

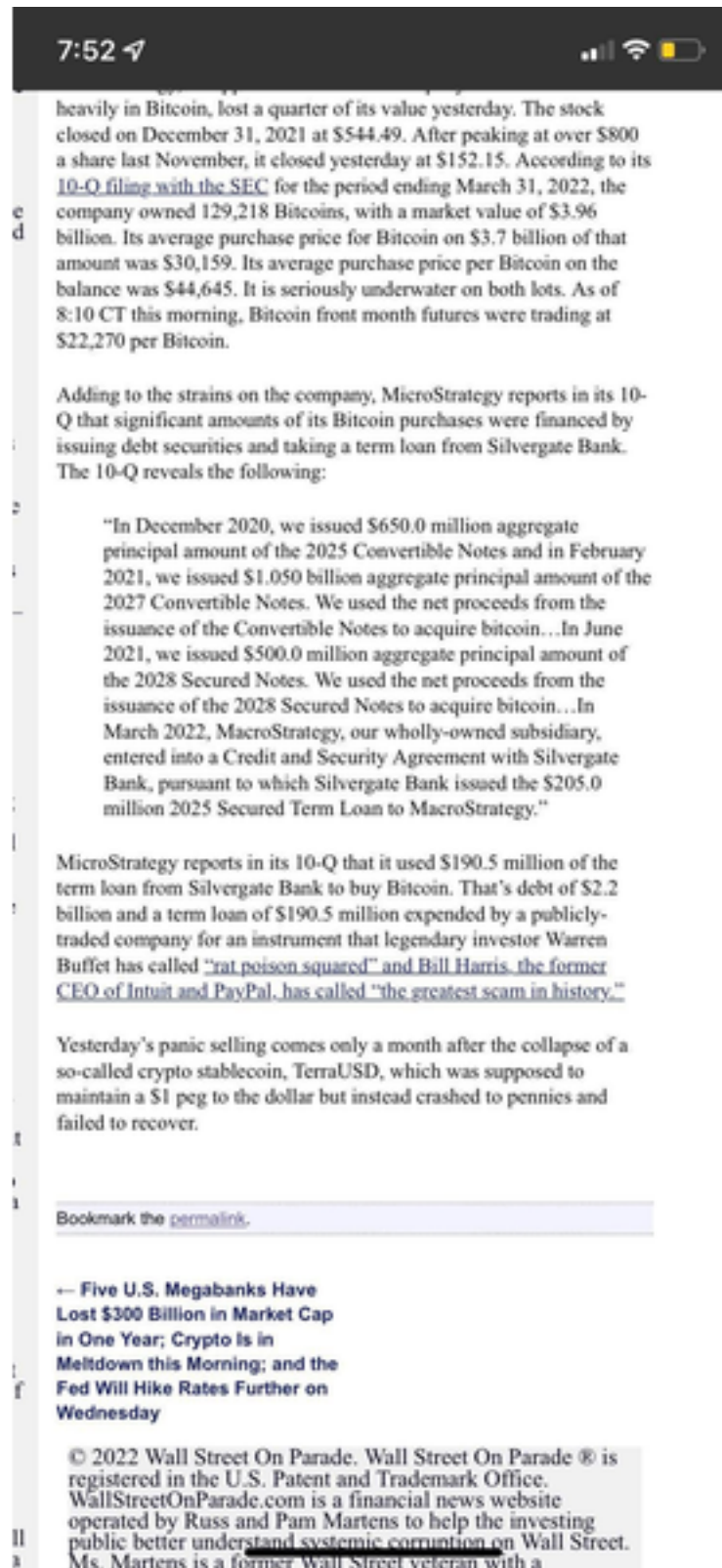
Title: Crypto-Carnage Hits Every Asset Class Tied to Crypto

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Bitcoin withdrawals for three hours yesterday morning, blaming it on a "stuck transaction." The news of the gate locking in crypto accelerated the panic selling.

The publicly-traded cryptocurrency exchange, Coinbase, saw its shares drop another 11.41 percent yesterday to end trading at \$52.01. Coinbase went public on April 14, 2021 in a direct listing at a reference price of \$250 per share. Its shares traded as high as \$429.54 on its first day of trading before closing at \$328.28. According to an SEC filing, Coinbase's Chairman and CEO, Brian Armstrong, sold 750,000 shares on April 14, 2021 at an average share price of \$389.10, or approximately \$291.8 million in total. As of yesterday's closing price of \$52.01, public investors are now down 87 percent from where Armstrong sold his shares.

