



Market Commentary: May 2020

In the month of May 2020, bitcoin surpasses several key milestones as its third halving materializes, digital asset markets continue to attract notable institutional interest, and “several altcoins fly while bitcoin sighs”.

Although bitcoin’s long-anticipated halving turned out to be a “non-event” for its price on May 11th, 2020 bitcoin broke several notable records this month. Bitcoin options trading on the CME reached all-time highs eclipsing \$60 million ([Decrypt](#)). Open interest in bitcoin futures hit an all-time high of \$399 million surpassing the previous record set in June 2019 of \$392 million ([Cointelegraph](#)). It is important to note that CME products are tailored for institutions and an increase in CME activity means that institutional interest in bitcoin continues to grow. In global bitcoin markets, bitcoin volumes in Africa hit an all-time high with nearly \$14 million worth of trades taking place across popular P2P bitcoin exchanges Paxful and Local Bitcoins. Interestingly, bitcoin volumes in Africa are currently outpacing local trading in Latin America which only did \$11 million worth of bitcoin volumes in the past seven days ([Decrypt](#)).

Institutions continue to flock to digital asset markets. The latest popular cryptocurrency IPO, Silvergate Bank, has seen a 75% increase in bitcoin trading volume for its 850 digital currency-related clients which include crypto exchanges, miners, custodians, and global investors. Most notably, Silvergate saw an inflow of \$447 million bitcoin following the March 12th selloff ([Cointelegraph](#)). Meanwhile, the banking behemoth, JPMorgan, America’s largest investment firm, which manages over \$2.6 trillion in assets and initial detractor of cryptocurrency markets, will begin to provide bank accounts, which include deposit, withdrawal and transfer services for crypto exchanges Coinbase and Gemini ([Forbes](#)). This partnership is paramount for the digital asset space as it may be the beginning of better banking relationships between traditional financial companies and digital asset firms. Kingdom Trust, a financial custodian that manages over \$13 billion in assets has launched a retirement account supporting both altcoins and bitcoin. To incentivize signups Kingdom Trust is giving \$62.50 worth of bitcoin to the first 1,000 “Choice” signups ([Skugal](#)). Finally, in the institutional digital assets world, famed macro investor Paul Tudor Jones reveals that he has allocated 1-2% of his investment portfolio to bitcoin dubbing the asset “great speculation” ([CNBC](#)). This manifestation will undoubtedly cause a wave of institutional investors to think and further participate in bitcoin’s role in the global economy.

In crypto markets, several altcoins “pump” on groundbreaking developments. Enjin has teamed up with Minecraft, the 126 million monthly user sandbox video game, to allow players to tokenize blockchain assets within the game. Dubbed EnjinCraft, players can now trade blockchain assets with each other within Minecraft’s in-game interface as well as allow players to view their Enjin and Ethereum balances in real-time ([Decrypt](#)). Blockchain-based delivery network Theta Labs has partnered up with Google Cloud. Google will be a part of Theta’s enterprise validator program, which means Theta will be utilizing the stability, reliability, and security offered by Google Cloud ([BlockTribune](#)). Cardano’s founder,



Charles Hoskinson, reveals that Shelly Mainnet's launch, which Hoskinson believes will render Cardano the "world's next operating system" is on track to launch on June 30th (**CryptoPotato**). Lastly, the next major event all crypto enthusiasts and traders are eyeing, Ethereum's 2.0 launch, has been confirmed by decentralized distributing system pioneer, Vitalik Buterin, and it is on track to launch in July. After its release, Ethereum is poised to be able to scale to over 1,000 transactions per second with a new layer 2 scaling solution and other innovative scaling techniques like sharding (**Coindesk**).

Several altcoins "rip" on significant developments in the month of May while bitcoin underperforms. As previously mentioned, bulls bid up ADA (+45%) into its main-net Shelly Launch. Meanwhile, bulls start to unwind on Theta token (+93%) as they sell the press release announcing Theta's partnership with Google Cloud. Likewise, Enjin token also made some notable gains (+46%) after it was revealed Enjin would be launching a blockchain platform for one of the largest video game communities in the world. Other notable altcoin mentions include OmiseGO (+100%) and Maker (31.69%), which pumped on Coinbase listing announcements.