BITFINEX Alpha

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EXECUTIVE SUMMARY

BTC Consolidates as Inflation Surges

Bitcoin continues to trade within a narrow $91,000 to $102,000 range, now stretching into its 81st consecutive day of consolidation. With volatility at historic lows, the market remains directionless as geopolitical tensions and macroeconomic uncertainty weigh on sentiment. Over the past week, Bitcoin's peak-to-trough movement was just 4.3 percent, closing with a modest 0.82 percent gain, underscoring the lack of either strong buying or selling pressure.

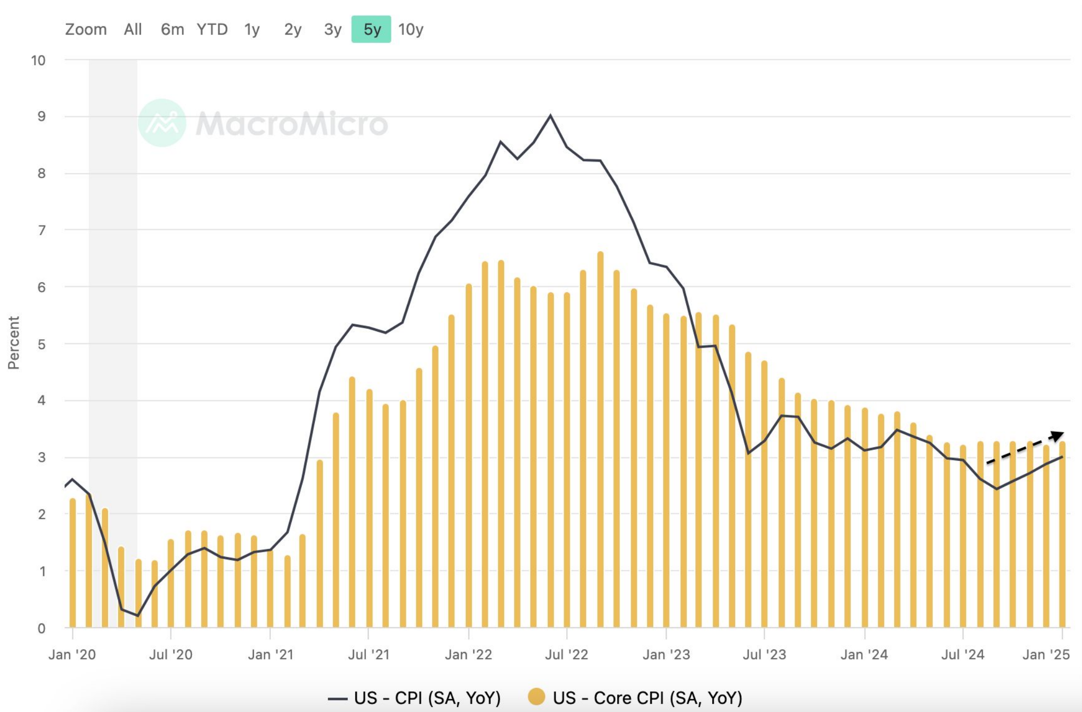
Altcoins have suffered significant losses, with meme coins like PEPE plunging 46.4 percent over the past month, while OM, LTC, and HYPE remain the only large caps posting gains.

BTC/USD Daily Chart. (Source: Bitfinex)

Bitcoin's Inter-Exchange Flow Pulse (IFP)—a useful indicator of market sentiment—has turned bearish for the first time since June 2024, suggesting potential downside. The IFP records moves in BTC exchange flows from derivatives wallets to spot wallets suggesting reduced risk appetite, and this can often lead to market corrections. Meanwhile, realised losses have spiked during recent re-tests of range lows, mirroring past capitulation events within the ongoing bull cycle.

Despite signs of near-term market heaviness, Bitcoin remains, however, structurally intact. Historically, 81-day consolidation phases resolve within 90 days, meaning a decisive breakout—up or down—could be imminent.

The US economic landscape is also facing a renewed challenge as inflation surged in January 2025, marking the most significant rise in consumer prices in nearly 18 months. The Consumer Price Index increased by 0.5 percent for the month, pushing the year-on-year inflation rate to 3 percent—exceeding market expectations. The unexpected inflationary surge comes at a time when the Federal Reserve has maintained restrictive monetary policies to control price stability, making an imminent rate cut unlikely. The labour market remains strong, with rising wages fueling consumer demand, further complicating efforts to control inflation.



Consumer Price Index (Source: Macromicro)

Adding to inflation concerns, the Producer Price Index climbed by 0.4 percent in January, following a 0.5 percent rise in December, marking the sharpest two-month increase in nearly a year. The acceleration in wholesale prices indicate persistent inflationary pressures in the supply chain, making it more difficult for businesses to absorb rising costs without passing them on to consumers. Initially, markets priced in several interest rate reductions, but with inflation proving more stubborn than anticipated, the Federal Reserve may keep rates elevated for longer, impacting borrowing costs and business investment.

It is true that US retail sales sharply declined in January, falling by 0.9 percent, and marking the most significant drop in nearly two years. But this downturn was primarily attributed to adverse weather conditions, ongoing vehicle shortages, and wildfire disruptions. The coming months will be critical in determining whether this decline is a seasonal adjustment or an indication of broader economic headwinds.

In the meantime, Strategy, formerly known as MicroStrategy, has expanded its Bitcoin holdings once again, acquiring an additional 7,633 BTC last week. This brings its total holdings to 478,740 BTC, with an average purchase price of $62,473. Executive Chairman Michael Saylor remains steadfast in his long-term "buy and hold" strategy, reaffirming his commitment to not selling the company's Bitcoin holdings. This latest acquisition, disclosed in a February 10 filing, further solidifies Strategy's position as one of the largest institutional holders of Bitcoin, reinforcing confidence in the asset's long-term value proposition.

Meanwhile, institutional adoption of Bitcoin continues to gain momentum as Abu Dhabi's sovereign wealth fund, Mubadala Investment Company, made a significant investment of $436.9 million in BlackRock's spot Bitcoin ETF during the fourth quarter of 2024. The investment coincided with BlackRock receiving a commercial license to operate in Abu Dhabi during the same period, further cementing the region's role as a crypto-friendly jurisdiction.

