DIGITAL GOLD INSTITUTE

Press release: 23rd quarterly report on Bitcoin, crypto-asset and blockchain

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Bitcoin marks a +55% increase year-to-date, MiCAr strengthens transparency and security in Europe, Trump aligns with the pro-crypto camp, and institutional adoption continues to grow.

Milan, 8 october 2024 - The Digital Gold Institute (DGI), the research office of CheckSig and Italy's leading think tank specializing in Bitcoin, crypto-assets, and blockchain, presented the twenty-third edition of its quarterly report. The presentation took place during the Milan Fintech Summit 2024, the international event dedicated to innovation in banking and financial services.

Bitcoin confirmed as the most profitable asset class of the decade

In the third quarter of 2024, Bitcoin confirmed its leadership: its quarterly performance was +5%, consolidating the year-to-date increase of +55%, while the general crypto market grew by only 1%, surpassing a capitalization of $2.4 trillion. In terms of trading volumes, Bitcoin alone represents 60% of the market; Ether ranks second with 30% of the traded volumes, followed by Solana with 6%. When compared to traditional asset classes, **Bitcoin remains the most profitable in 2024, 2023, and the last decade**, with volatility comparable to top performers like Amazon, Apple, Netflix, Nvidia, and Tesla.

Ferdinando Ametrano, Scientific Director of the DGI, commented: "***Bitcoin and Ether represent the core of the crypto market**, with futures and options listed on the Chicago Mercantile Exchange. These two cryptocurrencies trade daily volumes that are dozens of times higher than those of Apple. Furthermore, they have a low correlation with other asset classes, making them a valuable diversification option in investment portfolios.*" Michele Mandelli, Managing Partner of the DGI, added, "*Looking at local data, over 1.3 million Italians own cryptocurrencies. We are witnessing a continuously expanding market, which today is worth at least 3.2 billion euros solely for the national territory.*"

Institutional interest in crypto-assets is also steadily increasing. One prominent example is the launch of **Bitcoin ETFs** in January, which **achieved record investments**, nearing $19 billion in net inflows by September 2024. At the end of July, **Ether ETFs**, based on Ethereum's native cryptocurrency, were launched. However, they **did not replicate the success of Bitcoin ETFs**, experiencing a negative net inflow of half a billion dollars due to outflows from the GrayScale trust just converted into an ETF.

Europe moves forward with regulation

The strength of Bitcoin is further reinforced by **increasing European regulation**, particularly with the entry into force of the MiCA regulation at the end of June 2024. MiCA establishes the regulatory framework governing the crypto market in Europe. This past quarter saw the issuance of implementing decrees by the Ministry of Economy and Finance (MEF), along with guidance from Consob and the Bank of Italy, both working to implement the new rules at the national level. Numerous European operators are already offering or planning to offer Bitcoin purchasing services, including HYPE, Revolut, BNP Paribas, Commerzbank, and Deutsche Bank, among others. The full implementation of MiCAr will undoubtedly accelerate this adoption.

It is therefore no surprise that institutional investors are showing increasing interest in the world of digital assets. The quarterly 13-F reports reveal that **Morgan Stanley and Goldman Sachs invested in Bitcoin ETFs**, with amounts of $187 million and $418 million, respectively, as of June 30, 2024. **The central banks of Switzerland and Norway invested $75 million and $180 million in MicroStrategy** (MSTR), the U.S. company known as the largest holder of Bitcoin in the world, essentially a Bitcoin vault listed on Nasdaq.

The role of U.S. politics

The U.S. elections are indeed playing a crucial role in the crypto ecosystem. **Donald Trump has repeatedly voiced support for Bitcoin**, positioning himself against the current SEC stance, and his presidency could positively impact the U.S. crypto industry. Wall Street has shown strong interest in offering crypto-related services. On the other hand, **Kamala Harris is cautious but shows more openness compared to the current Biden administration**. Regardless of the election outcome, the overall sentiment for the crypto world is positive: a Harris win could lead to a slight improvement over the current Democratic stance, while a Trump victory would likely trigger significant enthusiasm.

The next quarterly report from the Digital Gold Institute will be presented in January at the Crypto Asset Lab Conference 2025, an event co-organized by DGI, the European Commission, and the University of Milan-Bicocca.

Information and contacts

Founded in 2018, the Digital Gold Institute (DGI, www.dgi.io) is the leading European think tank dedicated to the Bitcoin phenomenon intended as an experiment in creating scarcity in the digital realm, the digital equivalent of gold. DGI participates in public and academic debate through research and development, training, operational and strategic consulting. It also supports entrepreneurial initiatives in the crypto field: in 2019, as a spin-off of the Institute, CheckSig was born, a fintech with a mission to make investing in crypto assets simple and safe for private clients and institutional investors. In partnership with the University of Milan-Bicocca, DGI is a founding member of the Crypto Asset Lab, whose annual conference is co-organized with the European Commission (DG Joint Research Center).

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