

TIDE

BITCOIN HALVING 6 BIG IDEAS YOU NEED TO KNOW

- By Tide Capital



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Bitcoin

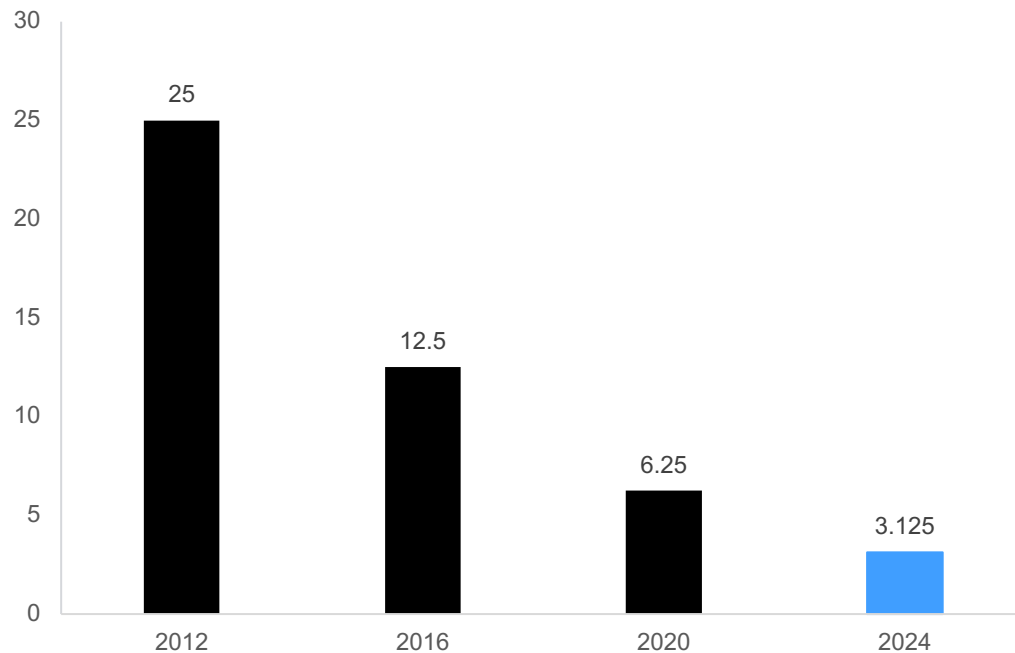
Intensifying demand-supply imbalance, BTC continues to rise after halving

Bitcoin: Approaching its fourth halving, expected to reduce annual selling pressure by \$10 billion

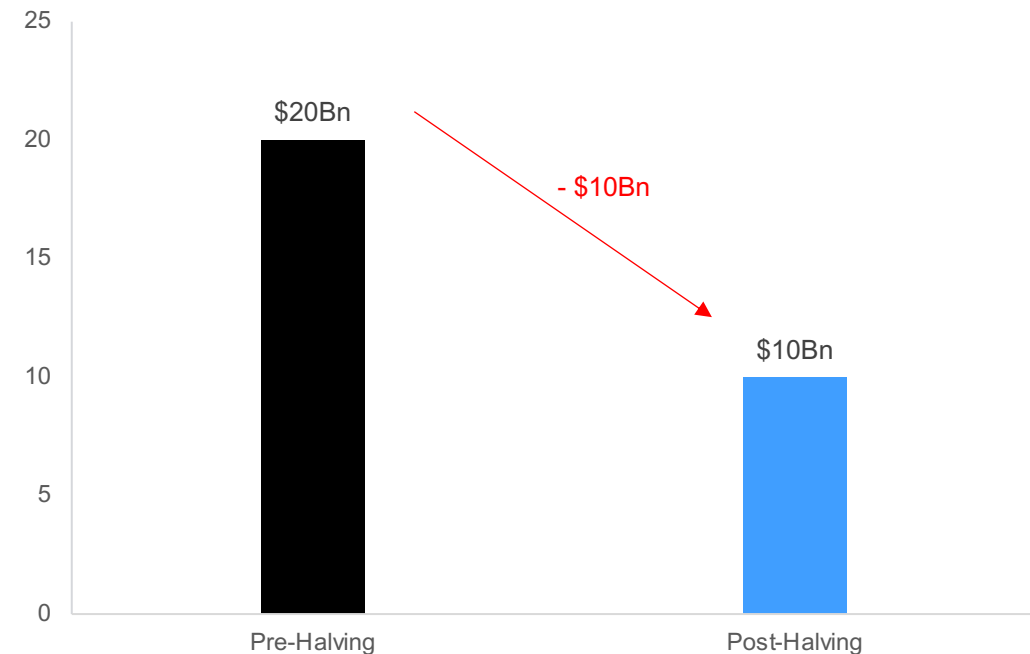
Bitcoin will undergo its fourth halving on April 18, 2024, reducing the block reward from 6.25 bitcoins to 3.125 bitcoins, further diminishing bitcoin's production and selling pressure.

Before the halving, Bitcoin's annual output was approximately 330,000 bitcoins. Calculated at a price of \$65,000 per bitcoin, this would introduce over \$200 billion in selling pressure to the market. Following the halving, the annual selling pressure of Bitcoin will also halve, effectively reducing it by \$100 billion, thereby alleviating the selling pressure.

The BTC block reward will decrease to 3.125



The annual selling pressure of BTC will decrease by \$10 billion



Sources: Tide Capital based on data and calculation from CoinGecko. For informational purposes only and should not be considered investment advice or a recommendation to buy, sell, or hold any particular security or cryptocurrency. Past performance is not indicative of future results.

Bitcoin: Historically, following each of the three halvings, there has been a significant increase in price in the subsequent year

A common trend among halvings is a significant price increase in the year following the event. With less than 30 days remaining until the fourth halving, the market is beginning to factor in the impact of this event. There is a high probability that Bitcoin will continue to experience volatile upward movements.



Sources: Tide Capital based on data and calculation from Investing.com. For informational purposes only and should not be considered investment advice or a recommendation to buy, sell, or hold any particular security or cryptocurrency. Past performance is not indicative of future results.

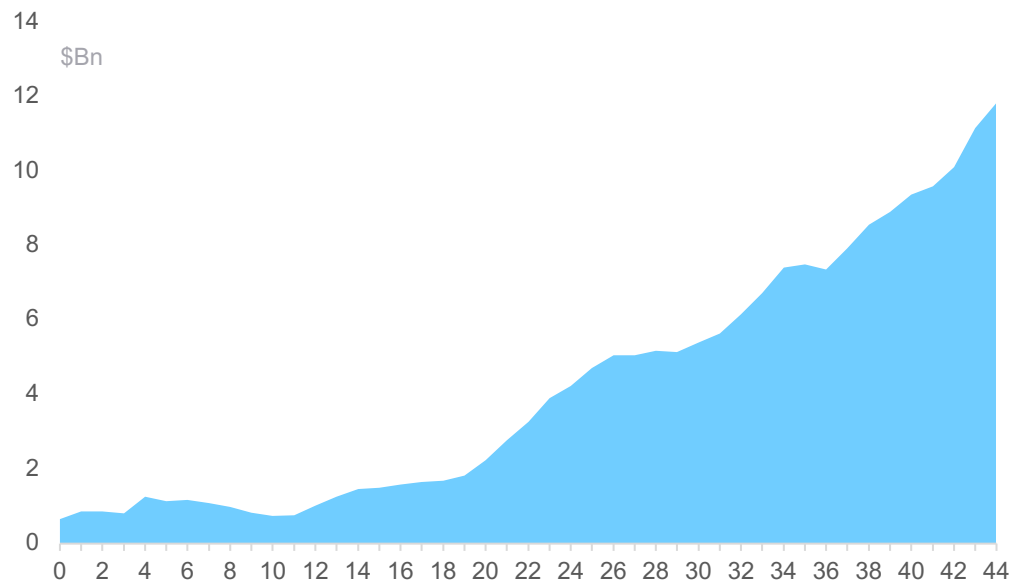
Bitcoin: ETFs receiving accelerated fund inflows, fueling continued upward momentum

On January 10th, BTC spot ETFs were approved, leading to billions of dollars in off-exchange fund inflows thereafter, further driving the continuous upward trend of Bitcoin.

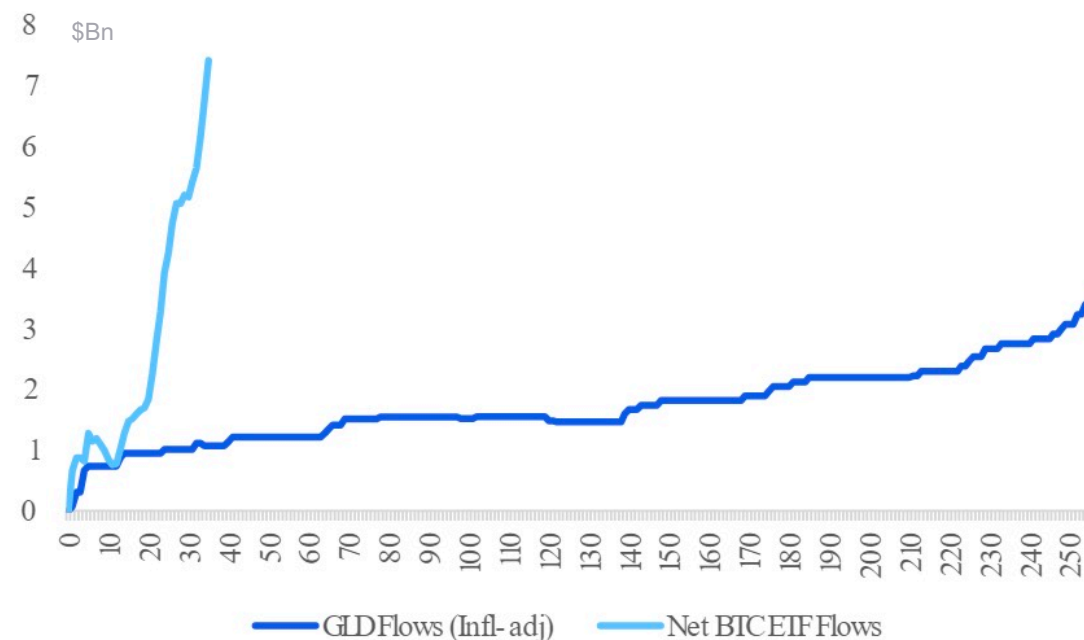
Taking cues from the gold ETF, the introduction of the first gold ETF led to a decade-long bull run for gold, with gains exceeding 400%. Currently, the market value of gold is \$14.5 trillion, while Bitcoin's market value is only \$1.3 trillion, indicating that Bitcoin still has ten times the potential compared to gold. Moreover, the launch of Bitcoin ETFs is more favored than that of gold ETFs in their respective periods, with the speed of fund inflows significantly leading the way.

