon	Services	Infrastructure	Scaling	-3.0%	8.1%	-20.3%	23.7%	-20.3%	70.33
EOS	Settlement	Programmable	General Purpose Smart Contract Platforms	-3.4%	0.7%	-20.4%	8.3%	-20.4%	58.63
Aave	Sectors	Finance	Borrowing & Lending	-7.5%	-4.3%	-20.8%	5.6%	-20.8%	64.52
Fantom	Settlement	Programmable	General Purpose Smart Contract Platforms	-5.8%	5.2%	-25.6%	46.8%	-25.6%	88.26
Curve DAO Token	Sectors	Finance	Trading	-7.2%	1.5%	-27.8%	-6.7%	-27.8%	75.17
Filecoin	Services	Utility	Information & Data Management	-4.3%	-1.5%	-28.7%	29.0%	-28.7%	75.89
Synthetix	Sectors	Finance	Derivatives	-4.2%	4.5%	-30.3%	-2.1%	-30.3%	85.56
Algorand	Settlement	Programmable	General Purpose Smart Contract Platforms	-5.6%	-3.1%	-31.1%	45.0%	-31.1%	69.22

- The top-performing protocols for the month—Maker, Ethereum Classic, Chiliz, Stacks, and Chainlink—showed varied performance, with returns ranging from 0.2% to 15.5%, across diverse DACS classification categories.
- Underperformers included Fantom, Curve DAO Token, Filecoin, Synthetix, and Algorand, with monthly declines ranging from -25.57% to -31.11%.

Source: CF Benchmarks, Bloomberg, as of January 31, 2024

Trailing Risk-Adjusted Returns



- When compared to traditional asset classes, both Ether and Bitcoin have delivered above average risk-adjusted performance over short and long time horizons.

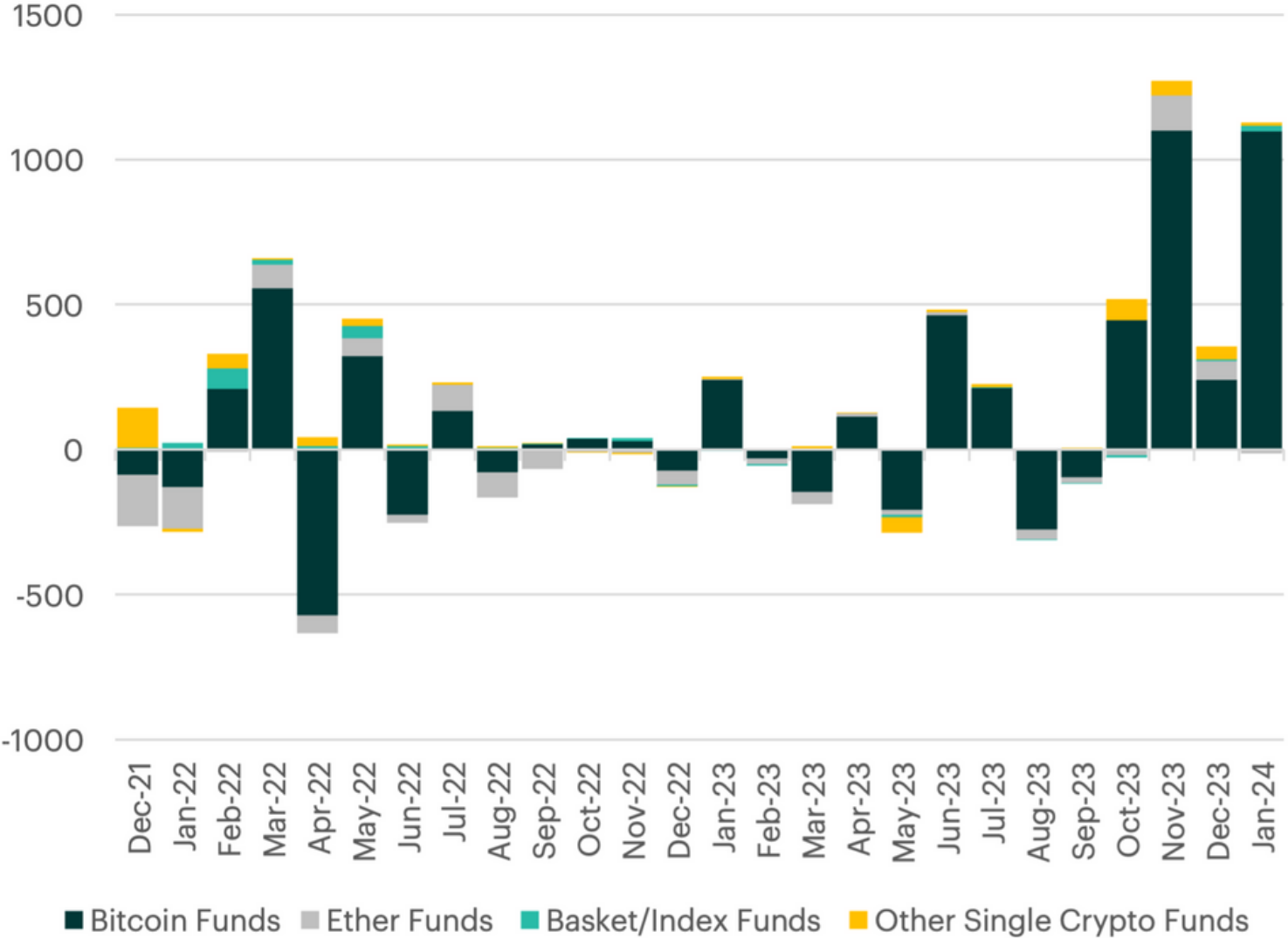
Source: CF Benchmarks, Bloomberg, total return indices are referenced in USD, as of January 31, 2024

