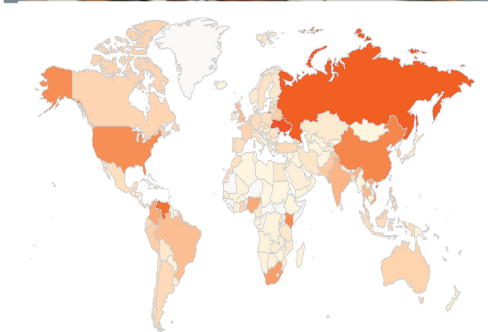




**Fiat is a Fraud, Buy Bitcoin Says Billionaire Salinas**



**Developing World Goes**

**Bitcoin**



**Mircea Popescu Dead By Drowning**

```
upgrade_to_merge(pre: phase0.BeaconState) -> BeaconState:
epoch = phase0.get_current_epoch(pre)
post = BeaconState(
    # Versioning
    genesis_time=pre.genesis_time,
    genesis_validators_root=pre.genesis_validators_root,
    slot=pre.slot,
    fork=Fork(
        previous_version=pre.fork.current_version,
        current_version=MERGE_FORK_VERSION,
        epoch=epoch,
    # History
    latest_block_header=pre.latest_block_header,
    block_roots=pre.block_roots,
    state_roots=pre.state_roots,
    historical_roots=pre.historical_roots,
    # Eth1
    eth1_data=pre.eth1_data,
    eth1_data_votes=pre.eth1_data_votes,
    eth1_deposit_index=pre.eth1_deposit_index,
```

**Ethereum 2.0 Merger Spec Finalized**



**For Every Bitcoiner in El Salvador**



**5 Companies Now Worth \$10 Trillion**



**Germany Opens Floodgates to Bitcoin Investing**



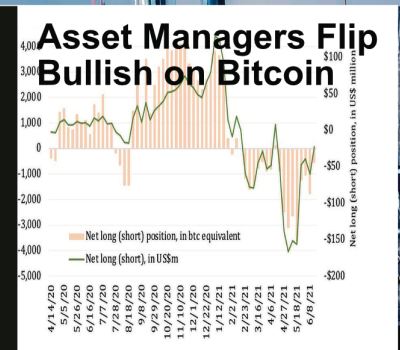
**Deutsche Börse Acquires Crypto Finance AG**



**TP ICAP to Launch Bitcoin Exchange**



**Whale Takes \$1 Billion Bet Shorts Jump 23,000 Bitcoin**



**Asset Managers Flip Bullish on Bitcoin**



**Elon Musk to Speak at Bitcoin Conference**

**AND MUCH MORE**





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## **NYDIG Expands Bitcoin Banking Infrastructure to Millions**



NYDIG has announced a raft of new partnerships that expand bitcoin capabilities to hundreds of US banks and millions of customers.

The firm announced a partnership with Q2 Holdings, which they say “powers nearly 30 percent of the top 100 banks in the U.S, and enables one out of 10 digital banking customers to transact and engage via cloud-based digital solutions anytime.”

Q2 will now tap into NYDIG’s regulated bitcoin platform to provide more than 18.3 million registered users on the Q2 platform with the ability to buy, sell and hold bitcoin.

They’ve also partnered with Fiserv, a leading global provider of payments and financial services technology solutions, with Nydig stating California-based First Foundation Bank is already working with Fiserv and NYDIG to bring bitcoin capabilities to market.

Last month they partnered with FIS Digital One Mobile, a solution that allows banks to provide bitcoin services through an “easy-to-use digital experience.”

Now Forbes reports another partnership with the National Cash Register (NCR) which they claim will allow 650 U.S. banks to offer bitcoin

purchases to an estimated 24 million total customer.

NYDIG is part of Stone Ridge Asset Management with Ross Stevens, its founder and CEO, stating earlier this year he is confident that as much as \$25 billion is coming to bitcoin through NYDIG by the end of the year.

This bitcoin banking infrastructure will presumably assist towards achieving such significant new adoption, but it is worth pointing out so far the partnerships have been towards providing the capabilities for banks to adopt bitcoin.

Some of them have and some are presumably testing it out, but it may take quite some time for hundreds of banks to do so, if they take up the offer at all.

Now however they have the choice to tap into this new infrastructure laid out by NYDIG which is providing a turn key and a complete bitcoin stack for institutions and investors.

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## **Deutsche Börse Acquires Crypto Finance AG**



Germany’s biggest stock exchange operator acquired the Zug based Crypto Finance trading



exchange aimed at institutional and professional investors.

Crypto Finance has some 200 assets listed, and it also providing custody for crypto holders.

“Together, we will enable thousands of financial institutions and professional investors in Europe to immediately move into this new asset class in a way they are familiar with,” said Jan Brzezek, CEO & Founder of Crypto Finance AG.

Brzezek will continue to lead the company with him still holding a substantial amount of shares, but 2/3rd of shares have been acquired by Deutsche Börse for “the moderate three-digit CHF million range.”

“Crypto Finance perfectly complements our latest offerings such as 360X, the innovative DLT-based platform for the creation of serial marketplaces, as well as the centrally cleared crypto ETNs that we are leading the way,” said Thomas Book, Director of Trading & Clearing at Deutsche Börse.

Germany has listed numerous bitcoin and ethereum ETNs with just one of them recently surpassing one billion.

5

They are in addition lifting a restriction on special funds which will be able to invest up to 20% of their holdings into cryptos like bitcoin and eth.

“The aim is to build a neutral, transparent and highly scalable digital asset ecosystem under European regulation,” Deutsche Börse said of the acquisition.

## Just Five Companies Now Worth Ten Trillion



Just five US companies are now worth the entire GDP of China, and Google alone is worth as much as all properties in the United Kingdom, including the Queen’s palaces.

In a stratospheric rise of American tech, Apple leads with a market cap of \$2.249 trillion, more than three times bitcoin’s market cap of \$680 billion.

Microsoft continues its dominance since the 90s with a market cap of \$2.024 trillion as it sees its Windows operating system in every corner of the world.

Amazon has risen from book selling to a giant empire of \$1.737 trillion as it becomes effectively the shop of the world.

Google is split into two. Googl at \$1.671 trillion and Goog at \$1.669 trillion, making it a combined \$3.34 trillion and by far the biggest company in the world due to its dominance of organizing information as well as its advertising empire webbed into a master-slave relationship with publishers which rely on the giant from ranking to payment.

Facebook has just surpassed one trillion, now worth \$1.008 trillion at the time of writing, as the company won a pre-trial dismissal of an anti-trust lawsuit by government agencies and states, with the judge stating that on its face these agencies had not brought enough allegations for an anti-trust trial.



The surprise judgment speaks of the difficulties and complexities of such anti-trust lawsuits, with these companies that are worth more than massive countries, able to potentially overpower underfunded agencies.

TODAY'S WATCHES	LAST	CHG %	CHG	RATING	VOL	MKT CAP	P/E	EPS (TTM)	EMPLOYEES	SECTOR
🍏 AAPL <sup>1</sup>	134.78	1.25%	1.67	~ Buy	62.111M	2.249T	29.87	4.50	147K	Electronic Technology
🇺🇸 MSFT <sup>1</sup>	268.72	1.40%	3.70	~ Strong Buy	19.59M	2.024T	36.06	7.41	163K	Technology Services
🇺🇸 AMZN <sup>1</sup>	3443.89	1.25%	42.43	~ Strong Buy	2.243M	1.737T	64.73	53.59	1.298M	Retail Trade
🇺🇸 GOOGL <sup>1</sup>	2450.72	0.02%	0.55	~ Buy	1.426M	1.671T	32.62	75.93	135.301K	Technology Services
🇺🇸 GOOG <sup>2</sup>	2536.39	-0.14%	-3.51	~ Buy	1.406M	1.669T	33.82	75.93	135.301K	Technology Services
🇺🇸 FB <sup>1</sup>	355.64	4.18%	14.27	~ Strong Buy	29.156M	1.008T	29.20	11.84	58.604K	Technology Services
🇺🇸 TSLA <sup>1</sup>	688.72	2.51%	16.85	~ Buy	21.628M	663.465B	672.48	1.17	70.757K	Consumer Durables
🇺🇸 BRK.B <sup>1</sup>	276.61	-0.64%	-1.77	~ Sell	4.027M	632.646B	6.33	43.97	360K	Finance
🇺🇸 BRK.A <sup>1</sup>	416304.01	-0.68%	-2829.99	~ Sell	1.632K	632.396B	6.35	65961.00	360K	Finance

### *Top US companies, June 2021*

This is the first time these five combined have surpassed ten trillion with them worth \$10.358 trillion at the time of writing.

Just some months ago headlines were blitzing about one of them surpassing one trillion for the first time in history, now they're seemingly taking rounds in doing so, with Tesla previously just about surpassing it briefly.

The meme therefore has to be updated due to money printing. One million was not cool when Facebook was founded in 2004, one billion was cool.

