Digital Asset-Based Exchange Traded Funds (ETFs) and Notes (ETNs) AUM Grew 2.5x in 2023 to Nearly $50 Bln

written by Raj Shah | January 10, 2024

January 10, 2024 (Source) – Fineqia International Inc. (the "Company" or "Fineqia") (CSE: FNQ) (OTC: FNQQF) (Frankfurt: FNQA), a leading digital asset and fintech investment business, announces that its analysis of global Exchange Traded Products (ETPs) with digital assets as underlying collateral, revealed a 2.5x increase in total Assets Under Management (AUM) to nearly $50 billion from $20 billion during 2023.

Worldwide crypto ETPs AUM grew at a 19% premium compared to the value of underlying digital assets, which grew slower at 123%. This is attributed primarily to Bitcoin's share of ETP AUM at 72%, larger than its 53% share of the overall digital asset market. BTC-denominated ETPs benefited from its 155% price rise this year, which in turn, propelled investors to buy into such Exchange Traded Funds (ETFs) and Notes (ETN)s.

"BTC was the sled dog pulling the (digital asset) ETF sleigh this season," said Fineqia CEO Bundeep Singh Rangar. "Investors believe they might even have sighted a Santa at the SEC."

BTC

During Q4, the AUM of ETPs with BTC as the underlying asset grew 64% to $35.6 billion from $21.7 billion. That was underpinned by the 57% BTC price rise to $42,300 from $27,000. During the entire year, the AUM of ETPs holding BTC experienced a 162%

growth, surpassing the price of the underlying BTC, which rose 155%.

Investors are anticipating submissions by as many as 13 issuers including Blackrock, Fidelity, Grayscale and VanEck, for spot BTC ETFs to be approved by the Securities and Exchange Commission (SEC) in the U.S., as early as this week.

The total AUM of ETPs holding digital assets grew 62% to $49.5 billion in Q4, a $19 billion increase from the $30.5 billion recorded at the end of Q3. During the same period, the market cap of all digital assets rose less at 53.8%, to $1.77 trillion from $1.15 trillion. The growth in AUM in excess to the underlying market value of their assets highlighted substantial net inflows of investment capital, particularly during the fourth quarter of 2023.

In Dec. alone, total crypto AUM increased 14% from $43.4 billion registered at the end of Nov and the market value of crypto assets rose 19%, from $1.43 trillion. During the same month, BTC’s price increased 12.4% from $37,650 while AUMs rose 11.8% from $31.8 billion.

ETH and AltCoins

During December, Ethereum (ETH) rose 11.5% in value to $2,277 from $2,042 recorded at the end of November. ETH-denominated ETPs AUM grew faster, however, at 14.2% to $9.4 billion from $8.3 billion. During Q4, the AUM grew 40.8% from $6.7 billion registered at the end Q3. That similarly exceeded the price increase of ETH itself, which rose 35.9% from $1,675, highlighting net inflows during the quarter.

Over the course of 2023 however, ETH price rose 90%, while ETPs holding ETH increased 91%. The near proportionate increase suggested neutral capital flows for ETH denominated ETPs during

the year.

ETPs representing a diversified basket of cryptocurrencies increased 23.9% in AUM during December, marking a 138% increase over the course of 2023. The primary surge occurred in Q4, registering an 80% AUM upswing to $2.25 billion, from $1.25 billion recorded at the end of Q3.

During 2023, ETPs holding individual altcoins showed a 165% increase in AUM, to $2.23 billion from $842 million. The fourth quarter was the main period of this growth, with a 142% AUM increase from the $923 million recorded at the end of Q3. They rose 48.9% during the month of December.

ETPs include Exchange Traded Funds (ETFs) and Exchange Traded Notes (ETNs). Fineqia Research's AUM calculations factor in the launch or closure of ETPs during any stated period. The number of ETPs tracked by Fineqia at the end of December stood at 171.

All references to price are quoted in USD, and the cryptocurrency prices are sourced from CoinMarketCap and CoinGecko.

The ETP and ETF AUM data referenced in this announcement were compiled from reputable sources, including 21Shares AG, Grayscale Investment LLC, VanEck Associates Corp., Morningstar, Inc., and TrackInSight SAS, by Fineqia's dedicated in-house research department.

About Fineqia International Inc.

Fineqia (www.fineqia.com) is a digital asset business that builds and targets investments in early and growth stage technology companies that will be part of the next generation of the Internet. Publicly listed in Canada (CSE: FNQ) with offices in Vancouver and London, Fineqia's portfolio of investments

includes businesses at the forefront of tokenization, blockchain technology, NFTs, AI, and fintech. Fineqia's VC fund in formation, Glass Ventures, backs category-defining Web 4.0 companies built by world-class entrepreneurs.

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