Investor Activity & Sentiment Positioning

Currency of Flows

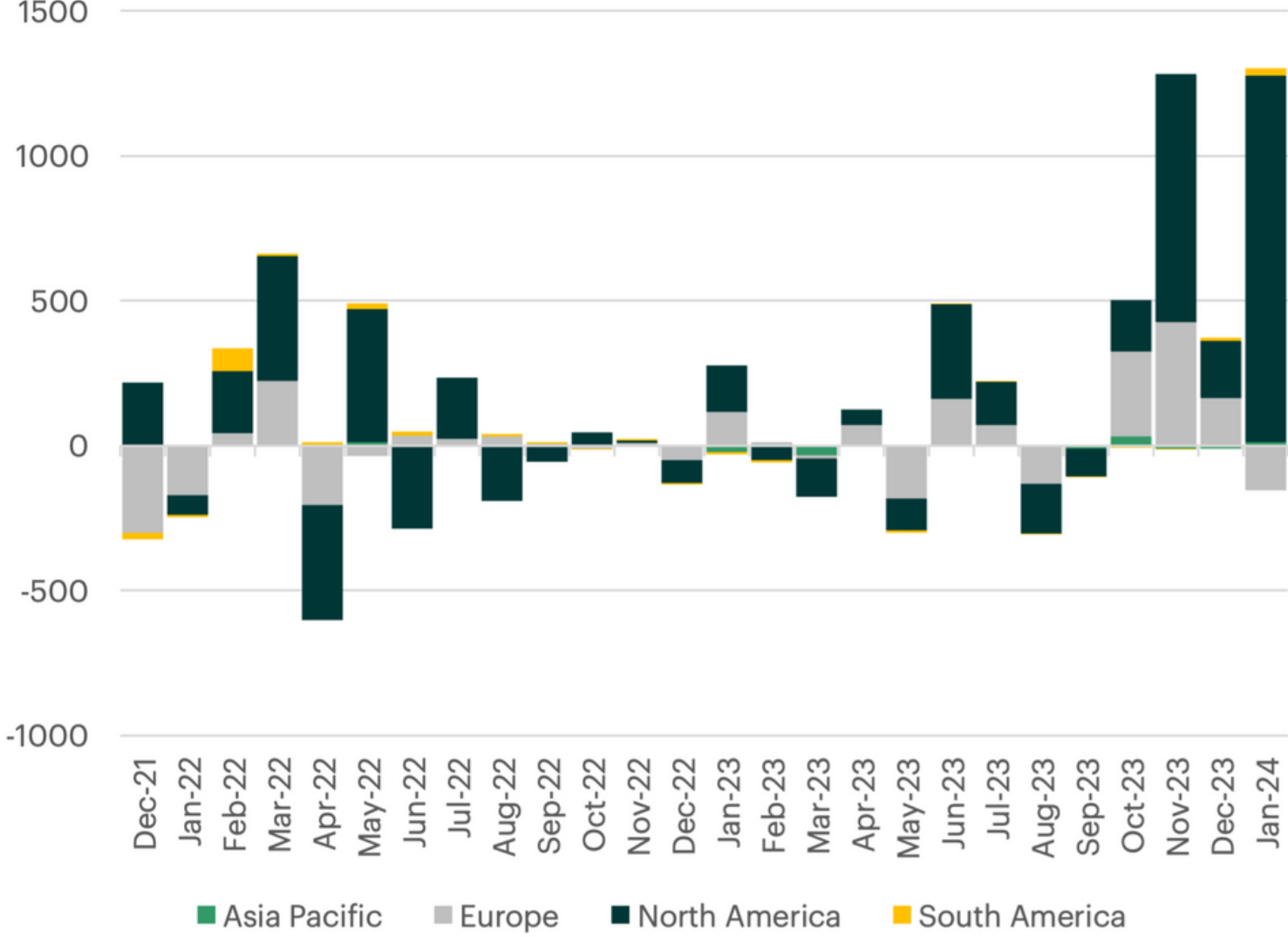


Fund Flows by Asset (\$m)



- Net monthly fund flows approached record levels in January, reaching over \$1.1bn as the first series of spot Bitcoin ETFs were launched.