Now, one billion is not cool at all. Ten trillion is cool in a very vivid display of the moving unit of measurement, the fiat dollar, which itself nears a 10x increase in base supply during the same time.

## Germany Opens Floodgates to Bitcoin Investing



As much as €350 billion can start entering the crypto market this Thursday after a law passed earlier this year comes into force in Germany.

The new Fund Location Act (Fondsstandortgesetz) allows 4,000 existing special funds (spezialfonds) – as well as new special funds – to invest up to 20% on bitcoin and eth.

Previously such funds were prohibited from allocating any percentage to cryptos, but now the estimated €1.87 trillion under their control can be diversified into bitcoin.

They're free to choose how much to invest up to 20%, with this law being an implementation of a European Union directive, suggesting this new permissibility is coming Europe wide.

“This won't happen overnight, but we are talking about the largest investment vehicle that we have in Germany – literally all the money in there,” said Sven Hildebrandt, CEO of Distributed Ledger Consulting (DLC), who worked towards this law.

It has a wider and a more general applicability with it not being crypto specific in granting primarily pension and insurance funds, which like using these spezialfonds, the ability to diversify. In explaining, Jacqueline Winter of Blockchain Capital says:

“Spezialfonds are considered the German institutional fund vehicle of choice for most liquid asset classes, and for property within distinct structures.

Segmented Spezialfonds allow assets to be managed by different underlying managers with unified reporting under the umbrella of a so-called Master KVG structure.

The Master-KVG is a German-regulated investment management company authorized and supervised by the German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht, the “BaFin”) and licensed under the German investment law.”

Back in 2018 some US pension fund managers constantly complained about being restricted from investing in bitcoin, hence they really wanted an ETF as different criteria apply to stocks.

Germany is the only jurisdiction so far, as far as we are aware, to remove this restriction, but only for special funds which generally are not accessible to the public.

For public funds the restriction remains, with Germany’s Federal Association of Alternative Investments (BAI) asking for an expansion to public funds.

“In an increasingly digital world, it was imperative for us that investments in crypto values be permitted at least for Spezial-AIFs. In the retail fund area, this must now be accompanied by a change in the UCITS directive (OGAW-Richtlinie),” Frank Dornseifer, MD at BAI, said.

Bitcoin’s current market cap is \$678 billion, with this law allowing for an influx of more than half its market cap, but any such diversification you’d think would be a bit gradual. However, a sustained gradual influx can nonetheless have the same effect.

That’s especially in an environment of negative interest rates that has led Germans to flood towards insurance products for a still meager 2% yearly interest rate.

Cryptos can have far bigger gains, but they’re also a lot more volatile. However, spezialfonds are usually long term investments, and in the long term bitcoin’s very limited 21 million supply should potentially act to provide decent yearly returns on average.

Thus some of this nearly two trillion will probably diversify to bitcoin, which has just gained a new market starting in two days.

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## British Broker TP ICAP to Launch Bitcoin Exchange



TP ICAP, a London based broker that handles \$1.5 trillion in daily volumes on trades of interest rates, credit, credit derivatives, foreign exchange, interest rate swaps, intellectual property (patents, via ICAP Patent Brokerage), and equity derivatives, is to launch a bitcoin exchange later this year with plans to add ethereum thereafter.

“Investor interest in this new asset class has exploded dramatically in the last six to eight months,” said Duncan Trenholme, co-head of digital assets at TP ICAP.

They’re to tap on this new market pending approval by the Financial Conducts Authority (FCA) through offering a separation between execution and settlement.



“The firms have collaborated to develop a new trading model where clients will be able to access liquidity at TP ICAP whilst their assets remain under custody at their digital asset custodian of choice, providing a level of security that institutional investors expect,” the company said.

Fidelity Digital Assets and Zodia Custody, a venture incubated by the innovation arm of Standard Chartered, will provide custodian services to the new platform.

“With this new infrastructure, we’re addressing one of the frictions in the investor experience that’s unique to this nascent asset class. Now, investors can more confidently execute trades knowing their assets remain still and secure in our custody,” said Chris Tyrer, head of Fidelity Digital Assets in Europe.

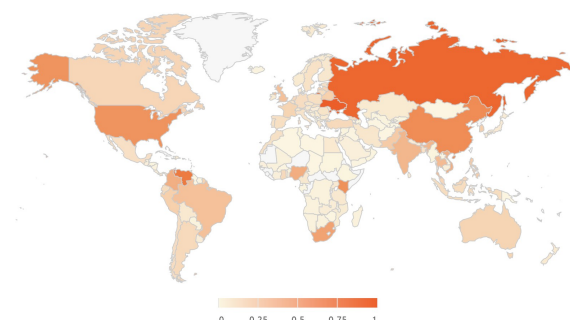
Flow Traders will provide liquidity to the platform. They being the biggest exchange-traded funds (ETF) trader in Europe, handling some \$700 billion in ETF trading, which began market making on ethereum and bitcoin ETNs back in 2018.

“As the #1 market maker in cryptocurrency ETPs, as well as being a leading spot OTC liquidity provider, we have seen first-hand the increase in institutional interest in cryptoassets,” said Michael Lie, Head of Digital Asset Trading at Flow Traders. “We have long been in favour of initiatives such as this that will make the crypto space more accessible for investors.”

A number of traditional financial ‘pipeline’ infrastructure providers have begun entering this space especially since last year following a considerable increase in interest by institutional investors.

This is the latest, and so far the biggest collaboration of different specialists towards providing crypto trading infrastructure at an institutional grade, so opening further market access for bitcoin and then ethereum.

## Developing World Goes Bitcoin



Out with China and in with India as well as the entire developing world which has this 2021 turned the map from gray to much color.

India is the biggest political victory in this space so far where ground developments in 2018 around their beaches suggesting something cool could happen here, were shattered by a diktat from their central bank.

The then little noticed development did not escape the attention of these pages which covered every twist and turn, including the decisive argument that the central bank can not ban cheeseburgers, and therefore can’t ban bitcoin.

Now, the bitcoin industry in India is going from strength to strength, with the country as a whole making \$240 million in realized bitcoin gains last year.

A small sum for a vast country, but the historic Supreme Court decision to strike down the central bank was made only last year, and in showing how slowly information can travel, the central bank there reminded commercial banks just last month of this decision, ordering them to provide uninhibited crypto trading.

This revelation of a functioning rule of law in India may well bring back buzzing blockchain beaches, and this is just the start of a very big

story that is somewhat unnoticeably enriching the bitcoin landscape.

## The Bitcoin Corridor

Turkey, a rising regional power with a home grown industry and very big inflation as well as pinching currency movements, began dabbling in bitcoin in 2018 and now is at what we speculate might be America's equivalent of the 2013 bitcoin adoption wave.

That is, and we are speculating, the Turkish students have gotten hold of this and so an unignorable movement has began that naturally bridges political divides with plenty of Erdogan bitcoin supporters as well as of the opposition.

As elsewhere, they're generally independents and focused on the digital economic upgrade of money and country.

Iran, unfree as it may be and cordoned, is nonetheless very tuned in, with an unknown bitcoin scene there placing this country on the map due to plenty of hints as well as official statements that bitcoin is going places there.

India is a bridge to a less covered, but we suspect important upcoming place that has Indonesia, Malaysia and that whole bit there show itself.

Neither of the above mentioned have reached the stage of nice stories detailing developments on the ground, but in this digital age, that something is happening is undoubtable.

This corridor, from London to Sydney through the above mentioned countries, is a revelation for it isn't talked off or categorized as such, but nonetheless seems to hold massive economic power and potential with each country having the characteristic of being a bridge of sorts.

## Ukraine Namba One!!!

A more interesting revelation might be that Ukraine, out of all countries in the world, is the biggest adopter of bitcoin according to Chainalysis which reaches conclusions based on blockchain data.

That's proportionally of course to Ukraine's population with the war-ish country revealing in legally mandated disclosures that lawmakers, civil servants and the like have 45,000 bitcoin.

Even more surprising might be that according to these blockchain data, Russia is number two

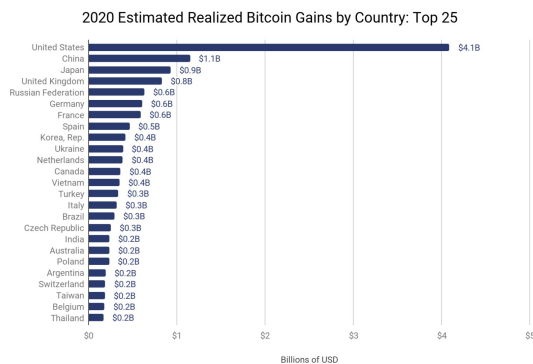
We hear almost nothing from Russia however, probably in part because this is a country that has exiled even their tech wiz, Pavel Durov, in an obviously unsophisticated distinction between politics and hard tech.

In addition it isn't quite clear how Chainalysis is attributing blockchain data to a country, but say Venezuela is number three and China is apparently still at number four.

