

The Blockchain Review

24 December 2021

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You could **LOSE ALL** of your money!

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The educational research material presented is time-sensitive. Crypto markets can, and do, move very quickly and are well known for their volatility. Keep this in mind when evaluating the information presented.

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Thank you for reading these important disclosures and disclaimers.

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Introduction

Welcome back everybody. It's been another exciting week in crypto and we're pleased to bring you the next edition of The Blockchain Review. The holiday season has arrived and 2021 will soon be drawing to a close, so we've decided to bring you a feature in the spirit of festive giving. We'll demonstrate 3 potential approaches to crypto to enable you to compare and contrast them with your own.

In recounting some of my experiences it reminded me of the variation in the ways people think and perceive the world and how in crypto this can be reflected in each individual's approach. A person's bias could be towards trading or saving. They may be risk tolerant or risk averse. Some of us are interested in building and launching our own applications. Others are more inspired to follow and experiment with the work of others.

Crypto is developing at such a fast pace there are so many different ways to interact. When it's decentralized and permissionless, then apart from a few location restrictions, blockchain is open to everybody. Interestingly the clues to each person's style will often be in the composition of their portfolio.

But whatever crypto style an individual has then it's like anything else which you seek to master. There must be a certain level of time and dedication devoted to making it happen. I've often heard a loose figure of 10'000 hours to truly master something. I'm not sure how statistically proven this figure is or whether it's just symbolic. But it stands to reason the more time spent on learning something the greater the level of knowledge and experience leading to a higher level of ability.

Blockchains are still very much a blank canvas for us all to experiment with and there's the chance to allow all of our true natures to shine. But even though we all have differences in style and approach, my years of experience have taught me something else. That there are some shared similarities between those who are successful. In crypto the importance of risk management just can't be emphasized enough.



How risk tolerant you are is a key differentiator which will determine your style. But the fundamentals of safety and security in the crypto-verse remain the same. There will be some minor mistakes made along the way because failure is all part of the learning process, but it's important that these aren't career ending mistakes. As much as we're free to experiment online then unfortunately the bad actors are too. Therefore we must always take precautions along the way.

Storing seed phrases safely, hardware wallets, strong passwords and making sure your malware scanner is up to date are the basics. Not falling for any phishing or scam profiles takes a bit more awareness. Then there's also diversification to practice as a form of spreading your risk. No matter how risk tolerant you are, it isn't wise to keep everything in one asset, on one exchange, one protocol, or attached to only one seed phrase.

To what extent you diversify and how much time you want to spend on the process of diversification is back to personal choice and your natural style. But you can also consider whether you trust yourself or a third party, like an exchange, to take care of your assets. Or if you can't sleep soundly at night then you've probably taken too much risk for your wellbeing!

The wonderful thing with the decentralized crypto-verse is that when you work hard with dedication you can achieve your desired destiny. When you take special care the rewards you seek are possible. So in the spirit of festive giving let's all vow to continue on helping each other achieve the successes we seek in life, no matter what.

We'll always provide you with our research to help with your education. We'll keep close track of the main developments and evolution of the niches in blockchain so that you get the best of the new knowledge. When you've finished reading your report then please remember to fill out the feedback form, your research is valued and we're always open to suggestions.

With great respect

Ivan on Tech



Should you buy or sell assets based on information in this report?

Always do your own research and consult professional financial advisors before making any decisions. Crypto is very risky and volatile, you could lose all your money. This is purely educational research content.





Bitcoin & Ethereum Market Overview and Analysis

By CTO Larsson

Technical Analysis - December 24th, 2021 01:00 UTC

We start off this report by analyzing the macro picture for Bitcoin and Ethereum. Usually in order to understand where altcoins are heading you need to have an idea of what's happening to the largest coins. This section is written by our good friend CTO Larsson, he has decades of experience investing in tech innovations and learning his mindset about 100x tech gains is crucial for success as a cryptocurrency investor.

Tjena! For those new to my analysis, I do trend trading over long timeframes.

Disclosure: I hold Bitcoin, Ethereum and Solana ETP price tracker certificates in ISK through my bank.

Global tech only has two outcomes: Giant success or catastrophic failure. Tech either does a 100x or goes to zero, with little in-between. Before reaching either end point, the asset price will trend for extended periods.

My process aims to give exposure during those periods of established trends. That way I can enter with more capital for any given risk, compared to a hold only approach. I don't try to catch tops or bottoms. I don't worry about intraday movements. My style of analysis is not suitable for day traders or range traders. When it comes to tech, the big gains come from catching big moves over long periods of time.

This is an analysis at one moment in time. Market structure can change in an instant. When presented with new information, I will adjust my opinion accordingly.

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Bitcoin (BTC) - Ranging



- Nothing of significance has changed from last week. The recovery over the past few days has not changed the chart construction. Bitcoin continues to range.



The sell-off from the top in November has been orderly. There has not been any capitulation volume similar to the bottoms on January 11th or May 19th (see blue volume spikes).

Does that mean the capitulation dump is still ahead of us, or will there be a similarly orderly slow-down of selling? Impossible to say at this point and guessing isn't part of my trading process.

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I see three possible range trading strategies that make sense here:

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1. Buy range support, with a stop loss sufficiently below. \$30k would be the higher confidence of the two support levels, but \$40k could be worth a try too.

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2. Buy an upside breakout, meaning long a solid close above \$65k-\$70k resistance.

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3. I avoid shorting crypto but shorting range breakdown would make similar sense.

Those are obvious plays so there will surely be some attempts to liquidate traders on either strategy, e.g. run price sufficiently far below support to liquidate range bottom buyers, or after a range breakdown squeeze the shorters by running price back up etc. If acting on either of these strategies, one would need to also take this into account when setting stop loss levels.

This is a difficult stretch in the markets. I haven't sold everything, but I hold less exposure here. There will come far easier stretches when solid trends are back on. Those stretches are imo where the real money is to be made, not here in choppy consolidation with no clear direction.

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Ethereum (ETH)



The ETH/BTC break-out from the .08 range is being retested and for now there has not been much conviction in the bounce. We will have to see how this plays out.



On the USD chart, ETH continues to hover around the \$4k neckline. There are no additional insights to be found there this week.

Binance (BNB)

The .0105 entry discussed a few weeks ago would still hold, but price action looks unconvincing here, similar to almost everything else on the market. This could easily turn into a H&S pattern instead. Again we will have to see how this plays out.



BNB/BTC, daily candles

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Solana (SOL)



Same as last week, SOL/BTC continues to consolidate in a very tight range, as drawn below.

Guessing the direction of a range breakout isn't for me. I'd rather wait for it to happen and then act accordingly.



SOL/BTC, daily candles

Bitcoin Dominance

BTC.D continues to range.

- Alts need to break down the 39-40% range bottom.
- Bitcoin maximalists need the 49% level reclaimed.



Conclusion

BTC/USD continues to range. As do the major Alt/BTC pairs. As does Bitcoin dominance. The recent few days recovery in BTC/USD has not changed the chart constructions. The market is hesitating and only the direction of the range breakouts can give us reliable clues to what the market is up to next. At this point, it's just guesses.

With great respect, CTO Larsson

YouTube: [@ctoLarsson](#) Twitter: [@ctoLarsson](#)

Slippage

What is slippage?

Have you ever tried to get a small cap coin through Uniswap, but your transaction did not go through or you ended up with way fewer coins than you expected? Well, slippage might have been the reason.

Definition: Slippage refers to the difference between the expected price of a trade and the price at which the trade is executed.

Slippage can occur at any time but is most prevalent during periods of higher volatility when market orders are used. It can also occur when a large order is executed but there isn't enough volume at the chosen price to maintain the current bid/ask spread. [Investopedia]



How does slippage impact your day-to-day trades?

Let's imagine we're trying to buy 10 ETH's worth of coin ABC. ABC has a Uniswap liquidity pool with 1000ETH's worth of the coin. If we make the swap, then we'd have an approximate price impact of 1%. This would then cause slippage of that same amount. This means we will get 1% less coins than initially expected. If we try to make a trade bigger than the slippage tolerance then the transaction will error out. This confuses many beginners when buying low market cap coins.

How to minimize/avoid slippage on Uniswap?

Transactions on Uniswap with a price impact above 15% will be rejected by default. This is because the slippage tolerance is set to 15%. We can minimize the slippage in multiple ways. First, we can lower the amount of the token we want to purchase. We can also set a custom slippage tolerance limit (settings section/gear icon/top right corner). Lastly, we can wait until the token we want has a bigger liquidity pool on Uniswap.

Preface

Greetings crypto-scholars and brave bag holders,

The following is a thematic account of the different methodologies which have continued to establish themselves well, over the course of the past year.

We have learned in our research that risk exposure comes in various forms. Which is preferable depends heavily on one's own strategy, and is subject to change based on experience, and outside factors.

This Christmas we join our Three Wise (Bored) Moralis Mages, each on a quest to establish the truest path for others to follow. The steps taken by our three mages, in some cases, were actually performed by our research team. The following is not an endorsement of the methods shown, instead, it is designed to put you in the shoes of each Mage one at a time. Allowing us to experience the emotion and calculation behind each move taken.

The thematic elements were written by several members of our research team. We invite you to follow along as we meet our mages mid-quest, on their journey through the crypto-verse.

As we are proud to present:



Three Wise Moralis Mages

The tale of the Three Wise Moralis Mages is old indeed. Few know their true origin, nor is that our focus for today. Instead, we join our Three Wise Mages, as they journey together.

Much like the ancient tale of Three Kings following a star, our heroes also travel in search of wealth to return to the Moarlis Kingdom.

Join us this Christmas Holiday, as we traverse the metaverse with our Kingly Crypto Companions. Each of their tales will lead us down a path seeking blockchain success, fueled by the promise of a brighter future.

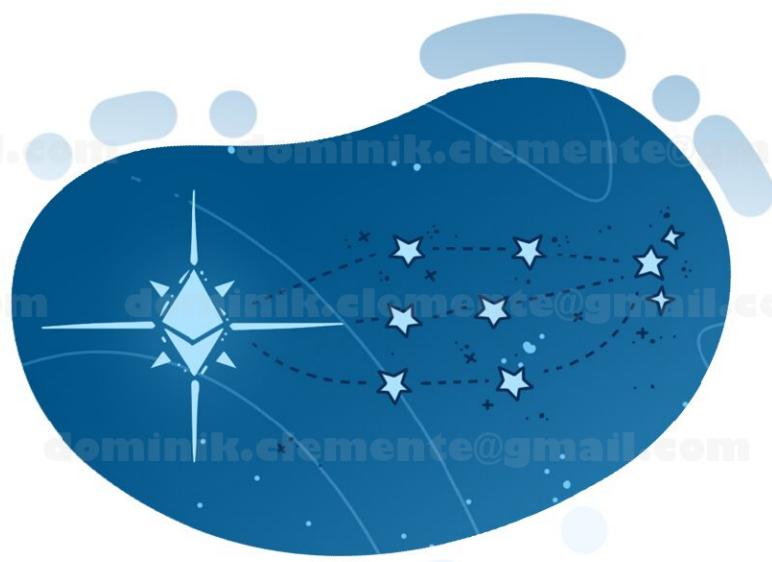
As the Mage's travel, they talk of trading successes, near misses, and hopes for future gains. These three kings are masters of their craft, and openly discuss shortcomings, allowing wisdom to abound within their cloister.

Just then, the group approaches a three-way fork. Halting in unison they read the signs denoting each path:

[The Trader's Path]

[The Saver's Trail]

[The Ruinous Run]



The three mages look at each other, then at the signs, each seeming to favor a different path.

The first, The Moralis Magi¹ looks towards [The Trader Path] saying,

"I have studied the movements of the leviathans, charted the course of the largest of beasts. I know that the Trader's Path can be navigated. And not only that, we will profit from the Journey! Come let us make haste along this route!"

¹

<https://opensea.io/assets/matic/0x2953399124f0cbb46d2cbacd8a89cf0599974963/113461209507512867518933452141320285231135646094834536306130710968530114707457>

This gives the other two pause, The Moralis Magus² chimes in,

“I have traveled these routes all of my life, and while riches may befall you along [The Trader’s Path] no more sure are gains than along [The Saver’s Trail]. Trusted meadows of low-risk DeFi can be found along the path, promising sustainable returns to travelers. While our riches may be less, they are far more certain!”

The third and youngest mage, The Moralis Melchior³

“Do we seek only to sustain our stature? Why would we not seize such an opportunity to compound our riches?! Only [The Ruinous Run] promises this. Do you not see that great reward is only accessed through great risk? For this reason, I favor the risk-laden path, trusting that I will navigate the cliffs without falling into the caverns.” (the Melchior says all this knowing full well that the caverns he speaks of are the foundations upon which REKT City is built)

Our first confidant, The Moralis Magi, has studied the charts and the chain meticulously over the past year. Seeking insight on both macro and micro levels and looking for the most advantageous entry points. This Moralis Mage, is no stranger to powerful tools, a keen “Whale Watcher”, and studier of crypto-charts.

²

<https://opensea.io/assets/matic/0x2953399124f0cbb46d2cbacd8a89cf0599974963/113461209507512867518933452141320285231135646094834536306130710966331091451905>

³

<https://opensea.io/assets/matic/0x2953399124f0cbb46d2cbacd8a89cf0599974963/113461209507512867518933452141320285231135646094834536306130710967430603079681>

1st Wise Moralis

Mage (Moralis Magi):

TA & 2021 ROUNDUP



December 2020 feels like a decade ago, but this year started with a very bullish market and things didn't slow down until the end of the year. The market exploded with specific areas of euphoria such as NFTs and DeFi, all of which have now started to become mainstream; there is still more to come.

El Salvador has to take the obvious spotlight this year. They took on the venture of using bitcoin as a legal tender and we've since seen them go to volcano-based mining (geothermal energy), build a city around this proposition, and issue the first bitcoin bond. Merchants now HAVE to accept bitcoin, so maybe El Salvador is actually leading the rest of the world as they continue to attract global talent. Innovation is strong there.

If we take a step back and remember we had a lot of investors when the landline came out; when the mobile phone came out and people were always questioning "what's the value in this" and then all of a sudden the masses came around to it because the network effect was so powerful. The same thing happened with social media; there's no tangible value behind social media. But this story is repeating with each new subset of crypto and the outcome will be the same as before, the story is very familiar. So let's take a quick look through some of the highlights this year.

Corporate Adoption

Michael Saylor, Elon Musk's Tesla, and different companies continued putting Bitcoin and other assets on their balance sheet. Unfortunately, there is still a lot of corporate manipulation in the markets and I definitely think

corporations are taking advantage of the unregulated nature of these assets and will continue to do so. Which means volatility will remain high.

Meme Coins

Retail investors now get exposure to meme coins and have experienced how easy it is to jump on an impressive rally (or perhaps get rekt), the gains from the likes of Shiba and Doge have been mind-blowing, I still have to stop myself from screaming and scratching my head about how these meme coins are still a thing, but they're a part of crypto for now and it's attracting even more people, perhaps because of FOMO articles like "If You Invested \$100 in Shiba Inu on Jan. 1, Here's How Much You'd Have Now". The newcomers are looking for the next SHIB.

Disclaimer: don't FOMO into terrible projects.

Smart Contract Networks

Solana, Avalanche, these almost came out of nowhere this year.

I don't remember many other popular channels discussing these networks in 2020, yet everyone's started paying attention to them now. This has been the year of smart contract blockchains. Ethereum naturally leads the pack, but Ethereum's success has created a [temporarily] congested, slow, expensive blockchain network and that's led to the rise of all these other players.

Solana's definitely the stand-out performer overall, but Avalanche also performed exceptionally well.

All we need now is a way to help developers build Web3 applications; a Web3 development platform designed to really help convert Web2 developers into the crypto space and build decentralized applications quickly. Do you know of anything?

Let's google "web3 development platform" and "How to Build Decentralised Apps quickly".

There's a reason a lot of money and interest is in this space. It is the future.

HINT: The answer is [Moralis.io](#)

DEFI

Interest rates are so low around the globe, for example, 0.25% in U.S. Real returns are almost non-existent in traditional saving products. A 1% return would be a popular choice in traditional finance. However, 4-6% in the DeFi space is relatively conservative. The real number is much higher than that, so obviously capital is flowing towards that. Mainstream corporations are going to be entering this space quite aggressively in 2022.

A bridge between the decentralized world of finance and the more traditional world will form and it will continue to grow, time will tell how hard the regulators crackdown on it.

NFTs & The Metaverse

NFTs exploded in 2021. They were popular as images and gifs, but they will transform and evolve into pieces of virtual land, ownership documents, and much more going forward. The OpenSea marketplace has become the main exchange for NFTs, strengthening the concept of digital asset ownership. It's not necessarily the price action that's interesting, but actually the mindset and social acceptance of digital ownership.

