



Market Commentary: June 2020

This month in altcoin news Vitalik Buterin updates the cryptocurrency community on Ethereum's 2.0 launch, meanwhile, Ethereum Classic "follows in its sibling's footsteps" with its Phoenix Hard Fork launch, Cardano's Shelly Mainnet launches a Proof of Stake upgrade and Basic Attention Token becomes a magnet for adopters. In stablecoin news, Tether drowns the competition as its market capitalization continues to swell, however, the rest of the stablecoin market also experiences growth. Lastly, the DeFi market experiences parabolic growth as it carves out a new investment niche in the cryptocurrency space, which retail traders have coined "Yield Farming".

Vitalik Buterin confirms that Ethereum's 2.0 launch is on track to launch in July 2020 after tweeting that the initial deployment of its blockchain layer 2 scaling solution has succeeded. He adds what is left is sole "refinement and deployment" ([Brave New Coin](#)). Ethereum Classic has completed its Phoenix Hard-fork, which now means Ethereum Classic's blockchain is fully compatible with Ethereum's blockchain. Hopefully, for Ethereum Classic, it sees a surge in adoption following the hard-fork as it continues to follow in the footsteps of its sister chain, Ethereum ([Cointelegraph](#)). Cardano (ADA) has rolled out public testing of its Shelly Main-net, which will eventually morph the blockchain into a decentralized proof of stake network. In other words, ADA holders will be compensated to contribute their cryptocurrency to power Cardano's network ([DailyHodl](#)). Meanwhile, Brave Browser's monthly active users has surpassed 15 million. Although the browser has experienced a plethora of user adoption, it is still finding ways to make the browser more compatible for mobile users as it struggles to penetrate the mobile browser market ([Cointelegraph](#)). Luckily for Brave, the browser received "free press" this month from the world's most popular podcaster, Joe Rogan, as he stated that he prefers privacy browsers like Brave over traditional browsers like Chrome ([PC Mag](#)).

The stablecoin market sees 100% growth in just 4 months as total stablecoin market capitalization surpasses \$11 billion ([Cryptopotato](#)). Although both stablecoins PAX and TrueUSD have seen their growth stagnate, Binance's stablecoin has grown more than \$875 million since the start of the year, while USDC, the second-largest stablecoin by market capitalization, has also seen triple-digit growth on the year. However, Tether continues to decimate the stablecoin market as its market capitalization is now over \$10 billion representing 87% of the total stablecoin market ([Cointelegraph](#)). However, not all growth is good growth for the digital asset industry, as Tether continues to overtake the rest of the stablecoin market potential risks become ever more centralized and systemic.

The DeFi space has seen unprecedented growth in the month of June 2020 as total value locked in DeFi surged from just under \$979 million to \$1.57 billion ([DeFiPulse](#)). This parabolic growth in DeFi can largely be attributed to the popular DeFi lending and borrowing platform, Compound, launching COMP token; a governance token where borrowers and lenders are rewarded for participating on the Compound platform ([Crypto News](#)). By lending across DeFi protocols and earning COMP rewards, users are able to earn a "double yield" on their investment. In some instances, users were able to realize an APR of



over 100% on their lends. Retail crypto users coined this new investment niche “yield farming” ([Forbes](#)).

Consequently, the retail investor’s affinity for high yielding products within the DeFi space has caused the Compound platform to become the largest DeFi protocol by market capitalization, exceeding \$2 billion, just a few days after its token’s release ([DeFiMarketcap](#)). Seeing Compound’s rapid growth, several DeFi protocols followed suit. Balancer, a DeFi token swap platform, adopted a similar token model, and consequently, saw its token price spike 235% on its first day of trading ([Cointelegraph](#)). BZx is also looking to hop on the “yield farming bandwagon” as it plans to revamp its token to allow BZx platform users to receive token rewards ([Decrypt](#)). Unequivocally, we are at the start of what could be another bubble in digital asset markets, but with the total DeFi market capitalization making up less than 3% of the total crypto market’s capitalization, this begs the question, how big can this bubble get?