

Dear Investors,

October, or “Uptober,” as it’s now being referred to, was another exciting month in the world of digital assets and for BC Group and OSL. Bitcoin hit a new all-time high [above USD66,000 on 21 October](#), while [Ethereum experienced a new all time high of over USD4,400 on 29 October](#).

Also during the month, [OSL announced that it had expanded access to its OSL Exchange to Latin American customers](#) on 19 October. Additionally, OSL white label exchange volumes continued to show strong growth in October - with SaaS exchange spot volume numbers on par with the top 25-30 platforms globally on multiple days of the month (based on [coinmarketcap.com](#) adjusted volume numbers).

The BTC rally was driven in part by the [launch of the first crypto ETF in the United States, the ProShares Bitcoin Strategy ETF \(BITO\)](#), a futures fund that debuted on 19 October and saw its shares immediately rally 4.8% before cooling off several days later. At the same time, [ETH rose to new heights off of a booming DeFi ecosystem and renewed interest in alt coins](#).

US-based crypto-linked ETFs are widely seen across the industry as the next major development in the adoption of digital assets by traditional finance. A number of applications were filed in the country by major players in digital assets and traditional finance sectors alike, including Grayscale, VanEck, Valkyrie Investments and others such as [Volt Equity, which saw its crypto stock ETF approved by the SEC](#) on 11 October. [One analyst referred to the spate of digital asset ETF applications and potential approvals in the US as “Christmas in October for high-frequency traders.”](#)

While the Bitcoin price jump and ETF news captured major headlines, [overall digital asset market capitalization also soared to new heights of over USD2.6 trillion](#), driven largely by BTC and ETH, but also seeing new all-time highs from smaller alt-coins such as Fantom, Solana, Harmony and others.

## Business updates

As mentioned above, [OSL on 19 October announced that it had expanded access to its compliant OSL Exchange to Latin American customers](#).

OSL Head of Americas Fernando Martinez said: “We’re thrilled to officially offer the highly compliant OSL Exchange to our customers across Latin America, complimenting our deep understanding of local markets in the region, including Mexico, Argentina, Colombia and Brazil. Designed for institutional and professional investors, the OSL Exchange offers a complete market solution with performance, security, and liquidity all delivered against the highest compliance standards.”

In addition, [on 5 October OSL successfully held its second Capital Introduction Conference](#), which featured a number of top digital asset fund managers and allocators as well as representatives from major corporations that are exploring or have invested in digital assets.

Key conference participants included: Pantera Capital, Morgan Creek Investments, CME Group, Visa, Standard Chartered Bank, Nasdaq, Morgan Creek Capital Management, Grayscale Investments, VanEck, Hashdex, Sidley Austin and many others.

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Videos of the conference and speakers can be viewed on the [OSL YouTube channel](#).

## In the news

OSL executives and BC Group senior leadership appeared in well-known media and market events in October:

- OSL Head of SaaS Colm Furlong joined a panel “Appetite for crypto funds in private wealth management” at [Asia Private Banker’s Income Week 2021](#) on 19 October
- On 19 October, OSL Head of Institutional Sales and Business Development for Brazil [Guilherme Rebane was interviewed by Brazilian website NeoFeed on the OSL Exchange expansion in Latin America](#) (Portuguese only)
- BC Group General Counsel Melody Ma spoke at [CIO Innovation Forum](#) on “Driving the ESG Agenda: The Positive Impact of a CIO” on 20 October
- On 20 October, OSL Head of Americas Fernando Martinez [was featured in Coindesk](#) (English) and [El Economista](#) (Spanish) on the OSL Exchange Expansion in Latin America
- [Fernando also shared his views on digital assets’ decade of outperformance in Mexican media Melenio](#) (Spanish only) on 23 October
- OSL Head of Exchange [Andrew Walton was quoted in a CoinTelegraph article on the future of OTC crypto in Hong Kong and the impact of regulation](#) on 24 October
- On 25 October, OSL Head of Sales Ryan Miller joined a panel “[Cryptopunks, Yield farming and AspenCoin: What’s Next in Virtual Assets](#)” at a webinar held by Sidley Austin LLP
- On 28 and 29 October OSL Head of Singapore Kanny Lee shared his views at sessions during the [Global Bitcoin Festival](#)

## Additional digital asset market developments

Institutional adoption and corporate participation in digital assets continued on an upward trajectory during October, with [MasterCard announcing that any bank or merchant on its network would soon be able to offer crypto services](#), and Dawn Fitzpatrick, [CFO of Soros Fund Management, saying that Bitcoin is ‘more than an inflation hedge’](#) and that her fund would be looking into DeFi. Global funds leader PIMCO, which manages USD2.2 trillion in assets, said that it has [begun investing in crypto-linked securities](#), while [Citigroup CEO Jane Fraser extolled the “very tangible benefits” of digital assets in an interview with Yahoo Finance](#).

Asia continues to be a region of growth for digital assets, [as blockchain analytics firm Chainalysis stated in a research report on 5 October that digital asset transactions in the region had surged 706% between July 2020 and June 2021](#).

In the sporting world, digital asset derivatives platform [FTX launched a major sponsorship with the NBA’s Miami Heat](#) fresh off of its [latest funding round of approximately USD420 million](#). Coinbase also got in on the basketball action, [announcing a sponsorship deal with the NBA](#).

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Meanwhile, [Facebook renamed itself “Meta”](#) in hopes of creating a global metaverse. It also [finally launched its Novi digital asset wallet](#) ahead of its much-anticipated Diem token, and ICE-backed exchange Bakkt had a disappointing debut, [before rallying on news of its partnership with MasterCard](#).

From a government and regulatory point of view, [France said it would include digital assets in government bonds](#), while [the CFTC fined Tether and Bitfinex USD42.5 million](#) for ‘untrue or misleading claims,’ and the [SEC subpoenaed USDC stablecoin backer Circle](#). Federal Reserve Chairman [Jerome Powell said on 1 October that he has “no intention” of banning digital assets](#).

Interest in and growth of digital assets continues at a rapid pace, and this trend can be expected to increase as more ETFs and other innovative products come online in the traditional and DeFi arenas.

It is our strong belief that worldwide digital adoption will catalyze growth in digital assets. Increasing regulatory clarity will also drive greater participation in digital assets among major global financial institutions and governments. This trend also has gained momentum in recent months and will only grow stronger as governments in markets such as the United States continue to weigh in on the sector.

The team at BC Technology Group and OSL are always available to discuss October’s updates or answer any questions.

Thank you again for your continued support.

Sincerely,

Dave Chapman  
Executive Director  
BC Group (863 HK)