



## Market Commentary: July 2020

DeFi continues to surpass more milestones as the space continues to attract risk savvy investors. In the altcoin market, a once forgotten payments platform locks in a key partnership with Samsung, Binance seeks to expand its product offering, Travala token (AVA) soars as its partnership with Expedia brings crypto into the bookings industry and a popular meme coin surges over 100% in the matter of days. In other industry news, “Gen x” and “Boomers” take a play from millennials, while crypto makes headwinds in the traditional finance world.

DeFi goes parabolic as the total value locked in DeFi surges from \$3 billion to over \$4 billion in less than a week (**Decrypt**). Compound, the leading lending protocol on Ethereum, topped over \$1 billion in assets borrowed (**Coindesk**). Although impressive, Maker Dao beat Compound to the punch as it became the first DeFi platform this month to surpass \$1 billion in total value locked (**Coindesk**). Seeing the massive growth in DeFi, new players are making their way into the space. FTX, a popular retail geared crypto exchange, has partnered up with Solana, a blockchain platform, to launch their own decentralized exchange (DEX) (**The Block**). If FTX’s DEX is anywhere near as successful as their current platform, expect FTX to become a major player in the DeFi space. Lastly, Aave, another lending protocol, has just launched unsecured flash loans. In other words, users can borrow without any collateral as long as the loan is returned to the pool before the transaction ends. The technology will most likely be used by sophisticated arbitrageurs giving birth to a new breed of “Flash Boys” (**The Defiant**).

Expedia now allows over 700,000 accommodations to be booked with cryptocurrency after partnering up with popular hotel aggregator Travala. As a result, Travala token (AVA) rose over 300% on the month as investors believe this partnership will open up the doors for cryptocurrency in the bookings industry (**Cointelegraph**). Stellar foundation, the non-profit organization that supports the Stellar blockchain, has partnered with Samsung, which means Stellar’s blockchain services will be now available on the Samsung Blockchain Keystore. This partnership should further boost Stellar Network’s already 4 million clientele (**Prnewswire**). Binance is looking to expand its offerings after acquiring a London based provider of crypto Visa debit cards, Swipe. Binance also agreed to list Swipe’s token (SXP) on its exchange causing SXP to rise over 50% on the week (**The Block**). Lastly, just when you thought you have seen it all in the cryptocurrency markets the popular meme coin, Dogecoin (DOGE), rose over 100% in under a week after a “TikToker” posed a challenge to pump the token up



to \$1. The “pump n’ dump” came nowhere near its goal as the token would have to rise by almost 500x, but the effort was certainly audacious ([Fortune](#)).

In other industry news, Mode Banking, a U.K. trading app, has reported that Baby Boomers and Generation-X are increasing their investment into digital assets. In fact, the two groups have increased their bitcoin holdings by a factor of nine since the pandemic first hit in March. In fact, Morgan Creek Digital commented on this trend stating that the older generation will soon own more digital assets than millennials ([Cointelegraph](#)). On the other hand, in Grayscale’s most recent quarterly report, Q2 2020, the largest asset manager in crypto had once again revealed that it had another record breaking quarter. An impressive \$1 billion worth of digital assets flowed into the asset manager in Q2 ([Grayscale](#)). Meanwhile, as the “Fed’s money printer goes brrr..”, the Federal Reserve announced that it had no plans to issue a digital currency in the future, but it will be ready to implement one if the need arises ([The Block](#)). Finally, in what was probably the most talked about headline in the institutional crypto space, Coinbase, the largest US crypto exchange, is looking to go public via a direct listing. With over 35 million users and a valuation of \$8 billion, the platform would certainly make headwinds as the first publicly traded US cryptocurrency exchange ([Reuters](#)).