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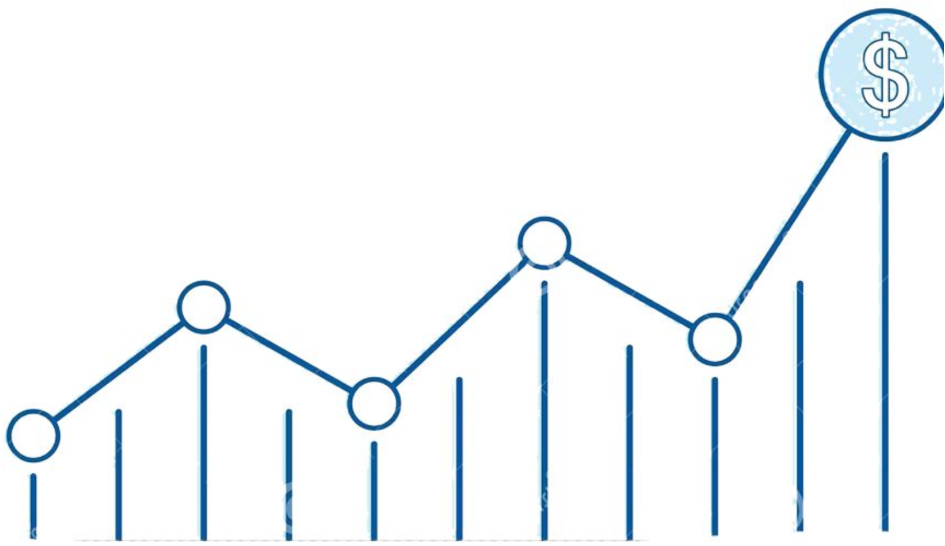


MARKET SIGNALS

Bitcoin's Ranging Environment Continues

Bitcoin maintained its narrow $91,000 - $102,000 range last week, as trading in the asset continued to stagnate, even as global geopolitical tensions have risen. This prolonged consolidation phase, now extending for over 81 days, has kept Bitcoin's overall price movement subdued, despite periods of volatility. During this period, altcoins have also struggled, with only a few managing to perform well. The ongoing trade tension has created market uncertainty, leading to a significant overall decline in volatility. Bitcoin's weekly performance saw only a modest 4.3 percent peak-to-trough movement, ultimately closing with a slight gain of just 0.82 percent for the week. This lack of price volatility underscores the cautious market sentiment and the absence of clear directional momentum.

Figure 1. BTC/USD Daily Chart. (Source: Bitfinex)

Bitcoin has largely remained within its established range in recent weeks, showing little movement. This continued sideways price action reflects the fact that despite periods of choppy markets, there has been little strong directional momentum. Indeed, Bitcoin has demonstrated remarkable stability, supported by a growing cohort of resilient and patient holders who have maintained their positions, even in the face of an increasingly uncertain macro environment.

In contrast, the altcoin sector has faced considerable headwinds, with many projects struggling to achieve widespread adoption or establish product-market fit. This has led to widespread selling pressure, resulting in a significant underperformance relative to Bitcoin. Across the altcoin space, prices have fallen sharply, with nearly all sub-sectors lagging behind Bitcoin in recent weeks. (refer Figure below)

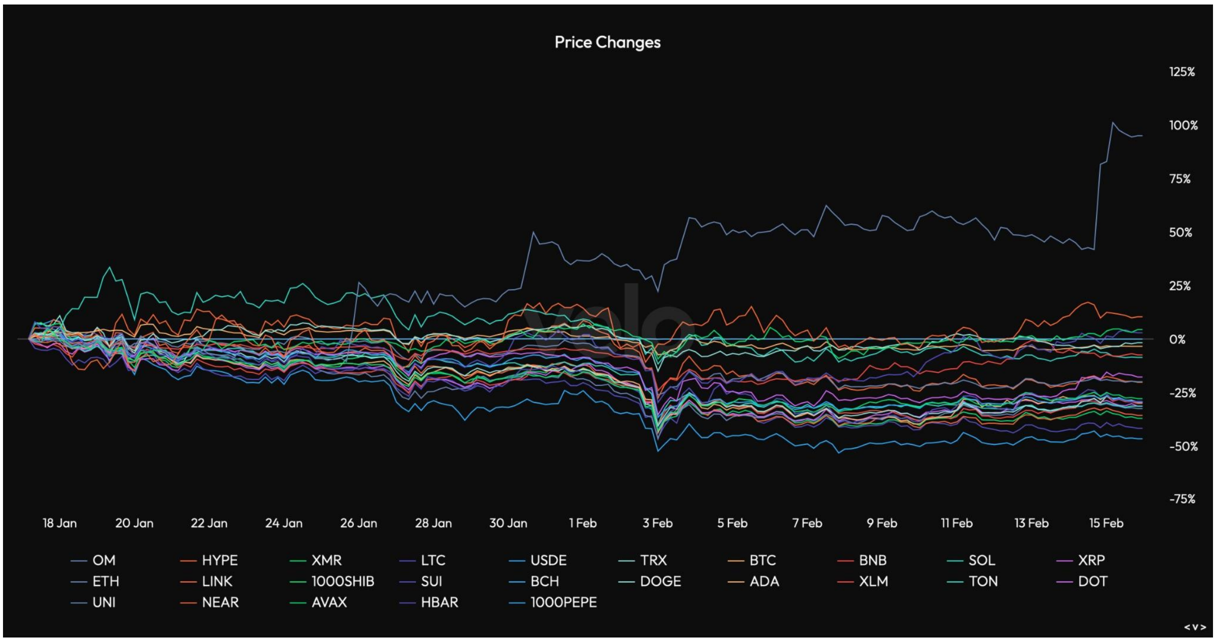


Figure 2. Price Changes Of Top Performing Large Cap Crypto Assets On 1-Month Rolling Basis. (Source: Velo)

On a 1-month rolling basis, only three large-cap crypto assets—OM, LTC, and HYPE—are in positive territory. Bitcoin itself is down 3.4 percent, while the broader altcoin market has struggled even more. Meme coins, such as PEPE, have been hit particularly hard, suffering a dramatic 46.4 percent decline in the same period. This stark contrast highlights a growing market divide, with Bitcoin holding relatively steady while altcoins face significant challenges.

The scale of the recent drawdown in the altcoin market can be assessed by examining the 14-day change in the global altcoin market cap, which has fallen by $234 billion, as the sector capitulates.

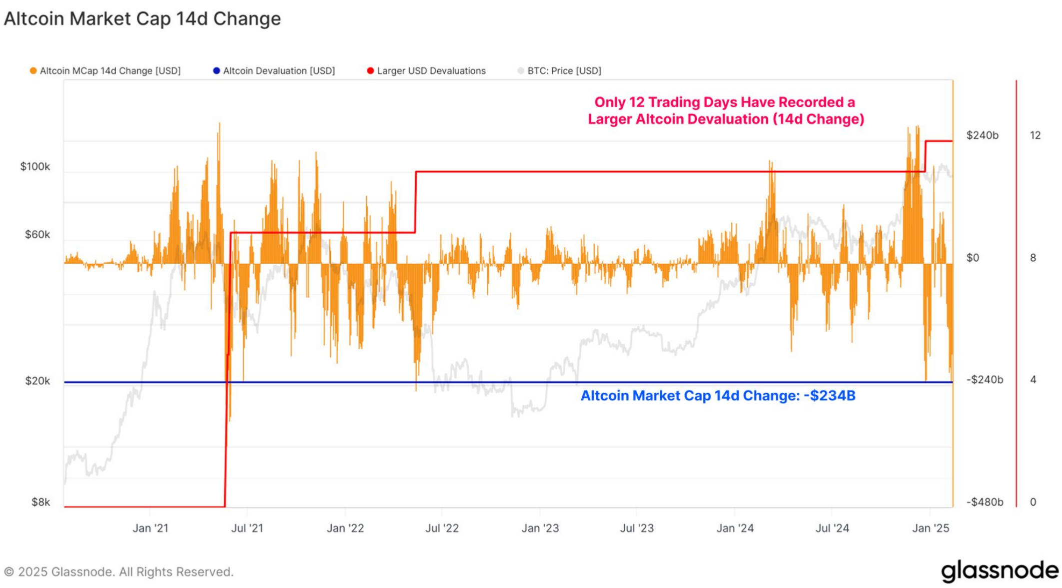


Figure 3. Altcoin Market Capitalisation Change Rolling 2-Week Average. (Source: Glassnode)

