



# INVESTING IN CRYPTO REPORT

BLOCKCHAIN SELECT AMC  
Q3 2024

**VIRA**  
VENTURES

# Shifting Economic Paradigms

As we enter a new phase in the business cycle, the financial landscape is undergoing a major shift. Central banks in key economies, including the Federal Reserve, European Central Bank, and Bank of England, are beginning to cut interest rates after years of tightening policies. This change signals a shift in priorities, aiming to boost stability as inflation pressures ease and economic growth slows down.

This transition comes at a time of ongoing geopolitical tensions, supply chain disruptions, and evolving fiscal policies, all of which are impacting global trade and investment. With more liquidity likely on the horizon and a favorable interest rate environment, investors are rethinking their strategies to take advantage of new opportunities while managing emerging risks.

For digital assets like cryptocurrencies, these broader economic changes present both challenges and new possibilities. As liquidity grows and borrowing costs decrease, the conditions may open doors for increased adoption and investment in the crypto space. However, this environment also requires careful navigation to manage volatility and stay prepared for rapid shifts.

Our approach is forward-looking and focused on balancing risk with reward. We stay agile, ready to adapt to changing market conditions, with the goal of achieving steady, long-term growth. Our strategy uses a flexible risk management system that allows us to make adjustments based on factors like liquidity, market sentiment, and economic trends. This proactive approach helps us stay in tune with current market realities while staying committed to our long-term goals, so we can seize new opportunities while supporting sustainable growth.

## Recent Interest Rate Decisions of Central Banks

Central bank interest rate decisions continue to play a crucial role in shaping the current global economic landscape. As central banks respond to evolving economic conditions, these decisions are impacting investment flows, liquidity levels, and overall economic growth.

Below is a summary of the latest interest rate decisions by major central banks around the world:

### **SWITZERLAND:**

The Swiss National Bank cut its main interest rate from 1.25% to now 1.00%.

### **UNITED KINGDOM:**

The Bank of England cut its rates down from 5.00% to 4.75%.

### **NORWAY:**

Norway's central bank held its policy interest rate unchanged at a 16-year high of 4.50%.

### **EUROPE:**

The European Central Bank cuts its interest rates for the third time - now at 3.25%.

### **JAPAN:**

The BoJ raised its key rates to 0.25% in July.

### **CHINA:**

The People's Bank of China lowered its one-year loan prime rate (LPR) by 25 basis points to 3.10%.

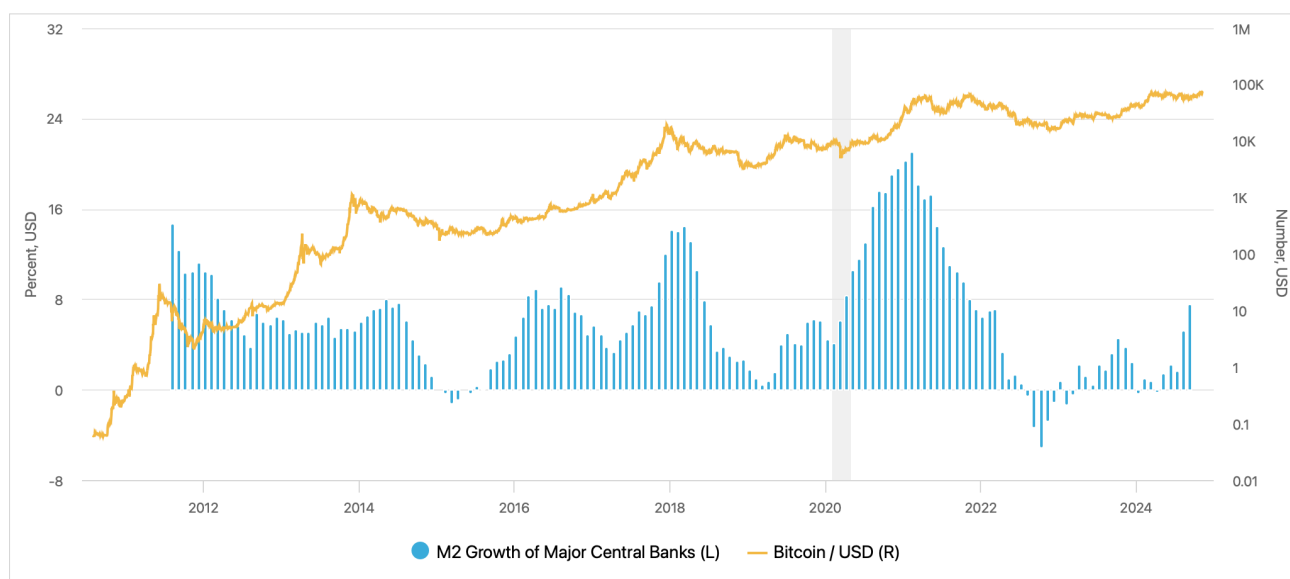
### **USA:**

The Fed already lowered its interest rates to 4.75 - 5.00% and is expected to cut further in the coming months.