BITCOIN

After the listing of Bitcoin spot ETFs, there was a net inflow of \$12 billion



The fund inflow speed of Bitcoin spot ETFs significantly outpaces that of the first gold ETF



Sources: Tide Capital based on data and calculation from BitMEX Research and Citi Group. For informational purposes only and should not be considered investment advice or a recommendation to buy, sell, or hold any particular security or cryptocurrency. Past performance is not indicative of future results.

Bitcoin Eco

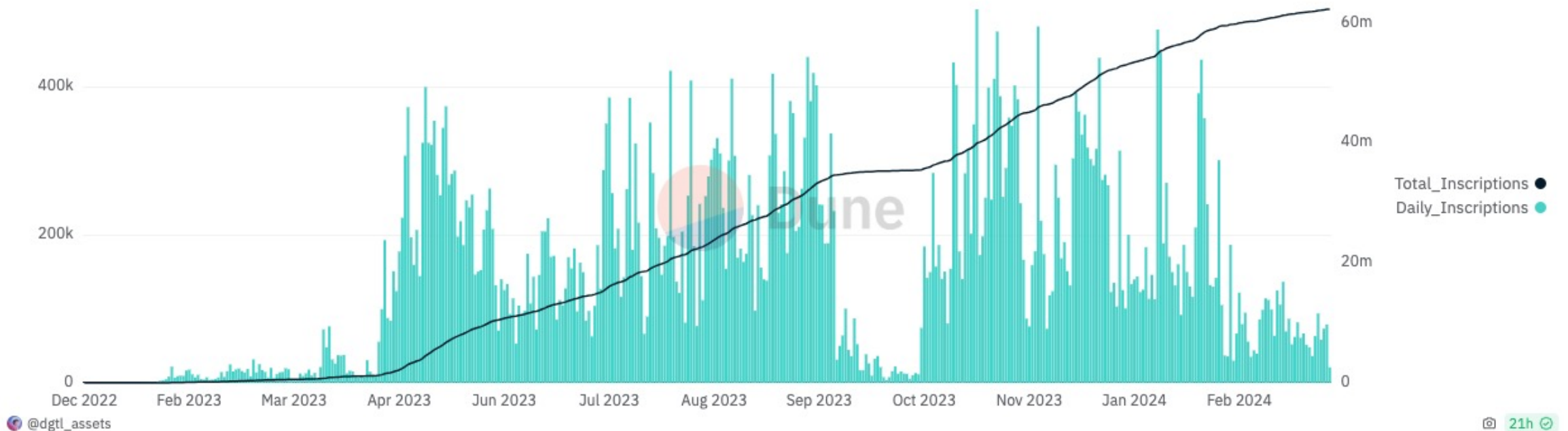
Inscriptions, Runes, and Layer 2 inject new vitality
into the ecosystem

Inscriptions: Bitcoin's native innovation, poised to trigger a third wave of enthusiasm

In January 2023, Bitcoin developer Casey Rodarmor introduced the Ordinals protocol, allowing users to embed data into the Bitcoin blockchain, thus creating NFTs and token-like assets on Bitcoin, ushering in a new era of innovation within the Bitcoin ecosystem. Since its launch, Ordinals has accumulated over 60 million total inscriptions.

Inscriptions represent a native innovation within the Bitcoin ecosystem, attracting more users and developers to the Bitcoin community. Various new applications and gameplay mechanics continue to emerge. When Bitcoin undergoes its next halving, market attention will once again shift towards the Bitcoin ecosystem, and inscriptions are poised to kick off a third wave of enthusiasm.

Ordinals have experienced two waves of enthusiasm, with a total inscription count surpassing 60 million



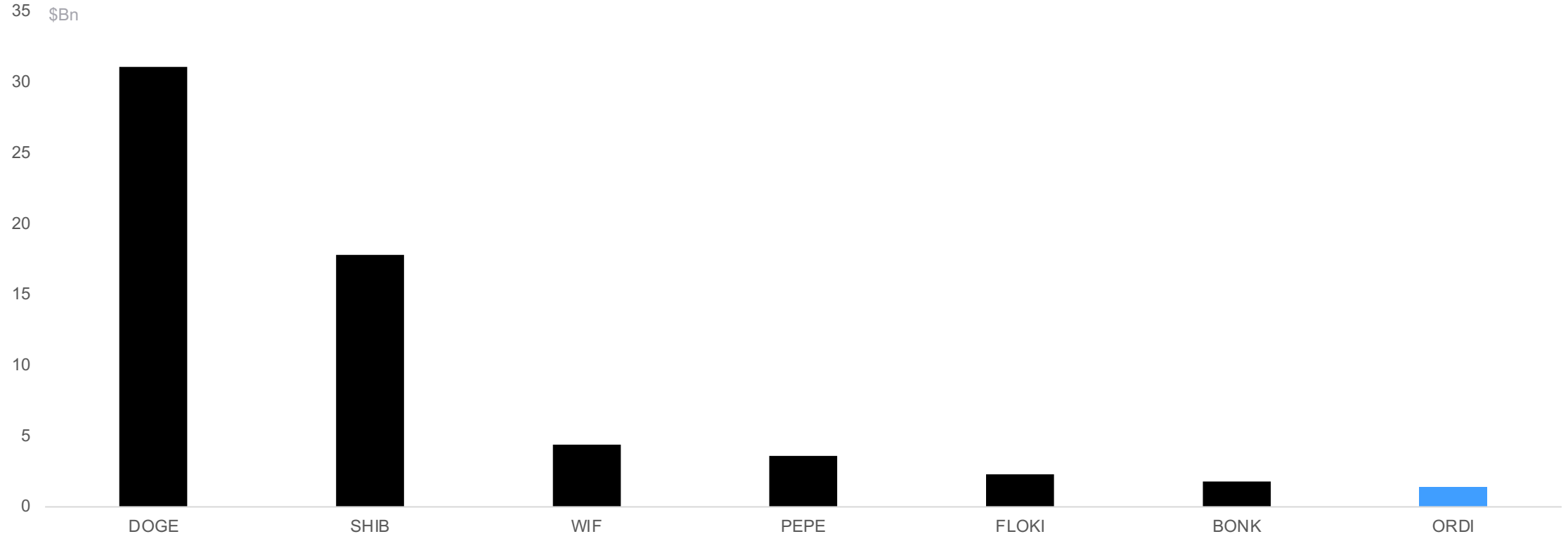
Sources: Tide Capital based on data and calculation from Dune Analytics. For informational purposes only and should not be considered investment advice or a recommendation to buy, sell, or hold any particular security or cryptocurrency. Past performance is not indicative of future results.

Inscriptions: ORDI is consolidating, with 10x the potential compared to top memes

ORDI is the first BRC-20 token, and compared to its initial minting cost of \$0.005, it has already surged over 10,000 times. Despite this, ORDI's market capitalization is still under \$2 billion, and the total market capitalization of BRC-20 tokens is less than \$4 billion. Overall, the market capitalization remains relatively low and undervalued compared to other sectors.

Meme tokens like Doge (\$31.0 billion) and SHIB (\$17.8 billion) have market capitalizations exceeding tens of billions of dollars. In contrast, ORDI, as a representative Meme token within the Bitcoin ecosystem, still has vast upside potential. ORDI is currently undergoing a consolidation phase, with the potential to shine before and after the halving.

The market capitalization ranking of top Meme coins

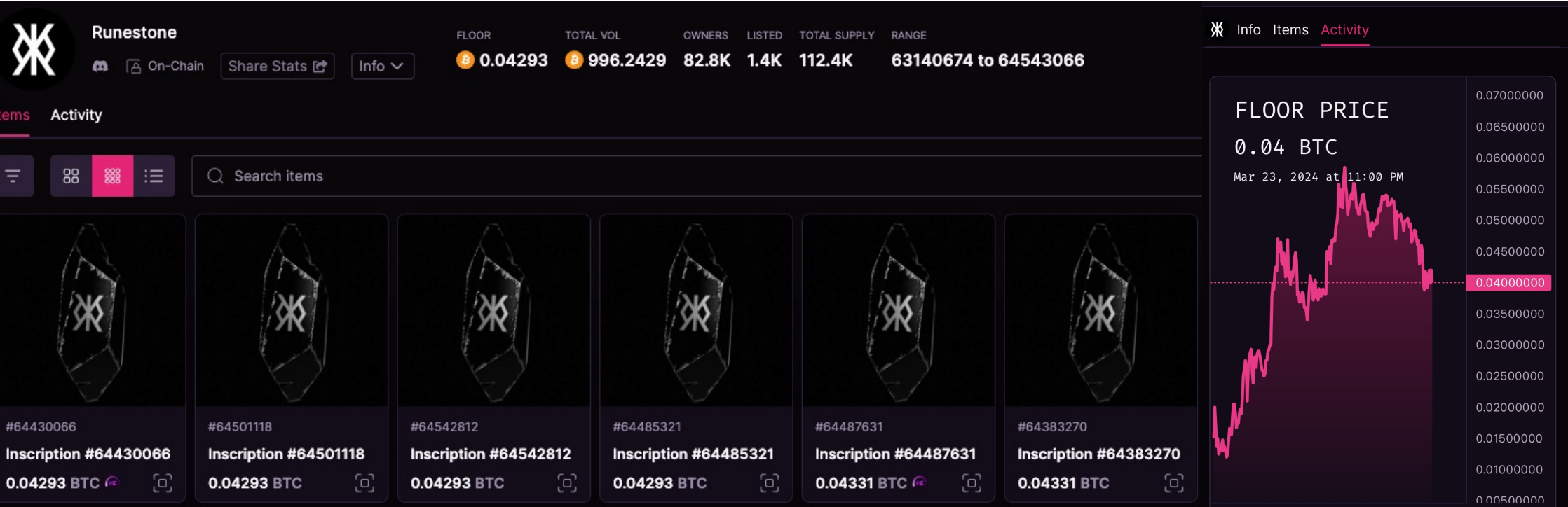


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Runes: The Runes protocol is expected to go live during the halving, and Rune Stone is poised to become a core asset

