



Market Commentary: May 2019

Digital Assets ripped higher in May causing bitcoin to be up an astonishing +100% year to date ([MarketWatch](#)). We believe that this is the result of “crypto spring” as digital asset hedge funds went on a +2400% bitcoin buying spree in Q1 of 2019 ([CCN](#)). More importantly, we are starting to see popular thematic trends play out in the digital asset markets such as widespread stable-coin developments, global regulatory approval of digital assets and the monthly adoption of blockchain and digital asset technology by the largest retail firms, which is now becoming somewhat banal.

In the regulatory landscape, G20 countries will meet in Fukuoka, Japan next month with plans on creating a cryptocurrency exchange registry to help prevent money laundering with digital assets ([CCN](#)). On the other hand, the Central Bank of the Bahamas (CBOB) unveiled a plan to launch its own digital currency in 2020 via its initiative “Project Sand Dollar” ([CoinTelegraph](#)). In the United States, Montana joins Wyoming in its attempt to provide a regulatory friendly environment for digital asset firms by passing a bill to exempt utility tokens from security laws ([Coindesk](#)).

In the retail space, LVMH and Christian Dior released a blockchain in collaboration with Microsoft dubbed “Aura” to verify the authenticity of luxury goods and to put an end to the counterfeit goods market ([CoinTelegraph](#)). Meanwhile, payment network Flexa has launched an app that will allow you to spend cryptocurrencies at physical stores. It currently supports payment at several of the most popular firms in the United States such as GameStop, Nordstrom and Whole Foods ([CoinTelegraph](#)). In addition, AT&T has teamed up with BitPay to allow its customers to pay for bills using cryptocurrencies ([Coindesk](#)).

The most notable development in the digital asset space is Amazon’s recent filing of its Proof of Work patent. Although we are still unsure of Amazon’s digital asset and blockchain plans, it is interesting to speculate on the potential impacts of Amazon releasing a cryptocurrency of their own ([Coindesk](#)). Amazon’s cryptocurrency could integrate its +100 million prime users ([Fortune](#)), in other words, creating 100 million more cryptocurrency wallets, or greater than three times the amount of bitcoin wallets in existence ([Bitcoin Market Journal](#)). Interestingly, if Amazon releases a stable-coin, it could be a perfect opportunity for citizens in countries with precarious economic situations to hedge their currency exposure, while having an all in one place to shop for everyday necessities.

Lastly, in other digital asset and blockchain news, Microsoft is now in the midst of launching a decentralized identity system, “ION”. ION is built on top of the Bitcoin network and its goal is to create an ecosystem where each individual can have more control of both their identity and their data ([CoinTelegraph](#)). On the other hand, Facebook has finally unveiled its plans for its long-anticipated stable-coin, which was recently dubbed “GlobalCoin”. GlobalCoin will act as a payment network where Facebook’s billions of users can transfer money to and from each other, while also being able to make online purchases ([Coindesk](#)). Spencer Bogart, Partner at Blockchain Capital, claims that Facebook’s entrance into the digital asset



industry is a “...dramatic catalyst”, which can double or even triple the number of crypto users ([To The Moon News](#)). Facebook is hoping to launch GlobalCoin in a dozen countries by the first quarter of 2020 ([Coindesk](#)). In addition to Facebook’s stable-coin plans, Coinbase is expanding their stable-coin, USD Coin (USDC), into 85 countries seeking to act as a less volatile form of payment for citizens living in high inflationary environments ([Coindesk](#)). Finally, there has been rumours that Russia is going to release a gold backed cryptocurrency of its own. If true, they will join Iran in being the only two countries to have its own national cryptocurrency backed by gold ([Coindesk](#)).