Where we start questioning this data is the rank of Kenya as number five because we've heard pretty much nothing from Kenya, but if it is proportional to the country, then it may well be right.

## Merica Numba One

In a different sort of ranking, again by Chainalysis, we can see a more impactful categorization based on net gains from bitcoin.



### *Estimated realized bitcoin gains by country for 2020*

USA is the biggest economy and by far where a country is concerned, with it more importantly also being the earliest bitcoin adopter.

China, for all their communist party might say or even do, remains a big bitcoiner at the grassroots levels with it to be seen how that might change after they kicked out the miners .

Japan has been an unspoken part of the bitcoin story since the beginning with Roger Ver living there when he began bitcoining in 2012 as well as the first global bitcoin exchange, the now defunct MT Gox, established in Tokyo.

Much of Europe is then sprinkled with newcomers such as Turkey, Brazil, India, as well as the 2017 class of South Korea.

Interestingly though Argentina makes it to top20 with plenty of indications they were going bitcoin, not least because of their galloping inflation, but just how much is being revealed only now.

Thailand is a cute country as far as these pages are concerned with some big opposition leader there mentioning blockchain in 2019, the Thai SEC making some bizarre announcement in the same year, and the archive reveals there was even some navy cryptonian arrest again in the same year.

Making this an interesting country that was already on the bitcoin radar, unlike Vietnam which surprises with this significant ranking even above Turkey. Chainalysis says:

“While Vietnam has seen extraordinary economic growth over the last 20 years, cutting its poverty rate from over 70% to below 6% since 2002, the country ranks 53rd in GDP at \$262 billion and is categorized as a lower-middle income country by the World Bank. However, Vietnam has a high level of

grassroots cryptocurrency adoption, ranking tenth overall.”

## **The New Wave**

El Salvador’s declaration of bitcoin as legal tender is part of a far bigger story that speaks of the significant widening in bitcoin adoption with it taking a more global dimension beyond the previous dominance of America and Europas well as China at one point or South Korea.

America and Europe still dominates and by far with the two combined having an economy 4x bigger than China and vastly more skills as well as talent, in this space and others.

But they’re no longer the only game in town. The New York v London 2014 crypto competition, which then became USA v Europe in 2018, has now grown to a far richer variety of global adoption.

This is of course very new, and in many ways only precisely now do countries like India, Turkey, or Indonesia, make themselves felt to observers, in particular these pages.

There’s a distinct change in intensity that highlights the importance of these new countries as well as the many ground developments that must be going on there.

This also speaks of the length of time that information in this global world still takes to travel, not necessarily because of any barriers to the speed of information itself, but because of cultural or systemic barriers to the understanding and appreciation of that information.

As a global currency, naked and untouched, still very much at the ground level with no hierarchy or real barrier at a technical level, bitcoin is yet another attempt to upgrade the capabilities of the entire globe towards meritocracy first.



This offers a half-centennial opportunity to many countries and its best, and if we are to think of money alone rather than innovation in general, it offers an opportunity that so far has come only twice in a millennium to upgrade.

The measures of GDP and the rest therefore may be less important than the random chance of meritocracy at a country at the right time and of course with the right will.

Because as Argentina has shown with its richness in the late 1800s, the past is not necessarily the future, richness is not a static line but a revolving corrousel.

And while systemic barriers remain, they might be weakened and perhaps fully because reality appreciates the meritocratic grasp of objectivity.

So we welcome the 2021 class of meritocracy, and its immense diversity in circumstances and thus thought, and offer them nothing more than this: the code will set you free even if you are in chains.

The private-industry led initiative commits signatories to “achieve net-zero emissions from electricity by 2030” AND to “develop standards, tools, and technologies to accelerate the adoption of and verify progress toward 100% renewably-powered blockchains by the 2025 UNFCCC COP30 conference.”

Argo Blockchain, DMG Blockchain Solutions, Gryphon Digital Mining and DGHI are the current known signatories.

“This is an exciting development for the long-term viability of our industry and the long-term health of our planet. Our business model has always focused on growth through environmentally and socially responsible blockchain operations, and becoming a signatory to the Crypto Climate Accord further solidifies that commitment,” Michel Amar, DGHI’s CEO, said.

The tech industry in general is in a rush to upgrade to clean energy with an unprecedented scale of investment in solar, wind and other renewable-energy projects.

Amazon, Google, Facebook and Microsoft have publicly disclosed renewable-energy-purchases agreements for 25.7 gigawatts as they race to secure clean energy for their datacenters.

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## Bitcoin Miners Sign Crypto Climate Accord



Numerous bitcoin miners have signed a pledge modeled on the Paris Climate Agreement called the Crypto Climate Accord (CCA).

“It’s almost like a stampede for clean energy,” said Michael Terrell, director of energy at Google.

Providers moreover say tech companies’ willingness to spend upfront has made them even more important than government subsidies.

The bitcoin industry is taking part in this global upgrade with an investment of \$250 million for a solar plant being just one of the recent projects by bitcoin miners.

Publicly traded bitcoin miners say the vast majority of their energy comes from clean sources, with one miner stating 90% of theirs is carbon neutral.

They’re now working towards 100% as bitcoiners show their commitment towards clean air and clean energy.

## Elon Musk to Speak at Bitcoin Conference



The CEO of Tesla and SpaceX and the richest man on earth, Elon Musk, is for the first time to speak at a bitcoin conference.

The B Word, organized by Square's and Twitter's Jack Dorsey, together with Cathie Wood of Ark Invest, will livestream on the 21st of July, about three weeks from now.

Initially Musk was not on the panel, but a conversation on Twitter between him and Dorsey led to an invitation which he accepted.

Meaning two of the world's biggest titans are going to gather together to chat bitcoin in a very first.

Dorsey himself made his stage debut in Miami where he was heckled but came across as a genuine bitcoiner and even said he'd leave Twitter for bitcoin.

Musk rarely makes appearances with this being his first chance to talk just bitcoin to a global audience of bitcoiners and, considering the speakers, a more general audience than usual for bitcoin conferences.

We don't know what he will talk about, but he'll have plenty of explaining to do, starting with the quick shift in accepting bitcoin for Tesla payments.

We're not expecting any Andrew Neil style grilling however as bitcoin conferences usually are a gentle affair of a meeting between different people with an interest in bitcoin.

So it will be interesting to hear what the eccentric says as presumably he tries to mend relations with crypto bros in what must be the most high profile bitcoin meeting ever to talk about the B word.

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## Bitcoiner Mircea Popescu Dead By Drowning



Mircea Popescu, a 2011 bitcoin adopter who operated the now long defunct stocks, bonds and options MPEx exchange founded in April 2012 – which required 30 bitcoin to join – has drowned at sea.

The Judicial Investigation Agency (OIJ) of

Costa Rica identified the drowned 41 year old as Mircea Popescu, though they say he is of Polish origin when he is known to be Romanian.

“The events occurred around 8:30 am when Popescu entered the sea to swim in the Tramonto sector, was swept away by the current and died on the spot.

Jacó Beach lifeguards remind tourists and bathers that Paya Hermosa is not an area for swimming,” local media says.

The current there can drag you out for miles and if you swim against it, you die of exhaustion. Swimming sideways to shore can work, all suggesting this was probably a natural cause.

Popescu grew up in Cluj-Napoca, Transylvania and graduated from Avram Iancu University. He lived in several countries including United States, Mexico, Costa Rica and Egypt.

Popescu founded Polimedia, a Romanian enterprise resource planning firm, in 2007.

He began writing the Trilema blog in his native Romanian in late 2008. Popescu began writing about Bitcoin in early 2012 and switched to coverage in English later that year.

He sold SatoshiDice in July 2013 for a total of over 125,000 BTC.

He sponsored the operating system OpenBSD in January 2014, which was about to close down due to lack of funds, with Wired stating at the time: Bitcoin Baron Keeps a Secretive Open Source OS Alive.

In March 2014 Popescu revealed that he had received a request to disclose details of MPEX’ users and at least one security issuer from the U.S. Securities and Exchanges Commission.

Summarizing the aftermath, Roger Ver stated today, June 27th, Popescu “trolled the SEC harder than anyone else in all of history.”

Popescu was an eccentric of some intellect with a brash style that includes a one bitcoin bounty then worth about \$500, on core developer Pieter Wuille after the latter suggested an automatic 17% increase in bitcoin’s blocksize every four years during the blocksize wars.

Popescu and a group of minarchists from

Bitcoin Assets on IRC were strongly against any change whatever to the 1MB bitcoin blocksize and threatened at the time – probably around 2016 – to market sell one million bitcoin, which they claimed they had, if any change to bitcoin was made.

Gavin Andresen, the then lead dev of the bitcoin Core node client who later proposed a fork to unconsensually change the blocksize, tried to persuade Popescu without much success.