The lack of relative weakness in Bitcoin suggests that a separation is beginning to form between the apex crypto asset and the rest of the digital asset landscape. It also signals a shift in investor focus, as capital appears to be flowing into Bitcoin rather than other crypto assets. It suggests the commencement of a new type of market environment where altcoins are going through entire market cycles while BTC continues to be more macro-correlated and shows more maturity as a risk asset, as we highlighted in last week's *Bitfinex Alpha*.

Further examination of the altcoin drawdown reveals that, in percentage terms, on a rolling 2-week average, only 41 of the last 1,662 trading days have recorded a larger drawdown.

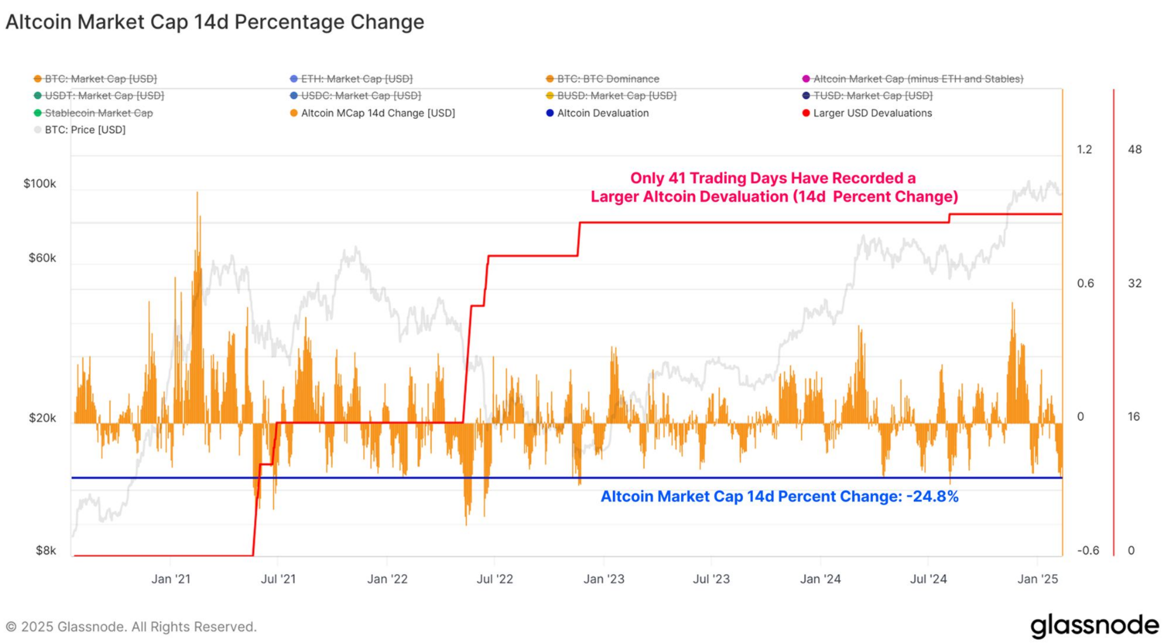


Figure 4. Altcoin Market Percentage Change Rolling 2-Week Average. (Source: Glassnode)

That said, this drawdown is much less aggressive than the major sell-offs observed during previous market events, such as the May 2021 "Great Miner Migration" and the late 2022 collapse involving LUNA/UST and 3AC. These past events saw far steeper declines, suggesting that the current market contraction, while notable, is not as extreme as it at first seems.

Signs Of An Upcoming Bearish Period For Bitcoin?

Despite the Bitcoin price remaining relatively flat over the past week, the realised losses recorded by Bitcoin investors during periods of volatility have been among the largest observed in the current bull market cycle. This suggests there is some sell-side pressure as investors react to choppy market conditions.

Figure 5. BTC Had a Weak Reaction to Resolution of Geopolitical Situation Compared to Legacy Markets Like the S&P500. (Source: Bitfinex)

Positive newsflow, such as [Abu Dhabi's investment into the BlackRock ETF](), has helped to keep the price stable, and additionally there appears to be some resolution in the ongoing tariff issues, offering a degree of relief in legacy markets. The continued consolidation being seen in Bitcoin however reflects a broader ongoing uncertainty as the market waits for clearer macroeconomic signals before making a decisive move.

While the weaker reaction to bullish news is definitely a sign of heaviness in the markets, on-chain metrics seem to indicate potential signs of the price resolving to the downside.

The Inter-Exchange Flow Pulse (IFP) is an important metric that tracks the movement of Bitcoin between spot and derivative exchanges, using *CryptoQuant*'s Bitcoin exchange flow data. This indicator provides valuable insights into market sentiment and potential price movements.

When Bitcoin flows into derivative exchanges, it typically signals a bullish period. This is because traders are moving coins to open long positions in the derivatives market, indicating that they are optimistic about future price increases.

Conversely, when Bitcoin begins flowing out of derivative exchanges and into spot exchanges, it often signals the start of a bearish period. This typically occurs when traders close long positions and large investors reduce their exposure, leading to a decline in market risk appetite.