Rune Stone, introduced by Leonidas, the founder of the Ord.io browser, completed its initial distribution by airdropping NFTs to 112,383 Bitcoin addresses. Its current market value exceeds \$300 million. Rune Stone has become the representative asset of the Runes Protocol. More and more projects are starting to airdrop tokens to users holding Rune Stones. Rune Stone possesses significant potential for imagination, and its future applications and gameplay are highly anticipated.

Additionally, after the launch of the Runes Protocol, users holding Rune Stones will be able to convert them into fungible tokens. Rune Stone embodies a narrative of "Runes protocol" + "Airdrop asset" + "Coin issuance expectation" and is poised to become a core asset.



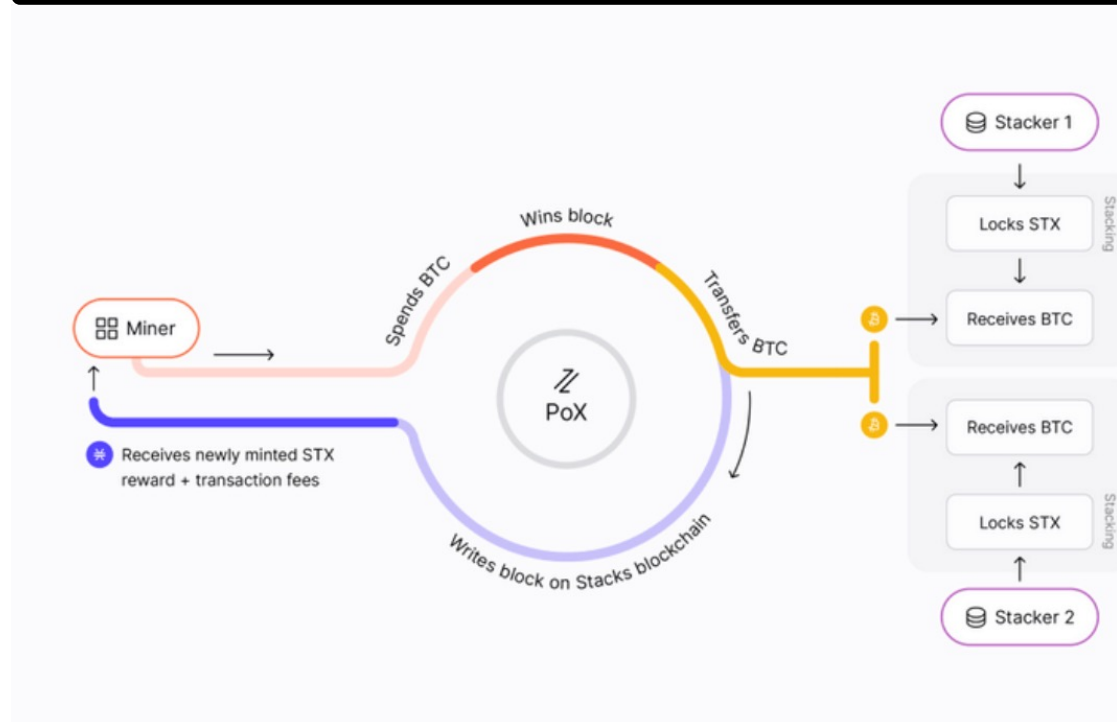
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Layer 2: Stacks is set to complete the Nakamoto upgrade during the halving event

Stacks is a smart contract layer built on Bitcoin, utilizing the POX (Proof of Transfer) consensus mechanism and smart contracts developed in the Clarity language. STX is its native token, used for paying fees and smart contract costs, with a current circulating market cap exceeding \$5 billion.

The Stacks mainnet was launched in 2021, featuring a complete ecosystem. The network boasts over 1 million wallet addresses and a TVL exceeding \$160 million. Stacks is set to undergo the Nakamoto upgrade before and after the Bitcoin halving, enhancing block generation speed significantly while sharing network security with Bitcoin.

Stacks employs the POX consensus mechanism



Stacks has a rich ecosystem of DApps

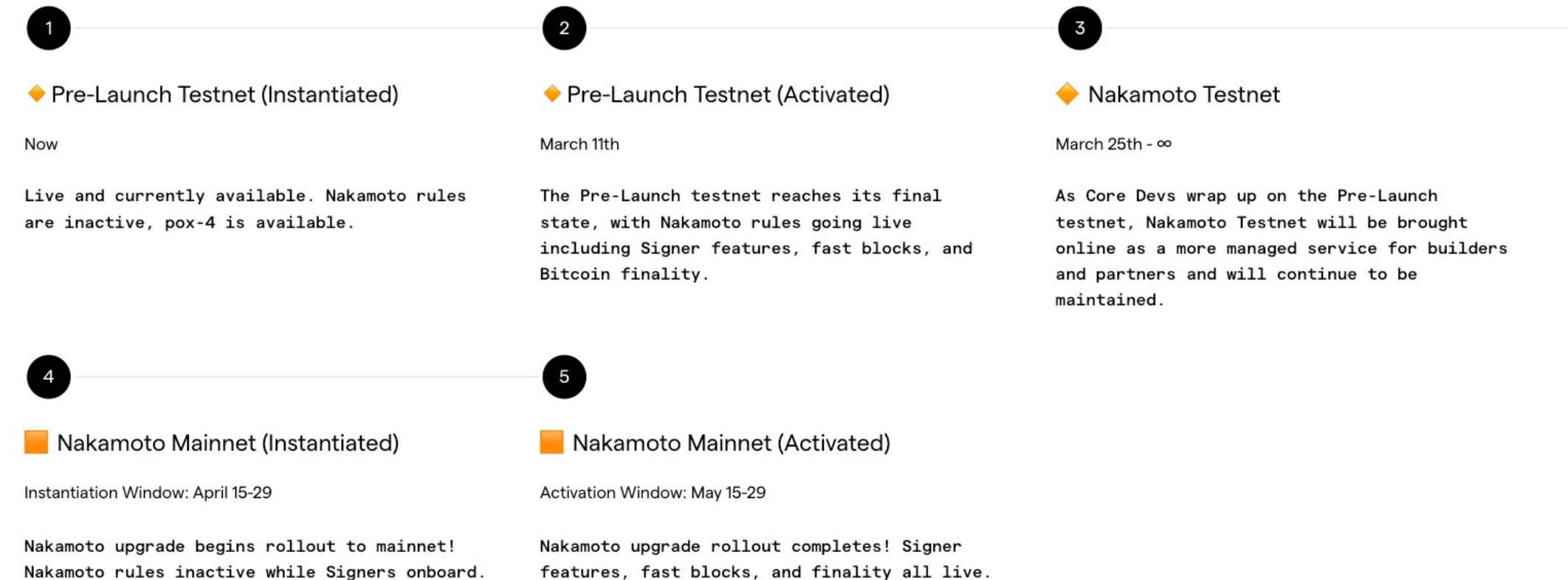
 ALEX Open-source DeFi protocol modeled on the world's financial... [Globe] [Twitter] [Telegram]	 Arkadiko Open source protocol that mints a stablecoin, generating Bitcoin yield [Globe] [Twitter] [Telegram]	 Ballot Decentralized polling app for DAOs, NFTs, DeFi, and Web 3 projects o... [Globe] [Twitter] [Telegram]	 BlockSurvey Collect and share form data with guaranteed privacy [Globe] [Twitter]
 Boom Create, send, and receive STX and Bitcoin yield-generating NFTs [Globe] [Twitter]	 Console A place for decentralized communities to focus and take... [Globe] [Twitter]	 Dots Upgrade and manage all your BNS names in one account [Globe] [Twitter] [Telegram]	 Droplinked Gated merch solution for STX and other NFTs [Globe] [Twitter]
 Force Prime Web3 platform with free-to-play games. Play. Enjoy. Earn. [Globe] [Twitter] [Telegram]	 Gamma Explore, collect, and sell NFTs secured by Bitcoin [Globe] [Twitter] [Telegram]	 GoSats Bitcoin Cashback Rewards application that enables stacking... [Globe] [Twitter]	 HeyLayer Layer allows anyone to create and sell NFTs [Globe] [Twitter] [Telegram]

Sources: Tide Capital based on data and calculation from Stacks and CoinMarketCap. For informational purposes only and should not be considered investment advice or a recommendation to buy, sell, or hold any particular security or cryptocurrency. Past performance is not indicative of future results.

Stacks: The Nakamoto upgrade will significantly enhance network security and speed

Following the upgrade, Stacks' security will be ensured by 100% of Bitcoin's hash power, making it truly a Bitcoin L2 in the real sense. Stacks' current block speed ranges from 10 to 30 minutes. After the Nakamoto upgrade, the block speed will be shortened to 5 seconds, offering faster transaction speed.

The upgrade will support sBTC, which is decentralized, two-way anchored BTC, utilizing a more secure and efficient wrapping method to introduce BTC into Layer 2 smart contracts.