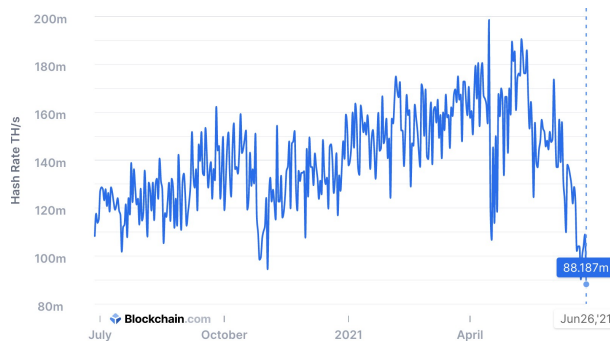
The blocksize wars ended in November 2017 when a last ditch suggestion to upgrade to segwit2x flopped. That cemented the current 1MB bitcoin and established BCH as the main big blockers alternative, with not much heard from Popescu since as he kind of stopped participating after the 2017 bull run – including on IRC – when bitcoin became more mainstream.

Prior, he played a minor but colorful cultural role, with it unknown to us whether he left any descendants or the state of his bitcoin holdings.

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## Just 77 Bitcoin Blocks Mined Within 24 Hours



Just half of the usual 144 daily bitcoin blocks have been mined in the past 24 hours according to our analysis of blockchain data.

The last block at the time of writing is 688,969. Counting to precisely 24 hours ago, block 688,892 was mined, making it a difference of 77 blocks in a day.

This is expected of course as bitcoin's hashrate has fallen to 88 exahashes today as pictured above, with the weekly hashrate showing 101 exahashes, down from about 140 exahashes two weeks ago.

Difficulty is to adjust in about five days, or less than 500 blocks, with it estimates to fall by 22% according to the data by a blockchain explorer, but we're not sure of this estimate and would suggest it will fall by at least 30% and considering hash has dropped a bit again, maybe by 40%.

The bitcoin network has an algorithm that sees every two weeks (2016 blocks) how much computing power all nodes have, and then either increases or decreases the amount of computing power needed to find a block to keep a target of 144 blocks a day or one every ten minutes.

There are theories and debates in regards to why two weeks, with some suggesting that's the best tradeoff between security and liveness (the network keeps moving), while others say by the block is fine.

For those currently mining, there's no difference in as far as they get the same amount of coins they would have gotten if the hash had not fallen, thus they maintain the same

incentives to keep mining as prior to the hash fall.

In fact arguably they have even greater incentive because they want to get to the difficulty adjustment as soon as possible so that they can get twice the amount of coins they would have gotten last month when difficulty was at 180 exahashes.

We're thus seeing the network operate as normal, albeit with a block roughly every 20 minutes rather than ten minutes, despite this halvening in hash and even in price.

## History in the Making

It's the first time ever since bitcoin's invention in 2009 that 77 blocks are found in a day with reports suggesting there have been 24 hour periods with 73 blocks.

Previously there have been all sorts of speculation regarding what might happen in this kind of instance, including suggestions of 'death spiral' especially during halvings.

That has not been the case in practice, and even now that we're getting a big and a pretty much instant almost halvening in hash, the network is still operating as usual with only a slight increase in block times to the point most can't tell a difference because there's general variance in any event.

Whether China's Communist Party (CCP) wanted to test this is not clear, but their timing was perfect where difficulty is concerned with both instances starting the shutdown of bitcoin miners just after difficulty had adjusted, hence miners and the network had to and has to wait almost the full period of circa two weeks.

One point to note is that the adjustment happens in blocks, rather than human days or weeks. The bots understand only their language and therefore difficulty adjusts only if 2016 blocks have been found regardless of whether that takes a day or a year with Satoshi Nakamoto, bitcoin's inventor, stating back in 2010:

"The proof-of-work difficulty can be seen by searching on 'target:' in debug.log. It's a 256-bit unsigned hex number, which the SHA-256 value has to be less than to successfully generate a block. It gets adjusted every 2016 blocks, typically two weeks. That's when it prints

‘GetNextWorkRequired RETARGET’ in debug.log.”

As these 2016 blocks have to be found based on the hashrate at the time of the difficulty adjustment, one can speculate during that 2016 blocks period more and more miners leave until the remaining hash takes a day, a week, a month, or even a year to find a block.

This academic theorizing however ignores the fact we have a “256-bit unsigned hex number” which can just be changed if there’s some calamity and/or the circumstances leads to a consensus with nodes then upgrading.

Without such consensus, your node is just ignored, or if it's a group of nodes changing it, they are collectively ignored, with someone like Coinbase for example not recognizing it. And even if there is a circumstance where 99% think it should change, 1% might keep running on the unaltered difficulty if they can get the blocks to the difficulty adjustment.

So there are fail safe mechanisms in circumstances that realistically would only arise at a time when the world has a lot more to worry about than some geek money, and even then manual intervention probably wouldn’t be necessary unless the circumstances are far far worse than even during both the past global wars when miners in countries like neutral Switzerland or Argentina or even USA itself - and in modern days, bunker plentiful Albania - could have kept bitcoin running largely as normal.

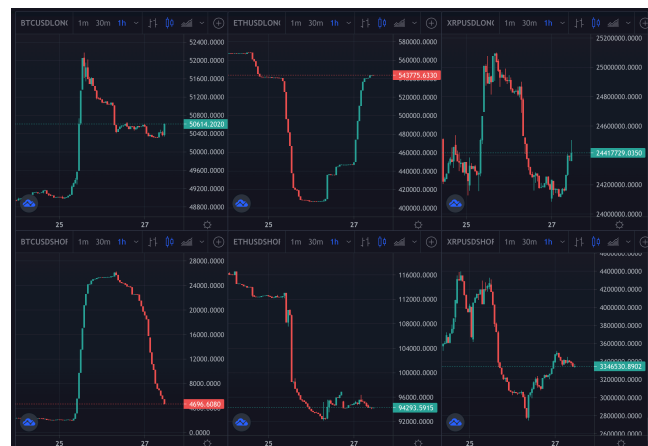
We’re thankfully at a time of general peace, so there’s absolutely no need for manual intervention as bitcoin currently is running perfectly fine and exactly as it should, but we’d be remiss if we didn’t thank CCP for providing us this one data point to see in actual action just how bitcoin handles a sudden 50% drop in hash.

Considering its current performance, we’d say it can probably handle just fine another 50% drop in current hash, so 75% from the previous adjustment, and we think it can handle another 50% drop from that again largely without any real problem and we’d add another 50% drop to that hugely reduced hash before one can start even considering manual intervention.

If our rough maths is correct, that would be a 90%-95% drop in hash from the previous adjustment with about two hours per block,

with 2016 blocks taking about three months, during which time the network continues to move while being absolutely secure as for the entire three months it would be running at 100% the hashrate of the previous difficulty adjustment prior to its drop, until difficulty adjusts, as far as block finding and verification is concerned.

Making this a beautiful mechanism when one considers the many eventualities that can occur over decades and centuries.



## Bitcoin Rises as Shorts Close

Bitcoin has risen by about 10% from a low of \$30,000 in the past 24 hours to above \$33,000 at the time of writing.

Volume also seems to be increasing with Paolo Ardoio, Bitfinex’s CTO, stating “cold wallet increasing wildly.”

He linked to an address which might be Bitfinex’s hot wallet showing considerable withdrawals of significant sums.

*continues...*



*Bitcoin's price, June 2021*

The finex whale/s has closed about 15,000 in bitcoin shorts, worth about half a billion dollars, down from 25,000 btc to currently 4,500 as can be seen above in the featured image.

They opened at about \$34,000 on the 25th and closed it over night time UTC on the 27th, making them quite a bit of money based on a price difference of on average about \$2,000 in their favor.

“Finex whales reducing shorts push Market Makers to buy bitcoin on cheaper exchanges (using tether because other pairs have basically no liquidity ~~Smiling face with smiling eyes~~) and sell it on Finex (where price is higher due to the short closing),” Arduino said.

There's currently a price premium of about \$100 for bitcoin on Bitfinex over Coinbase, so we can be reasonably sure that the shorts were real.

They coincided with the Friday futures expiry, as did a Musk tweet about bitcoin, with a new month now beginning where derivatives are concerned.

Asset managers have now began turning a bit bullish, with a billionaire calling fiat a fraud, so bulls may have room for a little bit of confidence, but in the immediate term the market is more in a wondering mood regarding whether this now heads for another test of \$40,000 or something else.

## Fiat is a Fraud, Buy Bitcoin Says Billionaire Salinas



“Fiat is a fraud. Look, I started my career in 1981, the Mexican Peso was 20 to \$1. Today we are at 20,000 to 1.

And that is in Mexico, but if we look at Venezuela, Argentina or Zimbabwe, the numbers lose all proportions.”

So said one of Mexico's most powerful man, Ricardo Salinas Pliego, in control of one of the most viewed Spanish TV network, TV Azteca, a bank to provide consumer finance for Grupo Elektra that sells anything from washing machines to mobile phones, as well as the Telcel internet provider.

In a recent interview this Monday (June 21), he called the dollar a joke. After the above mentioned quote, Salinas said:

“The fiat fraud is inherent to the fiat system and we can see it today in USA. Monetary issuance went to the moon, you understand? The dollar as hard money is a joke.”