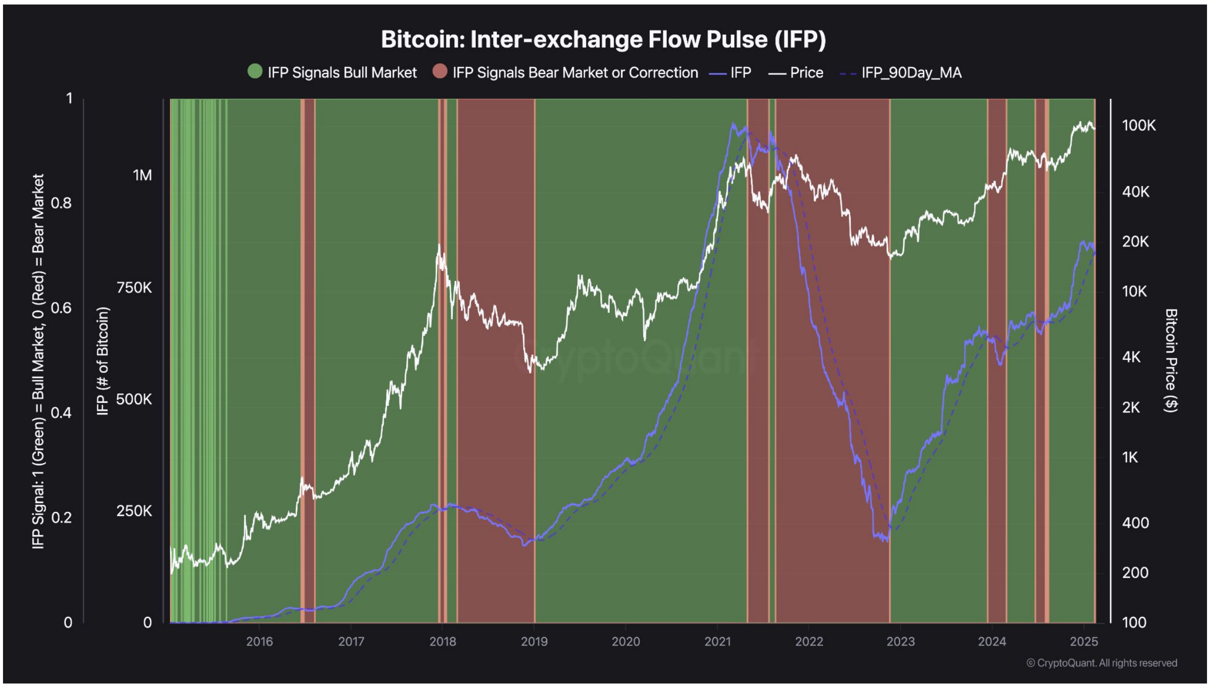


Figure 6. Bitcoin Inter-Exchange Flow Pulse. (Source: CryptoQuant)

As of February 15th, the IFP turned bearish for the first time since June 2024, suggesting a potential decline in market sentiment and possibly marking the beginning of a bearish phase. However, it is important to note that the IFP metric is still above its 90-day moving average. Indeed, even when the IFP has dipped below its moving average in the past, the market has quickly recovered and transitioned to an uptrend. Therefore, there remains the possibility that this is a false signal and that the market could rebound as the IFP reclaims its moving average.

As Bitcoin continues to grow in market size, it's essential to adjust how we evaluate realised losses. Absolute measures of realised loss can become misleading when comparing them to previous price ranges. This is because the larger market capitalisation of Bitcoin means that even small fluctuations in price can lead to significant nominal losses. To address this, we can assess realised losses in BTC terms, effectively normalizing for market size. This approach allows for a more accurate comparison of loss severity over time.

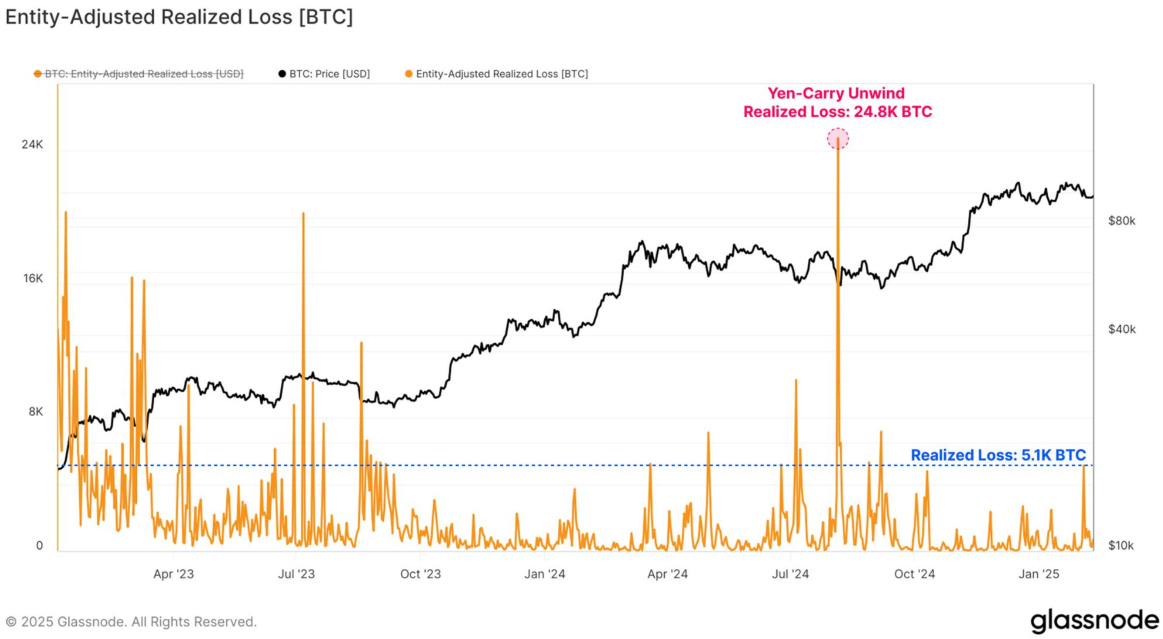


Figure 7. Bitcoin Entity-Adjusted Realised Losses. (Source: Glassnode)

When we examine the surge in realised losses over the past 30 days, particularly during Bitcoin's retests of range lows, the magnitude of these losses aligns closely with previous capitulation events throughout 2024. This suggests that the recent correction is still within the bounds of what we would expect during a bull market consolidation phase. While the market has certainly experienced volatility, this type of behavior is not unusual for a market that has undergone rapid price appreciation and is now experiencing a typical correction or consolidation period.

During a bull market, long-term investors (LTHs) are usually in a highly profitable position as they are generally operating from a lower cost base. As a result, most realised losses during these market phases come from the Short-Term Holder (STH) cohort, which consists of more recent investors who entered at higher price levels.

For the LTH cohort, realised losses tend to be rare during the bull market. When they do occur, it's typically as the market transitions from a bull phase to a bear market, and these losses begin to accumulate as the market drawdown intensifies. This phase often culminates in a final flush-out, which generally peaks around the macro cycle's low point.