If I am looking to take a punt on something for 2022 then digital ownership projects (and blockchains that provide the capability) are the area that I am going to be looking at. Decentraland and similar projects are building very interesting ecosystems, keeping an eye on what else comes around. Maybe Facebook decides that they're bringing one of these cryptocurrencies on board which propels it into the mainstream.

Obviously traditional banks like JP Morgan are not going to set up in the current metaverse and ask "hey, do you want to pay us for some finance?" because the community will laugh at them, there is DeFi, JP's business model will die if left as is. I hope that happens.

Inflation

Inflation has been such a big topic of conversation this year, we can conclude that it exists. Various governments have admitted it. There is lots of speculation and rumor, but ultimately who knows where inflation goes. It's a can that's being kicked down the road for as long as possible. The end game is still hyperinflation. That's the green light for absolute mass-adoption to the new financial system being built right now and waving goodbye to the

traditional financial system as we currently know it. But this won't happen quickly.

Regulation

In 2021 we saw a lot of discussion around regulation, but not that much in terms of new major regulations. Regulators are taking a considered approach and hopefully coming to a more forward-thinking regulatory framework that promotes this industry's growth. There is likely going to be a huge amount of regulation that's going to come and hit almost every business that operates in this space. Most of the countries discussing regulation now appear to be forward-thinking which is encouraging so we hope that this continues.

Looking forward

There's going to be a lot of volatility in 2022. The regulatory stories will cause declines and rallies. More sophisticated investors will continue to enter the space, so we're going to see the market mature and the price moves become less extreme. The idea of a day-to-day spendable/usable cryptocurrency will likely advance next year, meaning all of a sudden the remittance market gets disrupted and that's exciting. The argument about what constitutes a 'security' will likely firm up next year and perhaps that will send a large majority of assets into the security category, perhaps some of the very big, high-profile projects we see today.

Sure we have a massive correction, but that's because we have more institutional involvement now. And at the end of the year, you have the tax implications and institutions rebalancing their portfolios. Hedge funds want their positions closed so they can hit their numbers and earn their performance bonuses.

And in January, the cycle restarts. Everyone comes in with an almost zero balance and a fresh budget and a fresh plan, fresh enthusiasm and they say "right, where am I gonna put my capital" and they'll choose a discounted asset-class.



Which asset class has just taken a massive haircut? Crypto! It tends to start when the massive volume traders (the institutions) break up for the holidays and the liquidity in the market drops. When institutional liquidity drops, retail has more impact on the price action.

Your Trading Challenge (Use Moralis for extra bonus points)

Here's a simple strategy for you to test, feel free to modify it:

- Find an API endpoint to retrieve crypto price information.
- Find markets that have declined more than [-3%] within the past [24 hours] that have [more than \$10m] of traded volume
- Automate your search by using Javascript
- Automate your trades on a demo account
- Automatically save your daily results in your Moralis database

Any items within [these brackets] could be variable, depending on your own preferences. But let me get you started with the code:

I used CoinGecko as my crypto price API, here are the docs:

<https://www.coingecko.com/en/api/documentation>

Write a function that fetches the price data and filters out the results that match the criteria and returns some information into the console, see example code below:

```

const getPrices = async() => {
    const promise1 = await
fetch("https://api.coingecko.com/api/v3/coins/markets?vs_currency=usd&order=market_
cap_desc&per_page=250&page=1&sparkline=false")
    .then(response => response.json())
    // .then(data => console.log(data))
    .then(data => {
        data.forEach( e => {
            if(e.price_change_percentage_24h < -3 && e.total_volume >
10000000){
                console.log({
                    "id":e.id,
                    "name": e.name,
                    "change": e.price_change_percentage_24h,
                    "volume": e.total_volume,
                })
            }
        })
    })
}

```

Result

```

> let results = await getPrices()
▶ {id: 'yearn-finance', name: 'yearn.finance', change: -3.55116, volume: 719135239}
▶ {id: 'flex-coin', name: 'FLEX Coin', change: -3.71017, volume: 1076351754}
▶ {id: 'anyswap', name: 'Anyswap', change: -12.52349, volume: 71932461}

```

Based on this search, we have three potential coins to look for:
 Yearn-finance, Flex-coin, and Anyswap (this search only looked at the top 250 cryptos).

You could take this further by searching for the top 1000 coins, or more. You could tighten up the filter criteria. You could look for a different API endpoint to get different data. You could write a trading robot to automatically open paper-trades for you, so you can test the strategy.

Current state of BTC

2022 Technical Summary

Figure TA1.1 - Daily BTCUSD chart



This chart shows a number of interesting observations. The first observation is to do with Action and Reaction. Newton's third law is: “**For every action, there is an equal and opposite reaction**”. This can also be true in financial markets. On the chart above we have two excellent examples of ‘action and reaction’ around the central median line. Notice how the first reaction low happened to be the perfect support zone? The question is whether the most recent example of ‘action and reaction’ will have a similar outcome. Because if it is, then there is an opportunity to trade a pitchfork setup. I’ve discussed this a few times over the past year.

However, if we continue to see price action breaking lower, beyond the reaction zone, it further confirms the bearish nature of the BTCUSD trend.

Figure TA1.2 - Bitcoin Headline Numbers

PRICE (USD)	CHANGE VS USD (24H)	7 DAY TREND	REPORTED MARKETCAP	MARKETCAP DOMINANCE	CHANGE VS USD (7D)
\$48,559.11	+4.26%		\$919B	40.64%	+0.51%
CHANGE VS USD (30D)	CHANGE VS USD (90D)	CHANGE VS USD (1Y)	CHANGE VS USD (YTD)		
-17.15%	+11.58%	+113.97%	+65.36%		

Despite the recent turbulence in price action (and general lean to the downside), the first half of the year was exceptionally bullish for BTC and will very likely lead to a solid overall performance at the year-end.

Major BTC trend analysis

Trend bias: Neutral

Current trend-defining level: No trend

Current trend-defining swings: No trend

Figure TA2.1 - Daily BTCUSD chart showing the major BTC trend

Major BTC trend is Neutral

The trend has not changed from last week and remains neutral.

I mentioned previously trading sideways will often happen after a major correction. There are no fundamental reasons to suggest that BTC is failing.

Minor BTC trend analysis

Trend bias: Bearish

Current trend-defining level: 25-Nov low ~\$59,330 [219]

Trend-defining swings: [217] [218] [219] [220]

Minor BTC trend is Bearish

The current price action is an extended consolidation inside of two very wide swings. This means that the swing structure is changing in such a way that the spike low may have to be considered an outlier for the purpose of trend analysis in January. An alternate method for analysing this swing structure is to use the close price, rather than the low. For now, we wait for a break from this consolidation pattern.

Figure TA3.1 - 1-hour BTCUSD chart showing the minor swings



Support & Resistance Levels

Figure TA4.1 - The daily and weekly EMAs for BTCUSD, ETHUSD and ETHBTC

	BTCUSD	ETHUSD	ETHBTC
365 DEMA	44042	2821	0.06004
200 DEMA	49830	3458	0.06841
90 DEMA	53196	3977	0.07502
50 DEMA	53007	4124	0.0783

Figure TA4.2 - The daily and weekly pivots for BTCUSD, ETHUSD and ETHBTC

	Weekly Pivots			Monthly Pivots		
	BTCUSD	ETHUSD	ETHBTC	BTCUSD	ETHUSD	ETHBTC
R3	54160	4669	0.09358	81889	5982	0.09792
R2	52189	4407	0.08937	75444	5425	0.08973
R1	49438	4166	0.0867	66216	5030	0.08554
P	47467	3905	0.08249	59771	4472	0.07735
S1	44716	3664	0.07982	50543	4077	0.07316
S2	42745	3402	0.07561	44098	3519	0.06497
S3	39994	3161	0.07294	34870	3124	0.06078

Derivatives for BTC & ETH

Figure TA5.1 - BTC & ETH futures (12-month volumes and open interest)

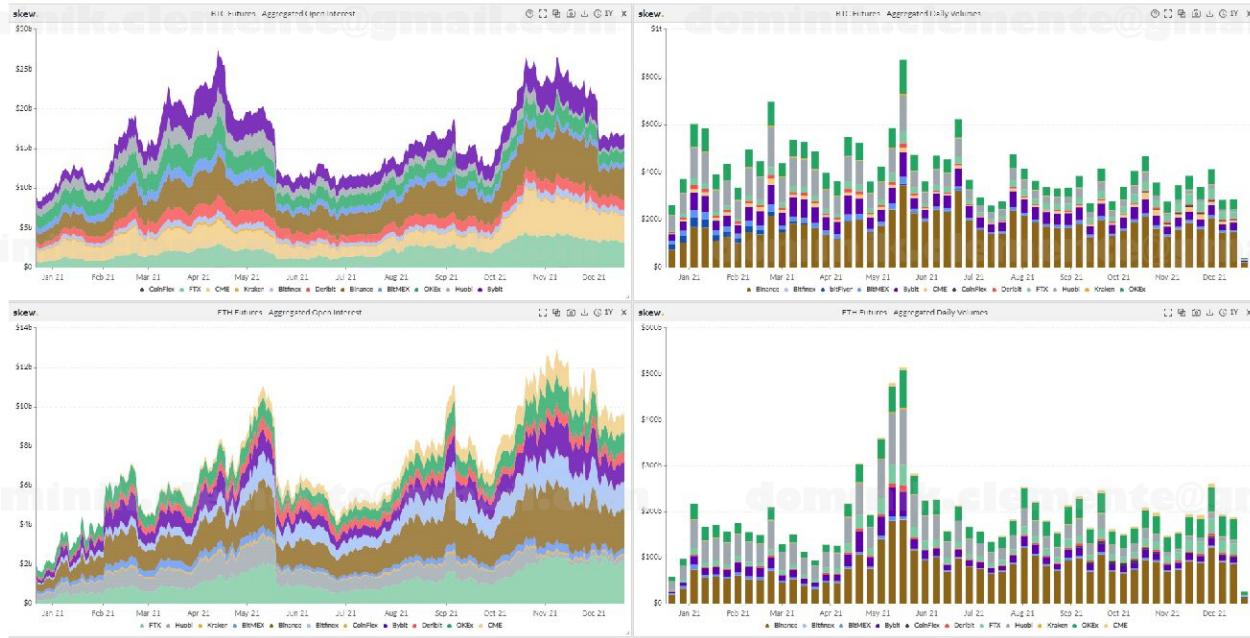


Figure TA5.2 BTC & ETH options (12-month+ volumes and open interest)

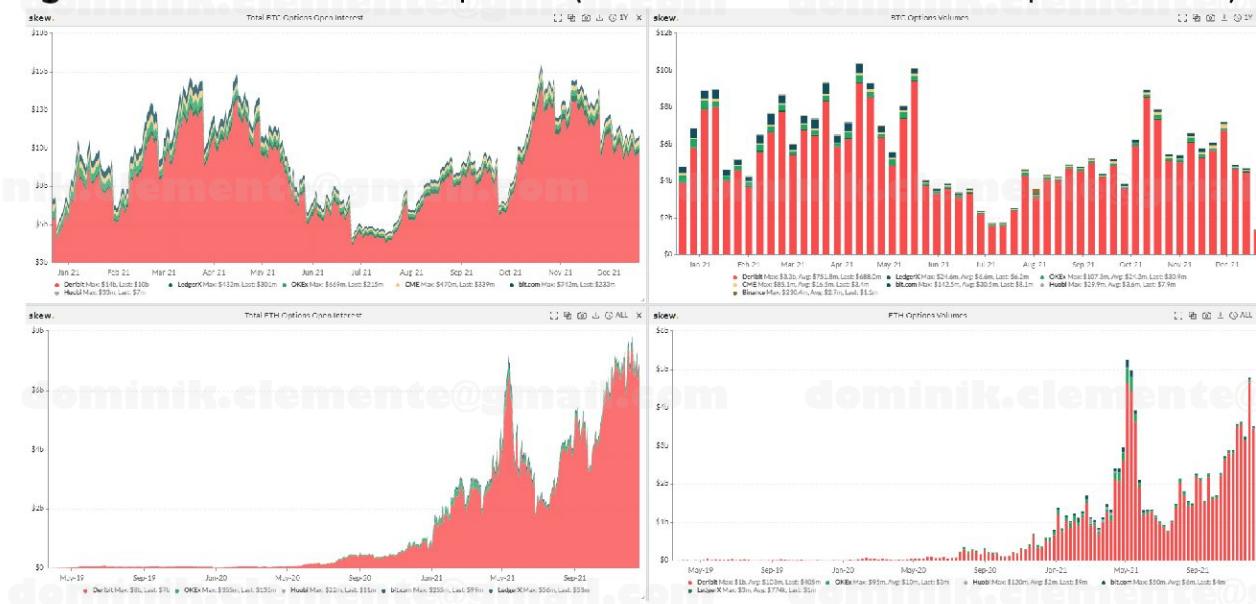


Figure TA5.3 - BTC & ETH options-based probabilities for achieving certain prices at expiry

December 2021				March 2022				June 2022			
BTC	%	Last Week	Change	BTC	%	Last Week	Change	BTC	%	Last Week	Change
20000	99.82	99.62	0.20%	20000	93.81	94.04	-0.23%	20000	85.11	86.69	-1.58%
30000	98.58	97.27	1.31%	30000	81.08	83.65	-2.57%	30000	69.57	73.45	-3.88%
40000	90.97	88.51	2.46%	40000	61.7	68.84	-7.14%	40000	53.21	59.62	-6.41%
50000	41.98	66.7	-24.72%	50000	41.67	52.53	-10.86%	50000	39.15	47.05	-7.90%
60000	5.99	35.69	-29.70%	60000	26.2	37.73	-11.53%	60000	28.37	36.46	-8.09%
70000	0.81	14.25	-13.44%	70000	16.14	26.09	-9.95%	70000	20.6	28.01	-7.41%
80000	0.14	5.52	-5.38%	80000	10.09	17.77	-7.68%	80000	15.11	21.5	-6.39%
100000	0.01	1.18	-1.17%	100000	4.3	8.4	-4.10%	100000	8.51	12.85	-4.34%

December 2021				March 2022				June 2022			
ETH	%	Last Week	Change	ETH	%	Last Week	Change	ETH	%	Last Week	Change
960	100	99.79	0.21%	1400	91.72	90.03	1.69%	1500	80.52	79.6	0.92%
1920	99.85	97.31	2.54%	2000	82.8	81.07	1.73%	2000	71.18	70.98	0.20%
3200	91.52	81.69	9.83%	3000	62.72	63.77	-1.05%	3000	53.18	55.09	-1.91%
4000	49.29	60.48	-11.19%	4000	42.05	47.03	-4.98%	4000	38.37	42.01	-3.64%
5000	5.82	30.38	-24.56%	5000	26.21	33.34	-7.13%	5000	27.38	31.9	-4.52%
6000	0.6	12.03	-11.43%	6000	16.12	23.34	-7.22%	6000	19.65	24.35	-4.70%
8000	0.02	2.25	-2.23%	7000	10.17	16.5	-6.33%	7000	14.3	18.8	-4.50%
10000	0	0.7	-0.70%	8000	6.7	11.91	-5.21%	8000	10.61	14.71	-4.10%

The December and March numbers are still suggesting further downside is highly likely. I'm specifically looking at the 50/60k levels on BTC and the 4/5k levels on ETH, all of which have taken heavy probability dips of late.

Current state of Ether

ETHUSD has had an incredible year, despite the technical challenges it faces with the congestion of the network, high gas fees, increased competition from other smart-contract blockchains, the risk of a buy-the-rumor-sell-the-news event with ETH2.0, and other factors. The facts remain. It has the most volume and utilization, the highest number of applications (NFTs, DeFi), and the most active development community. These facts should support price action if we move heavily into another bear market.

It couldn't quite find the \$5,000 mark, but considering it started the year under \$1,000, let's not be too greedy.

Figure TA6.1 - daily ETHUSD chart with 2-dev regression channel



Figure TA6.2 - Ether headline numbers

PRICE (USD)	CHANGE VS USD (24H)	7 DAY TREND	REPORTED MARKETCAP	MARKETCAP DOMINANCE	CHANGE VS USD (7D)
\$4,030.14	+ 2.05%		\$478B	20.96%	+ 4.25%
CHANGE VS USD (30D)	CHANGE VS USD (90D)	CHANGE VS USD (1Y)	CHANGE VS USD (YTD)		
-5.58%	+30.74%	+562.32%	+450.87%		

Major Ether trend analysis

Trend bias: Neutral

Current trend-defining level: No trend

Current trend-defining swings: No trend

Figure TA7.1 - 8-hour ETHUSD chart showing the major ETHUSD trend



Major Retests Major Low: Neutral

The Ether trend is also consolidating after heavy losses, similar to BTC. But the outlook is the same as last week: the Ether trend won't technically turn bearish until a break below the [49] low. The options markets strongly believe it will close the year above \$3k, but how close to \$4k will it land?