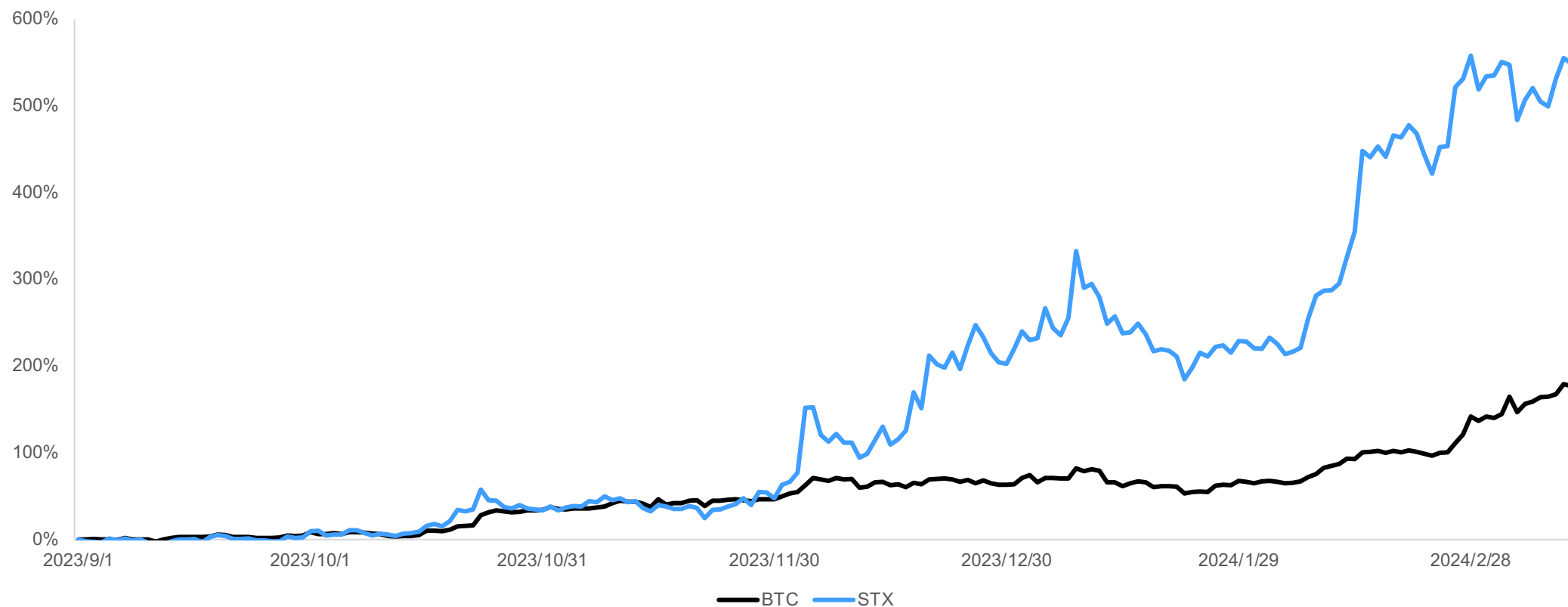


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Stacks: STX largely captures BTC's beta, and it is poised to undergo another phase of value discovery during the halving

During this bull market, Stacks' circulating market cap has surged past \$5 billion, capturing a significant portion of BTC's beta. Relying on its rich on-chain ecosystem and top-notch development team, Stacks has already established a significant presence within the Bitcoin ecosystem, enjoying a first-mover advantage. Additionally, Stacks is completing the Nakamoto upgrade around the time of the Bitcoin halving, providing an opportunity for another phase of value discovery.

Since September 2023, STX has surged by over 500%



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Layer 2: Merlin Chain is poised for action, with TVL surpassing \$3 billion

Merlin Chain, launched by Bitmap Tech, is a Bitcoin layer 2 solution employing ZK-Rollup technology. It supports most protocols and assets on the Bitcoin layer 1, including BRC-20, BRC-420, Bitmap, and NFTs. Since initiating the staking activity in February, Merlin Chain's TVL swiftly surpassed \$3 billion.

Merlin Chain is currently the most anticipated and widely supported Bitcoin layer 2 solution. Merlin Chain is set to gradually roll out DApps in March, with over 100 DApps currently in the process of integration and preparation for launch. This suggests that the wave of Bitcoin layer 2 solutions may be on the brink of beginning.



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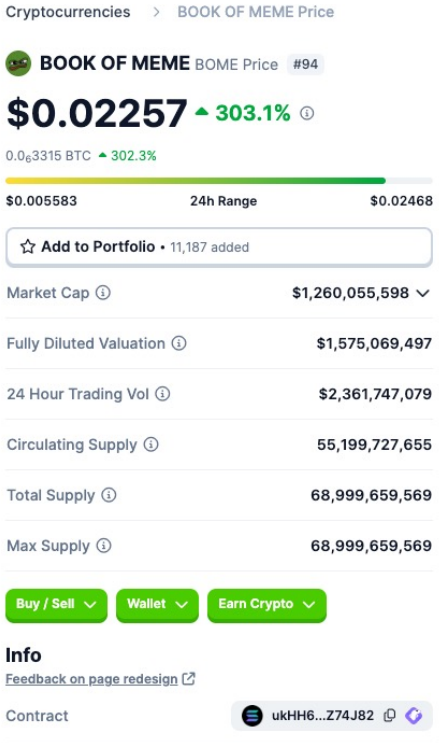
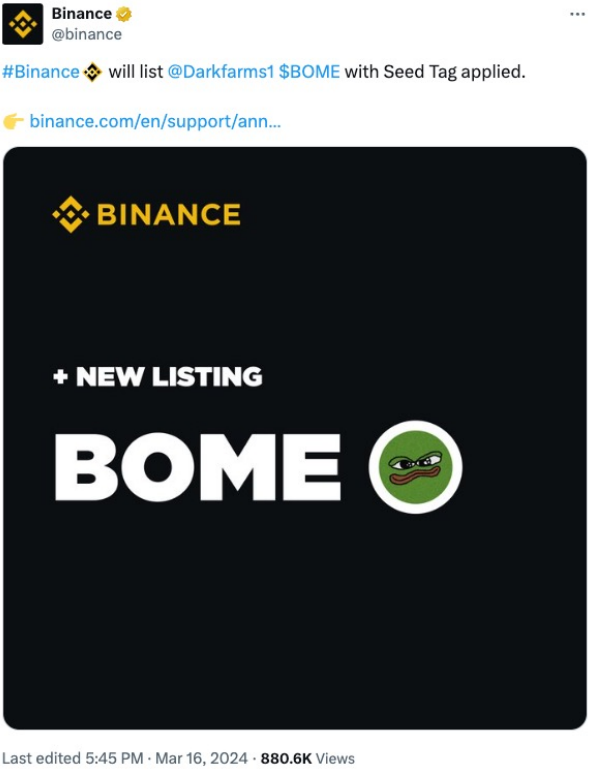
Meme

The indispensable gateway and symbolic
cornerstone of the crypto world

Meme: The indispensable gateway and symbolic cornerstone of the crypto world

Meme tokens are an essential component of the crypto world, forming strong communities around unique cultures. They widely disseminate through easily understandable images and stories, sparking imagination and attracting successive waves of newcomers, thus becoming indispensable traffic channels and symbols of spirit in the crypto world.

On March 13th, crypto artist Darkfarms launched the token BOME (Book of Meme), with an initial market value of around \$3 million, which then began a rapid rise. On March 16th, BOME debuted on Binance, with a market value exceeding \$1 billion, entering the Top 100 ranks. In just 3 days, it achieved heights that most projects find difficult to reach.

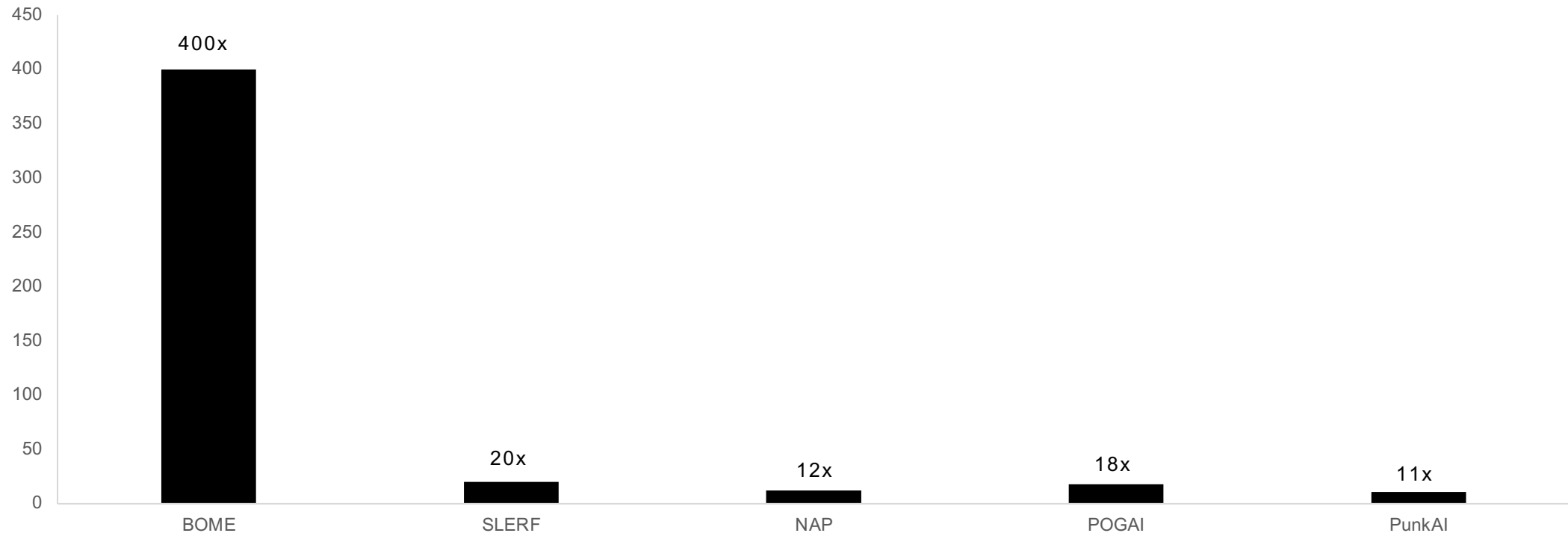


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Meme: Low market cap, fair distribution, quick path to wealth

Meme tokens often have an initial market cap of only a few million dollars, indicating larger potential for upward movement. Additionally, the distribution of Meme tokens is relatively fair, offering everyone an opportunity to participate as long as they have access to information early on. Without potential selling pressure from VC private placements, the token structure of Meme tokens is more dispersed and purer. Just in March, several meme tokens have already provided early participants with returns of over 10 times their initial investment.