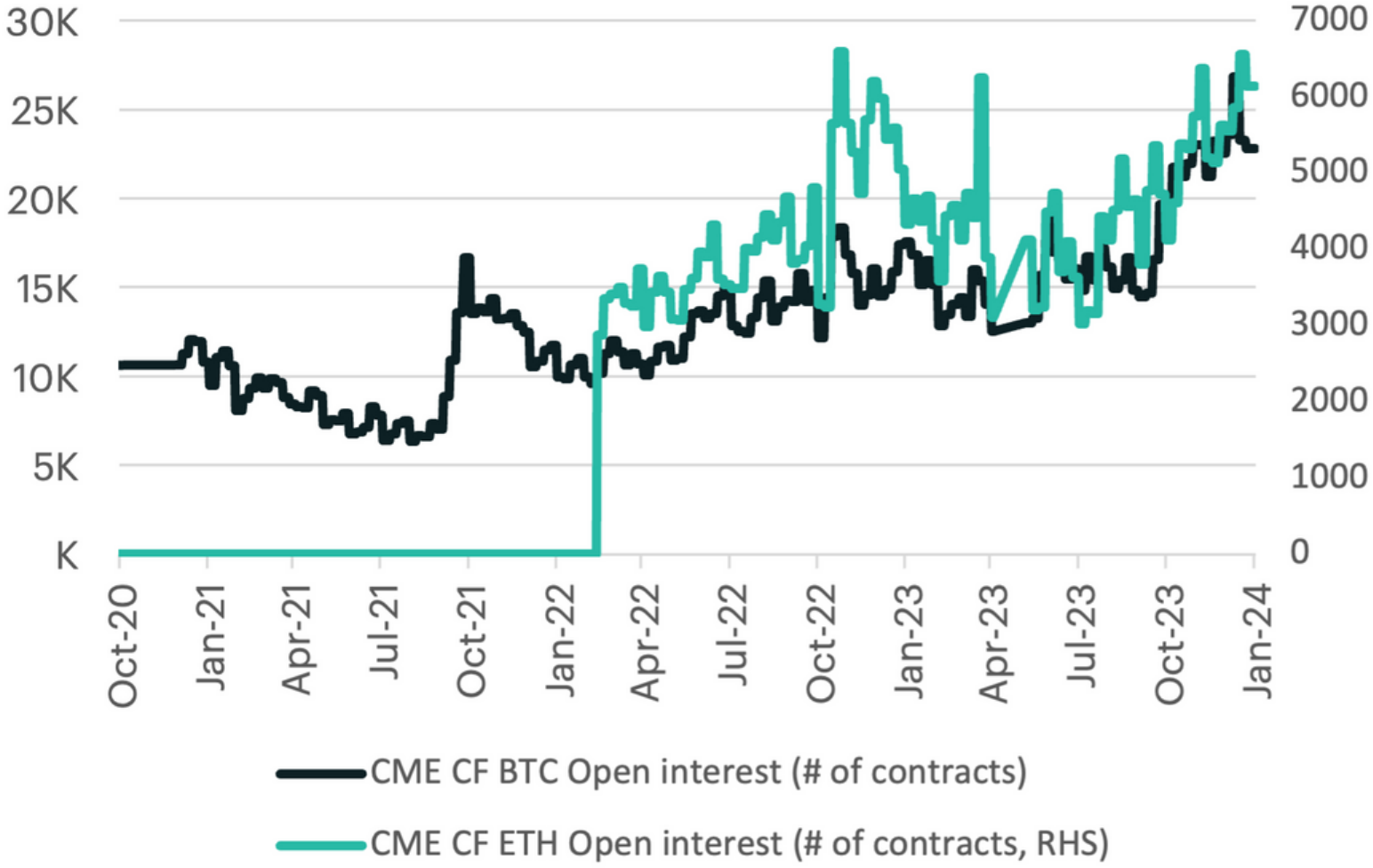