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Minor Ether trend analysis

Trend bias: Neutral

Current trend-defining level: No trend

Current trend-defining swings: No trend

Minor Ether trend is Neutral

The outlook is much the same as last week.

The upside momentum is currently struggling to break through the downsloping trendline drawn from the [164] high.

I mentioned to watch for support at \$4,000, but this failed to hold price action. This seems to be happening for now. A break lower opens up a retest of the [165] low. But a break below [165] will turn the trend bearish.

Figure TA8.1 - 1-hour ETHUSD chart showing the minor Ether trend



ETHBTC

Trend bias: Bullish

Trend defining level: 17th Nov low (~0.06939 BTC)

Trend swings: [27] [28] [29] [30]

Figure TA9.1 - Daily ETHBTC chart showing the major trend



Major ETHBTC trend is Bullish!

We've found a major high [30], just below 0.09, so is that it for 2021? It seems to be. I still remain bullish on ETHBTC going into 2022, I can still see ETHBTC trading at 0.15, which is just under 2x from current levels.

The ETHBTC trend is driven by Ether's recent strength compared to BTC's consistency. For this reason, I can see this market trading at higher levels, ignoring any short-term volatility.

CHAIN READING

Chain reading provides a *Moralis Magi* insight into the actual capital flows on the blockchain, allowing us to better understand what leviathans (whales), treasure troves (exchanges), and plebs (retail) are doing with their holdings.

The goal in this section is to give you an actionable edge going into the next 7 days, no trader or investor can afford to be without.

Let's get into it.

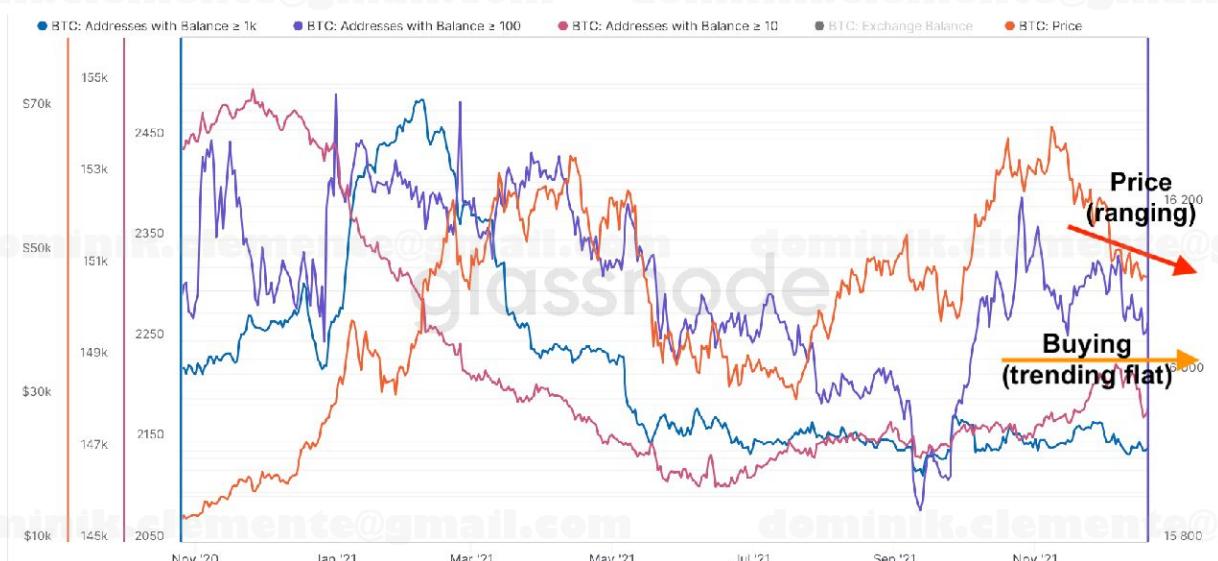
Current Outlook

To seek the true path, a *Moralis Magi* must see beyond the fear-stricken panorama witnessed on the surface and delve deeper to observe the depths below—into the domain of the leviathan whales.

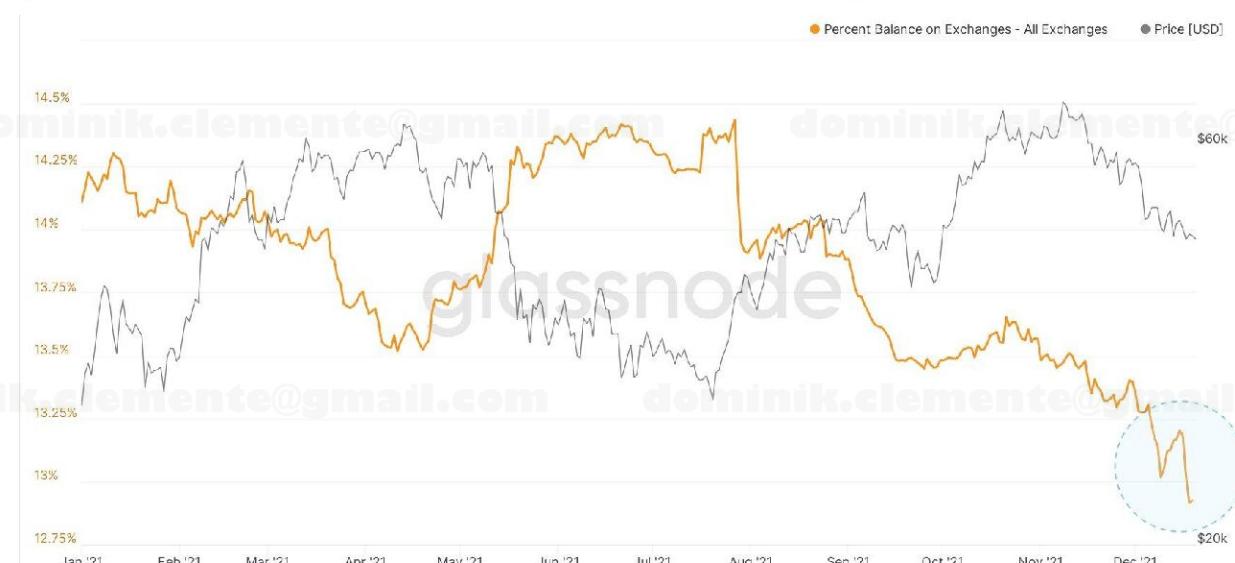
Figure OC 1.0 - Fear & Greed Index



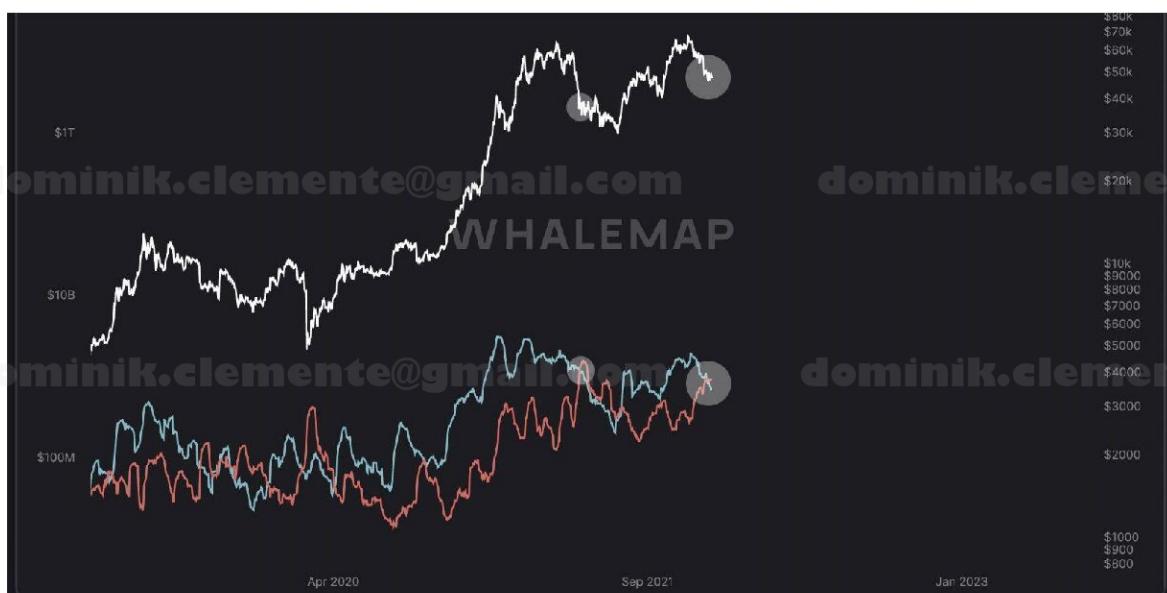
The leviathan whales shall lead the way but have yet to awaken from their temporary slumber [fig. oc 1.1]. The time will come when the season and price levels align for the leviathans to begin to feast once more. When they do it will create waves, you'll want to ride.

Figure OC 1.1 - Bitcoin: Addresses Accumulating

Despite the leviathan's current lackluster appetite [fig. oc 1.1], coins held within the troves of exchanges continue to be ravaged—currently at a very bullish 3-year low [fig. oc 1.2].

Figure OC 1.2 - Bitcoin: Percent Balance on Exchanges

Moving Profit and Loss is crossing over on the daily chart for the first time since May 2021. There are officially more losses flowing through the BTC network than profits [fig. oc 1.3].

Figure OC 1.3 - Bitcoin: Moving P&L

In fact, there are currently ~4 million BTC hodled at prices above \$50,000. This equates to around 20% of the entire ~870 billion BTC market cap.

All of these coins are currently at a loss and yet not selling. This signals bullish sentiment and expectation of higher prices [fig. oc 1.4], but also this is approaching where the leviathans prefer to feast—on the losses of others.

Figure OC 1.4 - Bitcoin: Volume Profile

Conclusion

Below the fearful surface, indicators reveal the path to the next wave up (to \$53K) is only a short matter of time away; the foundations are being laid as we await the next feast of the whales (likely Q1). In the meantime, remember that a Moralis Magi must never feed the leviathans their coins.

2nd Wise Moralis Mage (Moralis Magus): Set-it-and- leave-it DeFi



Aave V3

Introduction

Aave V3⁴ is the new iteration of the Aave protocol that was designed by the core development team. Whenever a new version of the protocol is finalized, it goes through a rough consensus check and voting process in the Aave DAO. Unless the community approves the implementation of the new protocol, it doesn't go through. The Aave DAO has all the incentives to reward people bringing value to the Aave protocol, and so the Aave v3 upgrade governance vote was successful.⁵ Once the upgrade was confirmed, the smart contracts need to finish undergoing an auditing review from various independent blockchain security parties.

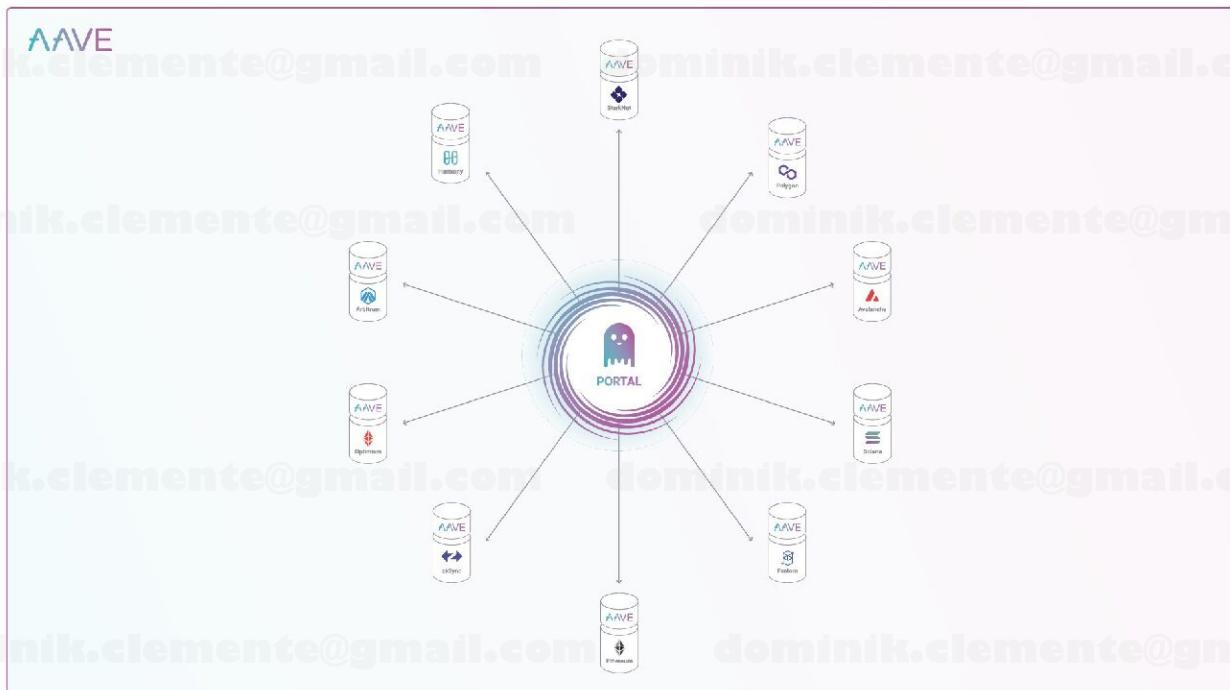
Once the Aave v3 contracts have successfully undergone auditing and all potential vulnerabilities found have been patched, then the team will start deploying them in all chains and L2s it plans to support. Any chain can be voted in by governance as long as it is EVM compatible or equivalent.

⁴ <https://governance.aave.com/t/introducing-aave-v3/6035>

⁵

<https://snapshot.org/#/aave.eth/proposal/0x5580f69336265539402ccce5a05a29910a66c69c3b084267957d484a8e3a4681>

Aave Portal



The Aave portal will allow for cross-chain/cross-L2 interactions and aToken migrations. Aave is trying to become the dominant money market in DeFi and so it wants to provide utility to liquidity that's available in all EVM-compatible chains and execution environments like rollups, validiums and volitions. The Aave portal will greatly help the protocol's goal of becoming the most liquid and efficient money market there is.

Let's say that a user wants to take their borrowed aTokens from Arbitrum to Optimism for taking advantage of a new yield farming opportunity. The user would deposit their aTokens into the Aave Portal, subsequently, the tokens will be burned on Arbitrum and issued to the same address on Optimism. The smart contracts for v3 are not yet available, so the technical details of the portal implementation are yet to be seen.

The networks that have been teased in the governance proposal graphic for Aave v3 are Starknet (zkRollup L2 on Ethereum), Polygon (various solutions - could be PoS, Miden, Zero, Hermez, ...), Avalanche, Solana (Neon Labs EVM), Fantom, Ethereum, zkSync, Optimism, Arbitrum, and Harmony.

High Efficiency mode

High Efficiency Mode, or “eMode,” allows borrowers to ensure they are able to achieve the highest borrowing power with their own collateral.

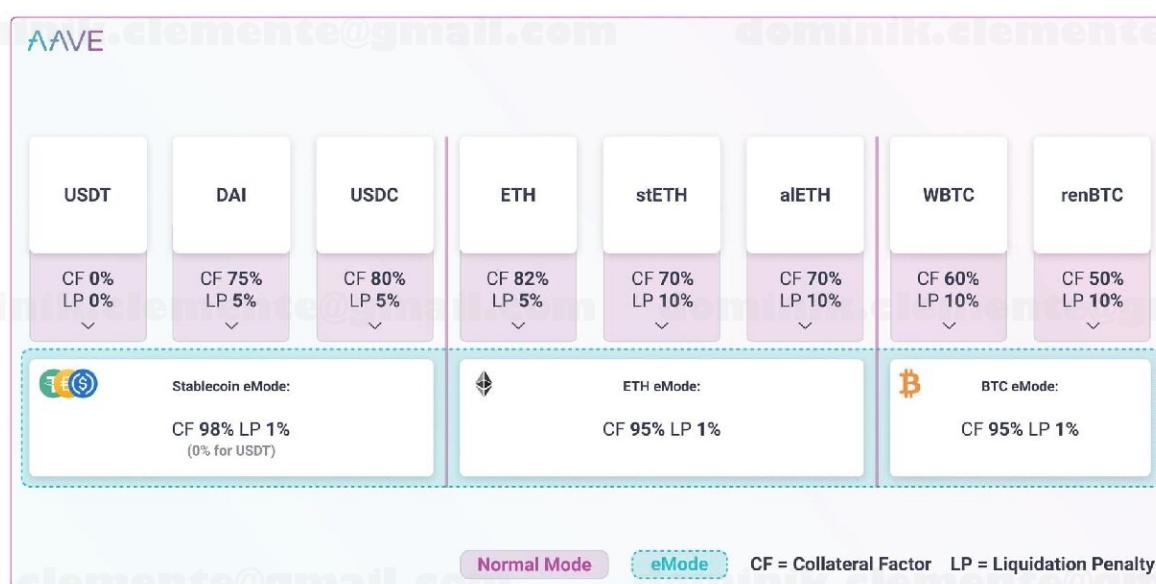
Users will be able to take on more risky positions without exposing the protocol to added risk. There have been demos shown on Twitter of demo positions that have borrowed up to 97% of the collateral (this is called LTV). This level of risk could be tolerable for stablecoins.