The highest returns achieved by meme tokens issued in March



Sources: Tide Capital based on data and calculation from DexScreener. For informational purposes only and should not be considered investment advice or a recommendation to buy, sell, or hold any particular security or cryptocurrency. Past performance is not indicative of future results.

Meme: The Bitcoin halving brings new mainstream attention, and meme tokens stand to benefit from it

The Bitcoin halving, as a major event occurring every four years, will undoubtedly make headlines in major media outlets, bringing a new wave of mainstream attention and traffic to the crypto market. When newcomers enter the market, they often find Bitcoin too expensive and opt to buy meme tokens, which are cheaper and easier to understand. Therefore, meme tokens will also benefit from Bitcoin's halving event. The wealth creation effect of meme tokens brings fresh blood into the crypto world, while the continuous influx of funds further drives up the prices of meme tokens, forming a positive feedback loop in the bull market.

Meme tokens have a large total supply and low unit price, making them more attractive

Name	Price	Circulating Supply	Market Cap	60d %
DOGE	0.215	144Bn	31.0Bn	175%
SHIB	0.00003019	589Tn	17.8Bn	240%
WIF	4.46	1Bn	4.5Bn	1934%
PEPE	0.000008486	421Tn	3.6Bn	834%
FLOKI	0.0002417	10Tn	2.3Bn	784%
BONK	0.000027	65Tn	1.8Bn	164%
BOME	0.01589	55Bn	0.9Bn	1664%

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mfercoin: A blue-chip NFT token, surged from \$0 to a \$200 million market cap in just 12 hours


On March 30th, the founder of the blue-chip NFT project mfers, sartoshi, launched the token mfercoin. In the whitepaper, mfercoin was described as a meme coin with no intrinsic value, profit expectations, or prescribed utility. 80% of the tokens were injected into the liquidity pool, while the remaining 20% were airdropped to the mfers community.

The NFT project mfers was launched in 2021, sparking a wave of PFP frenzy in the crypto community and establishing itself as a well-known NFT project. Following the launch of mfercoin, with the spontaneous support and dissemination from the community, it achieved a market cap of \$200 million within 12 hours. Regarding the future of mfercoin, as stated by the mfers community, "1\$mfer = 1\$mfer".


mfers once sparked a PFP frenzy

Based Mfers - Major Farcaster Announcement


Technology · Arts & culture · Cryptocurrencies




Dad Mod ✓
Host




yost ✓
Speaker




sartoshi ✓
Listener




sartocra... ✓
Listener




Ready ✓
Listener




charlieg... ✓
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another... ✓
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s34n.eth ✓
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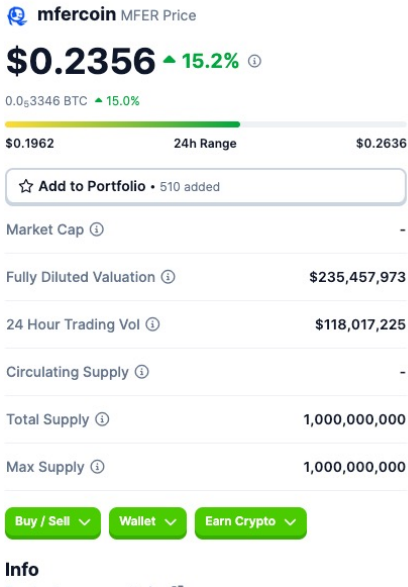


CodinCo... ✓
Listener



VRmfer ✓
Listener

After the launch of mfercoin, it achieved a market cap of \$200 million within just 12 hours



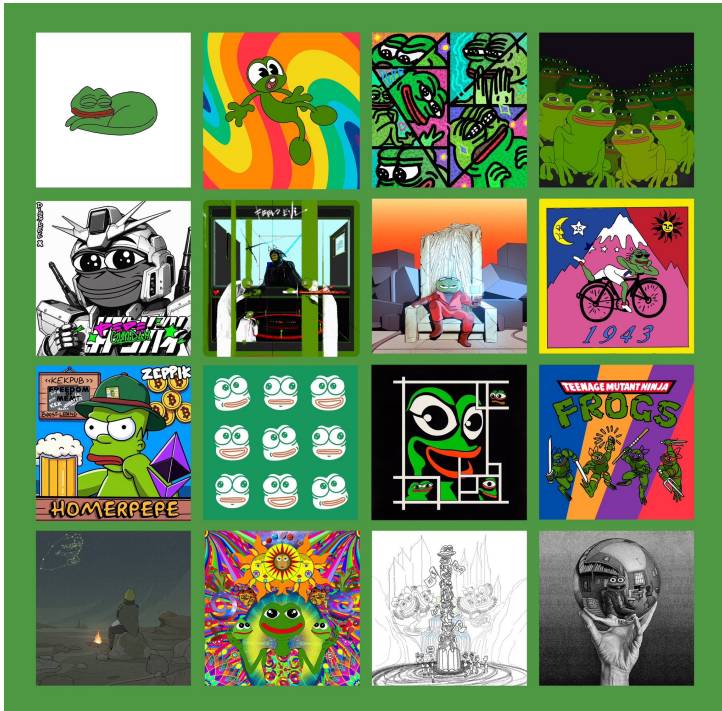
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PEPE: The top-tier meme in the Western internet, poised to challenge a market cap of over \$10 billion

The Pepe image has deeply integrated into the language and expression of the internet, becoming a western top-tier meme.

PEPE token was launched in April 2023, and its current market capitalization has reached \$3 billion, making it the leading Meme token on the Ethereum network. Based on the experience of the previous bull market, the leading meme token SHIB achieved a market capitalization exceeding \$10 billion. As the leading meme token in this current bull market, PEPE also has the potential to continue challenging a market capitalization of over \$10 billion.

Pepe expressions and variations are widely used



The PEPE token has the potential to challenge \$10 billion



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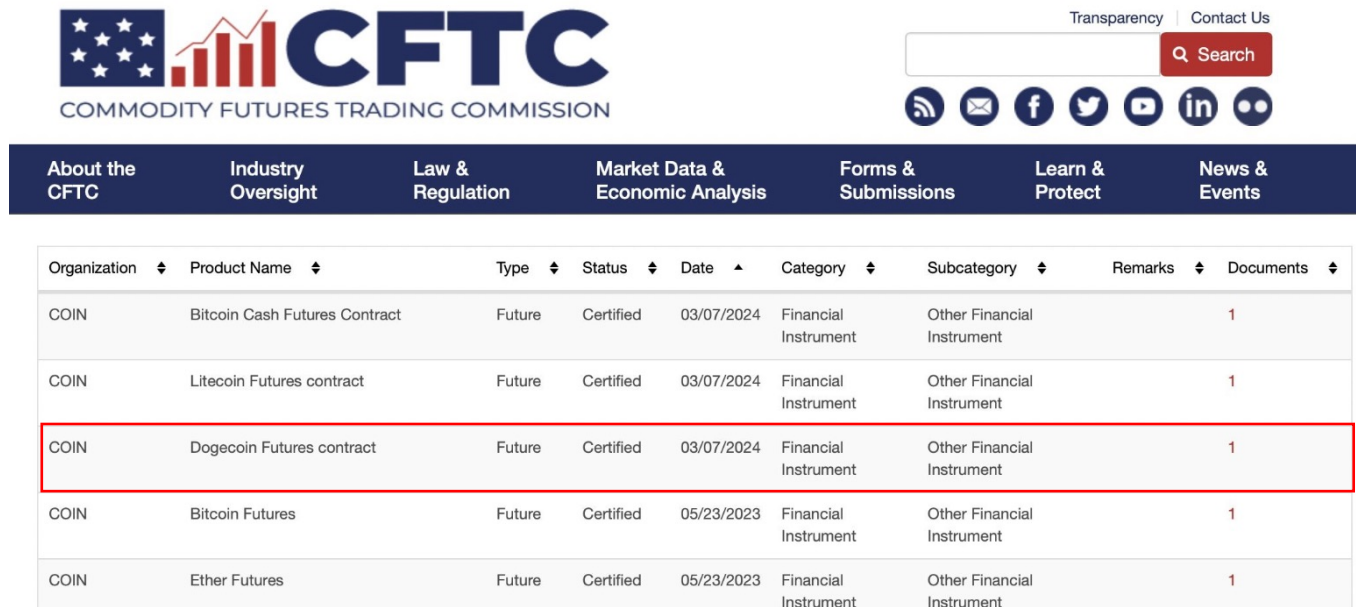
DOGE: Compliance narrative + Doge Day, double positive factors driving the rise

In April, DOGE is poised to benefit from two positive developments. Firstly, Coinbase Derivatives has submitted documents to the U.S. CFTC for listing DOGE contract trading on April 29th. This signifies DOGE being classified as a commodity rather than a security, gaining recognition from mainstream regulatory bodies in the United States. This increases the possibility of future DOGE ETFs, potentially attracting institutional funds to allocate to DOGE as a leading meme coin. Just as the Bitcoin ETF propelled BTC to historical highs, DOGE's compliance narrative could drive significant upward movement.