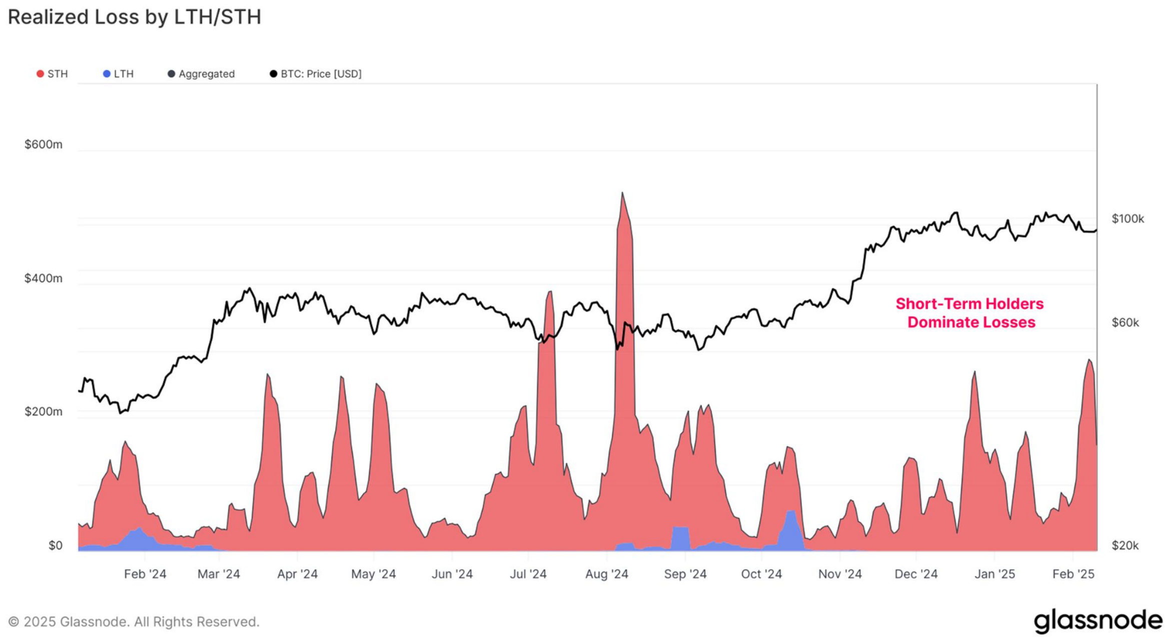


Figure 8. Bitcoin Realised Loss By Short-Term vs Long-Term Holders. (Source: Glassnode)

Short-Term Holders, who are more sensitive to price changes, are indeed more prone to realising losses during both bull and bear markets. These investors typically sell when prices decline, locking in losses. Last week, Short-Term Holders realized $520 million in losses, which mirrors the magnitude of losses seen during previous pullbacks in the 2024-25 cycle. This indicates that when the market experiences a correction, the losses incurred are in line with the behavior observed in past cycles.

GENERAL MACRO UPDATE

Inflation Surges in January: Implications for US Economy and Federal Reserve Policy

January consumer prices were up the most in nearly 18 months, according to Bureau of Labor Statistics' Consumer Price Index data, issued last Wednesday, February 12th. The CPI increased by 0.5 percent for the month, leading to a year-over-year inflation rate of 3 percent. The consensus forecasts for monthly and annual rate of inflation were 0.3 percent and 2.8 percent respectively. Core inflation, which excludes volatile food and energy prices, rose by 0.4 percent in January, resulting in a 3.3 percent annual increase.

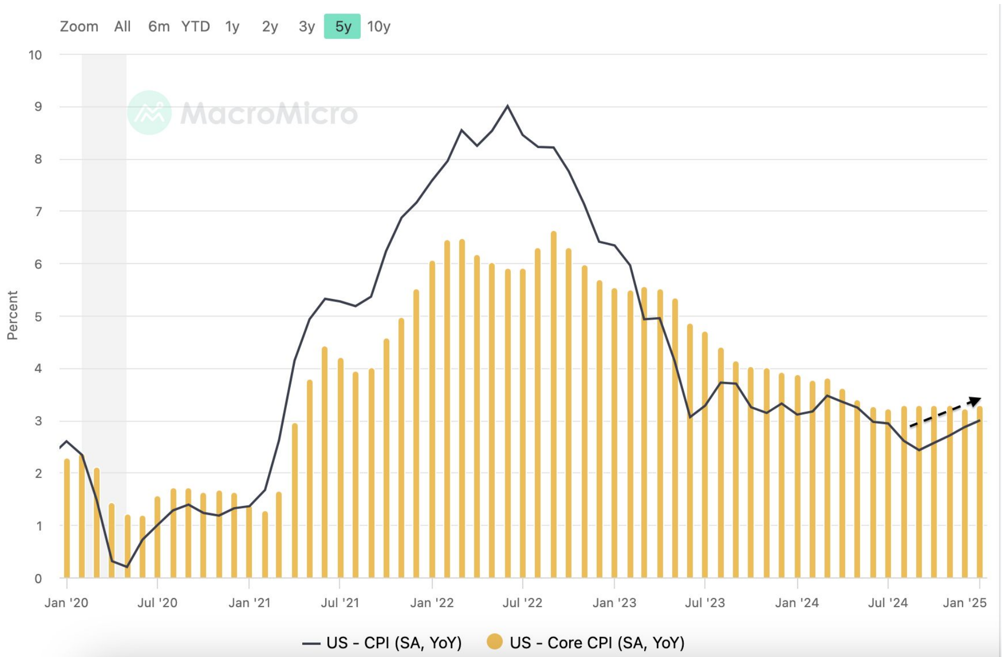


Figure 9. Consumer Price Index (Source: Macromicro)

Several factors contributed to this unexpected surge in inflation. Firstly, businesses often adjust their pricing at the beginning of the year, leading to notable increases in specific sectors. For instance, prescription drug prices sharply rose 4.1 percent, while child care and nursery school costs escalated by 7 percent. Additionally, an avian flu outbreak led to a 15.2 percent spike in egg prices, the most significant jump since June 2015.

Secondly, the housing sector also played a pivotal role, with shelter costs—including rents and hotel accommodations—rising by 0.4 percent, accounting for nearly 30 percent of the overall CPI increase. This marks the third consecutive month of such gains, reflecting sustained demand in the housing market.

Thirdly, robust job growth and increasing real wages have bolstered household incomes, leading to heightened consumer spending. While this indicates a strong economy, it also intensifies demand for goods and services, contributing to price increases. Moreover, policy uncertainties, particularly regarding tariffs and immigration, have added complexity to the economic landscape. President Trump's recent suspension of a planned 25 percent tariff on goods from Canada and Mexico until March, coupled with the implementation of a 10 percent tariff on Chinese imports, has introduced potential cost pressures across various sectors.

The acceleration in inflation reflects a mix of strong consumer demand, persistent service costs, high rents, and seasonal price adjustments. With inflation still elevated and the labour market remaining strong, the Federal Reserve is unlikely to ease interest rates soon. Policymakers will likely be cautious, prioritising controlling inflation over stimulus measures.

Looking ahead, the outlook for inflation depends on factors such as global supply chain conditions, wage growth, and policy decisions on trade and tariffs. If inflation expectations become entrenched, the Fed may need to keep interest rates elevated longer to prevent a sustained price rise. With economic uncertainties and cost pressures still looming, monetary policy is set to remain restrictive in order to stabilise inflation and ensure long-term economic balance.