“The code allows Aave Governance to “categorize” assets based on the following parameters:

- **LTV** (loan-to-value ratio)
- **Liquidation threshold**
- **Liquidation bonus**
- **A custom price oracle** (optional)

These factors will set each different asset in V3 in a particular category.

eMode provides borrowers greater access to capital in the event they limit which assets they borrow by category. In other words, in eMode, borrowers can choose the category of assets they want to borrow. A “category” typically refers to a set of assets pegged to the same underlying asset—for example, stablecoins pegged to USD, assets pegged to ETH, etc.

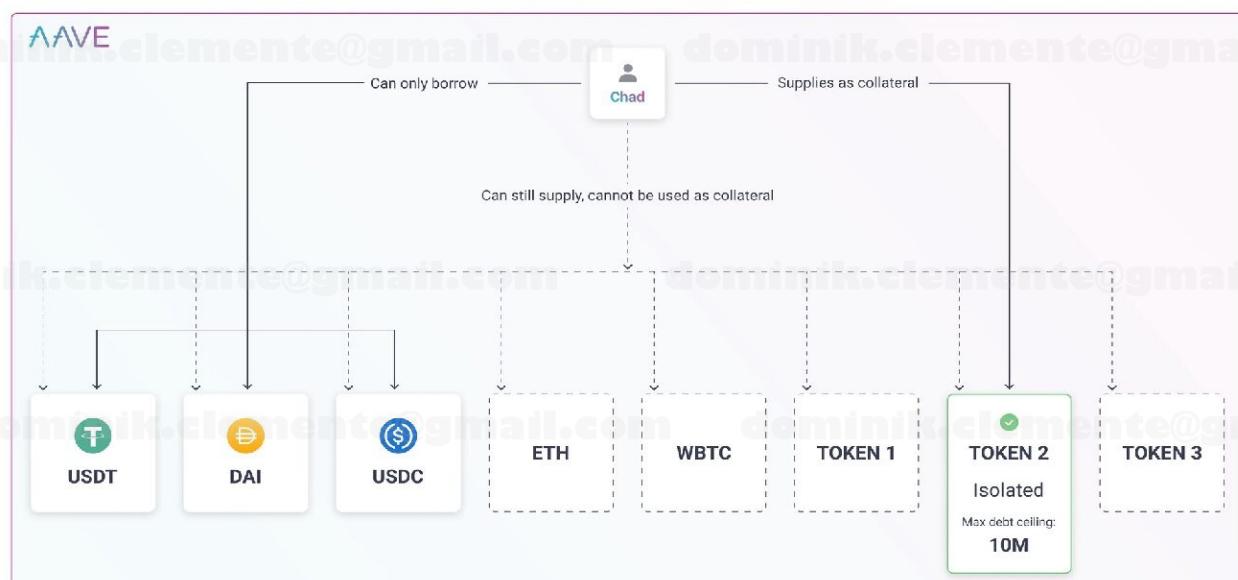


If a user self-selects to use the Aave Protocol in eMode, when that user supplies assets of the same category as the user's collateral, the borrowing power (LTV), and maintenance margin (liquidation threshold) are overridden by the eMode category configuration to allow for higher capital efficiency.”⁶

Isolation mode

“Isolation Mode” is intended to allow Aave Governance to enact risk mitigation features when a new asset market is created on the protocol. This will also let many people create their own lending markets in a more permissionless manner similar to protocols like Rari capital. Currently, the process of creating a money market on top of the Aave protocol is very governance-heavy and needs to meet several requirements. With isolation mode and other changes, the Aave protocol could unlock a lot of new capital through the creation of new riskier money markets.

For more details, read the Aave v3 governance proposal.⁷



Risk Management Features

From the [Introducing Aave v3](#) governance proposal:

“The V3 technology provides further enhanced risk management mechanisms for Aave Governance to protect against protocol insolvency:

⁶ <https://governance.aave.com/t/introducing-aave-v3/6035>

⁷ <https://governance.aave.com/t/introducing-aave-v3/6035>

Supply and Borrow Caps: Aave Governance will be able to configure both borrow and supply caps. Borrow caps would allow Governance to set limits on how much of each asset can be borrowed, while supply caps allow Governance to vote to limit how much of a certain asset can be supplied to the Aave Protocol. Borrow caps minimize liquidity pool insolvency while supply caps reduce protocol exposure to a certain asset and help prevent attacks like infinite minting or price oracle manipulation.

Granular Borrowing Power Control: Aave Governance will have the ability to change the collateral factor for future borrow transactions without affecting existing borrow positions or triggering liquidations. In the event that Aave Governance believes that a collateral factor should be lowered (i.e., to require more collateral for borrow transactions), then Aave Governance can vote on a proposal to do so in order to increase the overall health of the protocol, without affecting existing borrowers.

Risk Admins: V3 introduces the ability for Aave Governance to register entities on a “permitlist,” which will provide such entities the ability to alter certain risk parameters without requiring a governance vote. These entities can be DAOs (e.g., RiskDAO, Gauntlet) or automated agents that can build on top of this feature to react automatically in the event a certain invariant is broken. Any entity added to the “permitlist” must be added through the typical governance proposal process.

Price Oracle Sentinel: The Sentinel feature has been specifically designed for Layer 2 protocols to handle eventual downtime of the sequencer (but can be extended to handle other cases, even on L1s, in the future). It introduces a grace period for liquidations and disables borrowing under specific circumstances, as decided upon by Aave Governance in response to a community proposal.”

Open-source

The smart contracts for the v3 of the protocol along with the code for deployment on Ethereum, Avalanche and Polygon will be open-sourced once audits are finished. However, the code won’t be available under a permissive license. Aave token holders decided they want to use a business

license for the code⁸; to prevent forks of the code with different tokens, etc. This means that the code although open-source will need the authorization of the Aave DAO for another project to fork the code.

The future of money markets

Money markets are evolving quickly, new financial primitives are constantly being made available in DeFi, whether they are completely new primitives that don't exist in the traditional world or financial products and services that have been around for centuries. The future of open, permissionless, and trustless financial markets is extremely bright as global open innovation can outpace the gatekept traditional markets running on technological infrastructure and rails from the last century. Money markets like Aave, Compound, and Rari Capital optimize for many factors: liquidity, capital efficiency, composability, tooling, governance, risk mitigation, and more. All of these individual properties contribute towards creating the best financial services possible.

Capital efficiency

Capital efficiency in the context of a money market like Aave means how efficient is the entire lending and borrowing process, to mitigate liquidations, to generate yield in a token economy in a permissionless way with the smallest amount of friction and with aligned incentives for all parties, to be able to onboard as much liquidity as possible in order to support huge positions sustainably, to have affordable fees for as many users as possible by utilizing scaling solutions that are on the bleeding edge of technological advancement and much more. There are incremental changes that many money markets will implement over the coming years as more capital gets onboarded, new strategies and incentive structures are devised, infrastructure scales, and gets optimized to unlock new users.

Producing money markets that support various assets from various different landscapes; like non-fungible tokens, different financial primitives which can integrate and compose into a lending/borrowing protocol, and much more.

⁸

<https://snapshot.org/#/aave.eth/proposal/0x483f30ac318ac7e26fb9804a48cc9126078d19c91f19a53c56aeacb7689f4a>

The financialization of almost anything will create interesting dynamics in the coming years.

Social credit scoring

In the current DeFi landscape there are several ways to create undercollateralized loans. One of the methods to achieve this is to use credit delegation which was first introduced to DeFi with Aave v2. Credit delegation allows for any user with unused Aave collateral to delegate their collateral to another address for a return so that another user can borrow more than what their collateral deposited would otherwise allow them. Another method that is almost impossible to scale is shared credibility through vouching. If a pool of capital allows a trusted user to borrow more than their collateral would allow them, different LPs can vouch for the user to borrow X amount, and if the user got liquidated, the funding of the liquidation will be provided by the users that vouched for the borrower with their own capital as a penalty in order to keep the money market solvent.

In the traditional financial world, undercollateralized loans are the standard as central banks cover commercial banks with credit which can be printed out of thin air and can be used to cover the loss if a borrower defaults on their loan. The likelihood of someone defaulting on a loan and their aptitude for getting a loan is calculated through a credit score mechanism that takes into account the income, assets, liabilities, and credit history of the borrower in order to assess whether the borrower qualifies for a loan or not.

In DeFi this is currently not feasible as there is no way to make someone liable for their losses as the concept of credit doesn't exist in the financial paradigm and economic model blockchains use. However, there are several improvements that would allow for such a system to exist. One is a decentralized social graph that could be used to assess the credibility of a particular user along with the on-chain history of the user that involves DeFi activity. There could be an incentive mechanism that would incentivize people to provide liquidity to a protocol in order to act as coverage or collateral for uncollateralized loans. These liquidity providers would use all of this new tooling in order to assess and provide loans to users in a DAO fashion.

Interoperability

Money markets benefit from being in an environment with various different products and services available as it provides more utility to the assets of the protocol and allows for more heterogeneous liquidity to be onboarded. Capital efficiency is maximalized in such an environment and so that's why interoperability is so important. The creation of standards for different financial primitives and creating tooling for the composability of different products and services will allow for better, more liquid money markets.

Effective governance tooling

Governance is shaping up to be a very important part of DeFi protocols, as it controls the treasury, which is used to set up rewards for other parties to create value for a protocol. In money markets governance votes also control protocol upgrades, which markets can be created and what parameters will they use, what chains will the protocol deploy on, and more! As DAOs and subDAOs evolve, a lot of tooling will emerge to make collaboration easier and push products out faster as well as making everything more efficient.

We need better tooling for on-chain / off-chain voting, treasury management, asset diversification and distribution, better multisigs with more functionality and integrations, more effective communication channels and platforms, better organizational structures, and more.

Non-fungible money markets

With the rise of NFTs, virtual worlds, etc, there is new demand for these assets to have utility within the DeFi ecosystem. One could use land from Decentraland as collateral for a loan, lend their access NFT for a fixed or variable rate, and more. The possibilities are endless and since these non-fungible assets have perceived value by the markets it makes sense that they would be somehow supported by DeFi. We already have tools like Sudoswap for exchanging NFTs, fractionalization protocols like Fractional.art, NFTx, NFT20, ... As long as there is demand for more utility, innovators will create new products and services to fit the needs of users.

Robustness and risk mitigation

Even though smart contracts undergo rigorous testing before being deployed to a blockchain, they still might be vulnerable to technical and economic exploits. That's why moving forward better tooling for testing both the code and the economical models will be created. Let's imagine that a team creates a new financial primitive that is posed to revolutionize the DeFi space, however, there is a critical flaw that hasn't been found by the team developing and testing the product. Without proper ways to test out these new mechanisms, the protocol would run the risk of losing millions or billions of dollars if the smart contract were to have a critical bug or economic system which has faults that could be taken advantage of to unfairly extract value out of the system (we've seen this with flashloans and MEV).

In the coming years all of the yield strategies will be more battle-tested, smart contracts more secure, blockchains more attack and censorship resistant; more secure and more decentralized. The entire dependency tree of technologies needed to built decentralized financial systems will improve a lot and so will the products and services as a consequence of it.

Automatization tooling for users

Users and various parties participating in DeFi currently need to have quite a deep technical understanding of blockchains, smart contracts, liquidity structures and more in order to actively provide liquidity in money markets effectively. Yield strategies are quite complex and it is hard to assess their risk as an investor or LP. There is a lot of work to be done on the application aggregator and user-facing layers so that many of these complexities are abstracted away. Most market participants should not be required to know the details of how markets and technologies work in order to earn a high yield on their capital.

There will be applications and aggregators that will make it seamless for anyone to effectively provide liquidity and not have to worry about issues like impermanent loss in an active liquidity provision protocol like Uniswap v3 which is vulnerable to MEV attacks like just-in-time liquidity and has a complex active liquidity provision system with concentrated liquidity and position management.

Tetu

Tetu is a yield farming platform on Polygon. It offers single asset strategies with auto-folding and auto-compounded profits.



Auto-folding

Some decentralized lending platforms reward users for lending and borrowing. Yield farmers can leverage these rewards by using a folding strategy to collect more rewards tokens like COMP or AAVE. Folding is where assets deposited on a lending platform are used as collateral to borrow more of the same asset to make a smaller loan and borrow again and so on.⁹

Folding is typically a cumbersome process that requires a lot of transactions. An auto-folding strategy is one where folding is automatically repeated up to 20 times with just a few clicks.

For example, lending USDC on Aave's Polygon market yields a 3.16% APY.

Assets ▾	Market size ▾	Total borrowed ▾	Deposit APY ▾	Variable Borrow APY ▾
USD Coin	\$ 1.7B	\$ 1.5B	3.16 % 1.42 % APR	4.00 % 2.41 % APR

However, by using Tetu users can auto-fold USDC on Aave to earn over 30% APY. The process is as simple as depositing USDC on Tetu.

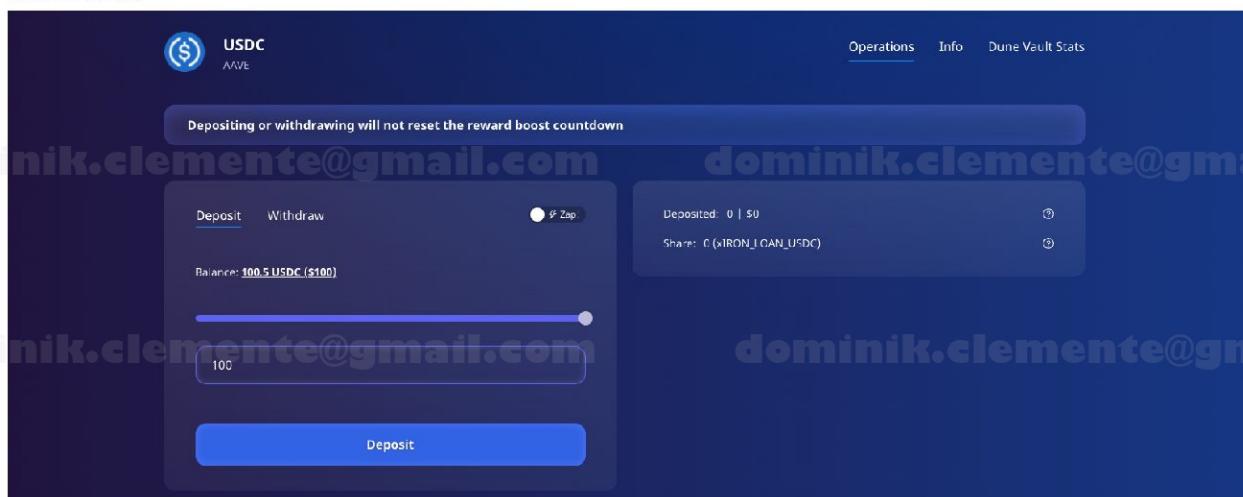


⁹ <https://docs.tetu.io/tetu-io/yield-farm/folding-strategies>

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First, you need MATIC and USDC on your wallet connected to the Polygon Network.



Then, you need to head to the USDC Aave [vault](#) on Tetu, approve the deposit (cost \$0.01), and deposit USDC (cost \$0.17).



After this, Tetu will automatically deposit your USDC on Aave, use it as collateral to borrow more USDC, use that USDC to make a smaller loan, use that deposit as collateral to borrow more USDC, and so on.

Risks

Last month, Tetu received a grant from the Polygon Ecosystem DAO. Tetu's smart contracts have audits by PeckShield and DefiYield.

Although this strategy is practically using leverage to boost rewards, it is a relatively low risk as this is a single asset method that uses the same asset it borrows. In other words, no impermanent loss or liquidation risks.