## Liquidity Change, Bitcoin Price and Investment Flows

The chart below highlights the relationship between M2 money supply growth from major central banks and Bitcoin's price movement. Historically, periods of strong M2 growth - such as the surge observed in 2020-2021 - have aligned with significant increases in Bitcoin's value. This trend indicates that when central banks increase the money supply, investors often turn to alternative assets like Bitcoin, boosting its demand and price.

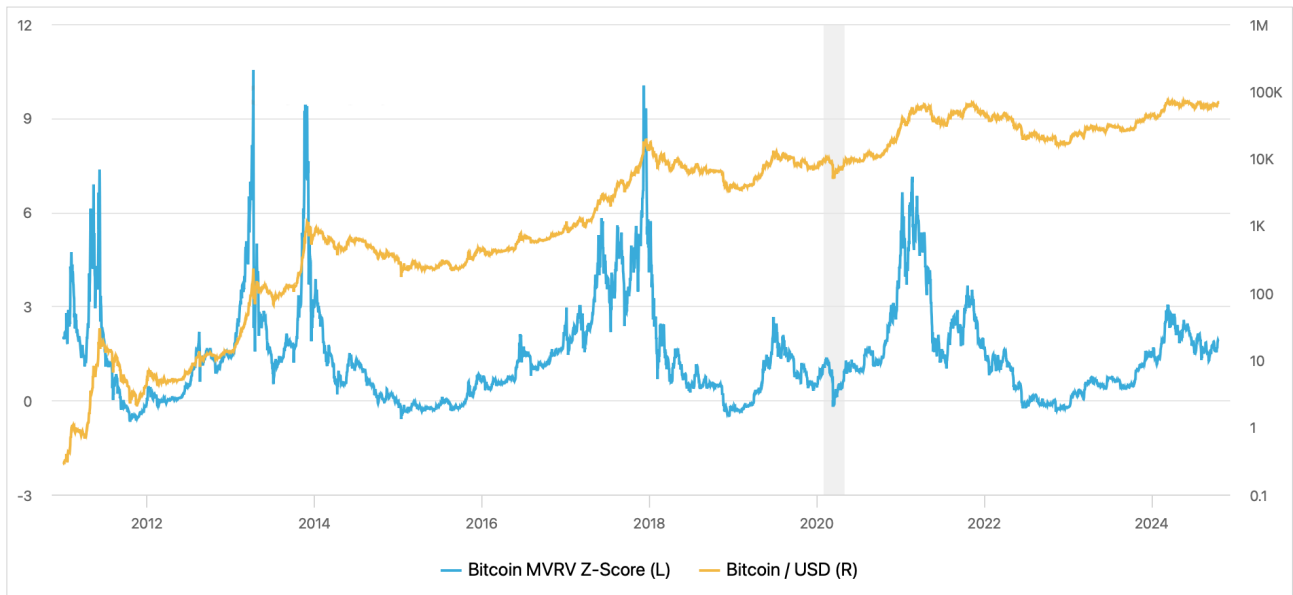
In recent months, M2 growth has remained low. However, with central banks now signaling a shift in monetary policy, we already see M2 expansion pick up again. If this continues, we will see renewed investor interest in Bitcoin and other digital assets; emphasizing how closely monetary policy decisions can influence asset valuations.



M2 Growth YoY vs Bitcoin Price (Source: MacroMicro)

To manage this ongoing liquidity cycle effectively, we closely monitor a number of macroeconomic indicators, such as the mentioned M2 money supply, and on-chain metrics like the MVRV Z-score or the trends of long term holders' investment flows, which provide us with a fundamental overview to carry out our analysis.