Bitcoin on the other hand has a fixed 21 million limit and that is key, he said:

“I've invested a lot of time studying bitcoin and I think it's an asset that should be part of every investor's portfolio.

It's an asset that has value, international value, that is traded with enormous liquidity at a global level and that is enough reason for it to be part of every portfolio, period.

The finite supply of bitcoin, the 21 million, is



the key part. That's why I say about ethereum, while they don't have a finite supply, I don't believe anything they do. For all I know, they emit more and your asset depreciates."

Salinas is estimated to be worth more than \$13 billion with him revealing in November last year that he invested 10% of his "liquid portfolio" in bitcoin.

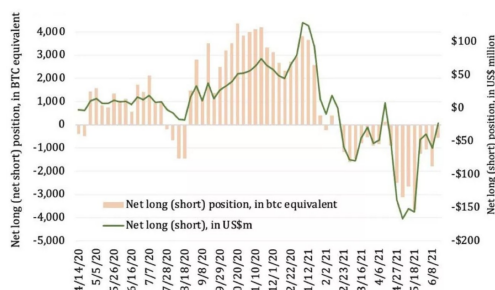
We don't know how much his liquid portfolio is worth with most of his fortune tied up in family owned stocks, but this is one of the

biggest endorsement of bitcoin by a billionaire and the first to call fiat a fraud as far as we are aware.

"If today you could choose one asset, good or money to take into the future, what would you take. Gold, silver, Bolivars, Argentine Pesos, Mexican Pesos?" – interviewer asks.

"[Laughs loudly] No, no, no, no stinky fiat for no reason. Not even a single peso, no paper bills. I would take bitcoin."

## Asset Managers Flip Bullish on Bitcoin



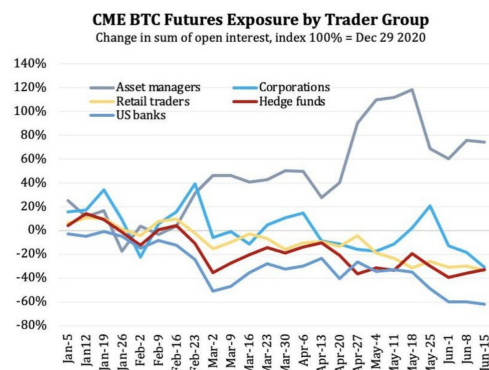
Asset managers have increased long bets on bitcoin futures by 35% since last week to above 500 contracts for the first time since the fourth quarter of 2020.

The latest data by the Commodities Futures Trading Commission (CFTC) show asset managers have 517 long bitcoin futures contracts as of June 15th.

As can be seen above, this class of investors was long for much of autumn and December of 2020, but then went short for pretty much all of this year.

Now they're once again edging towards long, although they're still just about net short currently, but far less than last month as more and more flip bullish.

Asset managers moreover dominate as a group according to CFTC data as compiled by Forbes.



*CME bitcoin futures by group, June 2021*

CFTC data shows in total 7,000 are short and 6,000 are long, with bears seemingly giving way as bitcoin holds \$30,000.

The currency has been testing that support level now for months with it holding so far despite brief dips below it.

Following that price action, smart money is apparently betting on a change of direction with the grand theme here perhaps being that the investment proposition for bitcoin changed from a print baby print safe haven during the pandemic, to the market not being very sure what it will do once the economy opened up.

Now six months on, with the policy of easy money expected to continue until 2023 and with euro bonds hitting the market, bitcoin has retained some of its proposition while also eyeing gains from economic growth.

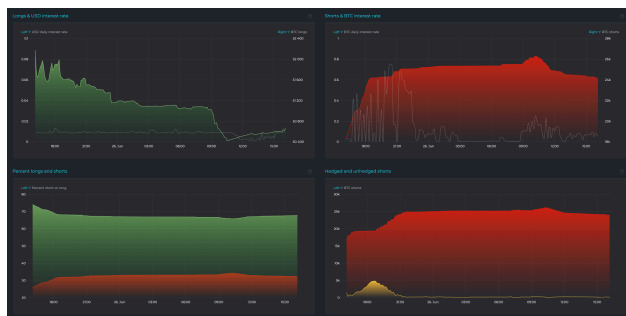
It may be therefore the turbulences from the re-adjustment from a pandemic economy to a

largely non-pandemic economy, which gave us things like the GME hysteria, might now be coming to an end with bitcoin holding its proposition at this price level so far even under a state level assault.

So looking forward six months from now, these asset managers may well be foreseeing a very different economy from last year that may translate to a Christmas economic boom with inflation slightly higher than usual at about 4%-5%, and thus a lot of money looking for a place to park with bitcoin obviously being one such place alongside stocks.

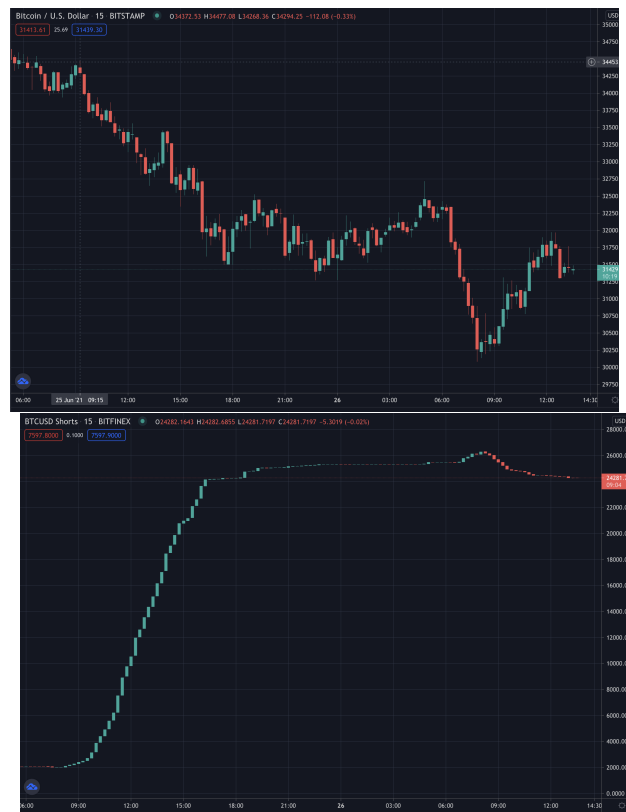
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## Whale Takes \$1 Billion Bet as Shorts Jump 23,000 Bitcoin



Someone has taken a 23,000 bitcoin short bet on Bitfinex, worth \$729 million at the current price, with 15,157 bitcoin apparently borrowed.

The shorting began at eight o'clock UTC, so as Europe was waking up this Friday, with it gradually rising all day from about 2,000 shorted bitcoin to 26,400 at one point before some of it is closed.



*Bitcoin shorts on Bitfinex, June 2021*

We can see above the gradual but relentless rise in shorts throughout yesterday being mirrored in a pretty much identical gradual and relentless fall in bitcoin's price from above \$34,000 to about \$30,000.

The 25th of June was the last Friday of the month with CME futures expiring as well as options on Deribit and other platforms.

These are apparently unhedged shorts, although it's not clear whether the above data from Datamash is limited to Bitfinex, in which case we wouldn't know whether they are hedged somewhere else or otherwise.

But what is more interesting is if we zoom out a bit to see a pretty big zig zag of close to one billion dollars.



### *Zoomed out bitcoin shorts on Bitfinex, June 2021*

Bitcoin shorts jumped 10x earlier this month, but price went against the shorter/s, reaching \$41,500 on the 15th of June.

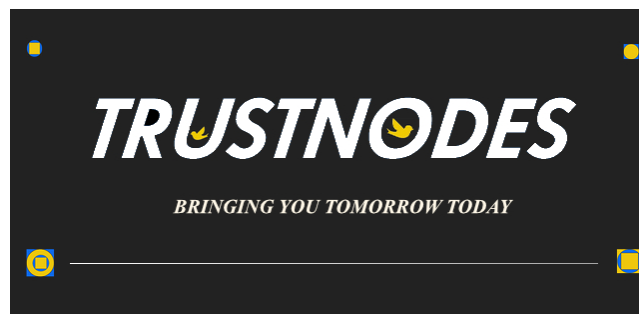
It then falls to \$38,000 on the 18th of June when the shorters start closing as price drops to \$29,000 on the 22nd, while shorts fall from 25,000 bitcoins to 3,000.

Bitcoin then rises to reach \$35,000 on the 25th, when Musk sends out a bitcoin tweet at 4:10 am euro time, which may have contributed to these shorts opening when europe woke up.

It remains to be seen now when these shorts close with it unclear whether there's a lag between these shorts opening and Bitfinex reporting and just how much of a lag as our suspicion based on previous events suggests it may lag by four or five days, but of course it may have changed.

In addition Bitfinex does not quite have AML and KYC, so this billionaire might feel comfortable, but of course we do not know if it is one person.

