

Teroxx digital Asset Boutique: Quarterly report Q3 2024

Cyprus, 26.09.2024: In order to create a suitable picture of the past quarter, we refer in this report to the total market capitalisation of the digital asset market, as well as to the Bitcoin price development as a representative of the development of the dollar values in the digital asset market.

Dear Teroxx Community,

The third quarter of 2024 and thus the generally quieter summer months are now behind us. The global financial markets once again recorded slight gains, but a large part of this development is due to the ongoing US presidential election campaign and the turnaround caused by the Fed's interest rate cuts (0.5%). Some digital assets experienced a consolidating quarter in terms of price, others a negative one. The past quarter was therefore one in which significant fundamental progress was made, but this was not (yet) reflected in price trends.

The global monetary policy mood has eased further in recent weeks and months as a result of the key interest rate cuts by the ECB and the Fed. The US presidential election campaign took some unexpected turns (Biden's withdrawal from the campaign), but nevertheless led to promises being made and hope being fuelled, which tended to cause markets to rise.

This illustrates the fundamental growth of the global financial markets, including digital assets, in recent years. The start of trading in Ethereum spot ETFs in the US underlines this impressively.

Based on the new regulatory framework, the outlook for the European implementation of MiCA (Markets in Crypto Assets), the positioning of asset managers and the positive realignment of the SEC, the third quarter of 2024 was one of the most important in history. As a result of these developments, a positive mood can be felt in the digital asset market and is fueling the hopes of many market participants that the price performance of most assets will be driven in the coming and statistically "bullish" months. Bitcoin spot ETFs continue to record significant inflows and the addition of Ethereum spot ETFs finalizes the entry opportunities for institutional investors.

Digital assets have been included in the portfolios of the most important asset managers in recent months, making them some of the world's largest Bitcoin holders. This underlines the fundamental importance of including digital assets in future-proof investment decisions!

We at Teroxx have been able to profitably exploit this consolidating (sideways movement) and negative market situation with some volatile trend outbreaks through our highly professional trading strategies. Appropriate analyses, which recognize the daily market sentiment at an early stage and work out detailed scenarios for the medium-term future (three to eight weeks), led to success this quarter, as adaptable and dynamic trading strategies can and must adapt to changing circumstances.

This requires a certain degree of foresight and expertise. Without risk hedging, there is no trading, regardless of the positivity or negativity! The reasons for the consolidation of the digital asset market, which was characterized by comparatively low but cyclically “normal” trading volumes, is clearly a combination of the generally high price levels and the historically not particularly positive price performance in the summer months. This fundamental adaptation of digital assets continues to take place on a daily basis. Above all, regulatory progress makes it clear that regulatory clarity will prevail almost worldwide in the future, paving the way for further institutional products / investments in the digital assets market!

Market review 3rd quarter 2024

We at Teroxx also used this quarter to align the company in an innovative and future-oriented manner at various levels and to position ourselves early for the coming months. In view of the performance of most digital assets measured in US dollars, we can look back on a quarter that did not provide any further positivity on the markets. Market phases in which the price development is not positive, but most assets establish strong support zones and initial positive trends are often harbingers of upcoming opportunities. Wave-like price developments, where there are no major changes, ensure a healthy development of the market. The overriding tenor of most market participants continues to be: the forecast upward trend is still anticipated and the coming months will show whether the price trend will follow the fundamental trend.

At the beginning of the quarter, Bitcoin hovered around the strong support zone of ~\$60,000 and was unable to establish a trend, but was able to fundamentally strengthen the market at these levels. This phase lasted until mid-July. However, the assassination attempt on Donald Trump then caused a short-term upswing, as the chances of his re-election were increased and he was pro-digital assets in the run-up. As a result, bitcoin climbed back to the resistance levels of ~\$70,000, but was unable to break through

them in the long term and experienced an atypical and highly volatile “price crash” to ~\$49,000 at the beginning of August.

On this Black Monday, the global financial markets experienced some of the biggest daily losses since 1987, making it clear that the current period appears more uncertain than ever, despite the positivity. This market turmoil was triggered by the Japanese central bank's minimal adjustments to the key interest rate, which caused the entire global network of existing investments, especially Japanese-American investments, to undergo a reorganization and sent short-term shockwaves through the financial markets. Even though the markets subsequently recovered quickly, this makes it clear that the coming years could be characterized by uncertainties and unexpected volatilities, making professional approaches and expertise indispensable.

The incipient recovery brought Bitcoin back to the “starting level” of the quarter, while most altcoins suffered significant price losses, as institutional capital has not (yet) led to a large volume flow for long-term stabilization.

The inflows and outflows in the Bitcoin spot ETFs were a good indicator for anticipating short-term price developments and taking appropriate action.

This quarter was one that underpinned the future viability of digital assets. The global financial markets experienced turmoil but nevertheless showed strength, regulatory development and adaptation are in full swing and the US Federal Reserve also ushered in a new “era” in monetary policy with its first interest rate cut. Measured against these events, Bitcoin remained fairly neutral. This shows that the market has become more “professional” and does not react with above-average volatility to individual news/events. The long-term inflation forecast is just over half of the targeted 2% and the key interest rate forecast is between 2.5-3.5%. This provides long-term planning certainty and “calm” in the markets, which tends to be a positive sign. From a chart perspective, most indices are close to all-time highs, which means that the current phase must be seen as a very positive one, despite the uncertainties and global crises mentioned above.