Secondly, April 20th marks Doge Day, coinciding with the period around Bitcoin's halving date. DOGE will once again garner attention across the market, potentially fueling BTC's continued rise.

The U.S. CFTC website has listed the DOGE futures documents

April 20th is Doge Day



Organization	Product Name	Type	Status	Date	Category	Subcategory	Remarks	Documents
COIN	Bitcoin Cash Futures Contract	Future	Certified	03/07/2024	Financial Instrument	Other Financial Instrument		1
COIN	Litecoin Futures contract	Future	Certified	03/07/2024	Financial Instrument	Other Financial Instrument		1
COIN	DogeCoin Futures contract	Future	Certified	03/07/2024	Financial Instrument	Other Financial Instrument		1
COIN	Bitcoin Futures	Future	Certified	05/23/2023	Financial Instrument	Other Financial Instrument		1
COIN	Ether Futures	Future	Certified	05/23/2023	Financial Instrument	Other Financial Instrument		1



AI

The industrial revolution has begun, leading to a resonance in global capital markets

AI: Sora triggers a new wave of AI fervor, signaling the onset of an industrial revolution

On February 16th, OpenAI released the text-to-video model Sora, sparking a new wave of AI enthusiasm.

Sora not only comprehends objects, characters, scenes, and styles within text but also understands "how these things exist in the physical world," enabling better 3D effects. It's truly a "world simulator."

Although Sora is still in its early stages of development, its launch signifies a milestone for generative AI, potentially heralding the onset of a new industrial revolution. Even Elon Musk was deeply impressed, commenting "gg humans" on Twitter.



Subscribe

gg humans

2:19 PM · Feb 16, 2024 · 96.9K Views

As a result, the AI sector in the cryptocurrency market began to soar, particularly projects involving OpenAI founders such as WLD and ARKM.

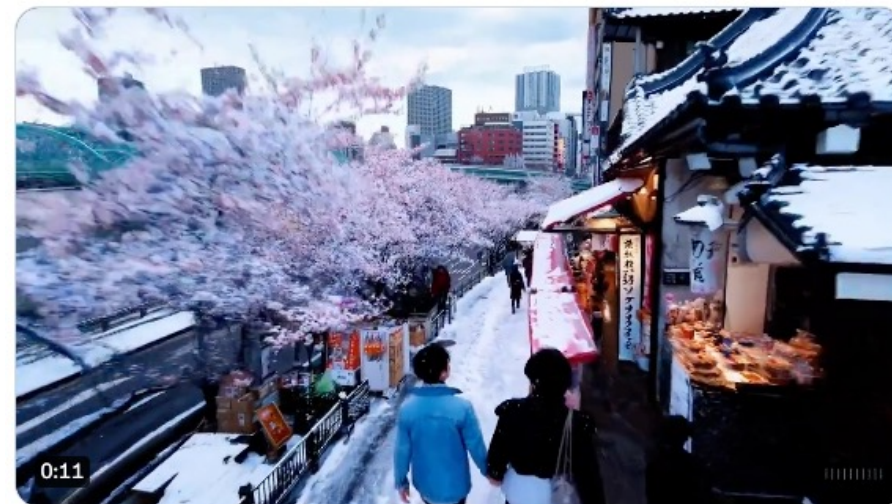


Introducing Sora, our text-to-video model.

Sora can create videos of up to 60 seconds featuring highly detailed scenes, complex camera motion, and multiple characters with vibrant emotions.

openai.com/sora

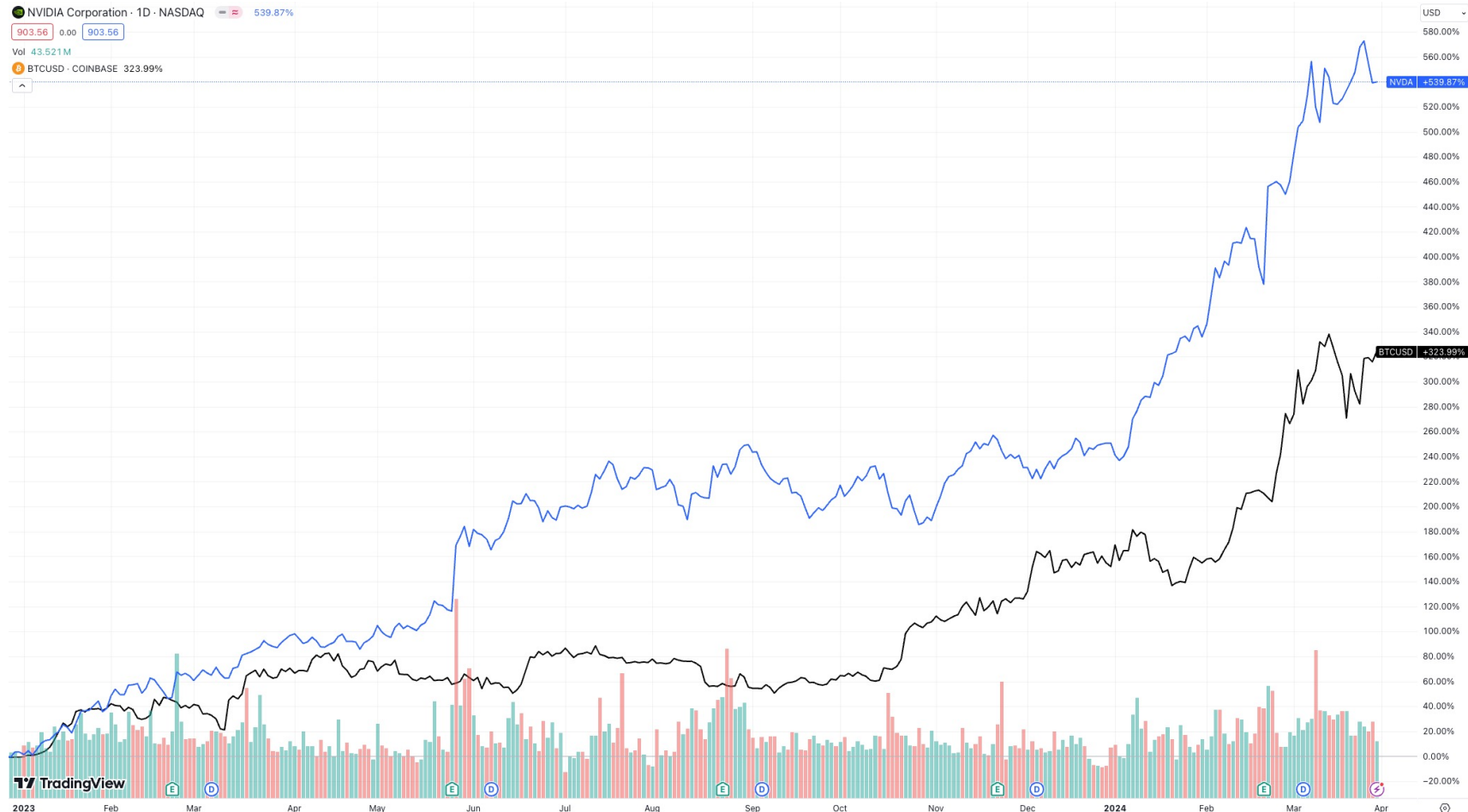
Prompt: "Beautiful, snowy Tokyo city is bustling. The camera moves through the bustling city street, following several people enjoying the beautiful snowy weather and shopping at nearby stalls. Gorgeous sakura petals are flying through the wind along with snowflakes."



2:14 AM · Feb 16, 2024 · 94.6M Views

AI: Global capital markets resonate with an upward trend, making AI the primary track for long-term investments

Chip giant NVIDIA has surged over 500% since the beginning of 2023, even outperforming Bitcoin, with a market capitalization surpassing \$2 trillion, triggering a global resonance in capital markets. The development of AI has reached a critical point, not just a short-term speculation but a primary track with long-term investment value. In the future, more investment opportunities will emerge around the AI upstream and downstream industry chain.



Sources: Tide Capital based on data from TradingView. For informational purposes only and should not be considered investment advice or a recommendation to buy, sell, or hold any particular security or cryptocurrency. Past performance is not indicative of future results.

AI: Crypto + AI is still in its early stages, and technological advancements will continue to receive sustained market attention

AI can read, correlate, and infer massive amounts of data at an extremely high level of intelligence. The immutable ledger and consensus mechanism of blockchain will serve as the cornerstone of AI systems, ensuring the security, transparency, and reliability of AI data usage. The fusion of Crypto and AI will leverage the strengths of both fields, creating unprecedented synergistic effects.

Although Crypto + AI projects have yet to find mature solutions and business models, and are mostly conceptual narratives, this also means that we are still in the early stages of Crypto + AI, facing numerous opportunities and challenges. As Crypto + AI technology continues to advance, this track will continue to attract sustained attention and funding from the market.

Project	Ticker	MarketCap (\$Bn)	FDV (\$Bn)	AI Thesis
World Coin	WLD	1.4	81.7	Sam Altman (OpenAI CEO) involved
Bittensor	TAO	3.3	10.7	An open-source protocol that powers a decentralized AI network
Render Network	RNDR	4.0	5.7	Distributed GPU rendering on the blockchain
Fetch.AI	FET	2.5	3.5	An open platform for the AI economy
Theta Network	THETA	3.1	3.1	Web3 infrastructure for video, AI and entertainment
Arkham	ARKM	0.4	2.6	Sam Altman (OpenAI CEO) invested
SingularityNET	AGIX	1.6	2.5	Decentralised AI marketplace running on blockchain
Sleepless AI	AI	0.2	1.7	Web3 + AI gaming platform
Livepeer Network	LPT	0.6	0.6	Video infrastructure network for live streaming based on AI model

Sources: Tide Capital based on data and calculation from CoinMarketCap as of 2024/4/1. For informational purposes only and should not be considered investment advice or a recommendation to buy, sell, or hold any particular security or cryptocurrency. Past performance is not indicative of future results.