Yet they probably made quite a bit of money with it to be seen now if they get hunted, with longs up too to 50,000 bitcoin, but they rose gradually rather than in a massive jump.



## **Euro Bonds Hit the Market**



“The largest institutional single tranche euro-denominated bond ever issued” was 7 times oversubscribed with demand exceeding €142 billion for the €20 billion NextGen bond that has a 10-year maturity.

Repayment won't start until 2028, giving Europe a seven year long honeymoon for this first trench of an up to €800 billion package for green and digital infrastructure spending until 2026.

“The strong appetite from global investors shows that the NGEU issuances will establish the EU as a key player on the debt capital markets – issuing liquid, highly rated debt of interest to both domestic and international investors.

Our issuances will also strengthen the international role of the euro,” said Johannes Hahn, European Commissioner for Budget and Administration.

The debt will be repaid by the EU itself which is to boost its budget by levying a carbon tax, digital tax, or financial transaction tax.

“I welcome the excellent collaboration between the Commission's funding team in Luxembourg and the financial centre ecosystem in making this ‘Hamiltonian’ moment possible,” said the

Luxembourg Minister of Finance Pierre Gramegna.

Luxembourg, one of the only remaining city state from the Holy Roman Empire alongside Liechtenstein, marked the listing of the first bond at the Luxembourg Stock Exchange (LuxSE).

“This issuance increases the attractiveness of Europe as a place of investment and strengthens capital market activity across the region. It is a privilege for our exchange to be part of this extraordinary bond issuance,” stated Julie Becker, CEO of LuxSE.

While the recent euro summit highlighted the flamboyance of this still very new governance model with the council ambushed at the last minute on whether to meet Putin and a recent legislation from Hungary taking the other half of the meeting, on the economy there was sweet music for those that want to see a united continent with the council stating:

“We reiterate our full commitment to the completion of the Banking Union and, capitalising on recent discussions, invite the Eurogroup in inclusive format to agree, without delay and on a consensual basis, on a stepwise and time-bound work plan on all outstanding elements needed to complete the Banking Union.

We underline our political support for the Capital Markets Union (CMU) and call for a rapid implementation of the CMU Action Plan in line with the priorities set out in the Council conclusions of 3 December 2020. Structural challenges to the integration and development of capital markets, particularly in targeted areas of corporate insolvency laws, need to be identified and addressed. Green finance, including a green bond standard, can be a catalyst towards a fully-fledged CMU.”

## Europe Uniting?

However rowy the summit may have initially seemed, at the end the council was united on politics both on Hungary and on Russia with it putting conditions on the latter before they can restore relations as offered by Vladimir Putin - who in an ostensible detente nonetheless seemed to suggest that Nato effectively should be disbanded if there's to be normal relations.

This out of touch 19th century analysis might illustrate Putin's lack of diplomatic skills as he offered no acceptable way to square the circle, and so in some way strengthened those that say Russia under Putin has no care nor aim to be a jolly good neighbor.

While the episode therefore may have looked a bit chaotic, one does wonder whether this chaos is actually some fine diplomacy in basically the EU saying we do want to talk, but you do have to show that you are really willing to talk as well, by for example abiding with the Minsk agreement.

A greater unnoticed failure was EU's lack of progress on the Western Balkans which they now see as strategic, with no progress on this front due to a technicality in as far as Bulgaria's government has fallen yet again, and thus the current caretaker government ostensibly doesn't have the legitimacy to change Bulgaria's previous veto on North Macedonia over identity.

This capriciousness however may also be short lived as Slovenia is now to take the presidency where they chair the council, with Slovenia's Minister of Foreign Affairs, Anže Logar, stating:

“Our roadmap is focused on socio-economic recovery and the integration of the Western Balkans into different European policy areas, ranging from infrastructure, transport and energy connectivity to research and innovation decarbonisation, digitalisation and cyber resilience.



All this is crucial for a credible and secure European Union, which we would like to highlight at the EU-Western Balkans Summit, hosted by Slovenia this autumn.”

An interesting analysis by Politico also reveals the so called ‘engine’ of the EU, Corep, the constant meeting of the member states permanent representatives who answer directly to the political head of state.

The head of state council meeting therefore may be more a rubber stamping exercise and an opportunity to vent over roadblocks the reps couldn’t agree to overcome. Hence this council rowing might be a staple of European governance, a bit like the ruthlessness in the House of Commons.

This may explain the show on the political front, as one might expect if for example California and Alabama was in the same room, while nothing was heard on the economy because that show went down last year and they largely agreed to what is now being enacted with these NextGen bonds.

## The Multilayer Techy Europe

The flux in European governance and its changing form as it moves towards a continental level awareness can also be seen in the tech fronts.

An interesting analysis on quantum computers points out there’s a €1 billion European Flagship program that especially helps “the smaller countries, which might have high-level industry and research—sufficient scientific power to contribute—but which cannot afford big investments. For them, that’s a really good program.”

Then there’s the national programs. The French have a €2 billion one while in Germany there are even “clusters where the states spend a lot of money—in Bavaria, up to 300 million euros

—to strengthen the research and the industry in their regions.”

Italy has a smaller program, but you can imagine the Swedish, Danish, Belgian, Dutch, even the Estonian talent, can potentially be tapped by the European Flagship program gluing national programs together.

There’s not enough of that gluing with its lack more visible perhaps on the blockchain and AI space where Europe has the most of talent as a study by the European Investment Bank (EIB) and European Commission stated:

“Europe has the largest talent pool of researchers in blockchain and artificial intelligence, with an estimated 43,064 in the field (of whom 7 998 are in the United Kingdom), compared with 28,536 in the United States and 18,232 in China.”

Nonetheless the United States and China together account for over 80% of the €25 billion in annual equity invested in artificial intelligence and blockchain technologies, while the EU27 only accounts for 7% of this total, investing around €1.75 billion per year.

There’s a €10 billion investment gap in artificial intelligence and blockchain technologies in the European Union, they find, with it perhaps time the European structure expands to permanent reps focused on the economy.

These new bonds should assist towards that European economy, with S&P Global Ratings revising upward their forecast for eurozone growth to 4.4% this year and 4.5% in 2022 because of “broader implementation of fiscal stimulus under the Next Generation EU plan and weaker contraction of GDP in the first quarter.”

It’s not clear however whether they’re doing enough with U.S. President Joe Biden finally reaching a \$579 billion infrastructure agreement that brings total federal investment

in infrastructure to nearly \$1 trillion over five years.

In the United States, both the federal government and state governments have been able to raise funds, while in Europe, only member states have been able to do so until now.

NextGen thus should add a new dimension and some dynamism especially as there's a seven years long honeymoon period with US treasury bonds so finding some competition as some may well see Europe as an even safer haven.

That could potentially develop financial markets in the EU and increase the sophistication of financial instruments, including European stocks.

Marking thus a greater integration of the continent as its governance starts to function at a meaningful level, including tax and spend.

tweet. In addition Musk has not tweeted about crypto for some time, so him tweeting again is kind of bad news at least as far as the market price action is concerned.

The timing of the tweet is also interesting. Just as bulls were intensifying their fight with bears and eth was flirting with \$2,000, this guy opens his mouth and interferes in the market process.

What's in it for him? What does he get out of it? Is probably what plenty are wondering. Why was he tweeting just before bed instead of spending time with his son or Grimes or friends? He has friends right? Was he drunk? Are Tesla's Q2 results so rubbish he distracting with bitcoin?

Or maybe he thought he was helping, but condemning the concentration camps in Xinjiang and the kicking out of miners would be a lot more helpful.

According to the Tech Transparency Project, a Tesla supplier Lens Technology used forced labour by Uighur workers from the predominantly Muslim region of Xinjiang.

Instead of dealing with such issues and many others, the world's richest man in command of an army of workers at Tesla and SpaceX, spends his time making 'jokes' on Twitter during sensitive times for the crypto market.

Perhaps he gets a kick out of the illusion that he has so much power and influence, but there's a reason why rule number one of power is to appear weak when you are strong.

The reason in this case being whether the government through subsidies is not distorting market forces to provide too much power to one supplier.

There are many EV producers who probably don't receive as much subsidy as Tesla, distorting competitive forces at the expense of the general public which is not offered as much choice as it should be offered by the market due to this government policy of picking winners and losers.

Muskies brush off any criticism by bringing up big bad oil and their alleged secret agenda to destroy the clean cars market, but that doesn't work anymore when Tesla's market cap brushed with \$1 trillion at one point.

## Musk Crashes Bitcoin Again



Elon Musk has tweeted about bitcoin again and that was enough to send the price down by 10%!

“How many Bitcoin maxis does it take to screw in a lightbulb?” – Musk tweeted at evening before adding “That’s not funny!” – Bitcoin maxis.”

The price was above \$35,000 when he tweeted with it falling to a recent low of \$32,600, making it a drop of circa \$3,000 or 10%.

