

Dear Investors,

As we close out November, there are many reasons to give thanks in the digital asset space, beginning with Bitcoin and Ethereum: BTC reached yet [another all-time high over USD68,500 on 10 November](#), and [ETH hit a new all-time high of \\$4,867 on 9 November](#).

At OSL and BC Group we are also thankful for the continued and sustained growth of our business, with a strong pipeline of new and potential clients, [and a 413% increase in SaaS volumes over a three-month period](#) ended 31 October.

Over the past several weeks, OSL's Exchange platform including SaaS Exchange volumes ranked in the top 25 global spot exchanges on multiple days, with daily exchange platform volumes as high as USD220 million.

Though BTC and ETH have come off their new all-time highs in recent weeks, the argument can be made that extended QE and inflationary fears coupled with ongoing global supply chain issues have been an important main reason why investors continue to look into digital assets as an alternative to existing markets. In other words, crypto assets can be viewed as a hedge against inflation as well as overall market uncertainty.

In other major news, Investco announced on 29 November that its spot [Bitcoin exchange traded note \(ETN\) would be launched on the Frankfurt Stock Exchange](#). Major European digital asset manager (and an allocator to BC Group) will serve as both the index sponsor and execution agent for the ETN, which will be held by Standard Chartered's Zodia digital asset custody.

In a move praised by conservatives but perhaps unwelcome by liberal progressives, US President Joe Biden renominated Jerome Powell as the Chairman of the Fed, and many are seeing this as a harbinger of at least one increase in interest rates in 2022.

In a sign that digital assets are rapidly becoming adopted by the mainstream, [Macy's, holder of the iconic Macy's Thanksgiving Day Parade, will issue 9,500 "Parade NFTs"](#) of its most iconic float balloons featured in the parade in the last 100 years, again showing the potential of this technology to create new markets for FMCG brands.

Business updates

Over the past two months, OSL SaaS has signed major partnerships, and the details of these will be disclosed in the coming weeks and months. As mentioned above, OSL exchange platform volumes including SaaS Exchange volumes have been trending steadily upwards over the past several months, and this trend is set to continue into 2022 as more of the company's strategic SaaS partnerships come online and begin trading, including Zodia Markets, OSL's JV with Standard Chartered Bank in the UK and Europe.

OSL continues to add products and services to its global platform, with eight tokens added over the past few weeks - including ENJ, BAT, GRT and COMP - and 11 additional tokens due to be added over the next 6-10 weeks.

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In the news

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

- On 1 November BC Group Executive Director and Head of Regulatory Affairs Gary Tiu was a keynote speaker at [The Rise of Blockchain](#), a satellite event of Hong Kong FinTech Week 2021
- On 2 November [OSL Global Head of Trading Ryan Rabaqlia was featured in Reuters on ETH's then peak of USD4,600](#)
- BC Group General Counsel Melody Ma spoke at [Hong Kong FinTech Week](#) 2021 on Global Crypto Regulatory Landscape on 3 November
- OSL Head of Distribution and Prime Matt Long moderated an AIMA panel entitled, "[A global tour of digital assets regulation - APAC focused](#)"
- OSL Head of SaaS Colm Furlong held a workshop on "Future-Proofing Your Tech Stack for the Digital Asset Revolution" on 8 November at the Singapore Fintech Festival
- OSL Head of Sales Ryan Miller spoke at an HFM panel on The Growth of Hedge Funds Post-Covid on 11 November
- Ryan also joined "[Entering the Metaverse - Blockchain Crypto & NFTs](#)" Speaker Dinner on 18 November, an event held by The Oxford & Cambridge Society of Hong Kong

Additional digital asset market developments

Hong Kong Fintech week took place from 1-5 November, and during the event the Hong Kong [Securities and Futures Commission \(SFC\) stated that it is reviewing its digital asset regulation regime](#), including its stated guidance around restricting retail investor capital requirements and rules around the segment's ability to access digital asset products such as ETFs.

During a seminar at the event, SFC Deputy CEO Julia Leung said that the review is being considered because "virtual assets are edging towards mainstream finance." Also during HK Fintech Week, [CoinDesk reported that the SFC has received a number of requests to launch digital asset ETFs](#).

Meanwhile, mainstream financial institutions continue to adopt digital assets at a rapid pace, with Australia's biggest bank [CBA announcing on 3 November that it would offer digital asset services to its customers](#) and [OCBC Bank stating that it is exploring launching a digital asset exchange to meet demand from customers](#).

In Singapore, two [Bitcoin funds were launched by an MAS-regulated fund manager, Fintonia Group](#), on 29 November, while [China looks to be setting up a digital asset exchange of its own on the back of its digital yuan push](#).

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[El Salvador President Nayib Bukele said he plans to build a 'Bitcoin city'](#) at the base of a volcano, with the digital asset being used to fund the project. The city will be circular to represent a large coin and will be built in the south-eastern region of La Union.

The pace of adoption continues to accelerate, and more mainstream traders are getting in on the action. According to an EY survey released on 22 November, [about one in ten alternative investment managers currently has some exposure to digital assets, and one in four hedge funds surveyed said they expect to increase their exposure in the coming year.](#)

At BC Group and OSL, we are on the front line of global digital asset adoption and growth. From Hong Kong to Mexico, Europe, Brazil, Canada and beyond, investors the world over are now participating in the market like never before. We're excited for what the future holds and look forward to the journey ahead. More to come in 2021 and beyond!

Should you have any questions about recent BC Group and OSL business developments, the digital asset market, or any of the points discussed in the monthly update, please feel free to reach out to us directly. The team at BC Technology Group and OSL are always available to discuss November's updates or answer any questions.

Thank you again for your continued support.

Sincerely,

Dave Chapman
Executive Director
BC Group (863 HK)