However, if the vaults used for this strategy are low in liquidity, users might not be able to withdraw their assets.



3rd Wise Moralis Mage (Moralis Melchior): High Risk DeFi

Farming the land on DeFi Kingdom

DeFi Kingdom is a GameFi Platform based on the Harmony One Network. DeFi Kingdom is a budding ecosystem of DeFi products and game elements that provides a variety of opportunities to profit for risk-friendly investors. Participants looking for yield can take part in the Gardening Section. Here they can achieve very high yields on LP positions.

JEWEL-ONE at 646.2%

JEWEL-UST at 644.8%

JEWEL-1USDC at 631.6%

And more.

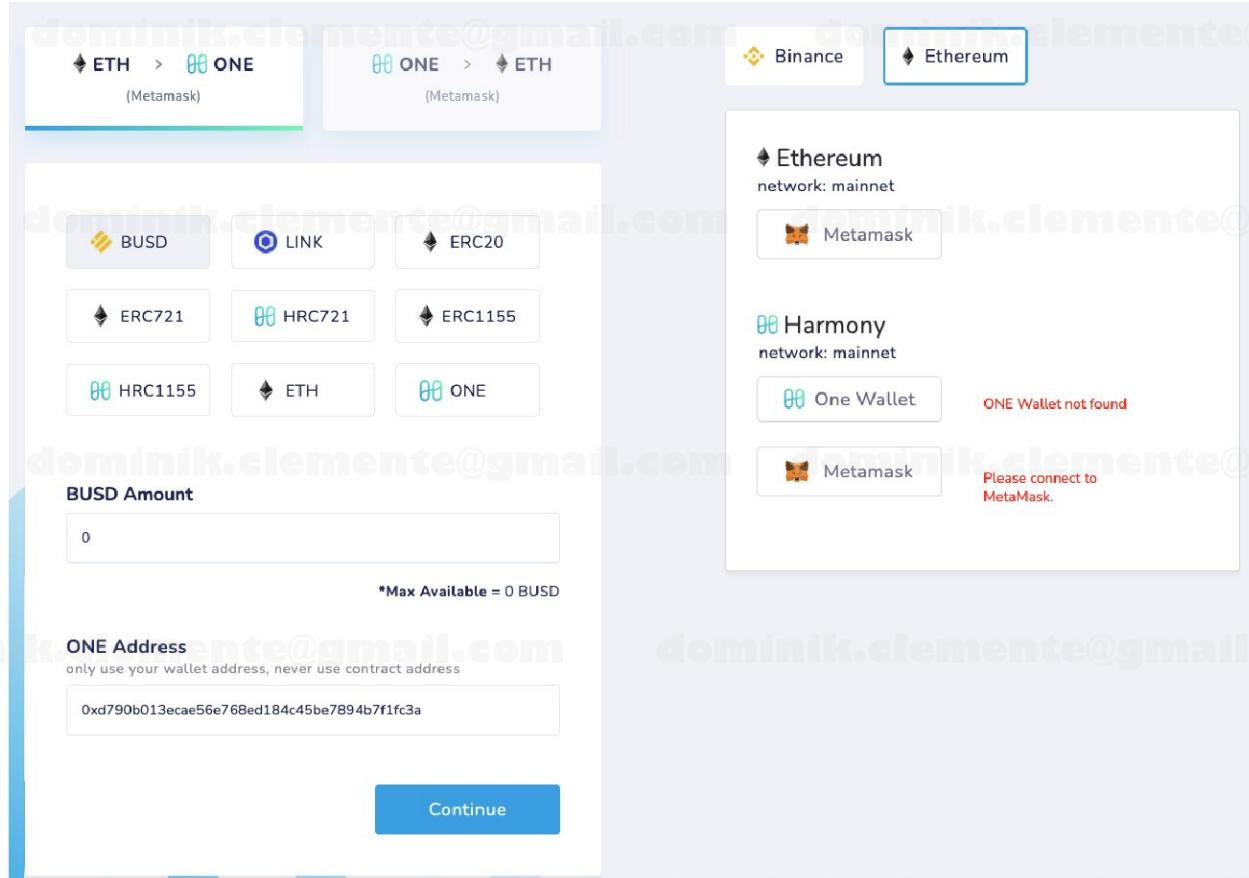
These yields are partially locked until July 22 2022.

The first step is to acquire ONE token for gas on the Harmony network. Users can bridge assets from Ethereum mainnet and receive some harmony for swaps on the platform at <https://bridge.harmony.one/>.

I bridged my tokens by only received 0.01 ONE in my account

- Bridge does not swap tokens, it only provides wrapped tokens. For the token that you bridged, you have received wrapped token to your account. If you cannot find it, find the wrapped token address and add to your wallet as shown [here](#) 0.01 ONE is provided to every new wallet that bridged for the first time to help with transaction fee on the Harmony network.

Alternatives for onboarding is the Crypto.com App where you can buy and withdraw ONE.



Users must perform 3 steps.

On the left side...

Select ETH (or preferred deposit)

Select amount.

Copy Paste metamask address.

On the right side connect to Ethereum Metamask and Harmony Metamask.

After this is complete, select continue and perform the on-chain transaction. This costs approximately \$60 in gas so an alternative method may be preferred.

The best alternative methods are through Ramp Network and Crypto.com App.

Ramp Network (we are hiring!)
@RampNetwork

Have you all heard about [@harmonyprotocol](#)? It's the Proof-of-Stake blockchain with a two-way Ethereum bridge, ultra-fast transactions and built-in interoperability 😊 And its native token #ONE was just added to Ramp SDK. Buy it today at [go.ramp.network/one!](http://go.ramp.network/one)

11:59 AM · Jul 1, 2021

Crypto.com
@cryptocom

Attention #ONE community, deposits and withdrawals of \$ONE are now enabled on the [Crypto.com App](#).

Deposit now [@harmonyprotocol](https://crypto.onelink.me/J9Lg/6c2d574e)

4:45 AM · Apr 23, 2021

The total bridging process should take approximately 10 minutes to clear all processing times. Next the user must switch to the Harmony Network and can then pass their bridged token to the wallet.

1. Bridge lock tokens on Ethereum	
Status: Success	21.12.2021 20:10
Tx hash:	0x090e08f7...a1e18000fa
2. Wait for 13 block confirmations	
Status: Success	21.12.2021 20:10
Currently at block 13852243, waiting for block 13852243 to be confirmed	
3. Bridge mint tokens on Harmony	
Status: Success	21.12.2021 20:15
Tx hash:	0x8dac258f...a8f05a70d0
4. Top up user account to 0.001 ONE	
Status: Success	21.12.2021 20:29
Tx hash:	0xc336f561...8dc0d11dc

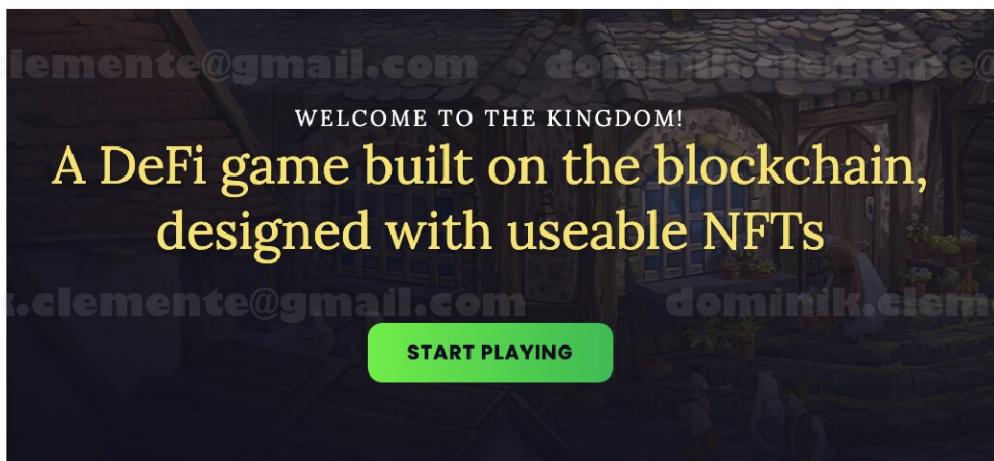
+ Add bridged ETH to Metamask

To add a bridged token to Metamask, you need to switch Metamask network to Harmony mainnet and try again.

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Cancel

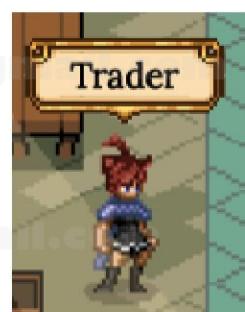
Next navigate to the DeFi Kingdom webpage at <https://game.defikingdoms.com/#/>. Then select “Start Playing”.



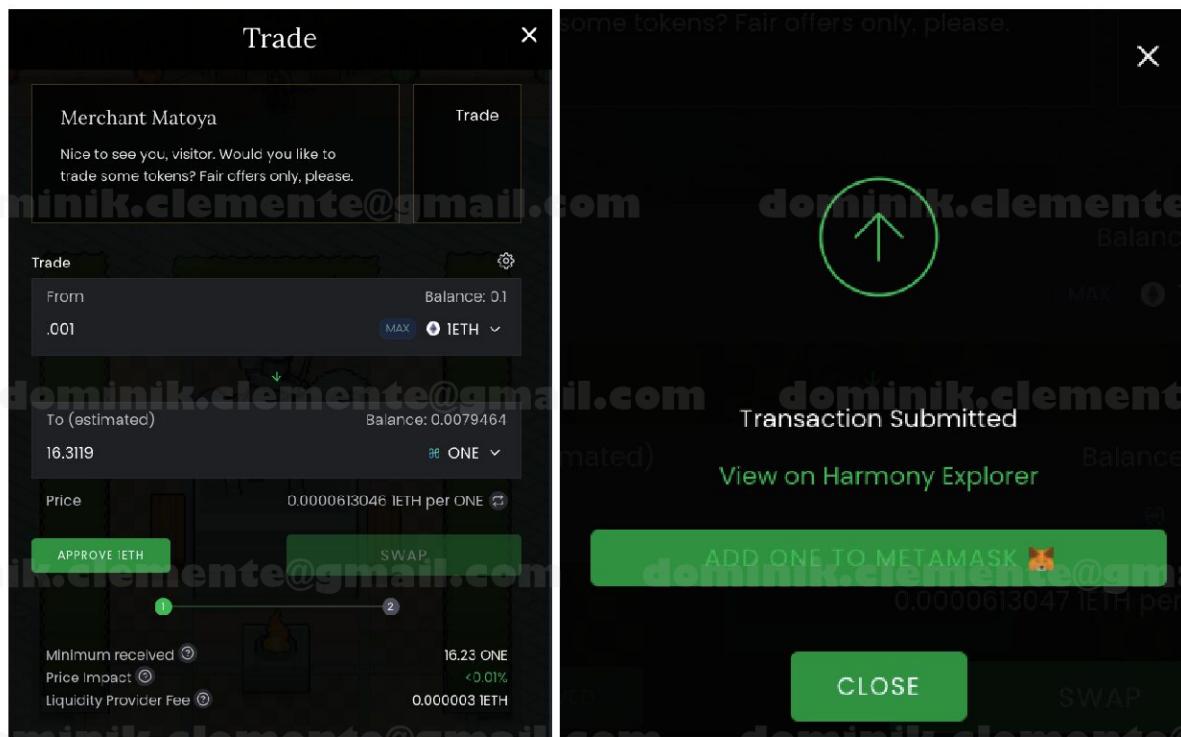
First name and select a character. This will have no effect on the gameplay. will navigate to the menu in the top right corner and select the Marketplace.



We will be left with the option to choose between 3 characters. First select the Trader in order to trade additional assets into some more ONE token for gas. The gifted 0.01 ONE will be enough for 2 trades in DeFi Kingdom.



The Trader will direct to a familiar AMM interface. Here the user selects the asset (in our case ETH) and will trade some into ONE. This will require an on-chain transaction.

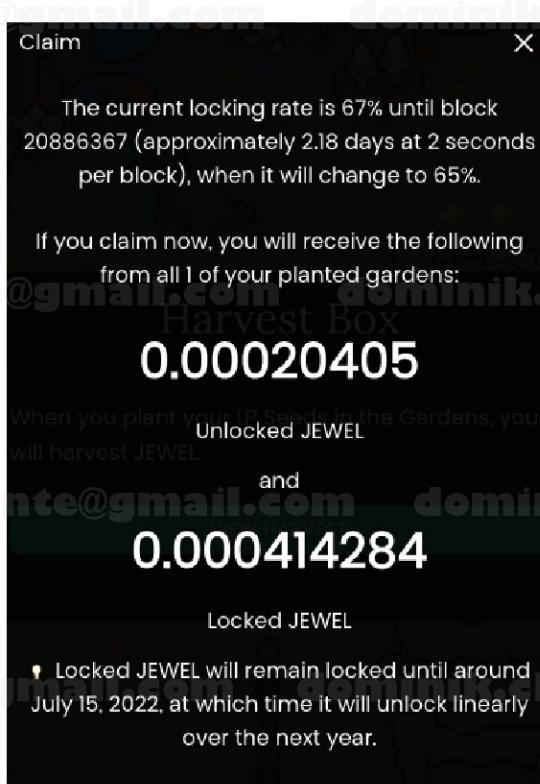


After acquiring more ONE, reselect the menu in the top right corner and navigate to the Gardens tab. This will be where investments for the next year are planned. The Seed box offers yield on a variety of LP tokens. LP tokens have been covered heavily in The Blockchain Review.



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These rewards range between 600-900% APR but require the user to take on impermanent loss risk. Additionally, 33% of rewards will be unlocked instantly while the remainder will be locked until July 22, 2022 and then unlocked linearly.



After pool to seed, navigate back to the marketplace. The pool in this example is the ONE-JEWEL pool with 650% APR.

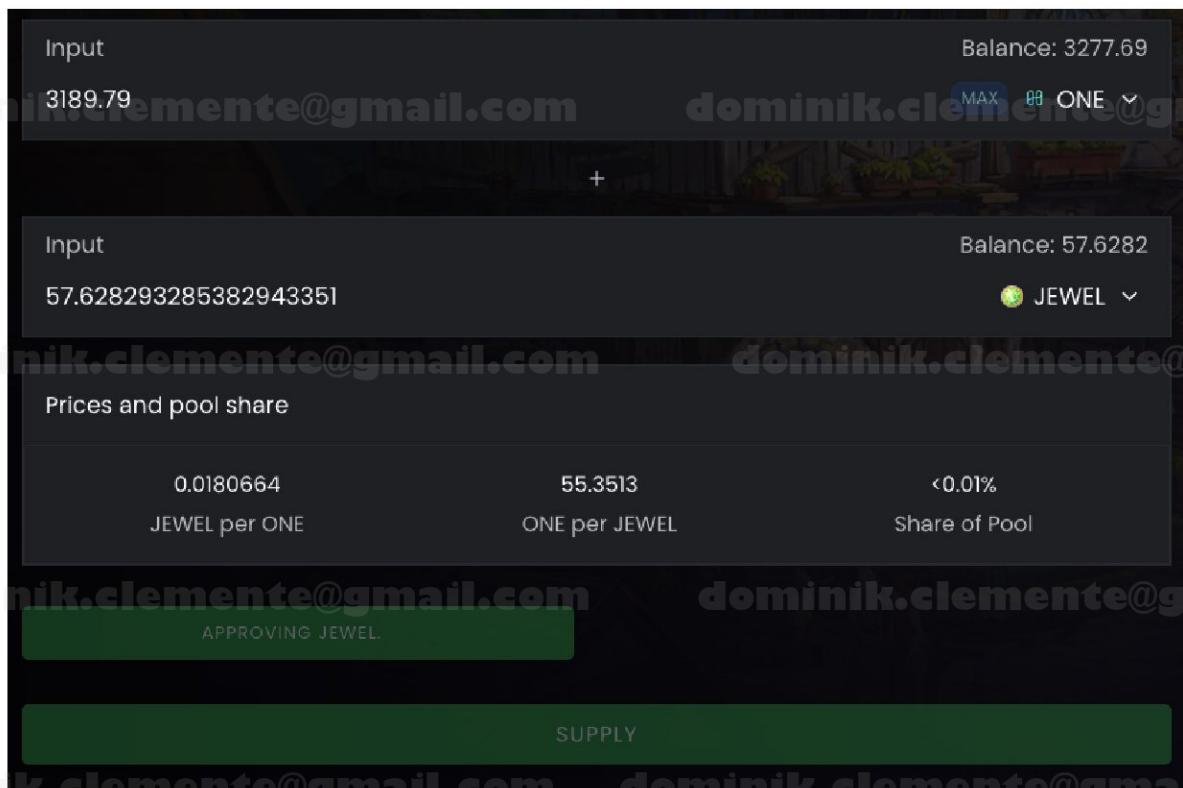
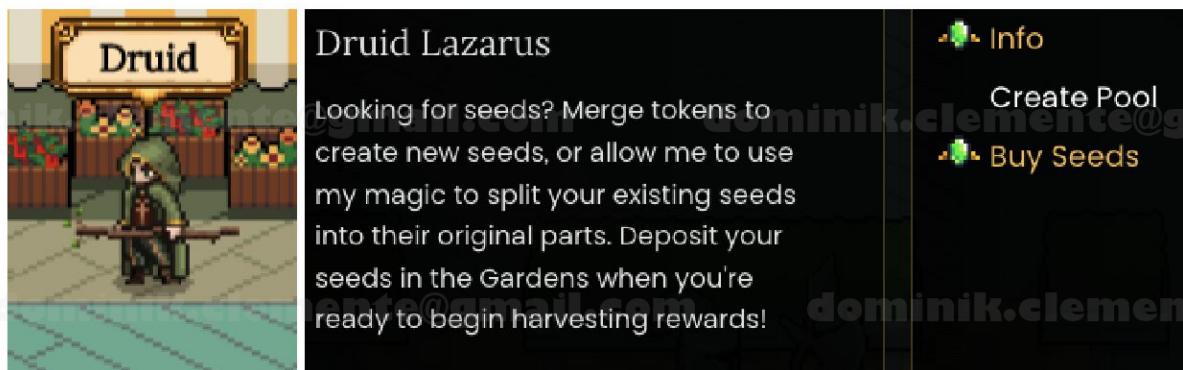
	JEWEL-ONE	DEPOSIT
APR*	650.7%	
Total deposited	\$210,420,378	
Pool reward allocation	48.55%	
Emission rate	6.311 JEWEL / block	