This made for a quarter that illustrates that price trends do not only have to follow “logical” paths, but are also the result of volume flows. Developments can therefore run counter to the global political situation. This will also accompany us in the coming quarters and years, measured against the swelling global conflicts - professional trading strategies and day-to-day market assessments, which we at Teroxx have been implementing for many years, are of fundamental importance for success!

The coming quarter therefore has the potential to be a very positive one. Should these expectations materialize, early positioning and long-term trend action are the way to go. However, exaggerated expectations can also lead to disappointment and false conclusions, so that we should always act with caution.

A look at the development of the total market capitalization of digital assets illustrates exactly the market movements described above. Bitcoin's slight positivity offsets the negativity of many altcoins. In the last quarter, the market capitalization fell by ~1%. Appropriate asset selection, with a focus on high caps and a temporary switch to stablecoins, as well as smaller short positions in negative phases were the key to appropriate capital preservation and profitable positions.

These developments effectively mean that new catalysts will influence the market in the medium term.

The coming quarter will therefore be exciting in terms of price trends and prospects for MiCA (you will find a separate assessment of this topic later in the report). This could mean that fundamental growth will now also lead to a price trend. However, a lack of investment could cause “dissatisfaction” and trigger temporary price declines. Ethereum spot ETFs have not yet been able to match the success of Bitcoin ETFs, making it clear that opportunities and risks are equally present here. The market could therefore continue to decline in the coming quarter, but the general market sentiment is characterized by optimism.

Short-term speculation is increasingly taking a back seat, while long-term investments dominate. The market is now finally preparing (in the EU) for the implementation of MiCA. Not only does this define the new set of rules that every market participant will have to deal with, offering opportunities and challenges (which we will discuss in this report), but it also ensures a further professionalization of the market, which tends to strengthen the fundamentals, although short-term volatility in the market could decline. Anti-cyclical behavior was the most important instrument in the past quarter. For example, we took early positions and also established long-term Bitcoin and Ethereum positions in our AIF, the product for institutional investors. This action can be applied in the current situation, around the formation of strong support zones, whereby strategies are adapted in such a way that, on the one hand, positioning in the market takes place early and, on the other hand, short-termism is always taken into account.

Handling the trading strategies

In this quarter, the most suitable strategies were those that took advantage of short-term positive trends and volatilities while at the same time maintaining conservative risk management. Risk hedging was adapted to the various prevailing market situations at all times, thus securing the long-term key to success in the above-average volatility of the digital asset market. In the past quarter, the risk parameters were always selected in such a way that positions generally had a shorter holding period so as not to increase the capital risk. The hedging mechanisms were also adjusted. Stop-loss entries and exits were kept within a narrower range than usual. This makes it clear that it is essential to always act dynamically and flexibly in this market environment.

Teroxx quarterly update Q3/2024

In summary, the following assessment and classification can be made:

Digital assets have shown relative strength compared to previous years.

The mining sector has repositioned itself since the halving and will fundamentally support the possible positive direction in the future as soon as the realignment process has been completed - only those who can implement suitable strategic actions for all market phases and analyze them sensibly and make adjustments in order to be able to react to these prevailing principles will be successful in the long term!

A classic “hype”, when individual sub-categories rise above average (compared to the overall market), did not take place in the digital assets market, but the establishment of the various support zones can be seen as a success (in relation to Bitcoin), which will ideally be confirmed by price changes in the next quarter. There is a risk of major setbacks if volumes fall or expectations cannot be met.

The high caps around Bitcoin and Ethereum will continue to be the focus in the coming quarter, while a rotation into smaller assets could then take place in the first quarter of next year.

In every market phase, active management is the long-term catalyst for sustainable success. This approach ensures capital protection and market outperformance in negative phases and high returns with simultaneous risk optimization in positive phases.

The early adaptation and anticipation of possible market situations in the past quarter once again showed that our asset management represents the optimized approach to almost every market movement, especially when general positivity does not predominate (this is rarely the case in the rarest of quarters).

We were also able to achieve the targets set internally in the other divisions of Teroxx this quarter and thus implement further ambitious milestones and developments.

In addition to the necessary preparations for the application for one of the coveted MiCA licenses and a further update of the Teroxx app, we were able to achieve above-average growth, particularly with regard to the Teroxx management team. We are delighted to welcome our new management team members - Emil Jørgensen as Head of Infrastructure, Michel Farah as Head of AML & Compliance, Michael Schulenburg as Head of Business Operations & HR, Karolis Jonuška as Head of Legal, Silke Panayi-outou as Head of Internal Operations, Mikkel Gautier Roesen as Head of Development and Sabine Klein as CEO Teroxx Middle East. Along with this growth, we have been able to expand our physical boutique presence by three locations.

This entrepreneurial growth combined with the expertise of our team has seen us appear in numerous European business and financial magazines in the past quarter via

interviews, guest articles and expert assessments. You can find detailed information and some of these articles at: <https://www.teroxx.com/media/>.

In addition to this media attention, we are delighted to have received another award for our innovations in the past quarter. We were presented with the Global Brands Magazine Award 2024 for the “most innovative digital platform europe”. This underlines the expansion of our pioneering role as a digital asset boutique!

The past quarter showed that a long-term approach has found its way into the markets. The year 2024 has been a positive one so far, with suitable entry into the various assets. The coming quarter could be one that takes Bitcoin to a new all-time high thanks to the harbingers, the fundamental developments and the boost from the interest rate cuts, although caution should be exercised - if expectations are not met, there could be medium-term setbacks in the markets. A look at the global financial markets will foreshadow the expected development!

We wish you a good start to the new quarter - stay healthy!

The Teroxx Team

Weitere Informationen unter: <https://teroxx.com>