Rising Producer Prices Signal Inflationary Pressures Remain Alive

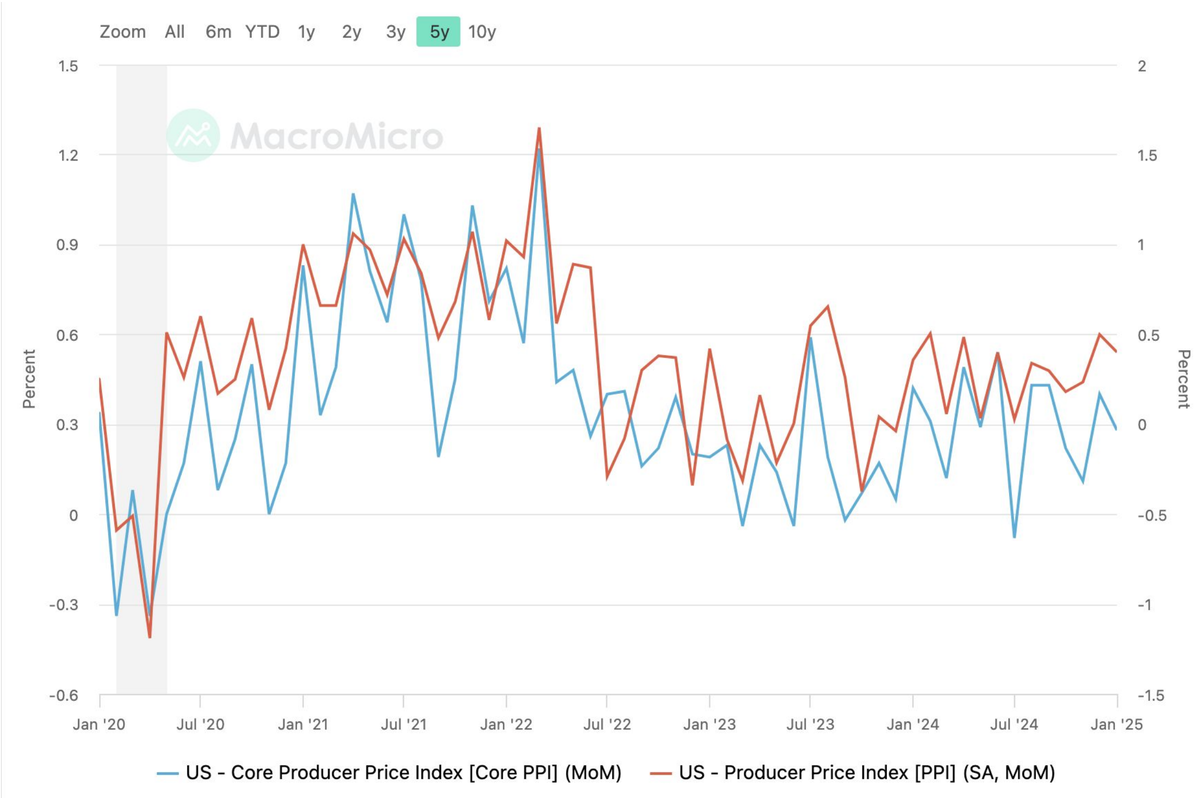


Figure 10. Producer Price Index (Source: Bureau of Labor and Statistics)

The US Producer Price Index (PPI) climbed by 0.4 percent in January, following a revised 0.5 percent increase in December, marking the sharpest two-month rise since February last year, according to the Bureau of Labor Statistics Producer Price Index report, issued last Thursday, February 13th. The primary drivers of this acceleration were food and energy costs, which surged by 1.1 percent and 1.7 percent, respectively. This data suggests that inflationary pressures remain persistent, particularly in the supply chain, even as core PPI—which excludes these volatile categories—rose by a more modest 0.1 percent.

The January PPI increase exceeded market expectations of a 0.3 percent month-on-month rise. On a year-over-year basis, producer prices advanced 3.5 percent, mirroring December's increase.
The inflationary trend in wholesale prices was broad-based, affecting both goods and services. Wholesale goods prices rose by 0.6 percent in January, up from 0.5 percent in December, with energy costs accounting for more than half of the increase. Food prices also saw a significant jump of 1.1 percent.

The service sector also contributed to inflationary pressures, as businesses faced rising costs for labour and essential materials. Despite the Federal Reserve's efforts to curb inflation through high interest rates, these persistent cost increases highlight the difficulty of achieving sustained price stability.

Looking ahead, new tariffs on imported goods are expected to push inflation even higher in the coming months. Although these tariffs were not implemented in January, their eventual rollout will likely increase production costs for businesses, which may pass those costs onto consumers. Uncertainty remains regarding the scale and targets of these tariffs, but industries reliant on imported steel, aluminium, and oil are particularly vulnerable to price hikes.

The recent trend of disinflation—where inflation was gradually cooling—appears to have reached a plateau. Moving forward, we might see inflation settle between 2.5 percent and 3 percent, or potentially rise further depending on how trade and immigration policies evolve.

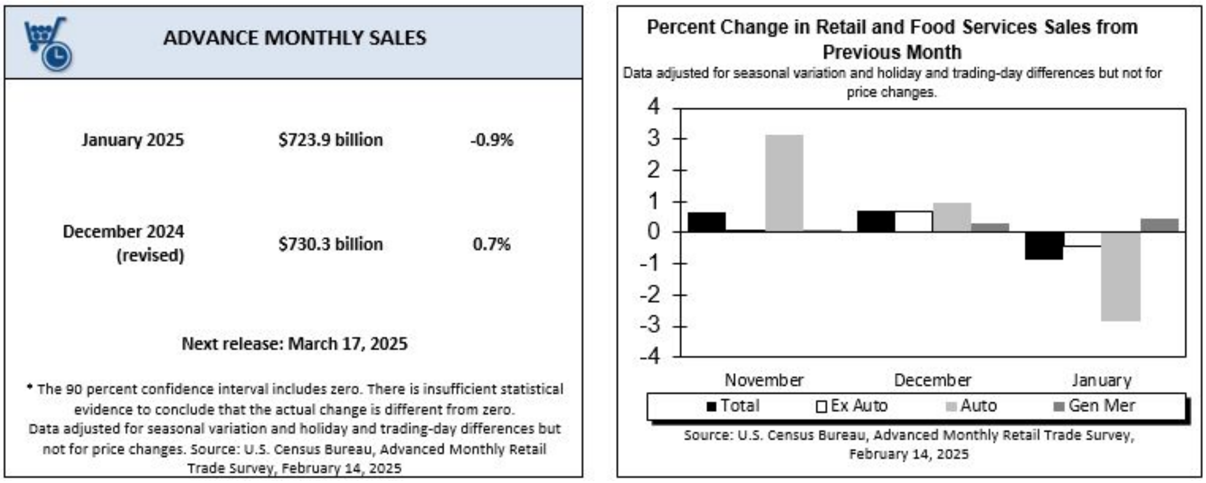
These inflationary pressures put the Federal Reserve in a difficult position. Initially, financial markets anticipated multiple rate cuts in 2025, but the latest inflation data has tempered those expectations. Currently, the market is pricing in only one rate cut this year, yet we think that the Fed may hold rates steady throughout the year if inflation remains stubbornly high.