Also taking big hits yesterday were publicly-traded companies that have taken big stakes in Bitcoin as a corporate "asset."

Block Inc., formerly known as Square, the company cofounded by former Twitter CEO Jack Dorsey, owns \$220 million of Bitcoin as a corporate asset. It also received 44 percent of its total net revenues from bitcoin trades on its app in this year's first quarter, according to its most recent 10-Q filing with the SEC. In doing research yesterday on the company, we were stunned to learn that it was allowed to buy a *federally-insured bank* in March of 2021. Block lost 12.68 percent of its market value yesterday and is down 61 percent year-to-date.

Block's latest 10-Q that was filed with the SEC for the quarter ending March 31, 2022, exquisitely lays out a panoply of good reasons to not allow a company like this to own a federally-insured bank, backstopped by the U.S. taxpayer:

"...we expect to continue to expand our markets in the future, and we may have limited or no experience in such newer markets. We cannot assure you that any of our products or services will be widely accepted in any market or that they will continue to grow in revenue. Our offerings may present new and difficult technological, operational, regulatory, risks, and other challenges, and if we experience service disruptions, failures, or other issues, our business may be materially and adversely affected. For example, our Cash App products are intended to make investing in certain assets, such as bitcoin, stocks, and exchange-traded funds, more accessible. However, as a result, our customers who use these products may experience losses or other financial impacts due to, among other things, market fluctuations in the prices of bitcoin and stocks. If our customers are adversely affected by such risks, they may cease using the product or Cash App altogether and our business, brand, and reputation may be adversely affected. Our expansion into newer markets may not lead to growth and may require significant management time and attention, and we may not be able to recoup our investments in a timely manner or at all. If any of this were to occur, it could damage our reputation, limit our growth, and materially and adversely affect our business..."

MicroStrategy, an application software company that has invested heavily in Bitcoin, lost a quarter of its value yesterday. The stock

## Crypto-Carnage Hits Every Asset Class Tied to Crypto

By Pam Martens and Russ Martens: June 14, 2022 ~

It wasn't just cryptocurrencies that crashed yesterday, it was crypto exchanges, crypto mining stocks, publicly-traded companies holding large investments in crypto, and crypto ETFs.

By the time the closing bell rang yesterday, ProShares Bitcoin Strategy ETF had tanked by 20.22 percent on the day, bringing its year-to-date loss to 50.4 percent. Other crypto-related ETFs were similarly hammered. VanEck Bitcoin Strategy ETF gave up 19.86 percent, bringing its year-to-date loss to 53 percent.

Shares of crypto mining stocks, which were already battered and bruised, were further bloodied. Among the worst of the lot was BIT Mining Ltd. (ticker BTM) which plunged 36.60 percent yesterday, bringing its year-to-date loss to 79.9 percent.

The graphic below shows how nine other crypto mining stocks performed yesterday. Year-to-date, these stocks have lost 60 to 85 percent of their market value. The companies are: Argo Blockchain PLC (ARBK), Bitfarms Ltd. (BITF), Hive Blockchain Technologies Ltd. (HIVE), Hut 8 Mining Corp. (HUT), Greenidge Generation Holdings (GREE), Iris Energy (IREN), Marathon Digital Holdings Inc. (MARA), Riot Blockchain Inc. (RIOT), and Stronghold Digital Mining (SDIG).

### Share Price Performance of Crypto Mining Stocks on Monday, June 13, 2022.

Symbol	Last	Change	% Change
ARBK	4.75	-0.98	-17.10
BITF	1.34	-0.25	-15.72
BTM	1.23	-0.71	-36.60
HIVE	2.92	-0.47	-13.86
GREE	3.00	-0.70	-18.92
IREN	4.06	-0.76	-15.77
MARA	6.65	-0.89	-11.80
RIOT	4.65	-0.52	-10.06
SDIG	2.08	-0.24	-10.34
HUT	1.65	-0.23	-12.23

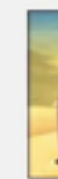
The ongoing downdraft in crypto had a new fuse lit yesterday on the news that cryptocurrency lender, Celsius Network, has frozen withdrawals. The large crypto exchange, Binance, also suspended Bitcoin withdrawals for three hours yesterday morning, blaming it on a "stuck transaction." The news of the gate locking in crypto accelerated the panic selling.

The publicly-traded cryptocurrency exchange, Coinbase, saw its shares drop another 11.54 percent yesterday to end trading at \$52.01.

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