Solana

The Ethereum killer of this bull run

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Solana: The Ethereum killer of this bull run

After the FTX incident, Solana has emerged from the bear market lows, relying on its top-notch development team and united community. Solana's extremely low transaction fees and high throughput have won favor from institutions and retail investors alike, making it the Ethereum killer of this bull market. The SOL/ETH exchange rate has already reached the highs of the previous bull market.

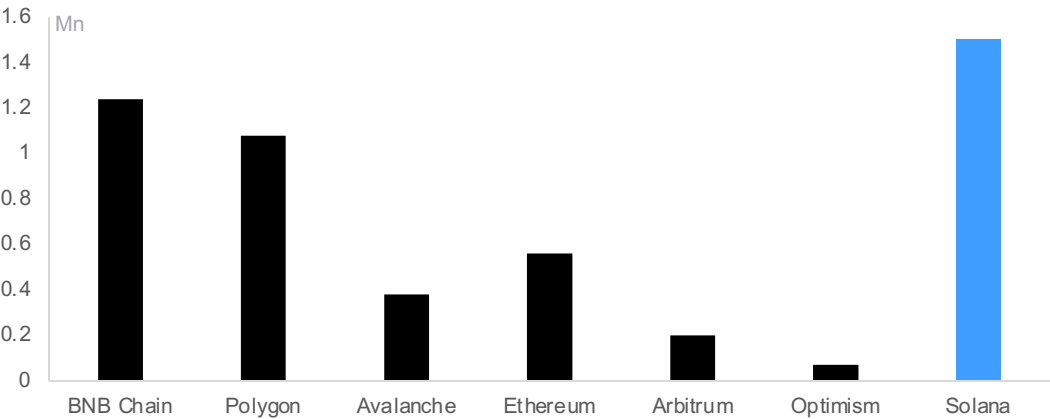


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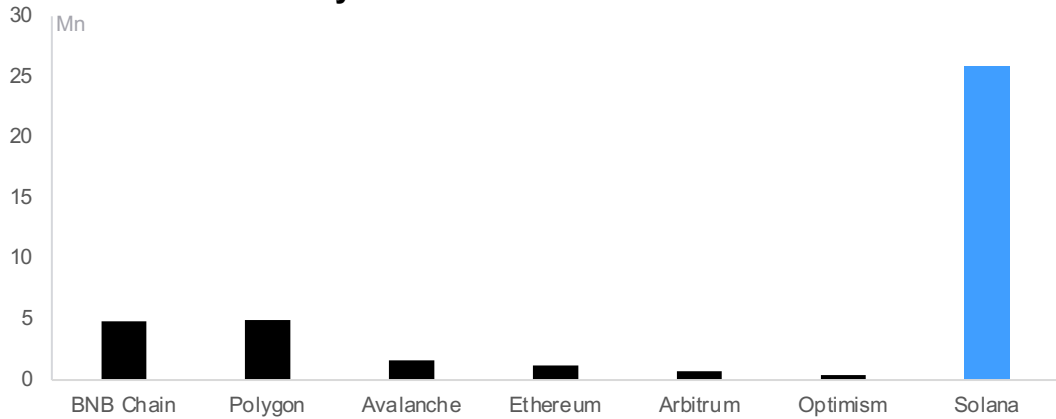
Solana: Continued influx of hot money, surpassing Ethereum in on-chain data

Thanks to the Meme craze in March, Solana's daily active addresses have reached 1.5 million, surpassing BNB Chain backed by Binance. At the same time, Solana's daily on-chain transaction volume has reached 25 million, far exceeding other public chains and Ethereum's layer 2 solutions. Solana is growing at an unprecedented rate, continuously attracting new users.

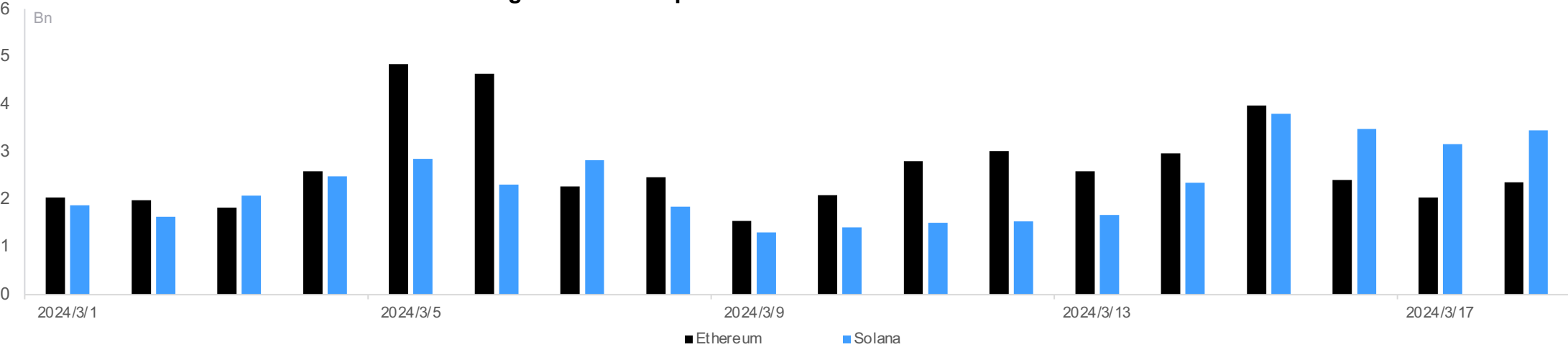
Solana's DAU have reached 1.5 million



Solana's daily transactions reached 25 million



Solana's DEX trading volume surpassed Ethereum's in the middle to late March



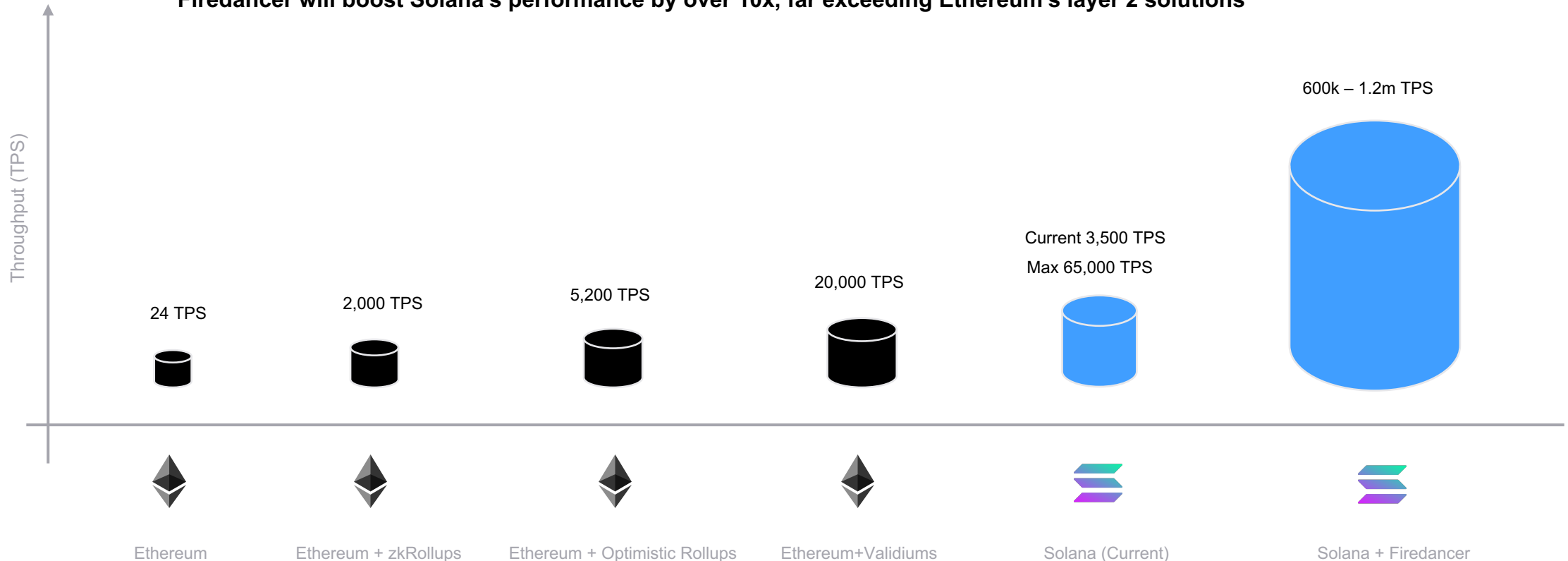
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Solana: The next-generation validator Firedancer will boost performance by over 10x

Firedancer, developed by Jump Crypto, is the next-generation Solana validator designed to enhance Solana's performance, reliability, and security. By reducing dependencies on third-party libraries and optimizing cryptographic and networking functionalities, Firedancer is capable of processing 1 million transactions per second (TPS), achieving throughput levels even surpassing those of Web2 applications like Twitter and Visa.

Firedancer officially launched on the testnet in October 2023, with plans for the mainnet release in the first half of 2024, poised to empower Solana for true mass adoption.

Firedancer will boost Solana's performance by over 10x, far exceeding Ethereum's layer 2 solutions



Sources: Tide Capital based on data and calculation from Messari. For informational purposes only and should not be considered investment advice or a recommendation to buy, sell, or hold any particular security or cryptocurrency. Past performance is not indicative of future results.

