

LISTEDRESERVE

MoneyBits

The price of the ETF

And so. We start to see the price of having a bitcoin ETF. Brisbane-based Wallet of Satoshi (WoS) has removed itself from the US App Store. WoS is probably the most successful Australian firm in the entire space with users all over the world. They have done a terrific job onboarding people to bitcoin's Lightning Network.



Wallet of Satoshi ✓
@walletofsatoshi

...

To our valued Wallet of Satoshi community in the United States of America,

We've dedicated ourselves to providing the best Bitcoin experience with Wallet of Satoshi, being at the forefront of Lightning usability and adoption. However, we've made the difficult decision to remove our app from the U.S. Apple and Google app stores, and will not serve U.S. customers going forward.

The issue they perceive of course is that the reaction of American regulators to their product (which transfers bitcoin between people and nothing else) is difficult to predict. As the SEC has issued no meaningful guidance on wallets or anything else, they now deem the risk of trading in America too high and this is especially true for foreigners as CZ found out last week.

Canadian exchange Kraken took another approach this week when the [SEC charged](#) them for "operating as an unregistered securities exchange, broker and dealer". Kraken were on the front foot:

"The SEC has promulgated no rule describing how an order in a digital asset should be matched, no guidance on how a trade should be cleared, and articulated no standards for how to broker a digital asset transaction. The allegation is hollow; there is no such thing as an exchange, broker dealer, or clearing agency for investment contracts. The SEC is demanding compliance with a regime that doesn't exist."

I wish them all the best but fully expect them to back down, settle and close their US business.

The final approach was taken by the much smaller exchange Bittrex which was charged by the SEC earlier this year. Their \$24m dollar settlement was sufficient to scare away clients and bankrupt them. They will close entirely this week. A decade of work destroyed.

IMPORTANT UPDATE REGARDING BITTREX GLOBAL

It is with great regret that we announce that Bittrex Global has decided to wind down its operations. This decision was not made lightly, and we understand the inconvenience it may have on our valued customers.

Effective Monday 4 December 2023, all trading activity on Bittrex Global will be disabled. After that date, customers will only be able to withdraw assets as part of the winding down process.

The sad part about all this then is that the expected uplift in the industry that will be enjoyed by the legitimisation provided by an ETF will not be shared by the people that did the really hard work early and took risk when nobody wanted to know them.

BlackRock will collect the gains, while taking almost no risk.

Make of that what you will but it is America and only money counts. Arguably, everybody knew that before the game began.

Arthur

I suggest reading [this](#) (over the weekend because it is quite long). It's by the former CEO of BitMex, Arthur Hayes, who had his own run in with the SEC. I will include a content warning too; Arthur is freer than most with his prose.

To paraphrase the article, the aggression with which the US moved against Binance and CZ is telling. As I discussed last week, almost nobody in history (Al Capone included) got a press conference with heavyweights like he did. Why? Arthur expands on this in some detail.

The reason is that the US understands well the threat this technology presents. The world is essentially under the control of the US Dollar and if you ask Sadaam Hussein or Colonel Qaddafi or anyone else who tried to sell oil in something other than USD they would tell you. Except, they're dead.

It also contains an interesting view on the visit of President Xi to California, which was only modestly covered by the international press. Note the 'undisclosed location'.

 France 24
<https://www.france24.com> › France 24 › Americas

China's Xi arrives in California for high-stakes meeting with ...

15 Nov 2023 — Xi is on his first visit to the US since 2017. He is due to meet Biden at an undisclosed location in the San Francisco Bay Area on Wednesday ...

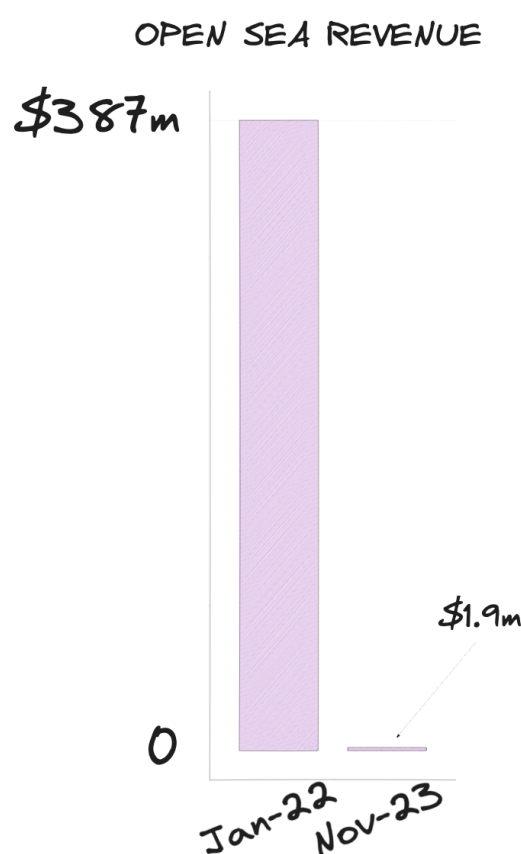
Hayes is good. His stuff is worth reading because he is completely independent, understands China better than most people from the West and is also totally unemployable (not that he needs it). So, when it comes to calling it like you see it, he's the man.