	CME FEDWATCH TOOL - CONDITIONAL MEETING PROBABILITIES								
MEETING DATE	275-300	300-325	325-350	350-375	375-400	400-425	425-450	450-475	475-500
3/19/2025		0.0%	0.0%	0.0%	0.0%	4.0%	96.0%	0.0%	0.0%
5/7/2025	0.0%	0.0%	0.0%	0.0%	0.5%	15.4%	84.1%	0.0%	0.0%
6/18/2025	0.0%	0.0%	0.0%	0.1%	4.8%	35.4%	59.6%	0.0%	0.0%
7/30/2025	0.0%	0.0%	0.0%	0.9%	9.9%	39.4%	49.8%	0.0%	0.0%
9/17/2025	0.0%	0.0%	0.3%	3.7%	19.0%	42.6%	34.4%	0.0%	0.0%
10/29/2025	0.0%	0.1%	0.9%	6.3%	23.0%	41.2%	28.5%	0.0%	0.0%
12/10/2025	0.0%	0.2%	2.0%	9.9%	26.9%	38.5%	22.4%	0.0%	0.0%
1/28/2026	0.0%	0.4%	2.6%	11.0%	27.7%	37.4%	20.9%	0.0%	0.0%
3/18/2026	0.1%	0.6%	3.4%	12.7%	28.6%	35.8%	18.9%	0.0%	0.0%
4/29/2026	0.1%	0.7%	3.8%	13.3%	28.9%	35.1%	18.1%	0.0%	0.0%
6/17/2026	0.1%	0.8%	4.0%	13.7%	29.1%	34.7%	17.6%	0.0%	0.0%
7/29/2026	0.1%	0.7%	3.7%	12.9%	27.8%	34.2%	19.1%	1.5%	0.0%
9/16/2026	0.1%	0.8%	4.0%	13.3%	28.0%	33.8%	18.6%	1.5%	0.0%
10/28/2026	0.1%	0.7%	3.7%	12.5%	26.7%	33.2%	19.9%	3.0%	0.1%
12/9/2026	0.7%	3.3%	11.4%	24.9%	32.4%	21.6%	5.1%	0.5%	0.0%

Figure 11. CME Fedwatch Tool - Conditional Meeting Probabilities

With inflation risks persisting and new trade policies adding uncertainty, the Federal Reserve will likely maintain a cautious stance on monetary policy. As a result, interest rates could remain elevated for longer than previously expected, placing additional strain on borrowing costs for businesses and consumers.

US Retail Sales Decline in January: Temporary Setback or Early Signs of a Slowdown?



ADVANCE MONTHLY SALES

January 2025	$723.9 billion	-0.9%
December 2024 (revised)	$730.3 billion	0.7%

Next release: March 17, 2025

* The 90 percent confidence interval includes zero. There is insufficient statistical evidence to conclude that the actual change is different from zero.
Data adjusted for seasonal variation and holiday and trading-day differences but not for price changes. Source: U.S. Census Bureau, Advanced Monthly Retail Trade Survey, February 14, 2025

Figure 12. Retail Sales (US Census Bureau)

Retail sales in the US fell sharply in January, marking the most significant decline in nearly two years. The 0.9 percent drop, which followed a series of strong gains in previous months, was primarily influenced by adverse weather conditions, ongoing vehicle shortages, and wildfire disruptions. The unexpected downturn suggests that economic growth may have slowed significantly at the beginning of the first quarter.

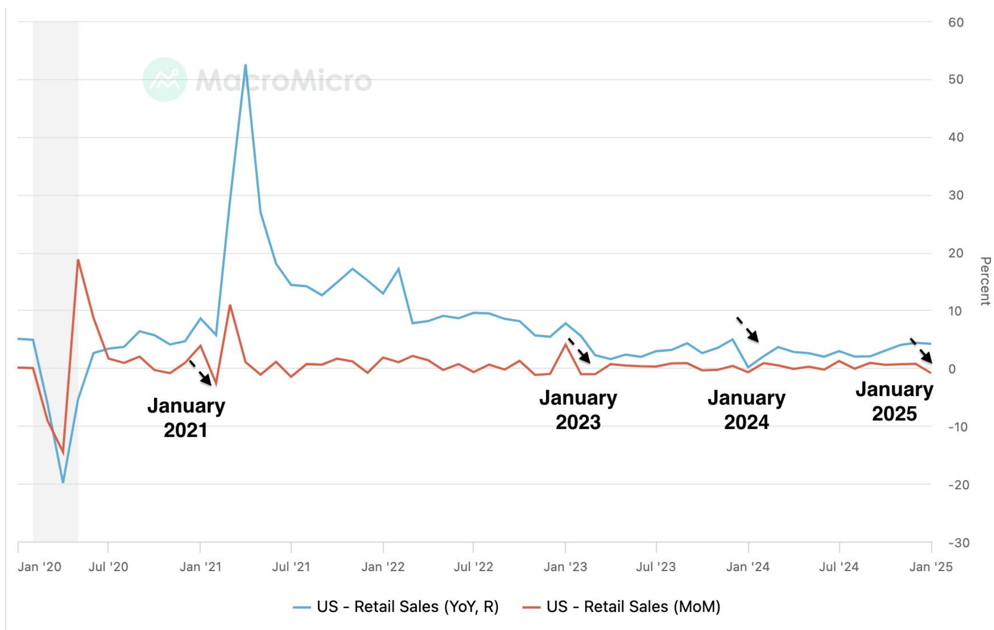


Figure 13. US Retail Sales in the Last (Source US Census Bureau)

While the latest Monthly Retail Trade Report from the US Census Bureau last Friday, February 14th, showed a broad-based decline in retail sales, it is unlikely to signal a major shift in consumer spending patterns. Historically, January has seen similar fluctuations, including a comparable dip last year. Additionally, December's retail sales figures were revised upward, partially offsetting concerns about the sudden drop. Despite the month-over-month decline, retail sales remained 4.8 percent higher compared to the previous year—marking the second-highest annual growth rate since February 2024.

A resilient labour market, rising wages, and steady economic expansion continue to provide a strong foundation for consumer spending. These factors suggest that sales could rebound in the coming months. However, the extent of the recovery depends on broader economic trends, including inflationary pressures and trade policies that could impact consumer purchasing power.