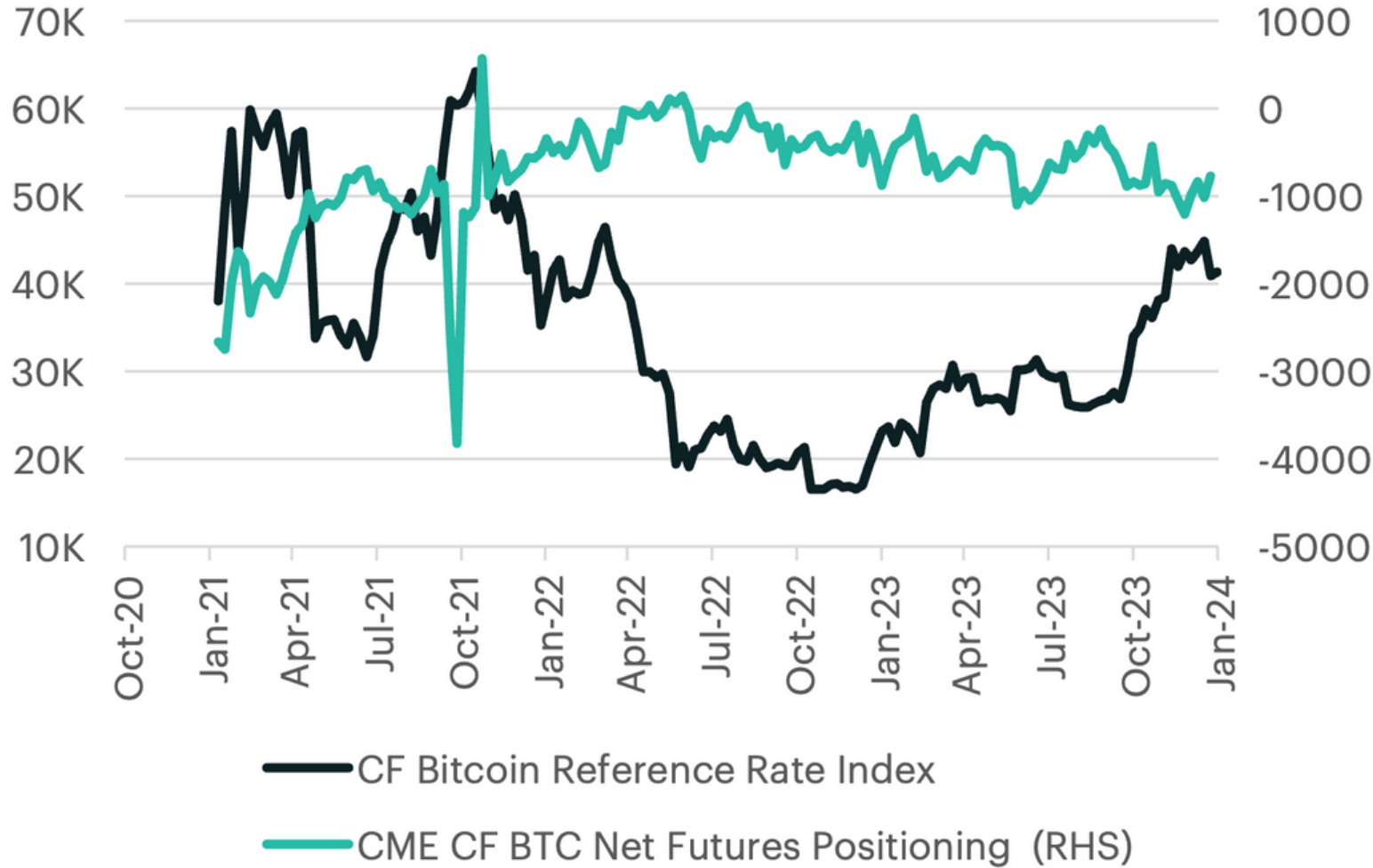
Regional Fund Flows (\$m)