OpenSea

As a measure of the heat in the sector we don't really look to things like Bitcoin or Ethereum. Better guides can be found on the periphery around things like NFTs. My personal view is they are an excellent proxy for general retail interest in the sector.

Views on NFT's (which to most people are best described as digital art) differ, some arguing they have no value at all where other people enjoy them. It doesn't really matter; when the general population makes lots of money in this sector they start buying them. Right now they aren't.

Revenue at OpenSea, the largest NFT exchange, is down 99.5% since 2022.



All of 2023 has been defined by professional managers positioning themselves. All the buying and holding has been by either hardcore bitcoiners or institutions.

To test the water further we took all the articles from the Sydney Morning Herald that mention bitcoin since September. Every single one is profoundly negative.

Updated [Cryptocurrencies](#)

Crypto king falls: Binance CEO pleads guilty, company hit with \$US4.3b in penalties

Binance and its CEO Changpeng Zhao pleaded guilty to criminal charges for anti-money laundering and US sanctions violations, including allowing transactions with Hamas and other terrorist groups.

November 22, 2023 | Chris Strohm, Matt Day, Ava Benny-Morrison and Allyson Versprille

Opinion [Cryptocurrencies](#)

Bankman-Fried convicted, but crypto policy debate is far from settled

Sam Bankman-Fried is facing a very lengthy jail sentence for defrauding customers, but there is still a debate in the US whether that strengthens or weakens the case for regulating crypto.

November 6, 2023 | Stephen Bartholomeusz

Opinion [Cryptocurrencies](#)

Crypto is a small slice of Hamas' funding – but it's deadly

Governments around the world are intensifying their crackdown on sources of funding for terrorist groups – including crypto.

October 21, 2023 | Lionel Laurent

[Cryptocurrencies](#)

Corporate watchdog Krakens it at cryptocurrency exchange

The Australian Securities and Investments Commission has launched court action against one of the world's biggest cryptocurrency exchanges, alleging the group is flouting Australian law.

September 21, 2023 | Sarah Danckert

[Cryptocurrencies](#)

'Cryptoqueen' sidekick sentenced over \$6.2 billion Ponzi scheme

The co-founder and main promoter of the OneCoin pyramid scheme, and the wingman of the most wanted crypto fugitive in the world, sentenced over "snake oil" fraud.

September 13, 2023 | Bob Van Voris and Yueqi Yang

No surprise then that there is no retail excitement, but watch this narrative change once Wall Street declares itself ready.

Some call it conspiracy. Others call it marketing.

Closure



COMUNICADO DE PRENSA

Ciudad de Buenos Aires, 24 de noviembre de 2023.- La Oficina del Presidente Electo de la República Argentina comunica que la única información oficial sobre el futuro gobierno, encabezado por Javier Milei, es la publicada por este medio.

En ese sentido, el economista Osvaldo Giordano será el titular de la ANSES y el ingeniero Horacio Marín estará al frente de YPF a partir del 10 de diciembre.

Respecto a la agenda del Presidente electo, esta tarde mantendrá una comunicación telefónica con el presidente de Corea del Sur, Yoon Suk-yeol.

Por otro lado, ante los falsos rumores difundidos, deseamos aclarar que el cierre del Banco Central de la República Argentina (BCRA) no es un asunto negociable.

The new President of Argentina has wasted no time. Declaring that “the closing of the Central Bank (BCRA) is non-negotiable”.

Now he’s in office he has to negotiate with his partners and they obviously want some things and not others. The point of his press release appeared to simply be that his sacred cow is the closure of the Central Bank.

Should be quite something. There are precedents for this. Panama is a Dollar economy with no Central Bank of its own. Monaco similarly, which uses the Euro.

The commitment to close the central bank is really a commitment to dollarise the Argentine economy. It may well be, depending who the next US President is, that the Americans help out with this too.

