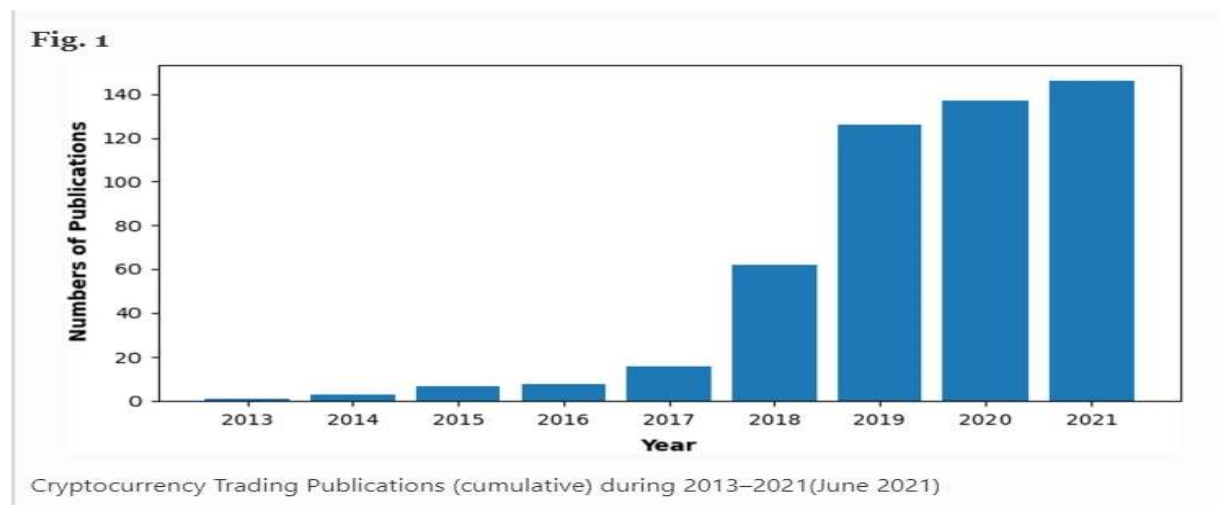


Cryptocurrency

Cryptocurrency or virtual currency is a form of investment that has developed since 2010. Today, there are more than 2,000 types of crypto currencies worldwide. Cryptocurrencies are almost impossible to ignore nowadays, it has overcome the phase of being a mere curiosity to a sizable force in finance, technology and culture. Various players have adopted crypto, ranging from individual speculators to major financial institutions, despite their volatilities. Cryptocurrencies are the first pure digital assets to be included by asset managers. Although they have some commonalities with more traditional assets, they have their own separate nature and their behavior as an asset is still in the process of being understood. Cryptocurrencies have experienced broad market acceptance and fast development despite their recent conception. Many hedge funds and asset managers have begun to include cryptocurrency-related assets into their portfolios and trading strategies.



Best performing cryptos in 2022 so far:

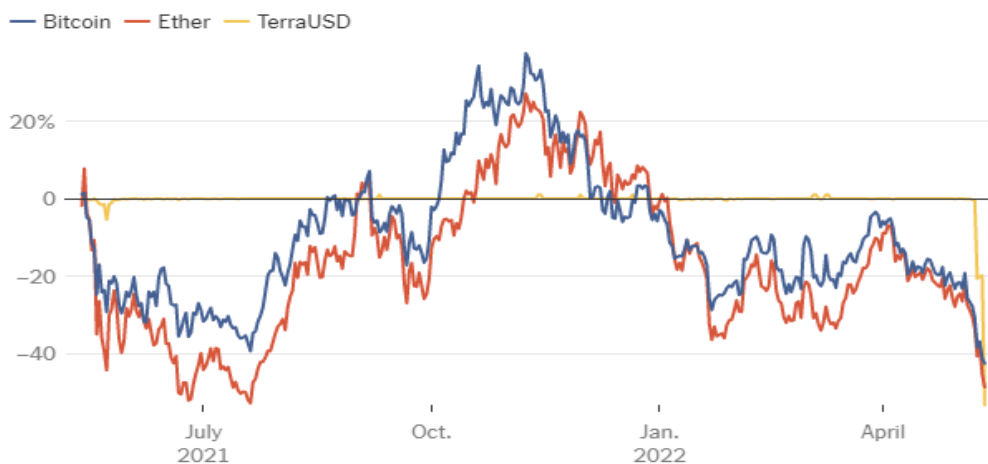
Cryptocurrency	Last traded price	Performance (YTD)	Market cap
Waves	\$30.02	97.10%	\$3.2 billion
Zilliqa	\$0.1329	74.15%	\$1.7 billion
Terra	\$117.49	28.52%	\$41.3 billion
Ethereum Classic	\$43.28	23.85%	\$5.8 billion
Near Protocol	\$16.64	8.76%	\$10.9 billion

However, after a record high and gains in 2021, cryptocurrencies are experiencing a turbulent time with unpredictable price changes. Despite being a so-called stable coin, the value of Terra USD collapsed during

the month of May 2022. With the Russia-Ukraine war and the surge in oil prices, inflation has been surging across the world. Crypto assets have been swept up in broad selling of risky investments on worries about high inflation and rising interest rates. Bitcoin is also GDP-sensitive, because bitcoin drop when the PMI Manufacturing index drop. Bitcoin, the largest cryptocurrency by market value, last rose 4.85% to \$29,925, rebounding from a December 2020-low of \$25,400. Over the past six-month, Bitcoin has only been superior to \$45,000 for a few times and has not been beyond \$50,000 since Dec. 25, 2021. The current price of Bitcoin is a long way away from the last peak of all time it struck in November, when it went over \$68,000 and the total cryptocurrency market capitalization reached close to \$3 trillion USD, however in Jan 2022, the market cap had a massive drop of 40%, wiping out more than \$1.2 trillion USD. During the first weeks of June, the global cryptocurrency market has crashed massively, witnessing several top crypto prices dropping to new lows in 2022. Bitcoin is now worth half the value it was just six months ago, while Terra (LUNA) has collapsed after a major drop of 96%. The recent decline is being attributed to the comments that Bill Gates have made on Reddit, whereby he said “I like to invest in things that have value. The value of companies is based on how well they make great products. The value of crypto is just based on what one person decides how much another person will pay for it.” This causes a loss of confidence in the crypto market whereby the latter was already facing economic pressure around the world due to the war in Ukraine and also post covid lockdown. A further blow was felt when China ordered the complete shutdown of the Bitcoin mining in its Sichuan province while telling the banks to stop supporting transaction in crypto.

Crypto Experiences a Broad Collapse

1-year change in the value of cryptocurrencies



Prices are through 6 p.m. Eastern time on May 12. • Source: CoinMarketCap • By The New York Times

How long crypto’s collapse might last is unclear. Cryptocurrency prices have typically rebounded from major losses, though in some cases it took several years to reach new heights. Investors are preoccupied about the increase in inflation, geopolitical tensions, and the possibility of tighter monetary policy by the U.S. Federal Reserve. The crypto market has increasingly followed the stock market over the last few months, making it even more closely linked to global economic factors. The radical crypto skeptics say Bitcoin will fall as low as \$10,000 in 2022, but a middle ground might be to say the cryptocurrency can still climb to \$100,000 like many experts predicted late last year but just on a slower timeline. In line with this prediction, a recent study by Deutsche Bank also found that about a quarter of Bitcoin investors believe Bitcoin prices will be over \$110,000 in five years.