But why? Well presumably because you have sentiment bots that decided this was a negative

So collectively we need to think a bit whether we are not misallocating resources by giving people like Musk too much power, starting with perhaps enforcing those anti-monopoly laws as Tesla is clearly a monopoly in US where electric vehicles are concerned, a monopoly that allows them to charge far too much for a car while also affording Musk the luxury of trolling instead of working.

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## El Salvador Unveils Chivo Wallet, \$30 Bitcoin For Every User



The government of El Salvador has showcased a new bitcoin wallet called Chivo that allows for instant conversion between the dollar and BTC.

Every El Salvadorian is eligible for this wallet after passing some verifications with it allowing for bitcoin payments and receipt.

“In the Chivo application you can make payments and send money through a QR code. In this example, Miguel will be able to pay his minute in bitcoin but Roberto, who sold it to him, will be able to receive it in dollars,” Nayib Bukele, the President of El Salvador, said.

He clarified that there are hundreds of wallet companies in the world. “The Government will be offering a wallet that guarantees compliance with the articles that benefit the population in bitcoin, but people are free to use the wallet they want...

The Government wallet will be compatible with

all the others in the world; there will be a wallet for people and one for companies, they work the same, only that in one the person will be registered and the other will be registered with companies.”

Everyone who downloads this wallet will receive \$30 in bitcoin “to promote its use in the economy and so that people have an incentive to use the application.”

“With the incentive of \$30 in bitcoin we want the population to make use of this system and bitcoin as legal tender, to generate multiplication of money in the economy and to help with the economic growth of the country.”

El Salvador has a population of 6.454 million as of 2019. The government therefore will giveaway a maximum of \$193,620,000 worth of bitcoin.

That means they will have to buy about \$200 million worth of bitcoin since they will be given in bitcoin for free.

Making this bitcoinization a very first at a country level with bitcoin becoming legal tender in El Salvador on September the 7th, after which all that have the technical ability must accept bitcoin, but as shown above the app has the inbuilt mechanism to get paid in bitcoin while receiving dollars.

The government has announced all this has three aims. To “connect our country with the rest of the world,” which they already have done to some extent by putting this country on the map, and once they start downloading the wallet, by putting a bank in everyone’s pocket.

They want to “attract foreign exchange from investments and tourism.” There probably will be some of the latter by bitcoiners who want to see what’s it like to be in a bitcoin country. Some who want to live on bitcoin, might even go live there.

And they want to “boost our economy,” something presumably achieved by the above two as well as by digitizing their monetary economy through this wallet that operates both in bitcoin and in dollars.

Making this one of the biggest experiment in monetary history as a country leaps into the future for all of us to see just what it is like there.

## Jack Dorsey Launches Bitcoin Initiative



The CEO of Twitter and Square, Jack Dorsey, has joined forces with other bitcoiners to launch what sounds like an anti-FUD lobby.

He is joined by the queen of innovative investment, Ark's Cathie Wood, and the veteran of bitcoin's 2016 civil war, Adam Back.

New help comes from none other than a Former Acting and Deputy Director of the Central Intelligence Agency as well as the presidential daily briefer to George W. Bush, including on the morning of September 11, 2001.

Michael Morell, who was almost nominated to head the CIA by the Biden administration and now works as Senior Counselor at the Beacon Global Strategies, has already shown his warring side by publishing in April a report indicating bitcoin isn't much used for illicit activity.

The B word, is what they calling this offensive, described as "a Bitcoin focused initiative that aims to demystify and destigmatize mainstream narratives about Bitcoin, explain how institutions can and should embrace it, and raise awareness around areas of the network that need support."

This comes just days after current and former senior civil servants and politicians highlighted during the Bitcoin Miami conference that bitcoin's industry lacked a voice.

CFTC's former chair, Chris Giancarlo, pointed out the lack of timely response to crypto

criticism, stating th the point of view of bitcoiners needs to get to officials as quickly as any problems arise.

He even suggested sending someone like Vitalik Buterin to speak to the elected, as that can have significant persuasive power.

This is the B word, however, not the crypto word with assets from the wider industry not quite utilized at this stage as the team plans livestream discussions, with Cathie Wood, founder, CEO, and CIO of ARK Invest, stating

"As the next wave of adopters embrace Bitcoin we believe stakeholders must play an active role in supporting and sustaining the network."

Dorsey has put all his bets on bitcoin, at least s far, stating that and that alone will be the internet money. Regarding the initiative, he says:

"As companies and institutions like us are getting into Bitcoin, we all need to better understand how to put the community first and how we may help it thrive, even when it appears to be against our own interests. Doingso will benefit all over the long-term."

This Dorsey-Wood partnership has just began, with it to be seen what results it will bring, butit is clearly an upgrade in lobbying initiatives athe crypto space gets a louder voice.

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## EIP1559 Ethereum Testnet Launches Successfully

Block 10502253 29 sec ago	1.716349
Block 10502251 45 sec ago	1.108753
Block 10502250 49 sec ago	2.705053
Block 10502249 52 sec ago	0.029832
Block 10502248 59 sec ago	0.037283

Ropsten, the ethereum testnet has successfully upgraded earlier this Thursday, with the fee market reforming Ethereum Improvement Proposal (EIP) 1559 now live in test conditions.

For the first time we can now see how this works in practice, with a site tracking the amount of eth that is being burned by the block.

As can be seen above, one or two eth are being burned by the block, with 85.13 ETH being burned in the past 64 blocks while we were observing.

In total, 1,238 eth has been burned since the upgrade 12 hours ago at block 10,499,401, worth \$2.5 million.

These are monopoly eth as Ropsten is a testnet environment that tries to replicate as much as possible the live environment to see how it all works before launching on mainnet.

Two further testnets are to upgrade in the next two weeks, and if all goes well, this then goes live by the end of next month or in early August.

Once it does, the same thing currently happening on the testnet should occur on the mainnet as well.

The site in question thus will probably be updated to connect to the mainnet, at which point we all will see the burning by the block of real actual eth at a variable rate depending on just how much the network is used.

This burning is due to the setting of a base fee by the protocol itself to stabilize network fees.

To maintain incentives, that base fee is then burned – effectively destroyed or erased, the eth ‘vanishes’ into an address to which no one has the private key because it is the address of the protocol itself, of the ethereum nodes collectively – rather than it being distributed to miners.

As such during high congestion more will be burned in base fees than is given to miners in block rewards, so having the potential to contract ethereum’s total supply.

The testnet should further provide some insight on the relationship between the new base fee upgrade and fee predictability as well as network capacity, with this unique change among prominent blockchains now being at its final stages before it goes live.

## 50,000 Charging Stations to Roll Out Crypto Payments



Two traditional payments companies have announced expansion to crypto payments for electric cars charging stations.

HIPS Payment Group Ltd, that runs some of in store card payment solutions, has partnered with Vourity, a Swedish leading payment provider for Electric Vehicle (EV) charging stations in Europe



Vourity specializes in unattended sales and stand alone payments, things like vending machines and mini-stores, expanding then to the new industry of EV charging stations.

Currently, the Vourity platform enables EV drivers to pay with credit cards (e.g., Visa and Mastercard), Apple Pay, Google Pay, Swish,

and Bluecode.

This partnership with Hips will now expand options to the use of crypto currency with Hans Nottehd, the CEO of Vourity, stating “we are currently evaluating what cryptos/coins we will support. It will be instantly converted to fiat.”

Crypto payments will be integrated by connecting to the blockchain via Hips Merchant Protocol’s (HMP) native protocol token Merchant Token (MTO) starting November 2021, they say.

This protocol is described in a previous statement as a Merchant Blockchain that is optimised for real-time merchant transactions created for Payment Service Providers (PSP) and EFTPOS devices. Tricia Buenvenida of Hips told *Trustnodes*:

“There is no exchange involved at the moment of purchase. The initial beta program that we will launch with Vourity will be for like to like blockchain settlements in MTO (Merchant Token) and USDC Token via the Merchant Protocol. If merchants choose to convert in a

later stage, it will be via DEX protocols like Uniswap.”

The roll out to 50,000 EV charging stations across the EU will be over 3 years the company said.

“At Vourity, we are all about innovation and that



*Vourity crypto ev payments*

starts with listening to EV drivers to understand and address their evolving needs. We want to make it easy for drivers to charge their car and offering an open platform that allows for crypto payments is the most logical choice for our next generation world,” said Nottehd.

Crypto payments have been rolled out since 2017 by Innogy, Germany’s biggest energy provider which at the time began rolling out hundreds of ethereum ev charging stations.

Toronto then began a pilot for blockchain based ev charging last year, with this latest announcement by Hips and Vourity being the biggest rollout to date of crypto ev charging stations.

# Bitcoiner John McAfee Found Dead in Prison Cell

— John McAfee (@officialmcafee)  
November 30, 2019



The Department of Justice of the Spanish Generalitat has confirmed that the American tycoon and prominent bitcoiner John McAfee, longtime hacker and creator of the antivirus software of his name, has been found dead in the cell he occupied in module 1 of the Brians 2 Penitentiary Center (Sant Esteve Sesrovires) in Spanish jail. He was seventy-five years old. This morning the Spanish National Court had finally given the go-ahead to extradite McAfee to the United States.

