

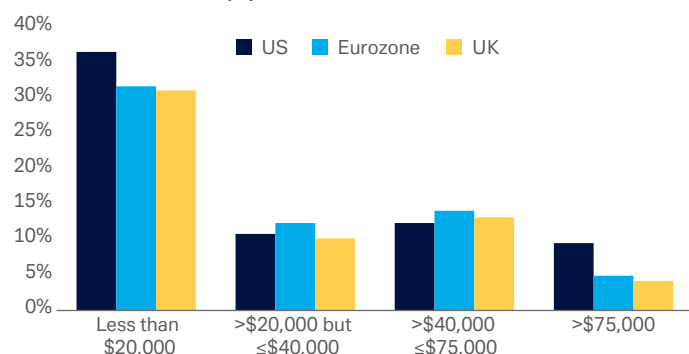


What's next after the Spot Bitcoin ETF?

#PositiveImpact

Following the SEC approval of the spot Bitcoin ETF earlier this month, Bitcoin prices increased significantly to \$47,000, before dropping below \$40,000. Even as Bitcoin prices recover, over one-third of consumers still hold the belief Bitcoin prices will fall below \$20,000 by year-end.

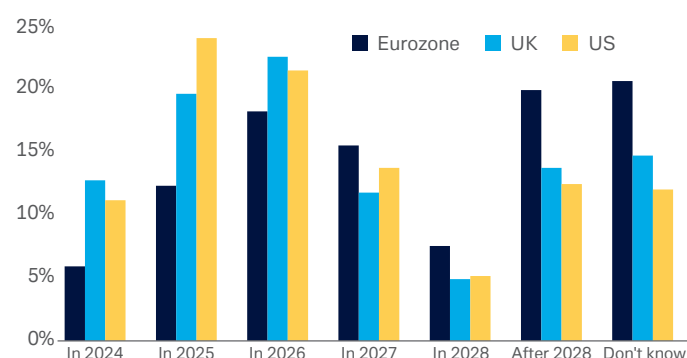
Over one-third believe that the price of Bitcoin will be below \$20,000 by year-end



Source: Deutsche Bank, dbDIG, People were surveyed from the 15th to the 19th of January. Note the question asked was "At the end of 2024, where do you think the price of bitcoin will be? It will be..."

Not only are consumers bearish about Bitcoin prices, but our dbDIG January survey also revealed more than half of our respondents' expressed concerns about a major cryptocurrency experiencing a collapse within the next two years.

Most people believe that another major crypto will disappear/collapse by 2026



Source: Deutsche Bank, dbDIG. Note: People were surveyed from the 15th to the 19th of January. Note the question asked was "If a major cryptocurrency were to disappear/collapse, when do you think this would most likely happen?"

Marion Laboure, Ph.D.
Senior Strategist

Cassidy Ainsworth-Grace
Research Analyst

Although consumers remain cautious, nearly \$4bn in funds have flowed into the new ETFs, bringing the total trading volume to nearly \$7bn. To date, Blackrock's fund alone has received over \$1.4bn in inflows. Fidelity's fund has received nearly \$1.3bn. Much of this influx of funds is coming from investors exiting the Grayscale fund. Grayscale previously dominated the market of regulated Bitcoin investing, but the arrival of cheaper ETF options has seen outflows total -\$2.8bn.

The SEC's approval of the ETF came with a warning from Chair Gary Gensler. He emphasised that "Bitcoin is primarily a speculative, volatile asset that's also used for illicit activity... investors should remain cautious." Our dbDIG survey clearly indicates a lack of understanding of cryptocurrencies, as two-thirds of consumers possess minimal or no understanding of these digital assets.

Following the successful start to the spot Bitcoin ETF, more ETFs are likely coming. A total of seven spot Ethereum ETFs are pending, with the SEC's first decision expected in mid-May. ProShares has also announced plans to launch five additional ETFs, including one that would provide twice the daily exposure to a Bitcoin-tracking index.

The crypto world is gradually moving towards greater institutionalisation as traditional financial players enter the market. By expanding regulated crypto access, upcoming spot ETF approvals could drive further mainstream adoption. Comprehensive regulation is also upcoming, with the EU Markets in Crypto Assets regulation coming into effect later this year. A clearer regulatory framework should help crypto mature into a more established asset class.

Clients of Deutsche Bank Research can access the full report [here](#).