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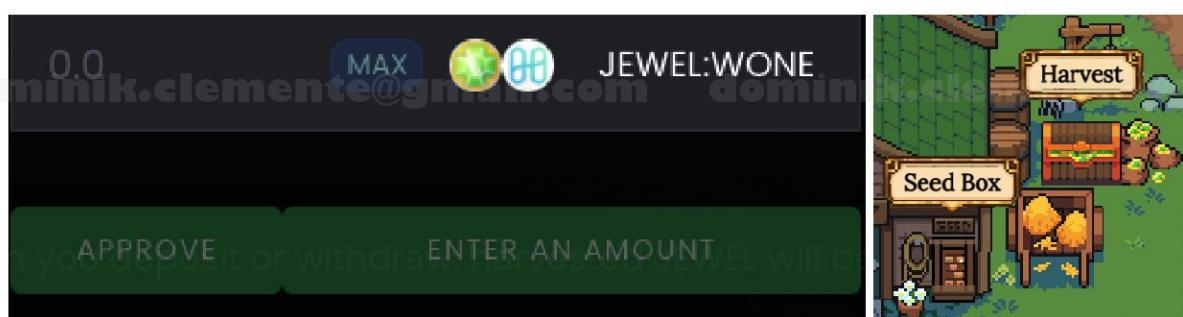
dominik.clemente@gmail.com

dominik.clemente@gmail.com

First navigate to the trader and allocate to 50% in each asset. Then select the Druid in order to buy “Seeds” LP tokens. Here select the Bys Seeds option and allocate 50% to each asset.



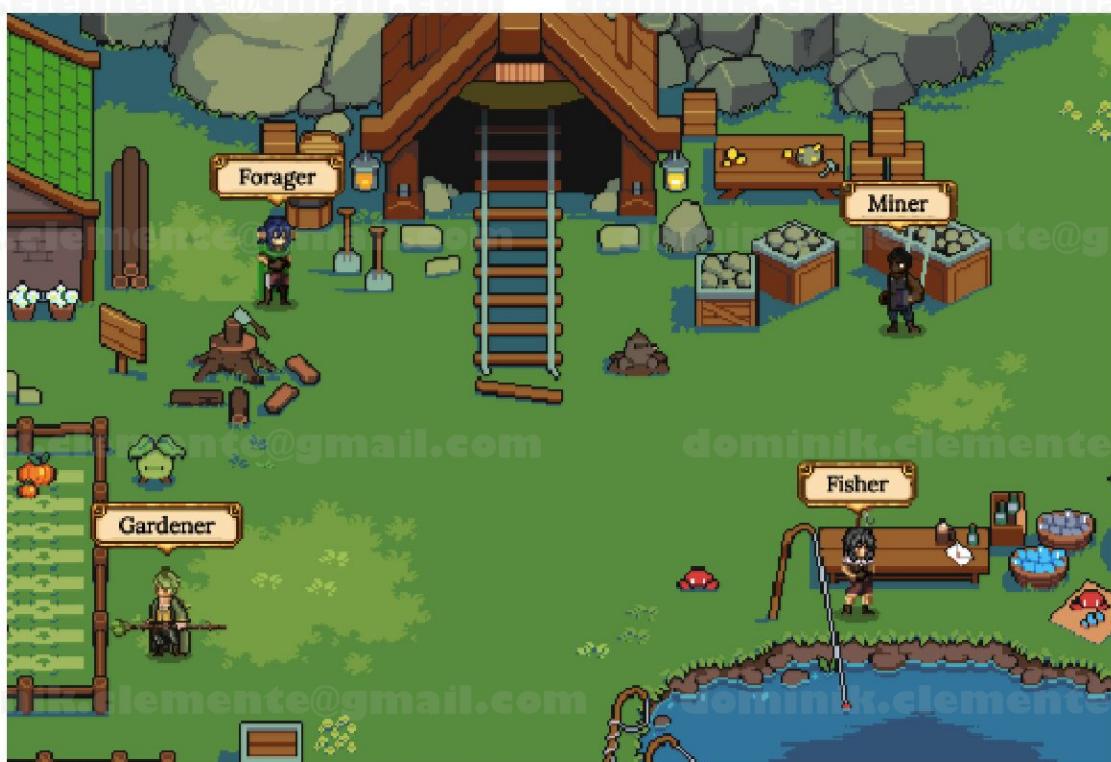
Finally return to the Gardens and deposit LP Seeds into the appropriate seed farm. Once approving and sepositing MAX, the final step is complete.



Although the farming is complete, DeFi Kingdom has more to offer. Users can go to the Tavern and recruit a hero to accompany them on their journey. More information about heroes and their stats can be found here: <https://docs.defikingdoms.com/how-defi-kingdoms-works/the-heroes>



Hire a hero with a Profession such as Miner, Forager, Gardener, or Fisher. This will allow them to participate in quests, level up, and receive exclusive rewards.

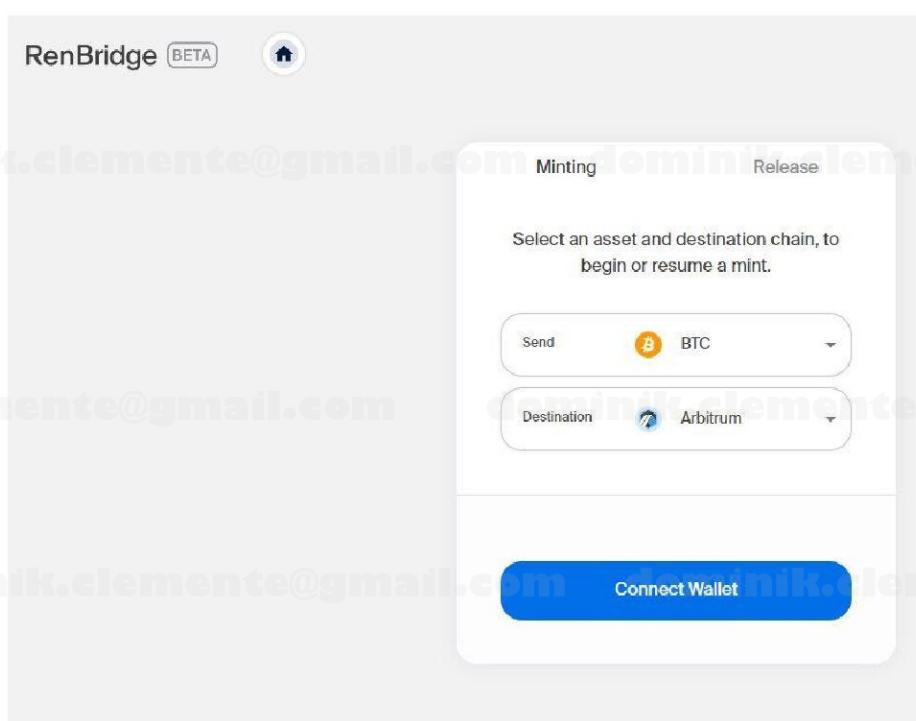


BTC->RenProtocol->Arbitrum->Curve->AmyProtocol testing battery

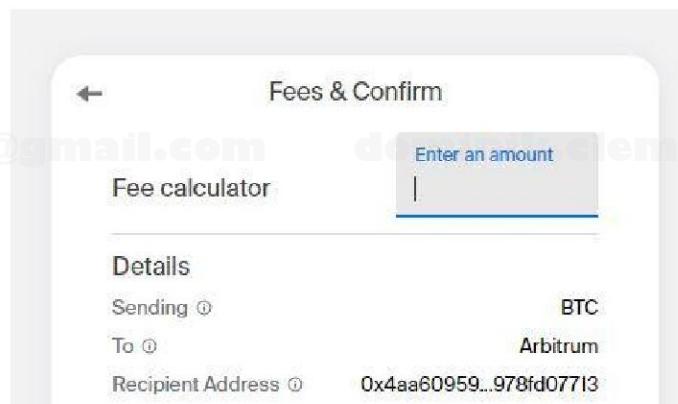
Driven by ambition the Moralis Melchior's first stop is <https://renproject.io/>

Once at the mainpage selecting [Bridge Assets to EThereum].

This brings him to the RenBridge, capable of “wrapping” BTC (and other assets) for use on Smart Contract capable blockchains. Here the Melchior carefully selects his desired networks:



With the “Send” (origin network), and “Destination” properly selected, our Mage is ready to initiate the transfer and subsequent wrapping of assets. After connecting his Web3 wallet, he must specify an amount:



This amount is an estimate of the funds that will be transferred.

In order to make a proper estimate, our wise mage must consider the source of his funds. In this case, he is starting from fiat. Leveraging an on-ramping service (in this case Transak), he is able to see the estimated amount that will be received:

Buy crypto to your wallet

You pay **112** USD

Using payment method **Card Payment**

See calculation

- 4.94 USD Total fees

÷ 47204.16 USD = 1 BTC Rate

You receive (estimate) **0.00226802** BTC

Slippage -0.3% i

Average Processing Time: 1 hour

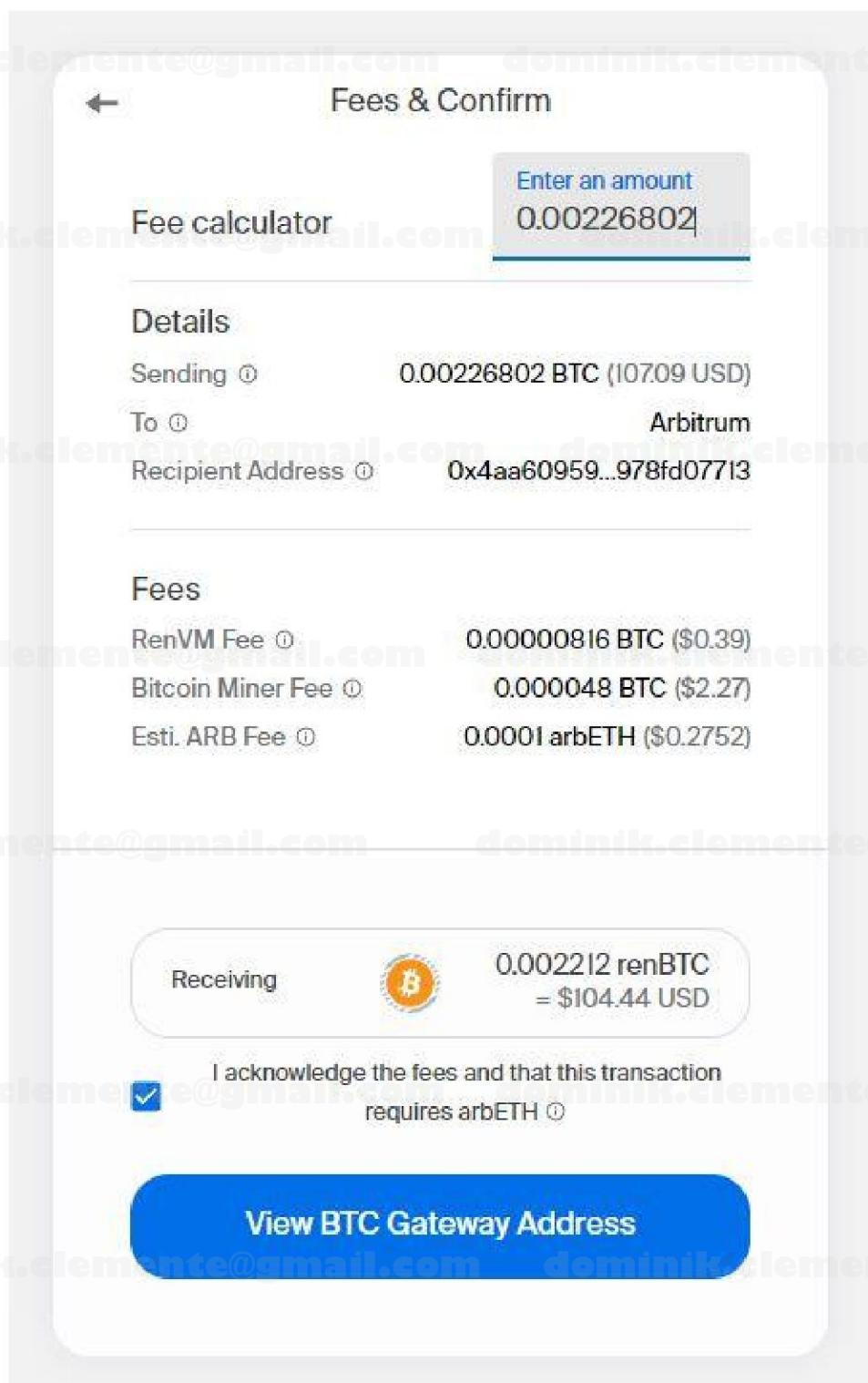
Buy Now

Powered by

dominik.clemente@gmail.com

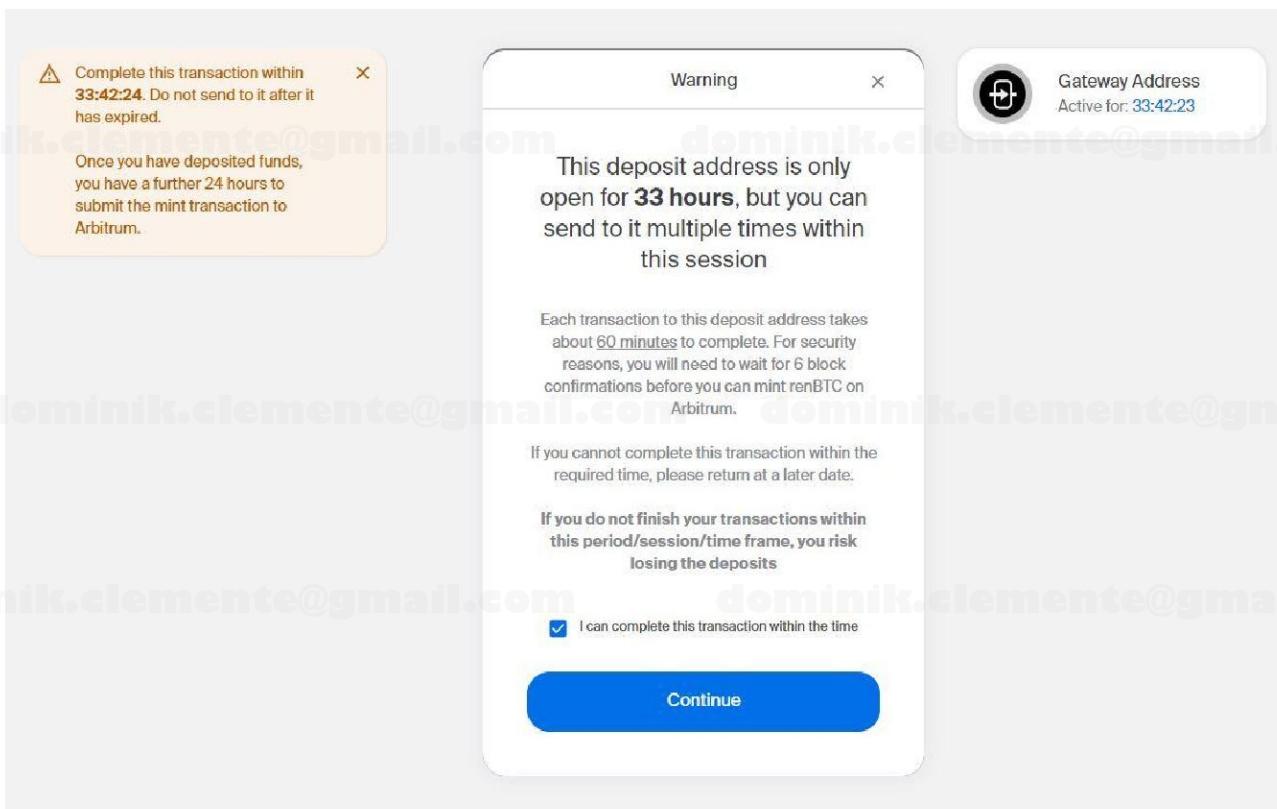
dominik.clemente@gmail.com

Returning to RenBridge, he enters the estimated amount:

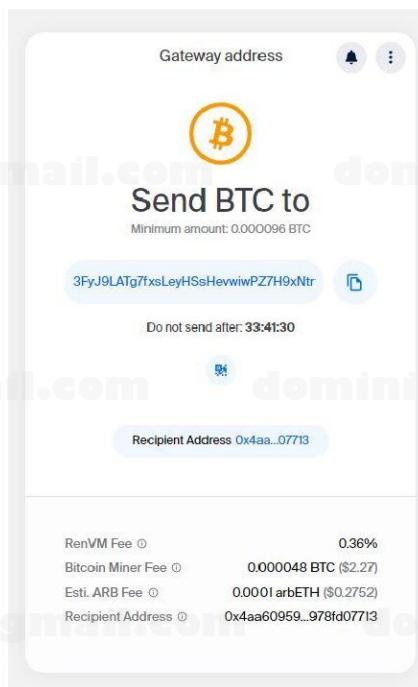


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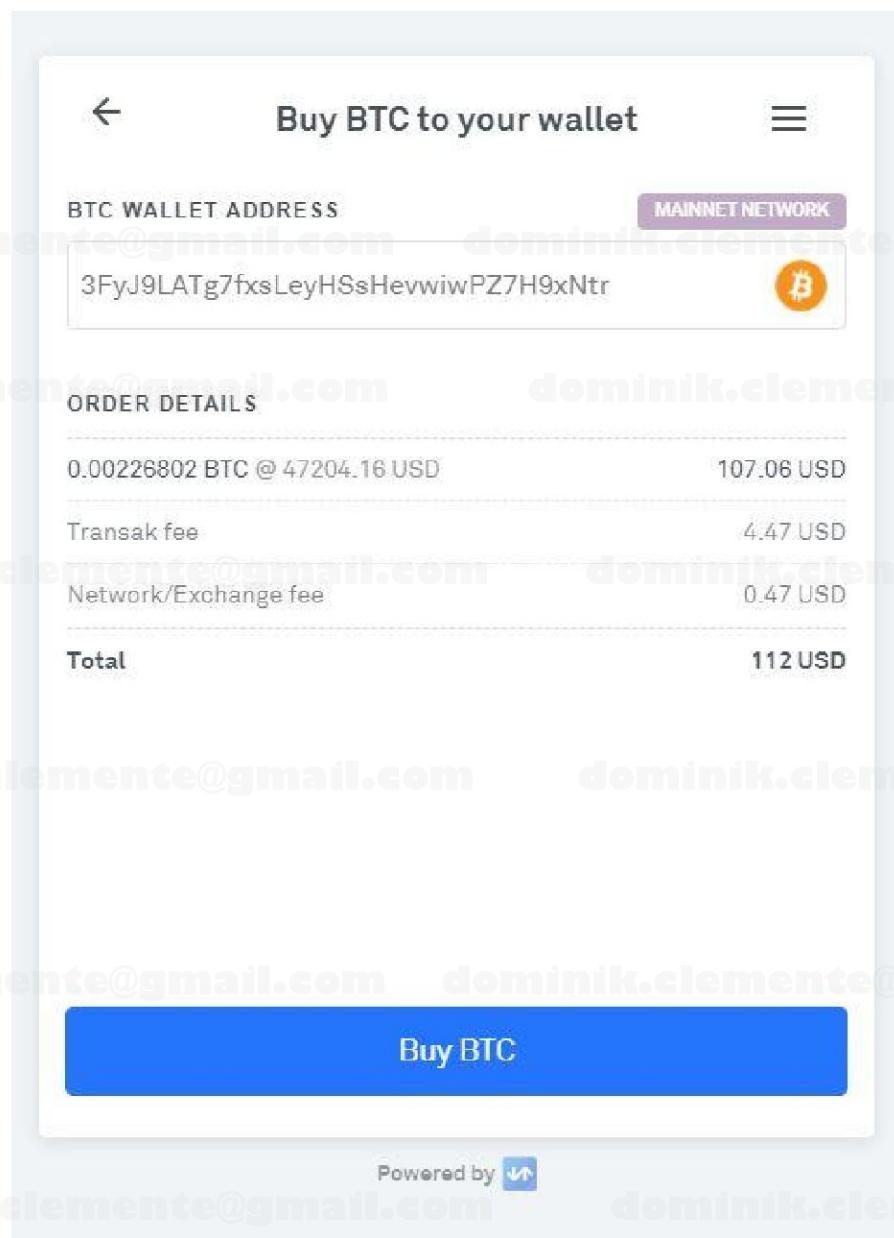
Here our wise-mage takes time to review the deposit details, before selecting [View BTC Gateway Address]...



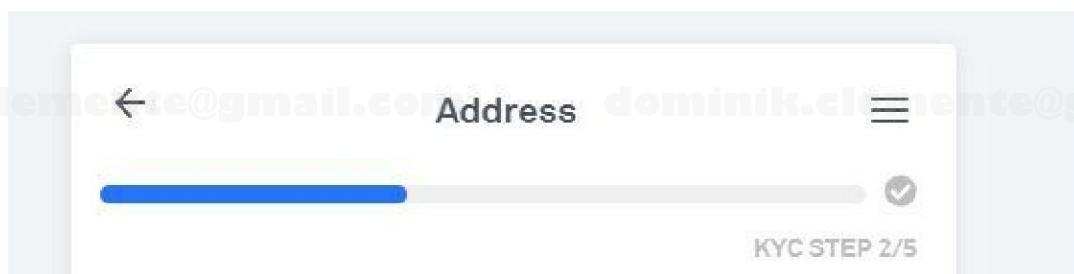
Once selected, he is warned, this transfer must be completed with 33 hours, or risk loss of funds. Seeing this, he selects [Continue] then makes haste to send the deposit to the provided address:



Copy this address, the mage returns to Transak, specifying it as the destination for the BTC purchase:



After selecting the [Buy BTC] button, our Mage must complete KYC in-order to onboard:



dominik.clemente@gmail.com
...Declaring his origin...

The screenshot shows a mobile application interface for a Know Your Customer (KYC) process. At the top, it says "Address Proof" and "KYC STEP 4/5". A central instruction box reads: "Please provide your Proof of Address document that corresponds to the residential address information. The document must have been issued within the last three months." Below this, there's a section titled "ORDER DETAILS" with the following breakdown:

0.00226802 BTC @ 47204.16 USD	107.06 USD
Transak fee	4.47 USD
Network/Exchange fee	0.47 USD
Total	112 USD

At the bottom, there are two checked checkboxes:

- I authorize Checkout.com to debit my account indicated for the amount above on today's date, and I agree to [Checkout.com's terms](#).
- I agree to the Zero Hash and Zero Hash Liquidity Services' [User Agreement](#), [Privacy Notice](#) and [Regulatory Disclosures](#).

A large blue button at the bottom says "Confirm". At the very bottom, it says "Powered by" with a small logo.

Selecting [Confirm] makes his transaction permanent prominent his agent (Trasank) to publish his RenBridge deposit to the chain. Here our chosen on-ramp tracks the status of our BTC transaction:

The screenshot shows a transaction tracking interface with the following details:

Buy 0.00227879 BTC @ 112 USD	
Order status	Processing
Processing Time	1-3 minutes
Order ID	488eaef5-884a-484f-a2e1-32d96d2e90e0
Date	14-12-2021 9:26:30 am
Amount to be paid	USD 112
Expected crypto amount	0.00227879 BTC
Fee	\$ 4.94
Network	MAINNET
Wallet Address	3FyJ9LATg7fxsLeyHSsHewwiwPZ7H9xNtr

Powered by

After a short confirmation period, it completes:

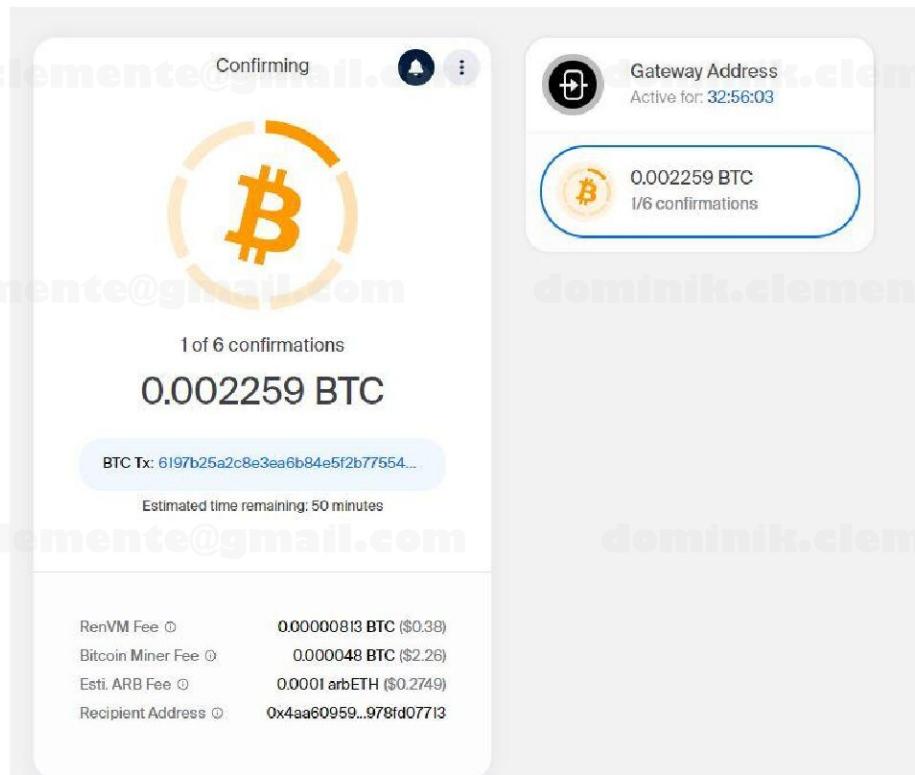
← Buy 0.002259 BTC @ 112 USD

Order status	✓ Completed
Order ID	488eaef5-884a-484f-a2e1-32d96d2e90e0
Date	14-12-2021 9:26:30 am
Amount Paid	USD 112
Purchased amount	0.002259 BTC B
Fee	\$ 4.95
Network	MAINNET
Wallet Address	3FyJ9LATg7fxsLeyHSsHevwiwPZ7H9xNtr
Txid	<u>6197b25a2c8e3ea6b84e5f2b77554c3314d26d78cc3cb452</u> <u>87b8fa52196a3cb8</u>

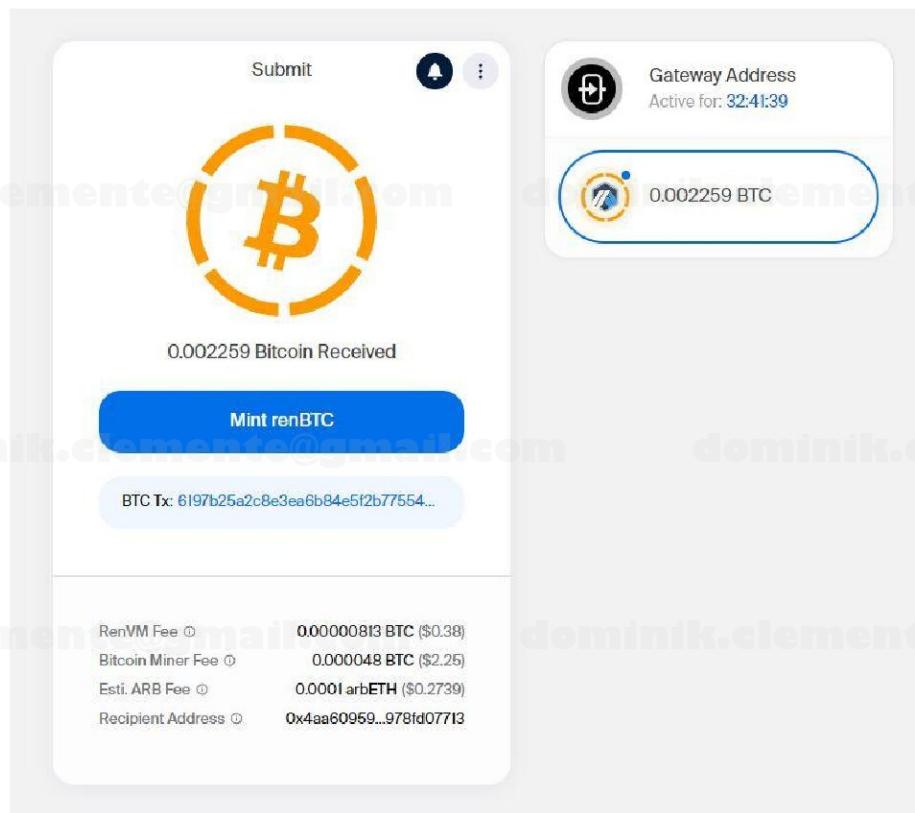
Powered by

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At this point he can see the confirmations accumulating in the RenBridge UI as well:



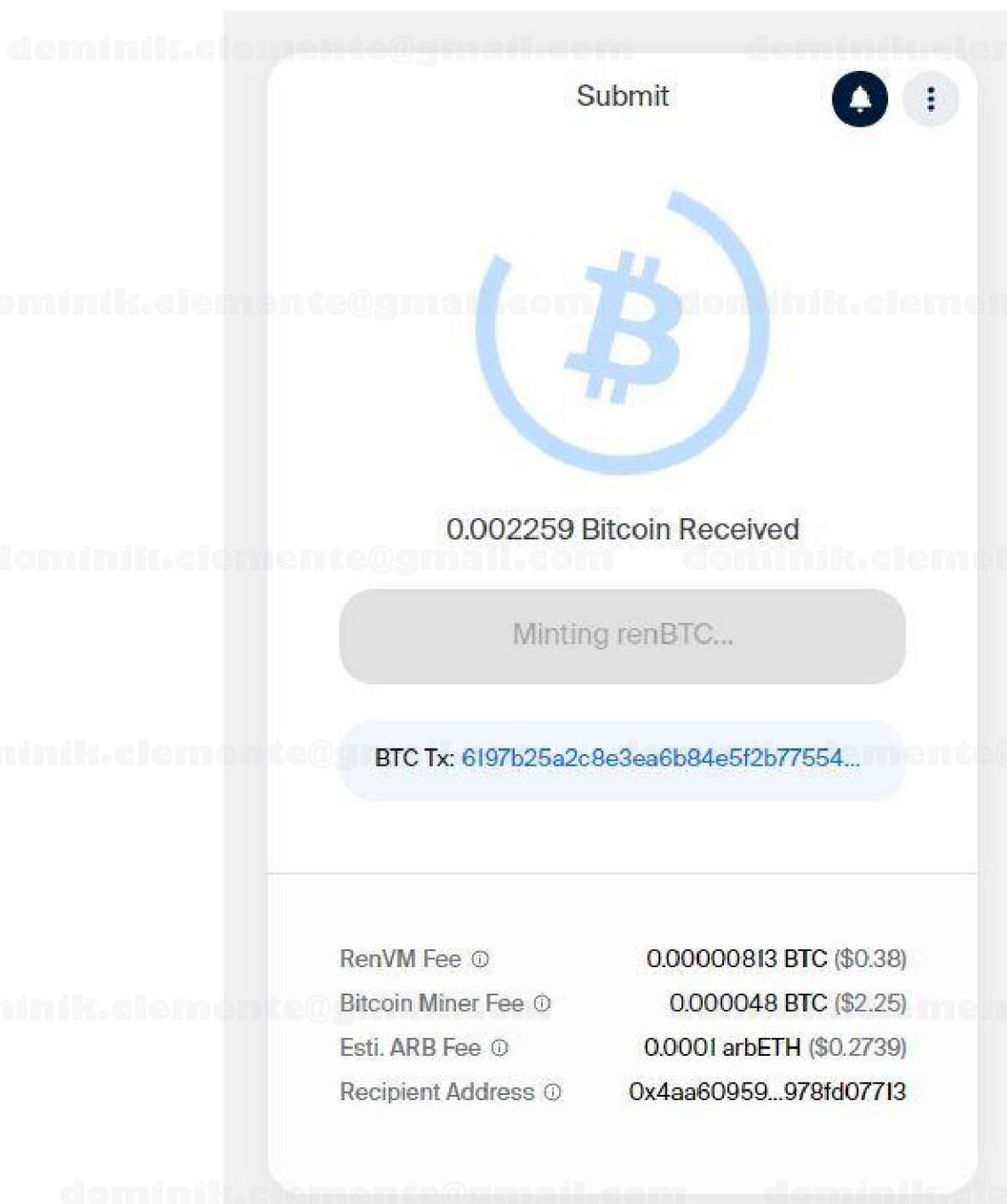
Once finished, he is presented the option to withdraw the funds to Arbitrum:



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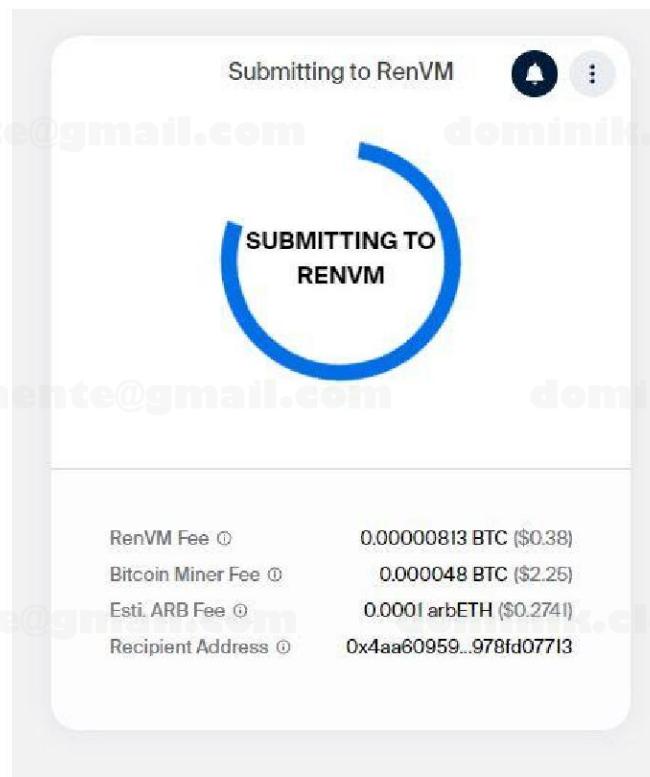
dominik.clemente@gmail.com dominik.clemente@gmail.com

Selecting [Mint renBTC] the process begins:

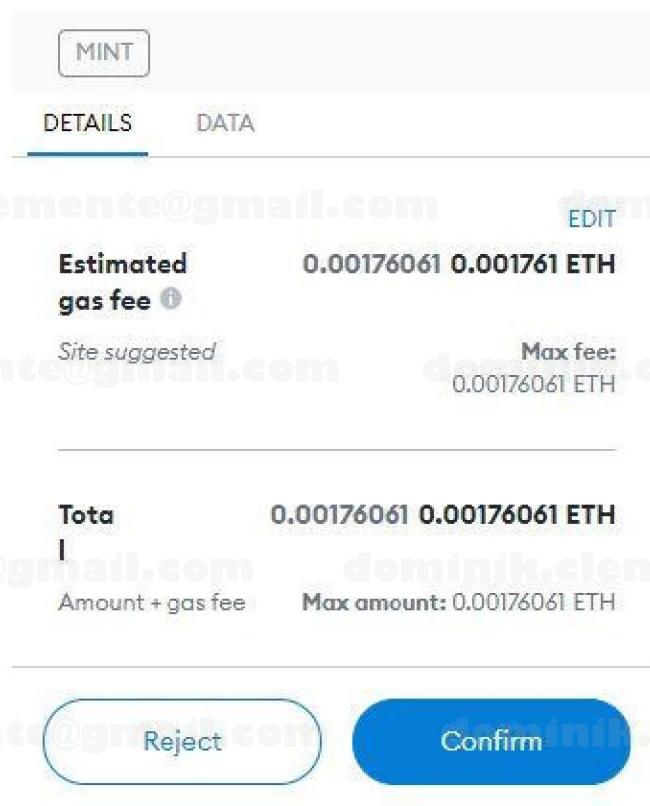


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The wrapping requires submitting the BTC to RENVM, which custodies the mage's Bitcoin and produces a "coupon" asset called renBTC:

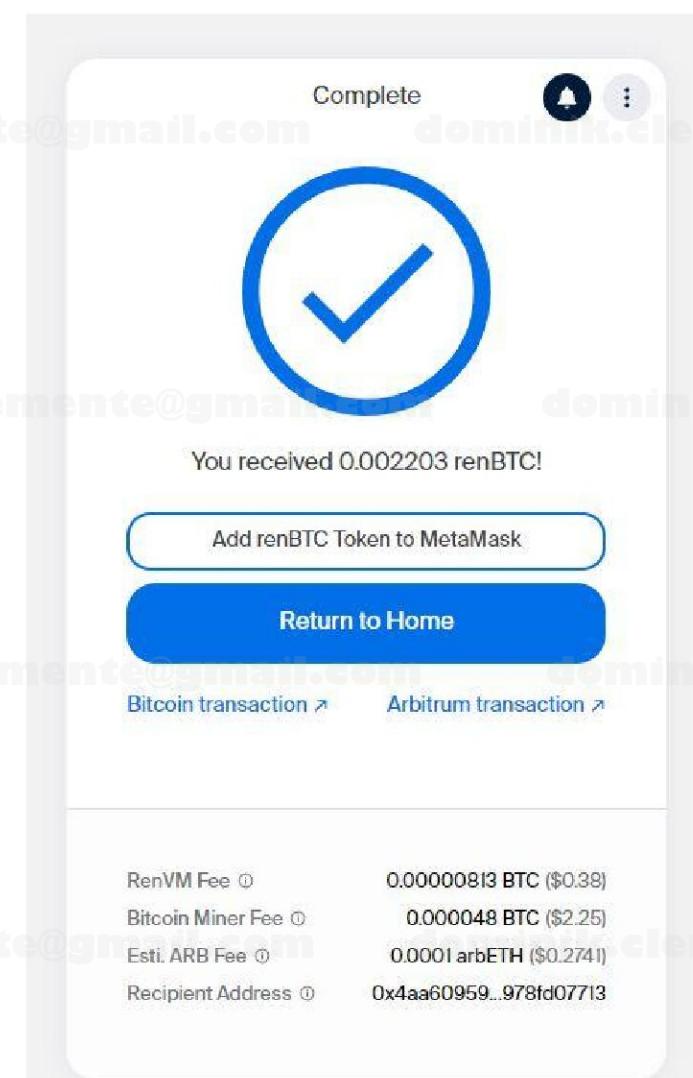


Here the wise mage must sign a transaction:

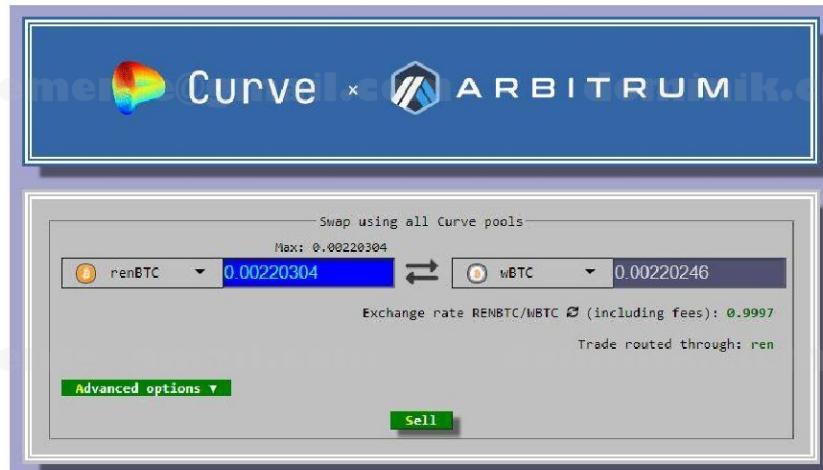


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After which confirmation is received via the RenBridge UI:

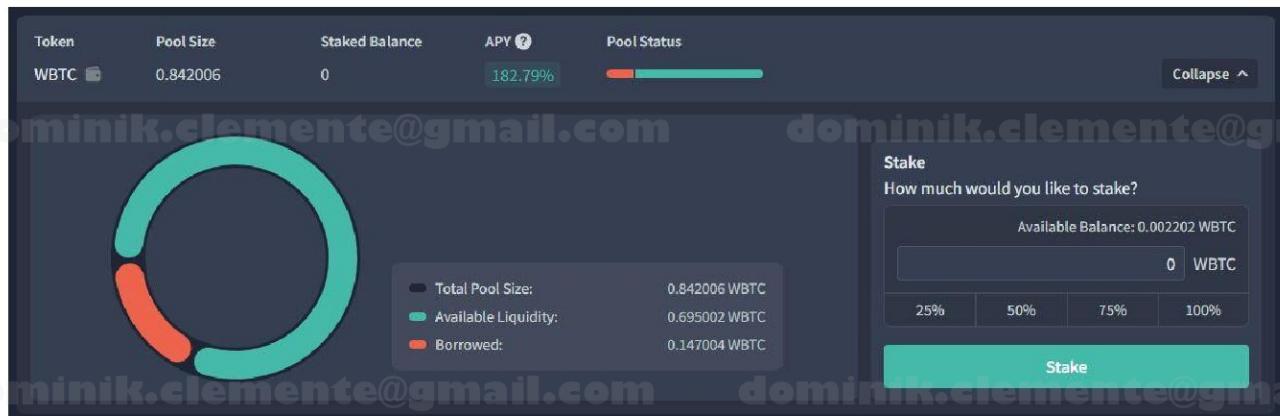


With renBTC in his Arbitrum wallet (along with some ETH, needed for gas), our mage proceeds to Curve, in order to swap renBTC for WBTC:

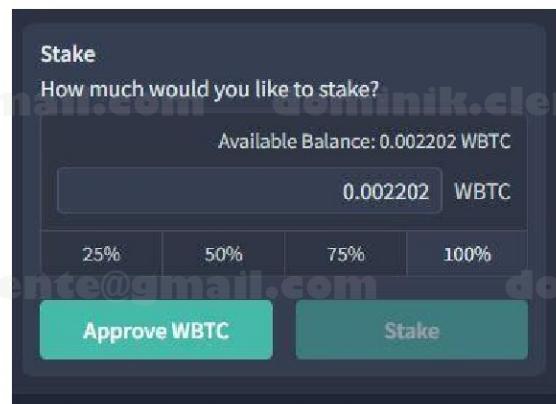


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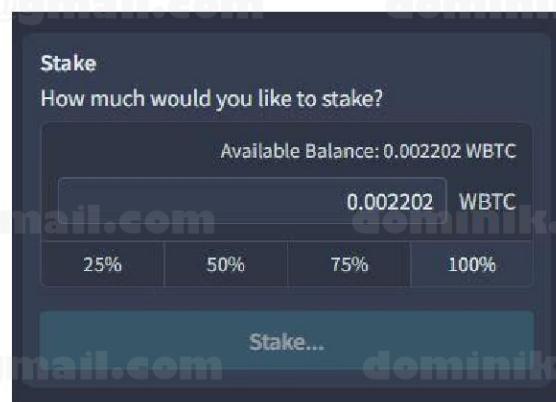
Once swapped, his final stop on this journey is Amy Finance, in order to take advantage of the aggressive lending protocol available there:



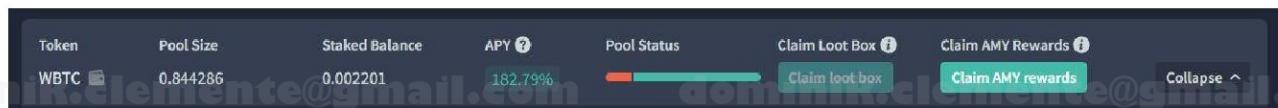
Selecting stake prompts the mage to approve his assets for deposit:



Once approved, he stakes them:



With these steps complete, our Wise Mage has completed his goal for this chapter, BTC successfully moved to Arbitrum, and deposited to an interest bearing protocol:



Thematic Closing Content



After one tedious and enduring lunar cycle, the Three Kings have completed the various trials and tribulations they encountered.

The Trader's Path required the summoning of Moralis Magic to scrub trading data while also reading deep

into the records of elliot wave and market structure. Once and for all the Moralis Magi returned to the kingdom victorious.

The Saver's Trail led the Mage to explore unexplored forests that were rife with abundant resources ready for yield. The Aave V3 forest was the lushest forest he had ever seen. As he passed through the Polygon region he noticed a new fishing development called Tetu that provided a strong yield. The Moralis Magus returned to the Moralis Kingdom bearing the bounties of trade.

The Ruinous Run was the most tumultuous of the routes. It involved high rates of return but unknown outcomes. The DeFi Kingdom adventure was a potentially hostile realm. The Moralis Melchior endured in the search for wealth. He also employed a more radical spell that required him to traverse multiple realms and multiple kingdoms but at long last, he too was successful.

The Three Kings were proud of their responsibility, their stories, and the value they could provide, using their various skills, to the greater good. Thank you for joining us on this thematic journey, and...

Merry Crypto-Christmas to All!

Helpful Beginner Resources

Where can I buy tokens?

Finding where a specific token can be purchased is straightforward.

Simply go to coingecko.com and enter the name of your coin into the search box.

When your coin's page appears just scroll down, find the tab labeled "Markets" and click it.

This will bring up a list of all the exchanges where you can purchase that particular token.



What is MetaMask?

MetaMask is an Ethereum wallet that works inside your browser and allows you to interact (buy/sell etc.) with the Ethereum blockchain. It's simple to use and there are many guides available to get you quickly up to speed. Below is a link to a Metamask guide to get you started.

<https://www.youtube.com/watch?v=Q9JpDA-Ax3E>

What is Uniswap?

Uniswap is a smart contract on the Ethereum blockchain that allows you to buy and sell Ethereum based tokens. It is basically a decentralized version of Coinbase or Binance. Uniswap has a simple, easy-to-use interface. There are many good guides about Uniswap out there to help you learn. Below is a link to a Uniswap guide to get you started.

<https://www.youtube.com/watch?v=ovbs8LT8wlq>

Glossary

- **AMM** = Automated Market Maker. An AMM is a smart contract that matches buyers and sellers using a predetermined equation rather than a more traditional method like order books.
- **AWS** = Amazon Web Services. This is the part of Amazon that provides cloud services such as server and hard drive space for companies so they can remotely host their platforms.
- **CMC** = coinmarketcap.com
- **KYC** = Stands for “Know Your Customer”. KYC is usually a shorthand way of saying that a bank, exchange or other service provider will require you to provide personal details such as full name, address and identity documents prior to using their service.
- **SDK** = Software development kit: A group of software tools used by developers to make the act of building software easier.
- **LP** = Liquidity Pool: A collection of two distinct assets generated by an AMM. The pool is automatically used, and adjusted, through the settlement of trades on the AMM protocol. LP tokens represent fractional ownership in a particular liquidity pool. (LP tokens held/Total LP tokens=Percentage of Pool Owned).

Help Us Improve & Tell Us What You Think

Please fill out the [feedback form](#), this won't take more than 30 seconds.



Our team has done our very best to create the most objective and informative report regarding cryptocurrency regulation. If there are areas that we have not addressed, but that you would like covered; this feedback form is the best way to provide our team with improvement points and feedback.

[Leave Us Feedback](#)

We have put our hearts and souls into this report, therefore we welcome any feedback you can provide.

We are committed to making the highest quality quarterly regulatory report available today. In order to make this happen, we need your help! The feedback form won't take more than 30 seconds to fill out, but it would mean the world to us if you did so.

Finally, a special thanks to each and every one of our readers for helping us make our reports even better!

Thank you!

ivan
ON tech