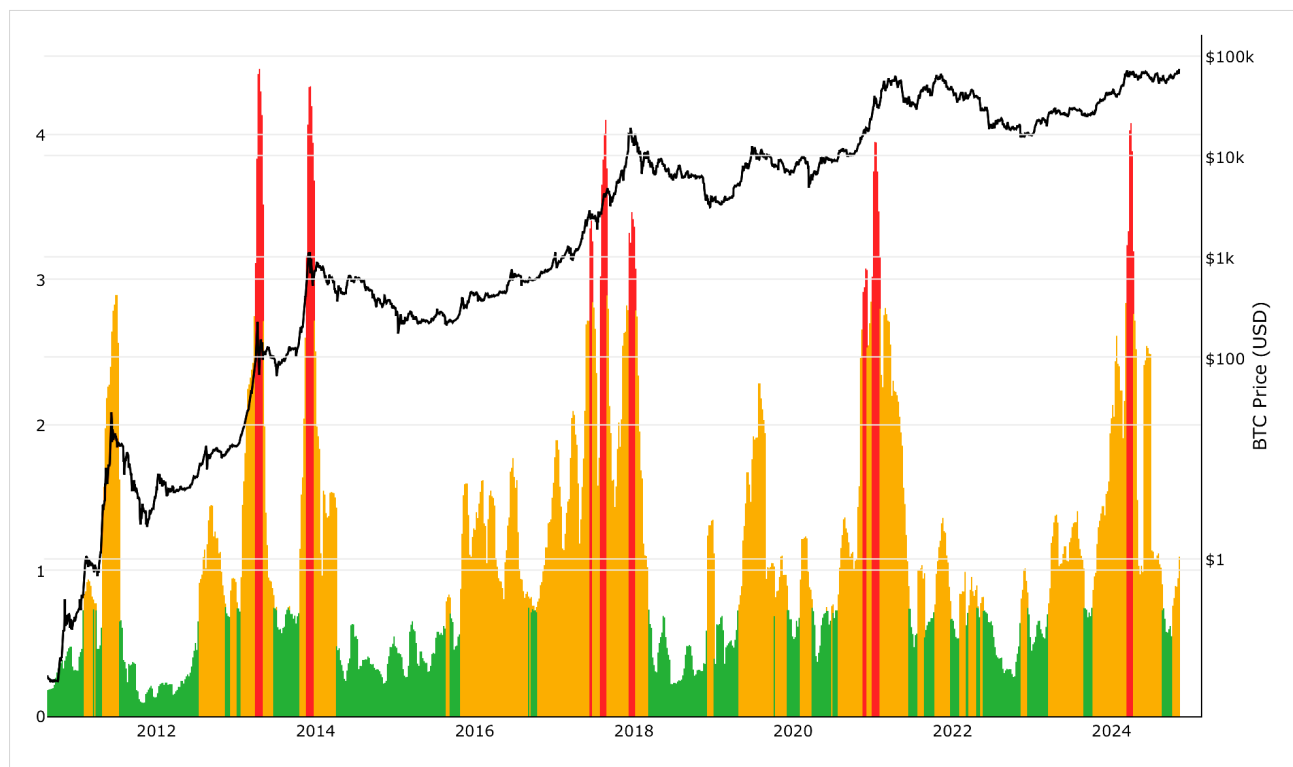




Bitcoin MVRV Z-Score (Source: MacroMicro)

Above is the chart of the MVRV score, highlighting periods of extreme price movements that can signal potential entry and exit points in the market.

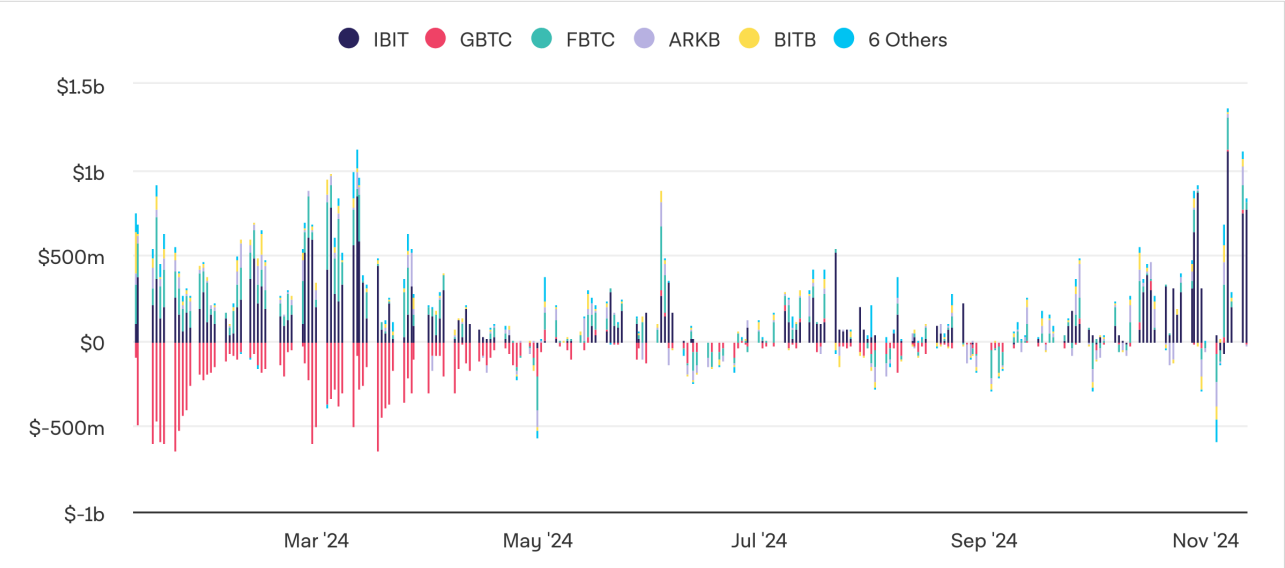
Below is a chart of Bitcoin holder flows showing periods of selling pressure from long term holders in the market. This often signals potential tops.



