

Monthly Crypto Market Report

August 2023

ETC Group Physical Bitcoin

ETC Group Physical Ethereum

ETC Group Physical Litecoin

ETC Group Physical XRP

BTCE

ZETH

ELTC

GXRP

ETC Group Physical Solana

ETC Group Physical Cardano

ETC Group Physical Polygon

ETC Group Physical Polkadot

ESOL

RDAN

MTCE

PLKA

For Professional Clients Only. Capital at risk.

All data as of 31/07/2023

This report was written by, and is the opinion of, ETC Group.

Key Takeaways

Bitcoin correlation with stocks hits lowest on record

Bitcoin decoupled strongly from equities in July, reaching the lowest level on record, as the cryptocurrency showed structural signs of shifting away from matching the price movements of indices in the US and Europe. Market participants may see inefficient portfolio construction if they hold on to this outdated view that Bitcoin's correlation with stocks is 1:1.

In order of magnitude, as of 31 July 2023, Bitcoin's correlation with the Nasdaq 100 was -0.55. When correlations are in negative numbers, the two assets being measured tend to move in opposite directions. Bitcoin's correlation with Germany's DAX40 was -0.57, with the S&P 500 was -0.72, and the largest discrepancy was with the Dow Jones Industrial Average, where the Bitcoin correlation dipped as low as -0.77.

Correlations are measured on a scale from 1 (highest) to minus 1 (lowest).

So, while crypto trading volumes have flattened out and market prices remain in steady ranges in the weeks after BlackRock's Bitcoin ETF filing, we are starting to see a larger disconnect between cryptoassets and traditional equity indices in the US and Europe. With this in mind, it is likely that asset managers will start to investigate Bitcoin's short-term hedge properties more closely.

The S&P 500 is up 17% in the year to date while the Nasdaq 100 has climbed 41% off the back of rejuvenated interest in AI and the metaverse. Bitcoin is up 74% in 2023 to date.

For more crypto insights visit <https://www.etc-group.com/blog/>

Sources of all data: Bloomberg / HANetf. Data as of 31.07.2023. **All performance figures are showing net data.** Please remember that digital assets can be highly volatile, and your capital is at risk. Past performance is not indicative of future performance. Additional sources available upon request. © ETC Group 2019-2023 | All rights reserved

Featured Products Performance

As of 31.07.2023

	1M	3M	6M	YTD	12M	2Y	3Y	SI
ETC Group Physical Bitcoin	-2.91%	0.40%	25.52%	75.07%	20.24%	-30.81%	143.18%	183.52%
<i>Bitcoin</i>	-4.06%	-0.68%	26.31%	75.71%	22.12%	-29.17%	154.03%	197.04%

	1M	3M	6M	YTD	12M	2Y	3Y	SI
ETC Group Physical Ethereum	0.46%	-1.51%	16.25%	54.41%	6.11%	-25.40%		17.09%
<i>Ether (Ethereum)</i>	-3.70%	-2.04%	16.93%	54.71%	7.46%	-24.67%		18.94%

Please note that all performance figures are showing net data. Source: Bloomberg / HANetf. Data as of 31/07/2023. Performance before inception is based on back tested data. Back testing is the process of evaluating an investment strategy by applying it to historical data to simulate what the performance of such strategy would have been. Back tested data does not represent actual performance and should not be interpreted as an indication of actual or future performance. Past performance for the index is in USD. Past performance is not an indicator for future results and should not be the sole factor of consideration when selecting a product. Investors should read the prospectus of the Issuer ("Prospectus") before investing and should refer to the section of the Prospectus entitled 'Risk Factors' for further details of risks associated with an investment in this product. When you invest in ETFs and ETCs, your capital is at risk.

Featured Product Details

Visit the [BTCE Fund Page](#) for more information

Exchange	BBG Code	RIC	ISIN	Valoren	SEDOL	Currency	TER
Deutsche Boerse Xetra	BTCE GY	BTCE.DE	DE000A27Z304	-	BMWSLR9	USD	2.00%
SIX Swiss Exchange	BTCE SW	BTCEUSD.S	DE000A27Z304	55503260	BLB3S55	USD	2.00%
SIX Swiss Exchange	BTCEGBP SW	BTCEGBP.S	DE000A27Z304	55503260	BLB3S66	GBP	2.00%
SIX Swiss Exchange	BTCECHF SW	BTCECHF.S	DE000A27Z304	55503260	BLB3S77	CHF	2.00%
Euronext Paris	BTCEEUR:FP	BTCE.PA	DE000A27Z304	-	BN0ZB02	EUR	2.00%
Euronext Amsterdam	BTCEUSD:NA	BTCE.AS	DE000A27Z304	-	BN0ZB13	EUR	2.00%
CBOE	BTCEd I2	BTCEd.DXE	DE000A27Z304	-	BNM7CN6	EUR	2.00%

Visit the [ZETH Fund Page](#) for more information

Exchange	BBG Code	RIC	ISIN	Valoren	SEDOL	Currency	TER
Deutsche Boerse Xetra	ZETH GY	ZETH.DE	DE000A3GMKD7	-	BMV2RQ3	EUR	1.49%
SIX	ZETH SE	ZETHUSD.S	DE000A3GMKD7	110488627	BN0WR83	USD	1.49%
SIX	ZETHCHF SW	ZETHCHF.S	DE000A3GMKD7	110488627	BN0WRB6	CHF	1.49%
SIX	ZETHGBP SW	ZETHGBP.S	DE000A3GMKD7	110488627	BN0WR94	GBP	1.49%
Euronext Paris	ZETH FP	ZETH.PA	DE000A3GMKD7	-	BN0Z9Y2	EUR	1.49%
Euronext Amsterdam	ZETH NA	ZETH.AS	DE000A3GMKD7	-	BN0Z9Z3	USD	1.49%



ETC Group

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As a company, we have launched the world's first centrally cleared Bitcoin exchange traded product on Deutsche Börse XETRA, the largest ETF trading venue in Europe, and have also launched Europe's first Metaverse ETF together with HANetf. Further information as well as regular digital assets research publications can be found on www.etc-group.com.



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- ii. the carbon securities ETCs under the terms in the base prospectus approved by the UK Financial Conduct Authority ("FCA") and the relevant final terms of the carbon securities (together, "FCA Carbon ETC Prospectus"); and
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The ETF Prospectus, Metals ETC Prospectus, FCA Carbon ETC Prospectus, CBI Carbon ETC Prospectus and Cryptocurrency Prospectus can all be downloaded from www.hanetf.com.

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