Authorities reported that the surveillance professionals and the prison medical services intervened immediately to practice resuscitation, but in the end doctors certified the death. “The judicial procession has traveled to the prison and is investigating the causes of death. Everything indicates that it could be a death by suicide,” they said in a statement.

Getting subtle messages from U.S. officials saying, in effect: "We're coming for you McAfee! We're going to kill yourself". I got a tattoo today just in case. If I suicide myself, I didn't. I was whacked. Check my right arm. \$WHACKD available only on <https://t.co/HdSEYi9krq> 😊 [pic.twitter.com/rJ0Vi2Hpjj](https://pic.twitter.com/rJ0Vi2Hpjj)

McAfee was arrested in October at El Prat airport, in Barcelona, when he was preparing to catch a flight to Istanbul and had been in preventive detention since then, after the court also rejected his last request for freedom, stating that “the risk of flight continues to be evident.”

The National Court had agreed to the extradition of John McAfee to the United States for alleged tax evasion through allegedly hidden income between 2016 and 2018.

In an order that could have been appealed, the Second Criminal Section ordered extradition related to 2016, 2017 and 2018, with the agreement of the Prosecutor's Office. But not so with respect to years corresponding to 2014 and 2015, which US also claimed, since in Spain they would be constitutive in all cases of administrative infraction.

Contrary to the defense thesis, the court ruled out suggestions of “persecution motivated by political, ideological or similar reasons” since, “beyond the verbal allegations” of McAfee, no “revealing evidence has been provided” that he could be subjected to such treatment.

“Social, economic, or any other allegations, which the defense claims, does not grant him any immunity, being subject to the laws in the same way as any ‘non-relevant’ citizen,” said the court.

## MILLION DOLLARS IN TAXES

During the extradition hearing, the businessman, whose tax debt in the United States allegedly amounted to more than four million dollars, claimed to have paid “millions of dollars in taxes” and said he was the victim of political persecution for having denounced corruption in the tax agency.

John McAfee was one of the first programmers to design an antivirus and develop a computer



virus scanner when he was working for the aerospace company Lockheed. In 1989 he founded the antivirus company McAfee Associates, which for a few years called itself Network Associates and which eventually became the McAfee company we know. In 2010, he launched a new project focused on biosecurity at the head of the QuorumEx company, based in Belize.

In 2016 he made his debut at the Blockchain Money Conference in London, pictured to the left, after which he became a prominent bitcoiner during the 2017 crypto bull run.

*\*The above is translated from El Mundo with heavy modifications*

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## The Great Bitcoin Exodus: Chinese Miners Airlift Asics in a Rush to Come Home



“The buzzing shelves of light and sound now sit empty and desolate, with the ancient hills of middle kingdom and the endless structure of metal rows, the only reminder of a node that once powered digital gold.

The electric towers bringing life, now like statues stare the ground, as a pleasing festival of man, comes home at last.

Cleaner streets than when was built, without trash the exodus leaves, we were the best so to say, the more refined you peasant land,” – the

Great Exodus, our own.

Tons of asics have been airlifted out of China as bitcoin miners rush to new lands with every hour losing them thousands of dollars. The need for speed so paying \$9.37 per kilo to fly the very vital equipment rather than wait for the slow boat.

China’s logistics firm in Guangzhou has confirmed it is airlifting 3,000kg (6,600lbs) of bitcoin asics to Maryland, USA. Fenghua International generally charges just \$9.37 per kilo, with it unknown whether there was a deal in this case.

Canaan Technology, stock listed in USA, has instead chosen Kazakhstan, a somewhat dictatorial one party country bordering China that is detente-ish in the forgotten oil and gas-rich region of the world.

Local reports say the first batch of Avalon mining machines were put on the shelf and have already started operation just three days since Sichuan shut down crypto mining.

Zhang Nangeng, Chairman and CEO of Canaan Technology, said: “We believe that self-operated mining business is beneficial to increase the company’s financial income, expand its business scope and customer base, and integrate industry resources.”

Their competitor and the biggest asics manufacturer, Bitmain, has announced a full overseas transfer, with some middle and high-level employees moving overseas.

Unlike Canaan, Bitmain has chosen the United States in part because of its stable jurisdiction due to collective representation and redress in a court of law, something that places like Kazakhstan may lack. Locating there therefore may risk a repeat of China, with Iran being just the latest illustration of the risks of relying on a jurisdiction that to some extent operates on the whims of the supreme ruler rather than on the rule of law.

It’s not clear to what extent Bitmain is packing up with their migration beginning as far back as 2017.

They have a highly skilled staff personnel that has deep knowledge of not just the industry, but also its frontiers, with the leadership perhaps worried that asics manufacturers are next.



USA, USA, USA!  
<https://t.co/UUgV50lWAp>

— Barry Silbert (@BarrySilbert) June 19, 2021

Foundry USA, a mining pool by Silbert's Digital Currency Group, has been rising in rankings with ViaBTC's jump to nearly dominate being potentially more noticeable.

Their approach has been somewhat simple. While within China they discuss the costs of moving, like 25% tariffs, higher labour expenses, higher energy prices, these mining boys have simply responded with: we're going west.



*ViaBTC's Haipo Yang*

“Given that my Weibo account has been blocked, I am now switching to Twitter,” Jiang Zhuoer of BTC Top said, with a Chinese crypt editorial summarizing this somewhat perfectly, furnished fully with its lyrical glory of a rough translation after stating Weibo and official accounts have cleared a number of head accounts:

“But everyone is used to this kind of living

space, wailing back to wailing, a bit of tragic collective honor, and then various bloggers have sacrificed their trumpets.”

Former China based exchanges like OKEx and Huobi are now reshuffling their China focused OTC trading platforms, with some other second-and third-tier exchanges closing their OTC trading and clearing domestic users.

Asics manufacturers there have stopped selling ‘spot’ asics, newly produced machines, as the market is flooded; with those that can, flying out, and those that can’t, stuck in a capricious jurisdiction.

Their silence hills, bear with much grace, until they roar in earthquakes, as surface calm deceives the light, with beauty grass the door of dance.

What rumbles within one must wonder, these ants always so busy freights, building castles and such towers, yet scatter without says.

The littlest hole, a city all, with perhaps poets, philosopher. And yet we stumble, without much care, to our delight, their fleeing out. But the heart wonders with some lost sight: what was there, where are they now to build the city of god.

And empty thus lay, the architectures, a testament to, the working man, who does alone in ice or fire, bring life the globe, entire worlds, digital gold.

Goodbye thus you, middle kingdom, we’ll greet again, in times of friend, for ours are coming home to here, to drink some wine and drink some beer, to feast for humanity as one, no gods, no kings, nor any priests.

Only meheeeeeeen, and women too. Alone we stand, in unity, and scattered through a nodes the globe, our energy for millennials forth. Long past your dusty, atom form, your petty present, nihilistic want, your base primit, monkey nationalist, or whims of fools that deludes rules.

We’ll scatter forth, like stars of space, and gather once more to radiate, and outlive all, serpentors, in this heaveeeen, heaven of code, the very first of the word.

# Ethereum 2.0 Spec Finalized

```
def upgrade_to_merge(pre: phase0.BeaconState) -> BeaconState:
    epoch = phase0.get_current_epoch(pre)
    post = BeaconState(
        # Versioning
        genesis_time=pre.genesis_time,
        genesis_validators_root=pre.genesis_validators_root,
        slot=pre.slot,
        fork=Fork(
            previous_version=pre.fork.current_version,
            current_version=MERGE_FORK_VERSION,
            epoch=epoch,
        ),
        # History
        latest_block_header=pre.latest_block_header,
        block_roots=pre.block_roots,
        state_roots=pre.state_roots,
        historical_roots=pre.historical_roots,
        # Eth1
        eth1_data=pre.eth1_data,
        eth1_data_votes=pre.eth1_data_votes,
        eth1_deposit_index=pre.eth1_deposit_index,
```

Ethereum 2.0 has finalized the specification for the full transition to Proof of Stake (PoS) known as The Merger according to a dev call.

Tim Beiko, the ethereum 1.0 coordinator, said eth 2.0 “now has a proper specification on the consensus (a.k.a. eth2) side.”

He said the specification “started as markdown files, and gradually evolved to the current python executable specification.”

They might follow the same approach for eth 1 which usually relies on guidance with opcodes through Core EIPs.

The eth 1 side has to delegate consensus to eth2 clients through Remote Procedure Calls (RPC) with some prototypes showcased as farback as 2019.

Now however this has reached a more formal stage, at least for eth 2, with some suggesting the merger might happen early next year.

At that point ethereum will remove miners which will no longer receiving circa 15,000 etha day after the merger as eth would run based on the amount staked.

In addition the first testnet for EIP1559 launches tomorrow, with this upgrade burning the base fee while also doubling capacity.

Further testnets are to follow as ethereum developers seemingly start delivering code after years of work.

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