- From a regional perspective, this translated into the majority of fund inflows being concentrated in North America (+\$1.3bn).

Source: CF Benchmarks, Bloomberg, as of January 31, 2024

Futures Positioning and Open Interest

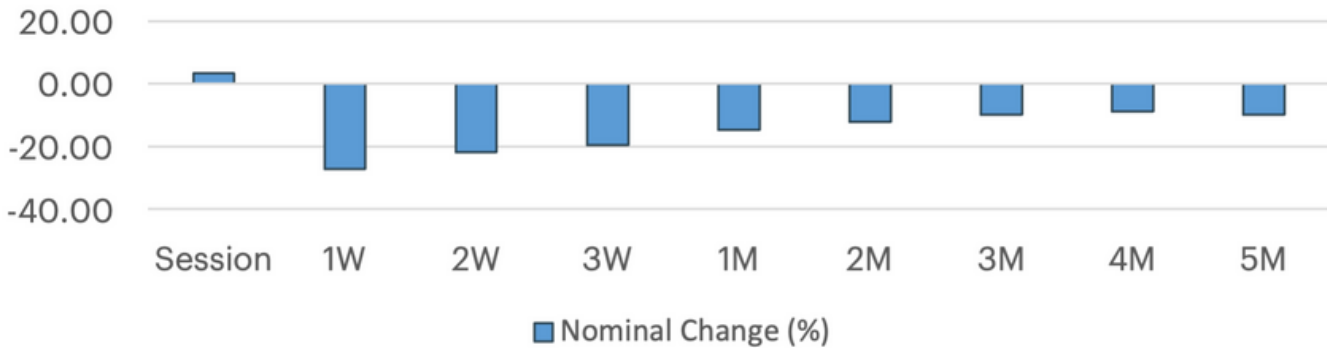
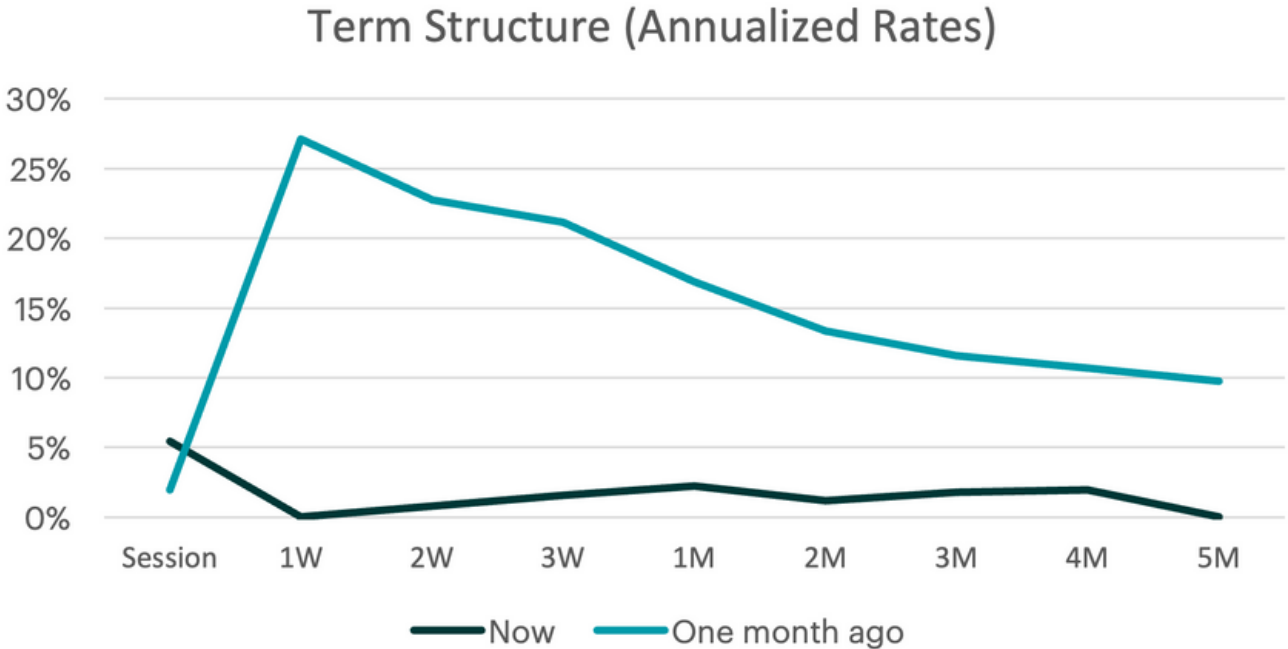