One potential concern is how upcoming tariff changes might influence consumer spending. Over the past few months, pre-emptive buying—where consumers and businesses stock up in anticipation of price hikes—helped boost retail sales. If tariffs on imported goods lead to higher prices, consumers may become more cautious, limiting future spending. It remains to be seen whether the January slowdown is a short-term pullback driven by weather-related disruptions and other seasonal effects, or an early sign of shifting consumer behaviour.

While the January decline in retail sales raises concerns, it is too early to determine if it signals a broader economic slowdown. The coming months will be crucial in assessing the likely direction of consumer spending. February’s data will provide more clarity on whether this decline was merely a temporary setback or the beginning of a more cautious consumer trend.

For now, the underlying economic fundamentals remain strong, but external risks—such as inflationary pressures, trade policy shifts, and market uncertainty—could shape the trajectory of retail sales moving forward. Policymakers and businesses will be closely watching upcoming data to determine whether this decline is an anomaly or an early indicator of economic headwinds ahead.

NEWS FROM THE CRYPTO-SPHERE

Strategy Expands Bitcoin Holdings

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): February 10, 2025

Strategy

MICROSTRATEGY INCORPORATED
(Exact name of registrant as specified in its charter)

Delaware	0-24435	51-0323571
(State or other jurisdiction of incorporation)	(Commission File Number)	(I.R.S. Employer Identification No.)

1850 Towers Crescent Plaza
Tysons Corner, Virginia
(Address of principal executive offices)

22182
(Zip Code)

Registrant's telephone number, including area code: (703) 848-8600

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Trading Symbol	Name of Each Exchange on which Registered
Class A common stock, par value $0.001 per share	MSTR	The Nasdaq Global Select Market
8.00% Series A Perpetual Strike Preferred Stock, $0.001 par value per share	STRK	The Nasdaq Global Select Market

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Figure 14. Strategy Expands Bitcoin Holdings

- **Strategy (formerly MicroStrategy) acquired 7,633 BTC last week, bringing its total holdings to 478,740 BTC, with an average purchase price of $62,473**
- **Executive Chairman Michael Saylor remains committed to a long-term "buy and hold" strategy, reaffirming his earlier stated commitment not to sell the company's Bitcoin holdings**

Strategy, previously known as Microstrategy, has acquired an additional 7,633 BTC, bringing its total holdings to 478,740 BTC. This acquisition was detailed in a filing made on February 10, 2025.

The company's average Bitcoin fill price is around **$62,473.01.** Executive Chairman Michael Saylor reiterated his strong belief in Bitcoin's long-term value, advocating for a "buy and hold" strategy, and has publicly stated his commitment to not selling any Bitcoin.

Abu Dhabi's Sovereign Wealth Fund Invests $436.9M in BlackRock's Bitcoin ETF

Figure 15. Abu Dhabi's Sovereign Wealth Fund Invests $436.9M in BlackRock's Bitcoin ETF

- **Abu Dhabi's sovereign wealth fund, Mubadala Investment Company, invested $436.9 million in BlackRock's spot Bitcoin ETF in Q4 2024**
- **This move highlights the growing institutional adoption of Bitcoin, signalling increased confidence in digital assets and potentially encouraging further government and financial sector involvement in crypto**

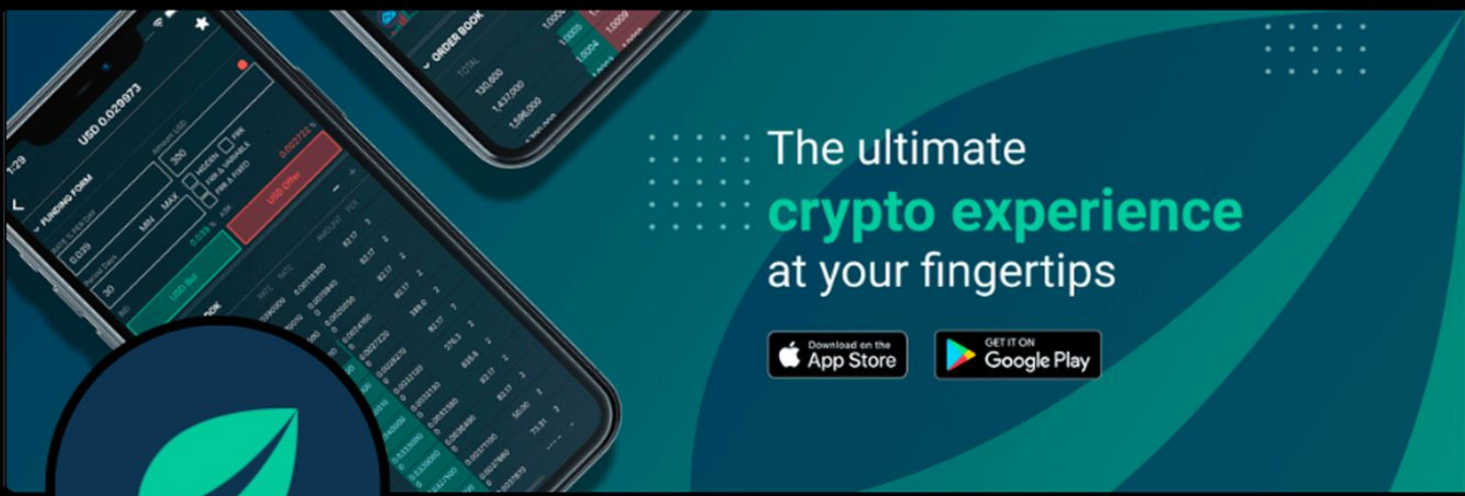
Abu Dhabi has strengthened its presence in the cryptocurrency sector with a major investment in BlackRock's spot Bitcoin exchange-traded fund (ETF). According to a regulatory filing made last Friday, February 14th, the sovereign wealth fund acquired $436.9 million worth of shares in BlackRock's ETF during the last quarter of 2024.

This move coincided with BlackRock receiving a commercial license to operate in Abu Dhabi in November 2024. The asset management giant oversees the largest spot Bitcoin ETF by assets under management, which has now grown to nearly $56 billion, according to the Block Data Dashboard.

Although this is one of the most significant cryptocurrency investments made by Abu Dhabi's government-backed funds, it is not the first. In 2023, the city also allocated resources toward Bitcoin mining operations, highlighting a continued interest in digital asset investments.

Mubadala Investment Company, the sovereign wealth fund behind the purchase, is responsible for managing investments on behalf of the Abu Dhabi government.

There have been rumours circulating that Saudi Arabia could also be preparing to make an investment in the crypto market, especially given the country's long history of rivalry with the UAE. This move would likely emulate the steps taken by the UAE, which has been quite proactive in establishing itself as a regional hub for digital assets. If Saudi Arabia moves forward with such a decision, it could have significant implications for the broader Middle East, with the region potentially becoming a key player in the global cryptocurrency landscape. Given Saudi Arabia's vast wealth and influence, their entry into the market could draw attention from institutional investors and lead to increased demand and regulatory clarity within the crypto sector.



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