IMF via the backdoor without those annoying Europeans.

Euro-Trash

The Dutch vote this week was an ominous sign for Europe. Geert Wilders' Freedom party won 37 seats, well ahead of his nearest rival. It’s not a majority and he will have to work with a consensus government if he is to become Prime Minister but it is a serious lurch to the right from what is a famously liberal democracy.

Lagarde normally steams in congratulating any winner of a European election within a nano-second of their victory. Note the graduated scale of congratulations, from warm, warmest, to no warmth.



Warmth for King Charles which, given all he had to do was be born, is very generous. Cool on Olaf from Germany, even though he is 'constructive and inclusive'.



Christine Lagarde @Lagarde · Dec 8, 2021

My **congratulations** to [@OlafScholz](#) on becoming Chancellor of Germany. Olaf has a constructive and inclusive approach, committed to finding solutions.

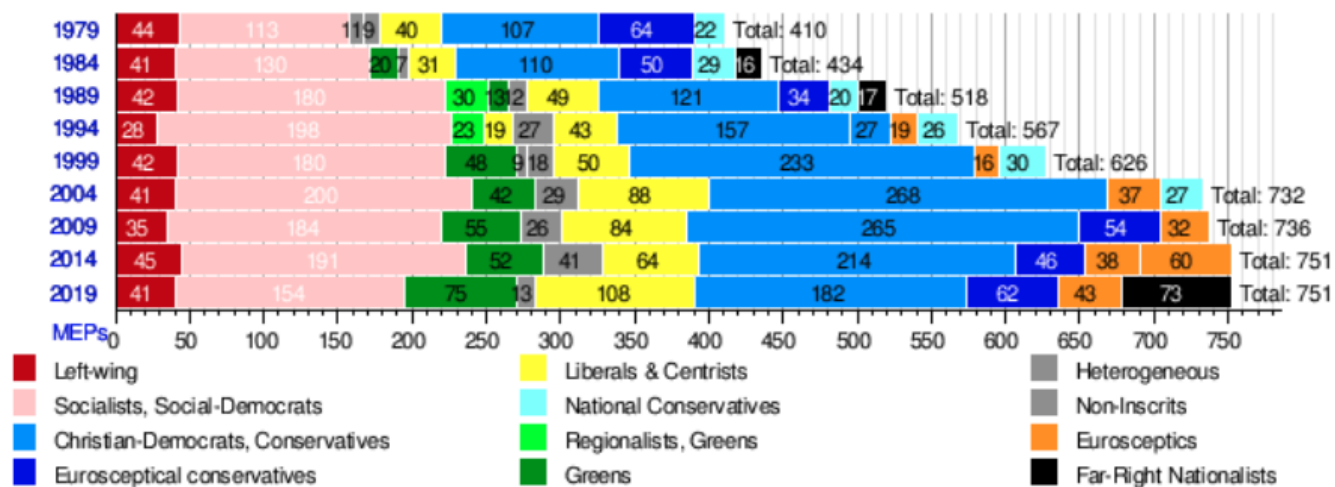
Economical with words and attentive to others, he has always suggested solutions that are good for Germany and for Europe.



Varying degrees of warmth then. Warm, warmest, no warmth. Nothing at all for Geert though, not even a no warmth congratulations. That's because he wants her gone.

As a guide to what might happen in the European elections next year it is rather interesting because most European nations are a bit freer with their Euro-vote than with their national vote.

European elections take place every five years and the make-up of the Parliament is changing over time, not least its size is growing as new member countries join. This time around, with the absence of the UK, the total number of representatives will fall.



Nobody dares to mention it, but the picture is not pretty.

Do these things relate to investing? I think so. Europe is sick, the Euro is sick and it will collapse and become even more politicised than it already is. European politicians will do everything they can to save themselves, the gravy train is fat indeed; look only to the quality of the restaurants in Brussels.

Europe's population is going to have to be placated. With money. That money will be printed and you can reasonably invest accordingly. As ever, this is a mere observation and not advice.

Let us finish on a Lagardian note ... two years ago there was another Dutch election, the pro-European Mr Rutte won and was in receipt of congratulations. As Europe gets more anti-European you can expect the rate of warm congratulations to drop. For Europe, Winter is Coming.



Christine Lagarde @Lagarde · Jan 10, 2022

My **congratulations** to [@MarkRutte](#) on his appointment for a fourth term as Prime Minister of the Netherlands.

Gefeliciteerd, Mark!