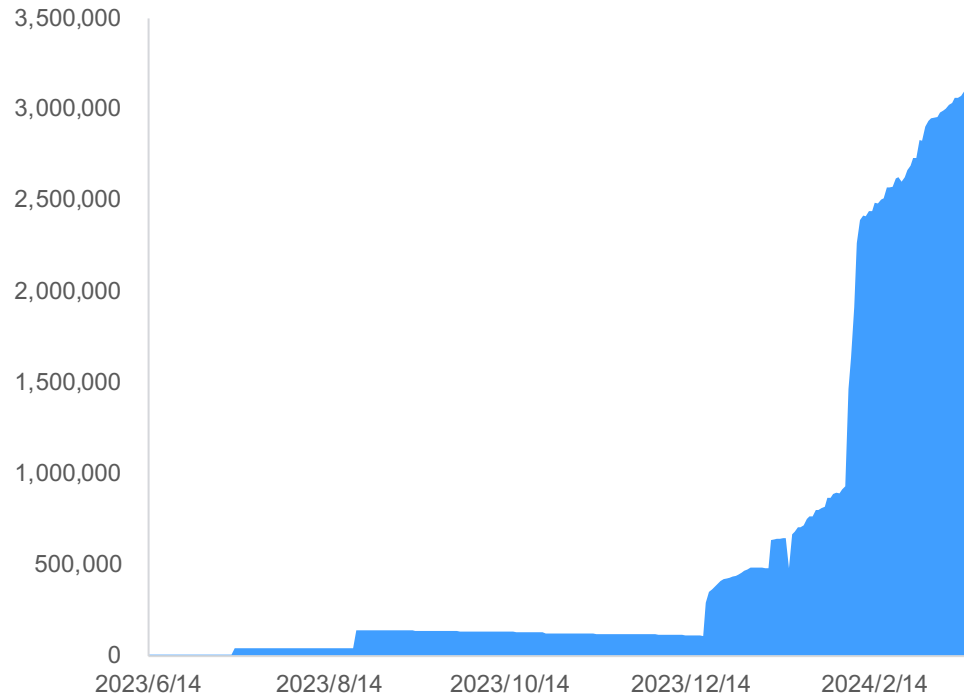
Ethereum

**The emergence of the restaking track has
driven an increase in ETH**

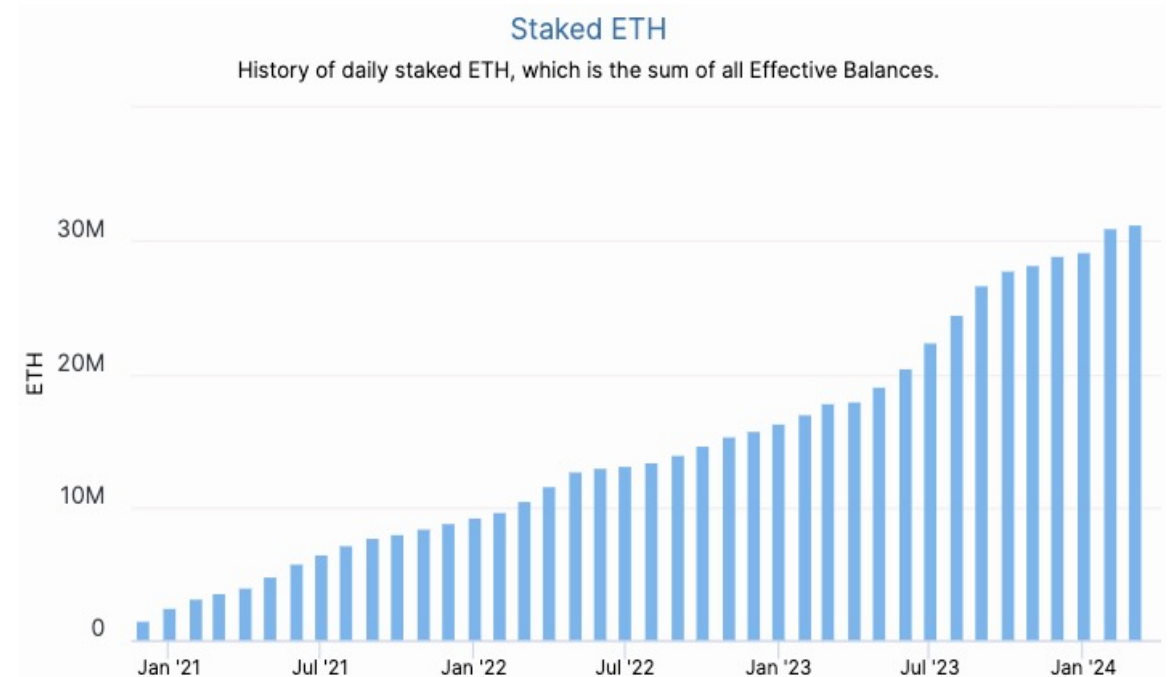
Ethereum: The emergence of the restaking track has driven an increase in ETH

In 2023, EigenLayer pioneered restaking, allowing users to restake ETH or LST, providing "security as a service" to various decentralized projects on Ethereum. The restaking track experienced a surge by the end of 2023, with EigenLayer staking over 3 million ETH. The coin issuance expectations of EigenLayer and various LRT projects attracted a significant amount of ETH deposits, driving continuous growth in ETH staking volume. The ongoing demand will continue to propel ETH's rise.

EigenLayer has over 3 million ETH staked



The Ethereum has over 31 million ETH staked



Ethereum: ETH has entered the era of deflation, with the circulating supply decreasing by 0.7% annually

Since the Ethereum merge in September 2022, the circulating supply of ETH has decreased by 450,000 tokens. Ethereum has officially entered a period of deflation. Based on the recent 30-day rate, it's estimated that the annual reduction in ETH will be around 830,000 tokens, equivalent to 0.7% of the total circulating supply. Although Ethereum's price may not be showing significant strength compared to BTC in the near term, the fundamentals of Ethereum are continuously improving, making ETH more scarce.

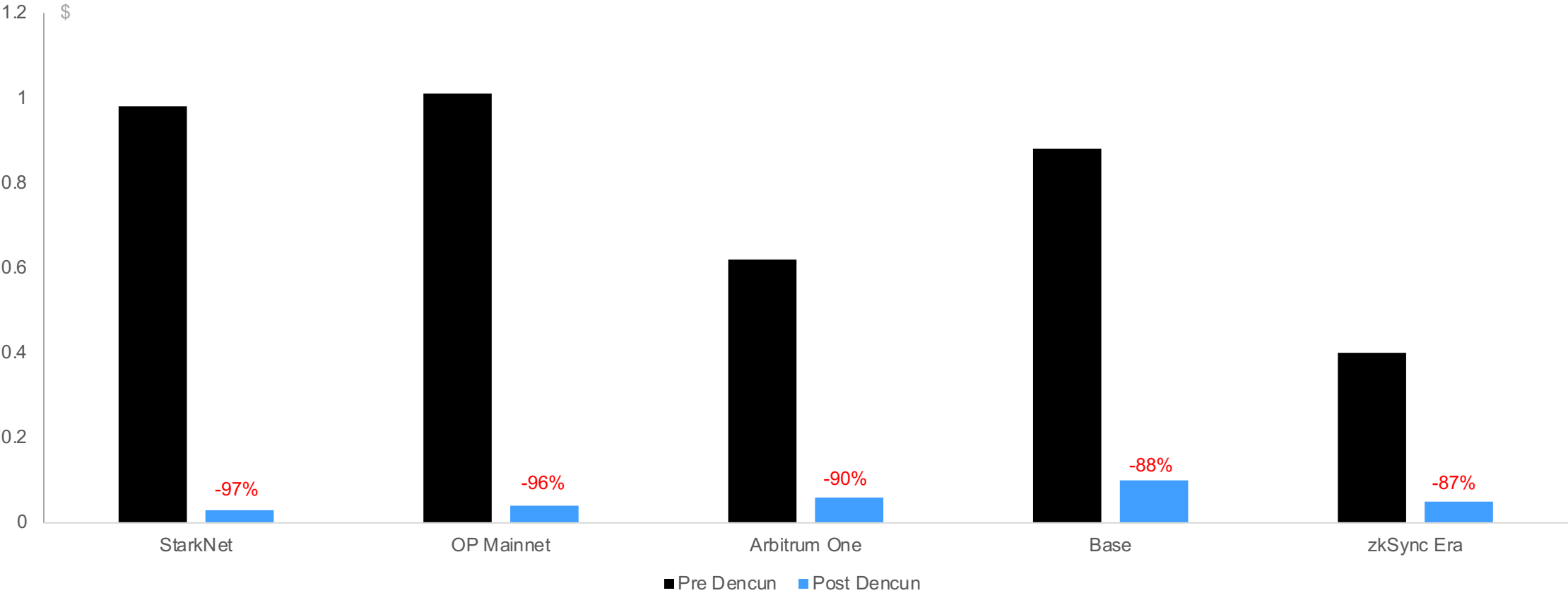


Sources: Tide Capital based on data and calculation from Ultra Sound Money. For informational purposes only and should not be considered investment advice or a recommendation to buy, sell, or hold any particular security or cryptocurrency. Past performance is not indicative of future results.

Ethereum: The Dencun upgrade significantly reduces the fees for Layer 2 solutions, potentially ushering in a new round of growth.

On March 13th, Ethereum officially completed the Dencun upgrade, significantly reducing transaction fees for L2. Gas fees for mainstream L2 solutions like StarkNet and OP have dropped by 90%, with average transaction fees now lower than \$0.1 USD. With the substantial decrease in fees, high-frequency interactive applications such as gaming and social platforms are expected to experience a surge in activity. This could potentially kickstart a new wave of growth in the Ethereum Layer 2 ecosystem.

After the Dencun upgrade, transaction fees on Ethereum's Layer 2 networks decreased by around 90%



Sources: Tide Capital based on data and calculation from OKLink. For informational purposes only and should not be considered investment advice or a recommendation to buy, sell, or hold any particular security or cryptocurrency. Past performance is not indicative of future results.

Tide Capital

Tide Capital is a research-driven digital asset investment and trading firm. We study macro and fundamentals to capture beta and alpha opportunities from crypto waves to financial tides. Driven by value, we aim to invest in early-stage projects with significant growth potential. Concurrently, we assess market cycles to inform our investment decisions, trading in the public market to achieve returns.

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