



Market Commentary: February 2021

NFTs “steal the show” this month as Mark Cuban endorses NBA Top Shots, while celebrities, athletes and musicians seek to capitalize on the trend. In the institutional investment world we continue to see widespread crypto adoption as Tesla begins buying bitcoin, while traditional banks implement new product offerings around crypto. Lastly, government and public corporations are endorsing bitcoin as a payment option, in effect, marking the beginnings of bitcoin as a global payments alternative.

The Dapper Labs backed NFT platform, NBA Top Shots, led the NFT charge this month as Top Shots eclipsed \$230M in all time sales. The platform which was launched in 2019 allows users to collect and trade NBA Highlights of their favorite players. Mark Cuban likens the platform to collecting trading cards stating that this approach improves upon the “older model” as NBA Top Shots are not at risk for damage or theft (**Cryptoslate**). Renowned YouTuber, Logan Paul, sold \$5M worth of his own customizable NFTs ahead of a Pokemon Card Unboxing. The set of 3,000 NFTs, which Logan Helped create with the peer to peer exchange Bondly, sold for approximately 1ETH each. The NFTs showcased Logan in anime form posing with various Pokemon cards (**TubeFilter**). CryptoPunks, the first set of NFTs issued on the Ethereum blockchain, which represent pixelated versions of “punks”, have been selling for over six-figures a punk as investors eagerly bid up what maybe the rarest set of tokenized assets in the NFT universe (Decrypt). Celebrities also pile into the NFT craze as Lindsey Lohan (**Decrypt**), Post Malone (**CryptoBriefing**) and lead rapper/singer for Linkin Park, Mike Shinoda (**Cointelegraph**), all launched their own NFTs hoping to expand their personal brand within the cryptocurrency space.

Another round of institutions, once again, FOMO into digital assets. Goldman Sachs, arguably the most renowned investment bank, has revived its plans to open up a cryptocurrency trading desk. The bank, which initially shelved the idea at the height of the 2018 cryptocurrency bull market, is expected to offer Bitcoin Futures mid-March (**Reuters**). Likewise, America’s oldest bank, Bank of New York Mellon (BNY Mellon) will also be “dipping their toes” into the digital asset space. BNY Mellon plans to hold, issue and transfer bitcoin as an asset manager on behalf of their clients (**Cointelegraph**). On the other hand, Elon Musk finally adheres to Michael Saylor’s advice and converts \$1.5B worth of Tesla’s cash into bitcoin. This is a paramount milestone for the cryptocurrency market as it marks the credibility of bitcoin as a store of value for public corporations (**The Block**).

Recent developments have bitcoin maximalists asking themselves if this is the beginning of bitcoin going mainstream as an alternative payments option. Twitter has been evaluating several strategies in an attempt to pay its employees in bitcoin, however, Twitter has not made any changes yet. It is important to note, if Twitter does offer its employees payment in bitcoin, they would be the first public company to pay their employees in bitcoin (**Cointelegraph**). The City of Miami is also considering paying its employees in bitcoin. This follows several other proposals made by the Mayor of Miami, Mayor Francis Suarez, to further develop Miami as a bitcoin friendly city. Other proposals include allowing its citizens to pay tax in bitcoin as well as allocating a fraction of the city’s treasury to bitcoin



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(Bloomberg). Lastly, Switzerland's "Crypto Valley", the Swiss canton of Zug, has started accepting tax payments in bitcoin (and Ethereum). Citizen's can pay up to 100k CHF in taxes. Heinz Tannler, Zug's Finance Director, stated, "As the home of the Crypto Valley, it is important to us to further promote and simplify the use of cryptocurrencies in everyday life" **(Coindesk)**.