Worldwide Crypto Based Exchange Traded Products AUM Dropped 17% in November

written by Raj Shah | December 5, 2022

December 05, 2022 (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, revealed a 17% decrease in the Assets Under Management (AUM) value during the month of Nov., closely mirroring the 15% drop in the cryptocurrency market value during the same period.

The total AUM decreased to $21 billion from $25.3 billion between Nov. 1 and Dec. 1 across 163 listed ETPs, according to Fineqia Research. Two ETPs that had FTX's token (FTT) as their underlying assets have ceased trading, while six new ETPs were added, increasing the total number of ETPs listed from 159 to 163 so far in 2022. The new ETPs listed did not affect the total metrics, that have a combined AUM of approx. $5 million.

The ETPs include Exchange Traded Funds (ETFs) and Exchange Traded Notes (ETNs). The overall value of cryptocurrencies decreased 15% to about $850 million in Nov., more than 60% lower than $2.2 trillion in Jan.

On a year-to-date (YTD) basis, the AUM of crypto ETPs decreased 64%, similar to a 61% drop in the broader crypto market. Despite a 50% increase in the number of ETPs to 163 in Nov. compared with 109 in Jan., their overall AUM was $21 billion compared to $58.5 billion in Jan. The price of Bitcoin dropped by 65%, while Ethereum decreased by 67% during the Jan.-Nov.

2022 period.

“The price of cryptocurrencies dropped as a result of the FTX bankruptcy in early Nov.,” said Fineqia CEO Bundeep Singh Rangar. “We’re still facing contagious effects of the FTX failure that has consequentially weakened the financial position of other companies and made some of them insolvent.”

A number of crypto-related entities revealed some amount of exposure to collapsed cryptocurrency exchange FTX. These firms include Binance, BlockFi, Coinbase, Coinshares, Galaxy Digital, Genesis Global Trading, and Voyager Digital, among others.

ETH prices have plummeted due to selling by people who are believed to have hacked FTX. They are estimated to have sold more than 50,000 ETH and still retain more than 200,000 ETH. More selling by them could further negate the price of ETH.

The AUM of Ethereum (ETH) denominated ETPs decreased by 18%, while the cryptocurrency’s price dropped by 23% to about $1,200 from almost $1,600. Their AUM fell to $5.3 billion from $6.5 billion. ETH has been one of the most volatile crypto assets, part of both an uptrend and downtrend over the past few months.

ETPs holding Bitcoin (BTC) dropped almost 17% to $14 billion from $16.8 billion in the month of Nov. That has outperformed BTC, which suffered a 20% decrease to about $16,500 on Nov. 1 compared to $20,600 a month earlier. ETPs representing alternative coins decreased by 15% and those with a basket of cryptocurrencies dropped by 17%.

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 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.

SOURCE Fineqia International Inc.

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