

Number of Crypto ETPs Grew 50% in 2022, Even as AUM Mirrored Drop in Cryptocurrency Prices

written by Raj Shah | January 17, 2023

January 17, 2023 ([Source](#)) – Fineqia International Inc.’s (the “Company” or “Fineqia”) (CSE: FNQ) (OTC: FNQQF) (Frankfurt: FNQA) analysis of Exchange Traded Products (ETPs) worldwide that have cryptocurrencies as underlying assets, indicated that the number of ETPs increased 50% to 162 from 109 in 2022, even as their Assets Under Management (AUMs) decreased 66%, mirroring the 64% fall in cryptocurrency market values during the same period.

Fineqia research revealed that the number of ETPs increased by 53 to 162 in Dec. from 109 in Jan. Conversely, their total AUM declined to a third of their value to \$20 billion from \$58.5 billion in 2022. The price of Bitcoin (BTC) dropped by 65%, while Ethereum (ETH) decreased by 68% during Jan-Dec. 2022 period.

For the month of Dec., the AUM of ETPs decreased by 5%, while the value of the cryptocurrency market dropped 8% to about \$800 million. That implied a total decline of 64% in 2022 from \$2.2 trillion last January.

“The fact that an average of one new ETP was issued each week, despite the bear market in 2022, can be seen as an indication of continued investor appetite for this asset class,” said Fineqia’s CEO Bundeep Singh Rangar. “Specific events, such as the bankruptcy of FTX, contributed to a fall in crypto prices and resultant AUMs.”

ETPs started during bear markets experienced significant growth in subsequent bull markets. Grayscale's Litecoin Trust (LTCN) launched in 2018, for example, grew more than 220x from an initial AUM of approx. \$472k to about \$104 million. Similarly, the AUM of two 21 Shares ETPs increased about 120x from the time of their launch in 2019. The 21Shares Ethereum ETP (AETH) grew from about \$1.3 million to \$155 million and that of the 21Shares Bitcoin ETP (ABTC) increased from \$1.2 million to nearly \$145 million.

By contrast, ETPs launch around the time of BTC's all-time high of more than \$65,000 in Nov. 2021, such as the ProShares Bitcoin Strategy ETF, launched on Oct. 18, 2021, dropped 54% to about \$549 million from \$1.2 billion. Similarly, the Invesco Physical Bitcoin ETN started on Nov. 22, 2021, fell 70% to about \$52 million from an initial \$171 million.

In the month of Dec., the AUM ETPs holding BTC dropped by 3% to \$13.5 billion from \$14 billion. The AUM of ETH-denominated ETPs decreased by 7.5% to \$5 billion from \$5.3 billion. ETPs representing alternative coins decreased by 18% and those with a basket of cryptocurrencies dropped by 8%.

One ETP that had the FTX token (FTT) as its underlying asset was removed from trading, decreasing the total number of ETPs by one to 162, from the 163 previously listed.

All references are in US dollars and all cryptocurrency prices are sourced from CoinMarketCap.

All ETFs and ETPs AUM were compiled from publicly available sources, such as 21Shares AG, Grayscale Investment LLC, VanEck Associates Corp., MorningStars, Inc., and TrackInSight SAS by Fineqia's in-house research department.

About Fineqia International Inc.

Fineqia (www.fineqia.com) is a listed entity in Canada (CSE: FNQ), US (OTC: FNQQF) and Europe (Frankfurt: FNQA). Fineqia's strategic focus has been to provide a platform and associated services to support securities issuances and manage the administration of debt securities. Fineqia is building out its alternative finance business and holds a growing portfolio of blockchain, fintech and cryptocurrency technology companies worldwide.

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