- Net sentiment positioning in Bitcoin futures rose in January, with long positions outpacing shorts. This resulted in net futures positioning on the CME rising to -774 from -1,210 contracts.

- Total open interest for both Bitcoin and Ether futures continued to climb, rising 1.3% and 9.2% (respectively) from a month prior, with CME Bitcoin open interest reaching another all-time high level of 26,846 contracts.

Source: CF Benchmarks, CFTC, Bloomberg, as of January 23, 2024

CF Bitcoin Interest Rate Curve



Term structure broadly flattens

- 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 nearly reaching the \$50,000 mark shortly after the opening trading session of the spot ETFs, Bitcoin price action finished the month of January in a relatively muted state. This less euphoric sentiment has had a flattening impact on the BIRC (Bitcoin Interest Rate Curve). Most of the decreases have occurred at the front-end (1 week to 3 week tenors), while still remaining broad.

Source: CF Benchmarks, as of January 31, 2024

Network & On-chain Updates

Bitcoin's Hash Rate & Mining Revenue

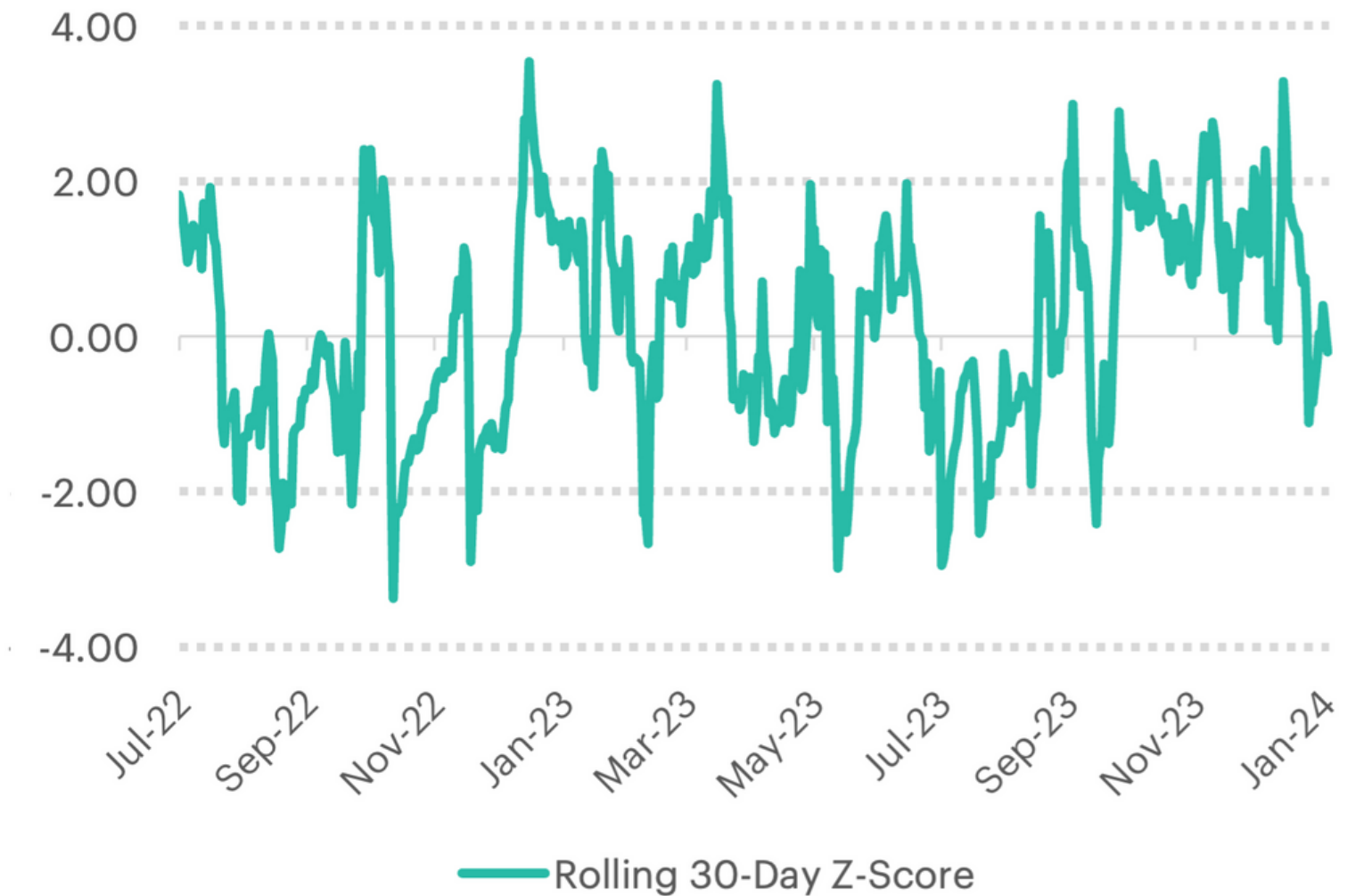
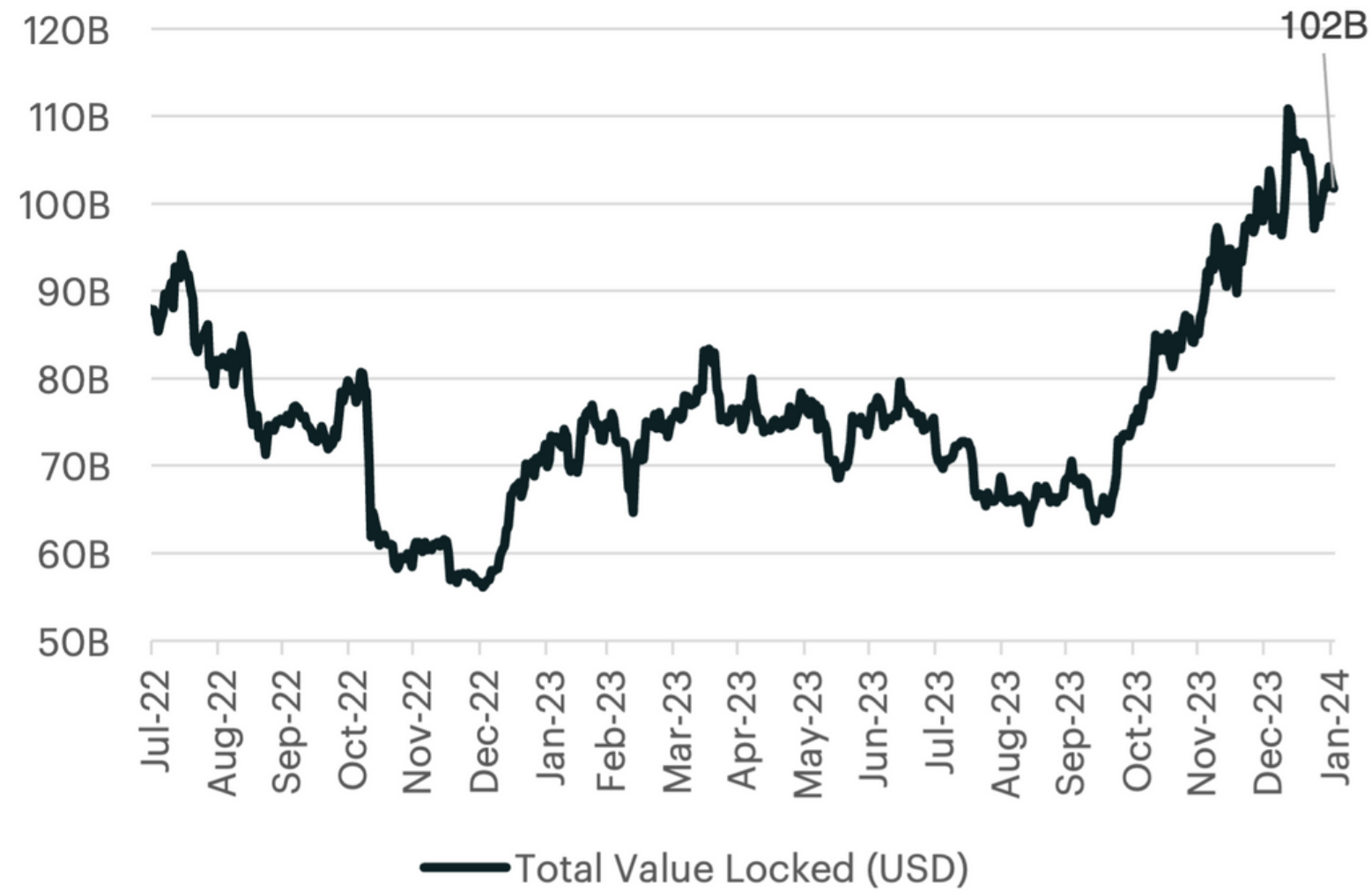