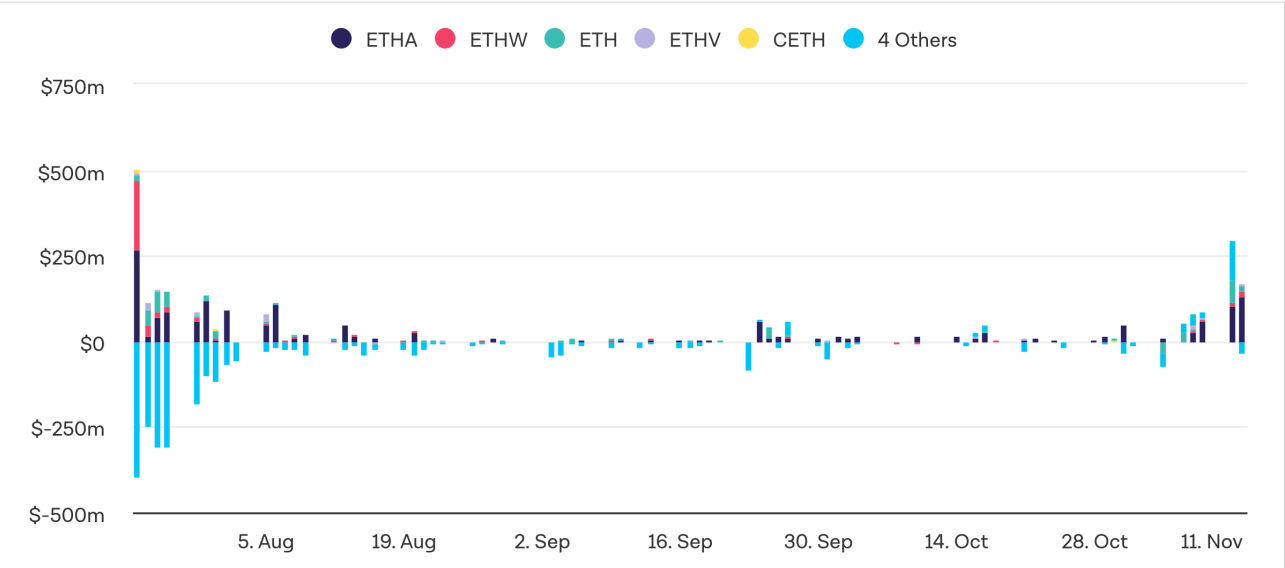
Bitcoin Long Term Holder Selling Pressure (Source: BitcoinMagazinePro)

Examining the latest flows of the Bitcoin and Ethereum Spot ETFs, we recognize a significant increase in net inflows.

This trend reflects increasing investor confidence and heightened interest in digital assets as a viable asset class.



Spot Bitcoin ETF Flows (Source: The Block)



Spot Ethereum ETF Flows (Source: The Block)

## **Our Thesis: Positioned for Crypto's Growth**

As we wrap up Q3 2024, it's clear that the crypto market is following many of the trends we anticipated over the past two years. Our approach, built on understanding both the big macro factors and the specific crypto narratives, has put us in a strong position. Through our Blockchain Select AMC, we've been able to turn this vision into real results, proving our strategy in a market that's rapidly maturing.

A big part of the recent performance in crypto comes from how closely it's now tied to global economic shifts. Interest rates, inflation, currency concerns - these are all feeding into crypto's appeal as a real asset class. We're also seeing more regulatory clarity from major governments, which only reinforces crypto's legitimacy. For us, this is exactly the kind of progress we expected: crypto moving from a niche asset into something essential for the future economy.

One of the areas where we've been ahead of the curve is DePIN (Decentralized Physical Infrastructure Networks). We were among the first to invest actively in DePIN before it was even on most people's radar, recognizing its potential to change how real-world infrastructure is funded and managed. DePIN brings a practical, high-impact use case to blockchain, letting people invest in essential infrastructure through decentralized ownership. Today, as DePIN is getting more attention, we're seeing just how powerful this model can be - and it's exactly what we envisioned: crypto solving real-world problems.

While Bitcoin has been a first step for many traditional investors, we've always seen a bigger picture. We believe Bitcoin is just the start, and that the real potential of crypto lies in applications far beyond digital gold. Crypto infrastructure - „crypto rails“ - can power all sorts of new solutions across industries. It's still early, but we're seeing more of the market realize this, even though we're only scratching the surface of what's possible.



Comparison of The Global Equity Market to The Cryptocurrency Market (Source: NGRAVE)

Several trends are pushing capital into crypto. First, there's inflation and currency debasement - crypto offers an appealing hedge. Then there's the rapid adoption of blockchain in real use cases, from finance to logistics. And there's also a generational shift: younger investors see digital assets as core to their portfolios, not just a gamble but as vital assets in the digital economy they're building.

Our approach remains focused but flexible. We're closely monitoring key indicators to spot any short-term overheating while keeping our asset allocation aligned with long-term adoption trends. With crypto's foundational technology moving fast, we're positioned to ride this momentum while adapting as the market evolves.

# Blockchain Select AMC

An actively managed certificate for a diversified investment in blockchain infrastructure protocols.



Only projects with a high rating according to our due diligence process.



Investing in promising protocols that will disrupt various industries.



Maximizing revenues for investors through cashflow generating strategies.

## About

Since the emergence of the blockchain technology, digital assets and especially cryptocurrencies establish themselves as a new investment sector. Get access to this new asset class through a spot only investment AMC and benefit from the mass adaption of blockchain technology in the coming years. Visit our website for more information. [www.vira.ventures](http://www.vira.ventures)

traditional  
banking

emerging  
technologies

21

years of  
combined  
experience in  
blockchain assets

+38% YTD

+137,6% SINCE INCEPTION

with a diversified  
crypto basket

14.11.2024

Request more information about our **Blockchain Select AMC**: [Blockchain AMC](#)

## What to expect until end of the year

We'd like to highlight once more that, even with the growing adoption by institutional investors and the increasing maturity of the crypto market, we anticipate elevated volatility in the coming period during the expected bull run, much like in previous cycles.



BTC Drawdowns during 2016-2018 Bull Run (Source: VIRA Ventures)

As seen in past bull runs (here shown for the bull run 2016-2018), significant market corrections, often between 30% and 40%, are typical - even amidst strong upward trends. These drawdowns are driven by a variety of factors, including early investor profit-taking, shifts in market sentiment, and broader macroeconomic impacts.

While these corrections may be substantial, they do not disrupt the overall upward trajectory of the market. Instead, they serve as natural cycles where periods of rapid gains are followed by pullbacks. This pattern helps consolidate gains, reduce speculative excess, and build a stronger foundation for continued growth.

We plan to leverage these market pullbacks for strategic portfolio adjustments, positioning ourselves to capitalize on these opportunities.



# Conclusio

In summary, we find ourselves at a pivotal moment in the global financial landscape, marked by central banks' shift toward easing policies, the maturation of the digital asset sector, and the ongoing adoption of blockchain technology. The expected increase in market liquidity, combined with a more favorable interest rate environment, provides a strong foundation for growth in digital assets, especially as cryptocurrencies continue to attract institutional interest.

This evolving environment offers both opportunities and challenges. Increased liquidity could act as a significant catalyst, fueling demand for digital assets and supporting a broader range of investors. However, with this growth also comes the need for careful risk management. We remain committed to our disciplined, forward-looking approach, which enables us to capitalize on new market opportunities while protecting against volatility.

Our flexible strategy allows us to adapt to economic shifts and technological advancements, positioning us for sustainable, long-term growth. As the blockchain space evolves and attracts more investors, we remain committed to capturing opportunities in an increasingly accessible and innovative digital asset market.

If you would like to learn more about our services and investment opportunities, please visit us at [www.vira.ventures](http://www.vira.ventures).



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