- Bitcoin's network hash rate increased substantially in the past month, rising by 7% to reach 550 million terahashes per second. This growth in hash rate indicates rising computing power dedicated to mining bitcoin and enhanced security of the network.

- Meanwhile, daily mining revenues decreased by over 9% to reach \$41.1 million. This decline in daily revenue earned by miners was driven by lower bitcoin prices, which translated into less rewards for each block mined.

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

Total Value Locked (TVL) in DeFi Protocols



- Total value locked (TVL) in decentralized finance (DeFi) protocols ticked slightly higher over the past month, increasing from \$101 billion to over \$102 billion.

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

Blockchains by NFT Sales Volume (USD)



Rank	Blockchain	Sales (USD)	Total (USD)	Transactions (#)	Buyers	Sellers
1	Ethereum	\$358,341,457	\$722,359,209	901,104	47,885	39,776
	30-Day % Change	11.57%	9.89%	46.88%	16.24%	8.82%
2	Bitcoin	\$315,866,243	\$315,945,414	238,018	5,249	5,213
	30-Day % Change	63.50%	63.50%	49.75%	46.71%	47.88%
3	Solana	\$228,122,499	\$246,462,377	4,487,176	13,527	12,112
	30-Day % Change	30.07%	27.14%	13.71%	8.39%	27.82%
4	Polygon	\$110,902,896	\$136,342,363	1,843,965	9,284	6,337
	30-Day % Change	57.61%	13.17%	49.95%	25.17%	0.43%
5	Avalanche	\$45,960,684	\$67,995,433	202,953	2,383	1,976
	30-Day % Change	73.89%	140.95%	46.40%	49.12%	67.74%
6	Mythos	\$21,512,456	\$21,655,164	1,147,610	4,326	3,804
	30-Day % Change	4.00%	2.97%	3.21%	54.96%	55.29%
7	ImmutableX	\$21,398,871	\$21,398,871	385,252	15,616	15,519
	30-Day % Change	7.48%	7.48%	12.08%	6.33%	8.59%
8	BNB	\$16,216,214	\$16,343,238	492,833	3,148	1,356
	30-Day % Change	25.26%	28.82%	105.47%	49.54%	40.55%
9	Arbitrum	\$13,244,271	\$13,282,680	171,755	2,049	684
	30-Day % Change	61.57%	61.61%	33.02%	19.33%	74.18%
10	Flow	\$6,481,915	\$6,481,915	333,174	1,541	1,892
	30-Day % Change	19.28%	19.28%	7.64%	36.43%	37.68%

- Ethereum has regained its top position on the NFT Sales Volume leaderboard after seeing a 47% increase in transaction counts. Meanwhile, transaction flow on the Bitcoin blockchain remained relatively strong, with total sales volumes exceeding \$315 million.

Source: CF Benchmarks, cryptoslam.com.io, as of February 1, 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](#)

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