Newsletter Jan. 2025

新火科技 SINOHOPE

幫助每一個企業安全、便捷地使用數字資產

HELP EVERY ENTERPRISE USE
DIGITAL ASSETS SAFELY AND EASILY

Company News

SINOHOPE OpenClass: Understand SINOHOPE MPC self-custodial platform where the ownership of funds belongs to the wallet address holder

SINOHOPE MPC self-custodial platform adoptsMPC-TSS (Muti-Party Computation-Threshold Signature Scheme) technology to support users' distributed management of private key sharding and collaborative signatures without relying on a single centralized organization. It supports T-N threshold signature settings (such as 3-3 multi-party signature scheme), eliminating the risk of traditional private key custody, while solving the single-point risk of private keys, effectively increasing transparency and ease of use, and truly allowing users to achieve secure self-custody of assets.

Multi-Party Computation (MPC) is a collaborative computing framework based on cryptography. In a broad sense, multiple parties have their own private inputs to complete a computing task together. While successfully completing the task, they can ensure that their private inputs will not be leaked during the whole process. The MPC wallet is an innovative practice in the field of crypto assets, using MPC-TSS technology - threshold signature technology based on multi-party secure computing to achieve the management of blockchain private keys. A T-N threshold signature scheme refers to a digital signature scheme in which any T or more signers in a group of N signers can represent the whole group and generate valid signatures. For example, a 3-3 wallet means that the private key is divided into three pieces and requires three shards to co-sign to be valid.

Take SINOHOPE as an example, firstly, the user initiates distributed key generation. Two of the shards are encrypted and then hosted. During the transaction, the private key shards held by the user initiate the transaction. The transaction signature can be completed with the participation of three parties. There will be no private key plain text in the whole process, and the platform cannot bypass user generation signatures. While helping user funds resist external risks, it ensures that all service providers, including SINOHOPE, cannot use customer assets, and the ownership of funds still belongs to the wallet address holder throughout the process.

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Industry Updates

Industry Updates

In January 2025, after Bitcoin hit a record high of $109,588, the cryptocurrency market as a whole entered a shock correction phase. The monthly return of BTC was +10.53%, a higher increase from -2.49% in December 2024, and the return turned from negative to positive. ETH's performance has been relatively flat, with a monthly return of +0.4% and little change in price. Donald Trump officially took office as president of the United States in the early morning of January 21, Beijing time, becoming the first "crypto president" in American history. Before officially taking office as president, Donald Trump launched his personal Meme coin $TRUMP on January 18, and the market value of $TRUMP surged to $30 billion within 24 hours of issuance. On January 20, his wife Melania Trump also released a Meme named after herself - $MELANIA, with a market value of up to $13 billion. So far, the market values of $TRUMP and $MELANIA have both shrunk significantly.

After officially taking office, Donald Trump signed an executive order requiring the assessment of strategic national digital asset reserves and the establishment of the President's Working Group on Digital Assets Market to strengthen American leadership in digital financial technology. The task force is tasked with developing a federal regulatory framework for managing digital assets, including stablecoins, and evaluating the creation of a strategic national digital asset reserve. It aims to enhance the leadership and competitiveness of America in the global digital currency field. This news also further boosted market sentiment. Coinmarketcap's Cryptocurrency Fear and Greed Index reached 85 in mid-January, showing that the market is still optimistic.

In January 2025, flows into BTC ETFs and ETH ETFs slowed. Among the top 30 cryptocurrencies by market cap, the highest returns are XRP (+45.6%), LTC (+25.1%) and LINK (+24.4%), while the lowest returns are PEPE (-33.3%), TON (-11.6%) and SHIB (-9.7%). The S&P Cryptocurrency BDM Ex-MegaCap Index, which reflects Altcoin performance other than BTC and ETH, fell 2.13%, while the S&P Cryptocurrency DeFi Index, which reflects the decentralized sector, fell 7.49%.

In terms of macroeconomics, in the early morning of January 30, the Federal Reserve announced that it would maintain the target range of the federal funds rate at 4.25%-4.5%. This is the first time the Federal Reserve has suspended interest rate cuts since it started its interest rate reduction cycle in September last year, in line with widespread expectations. At the same time, Federal Reserve Chairman Powell said at the press conference that the Federal Reserve does not need to rush to adjust policy interest rates. The current policy is significantly looser than when it started cutting interest rates. Inflation has moved closer to target, but is still a bit high.

Overall, the cryptocurrency market in January 2025 continued to maintain a growth trend under the combined effect of favorable policies and the macroeconomic environment, but the growth rate has slowed down. After experiencing a sharp rise in 2024, the market has entered a stage of adjustment and consolidation. As the Trump administration further promotes the implementation of cryptocurrency-related policies, the market is expected to usher in more opportunities and challenges in 2025.

Crypto News

Fed keeps interest rates unchanged

In its first performance of the new year, the Federal Reserve kept its benchmark interest rate unchanged at 4.25%-4.50%, in line with market expectations. Fed officials have said they largely believe progress in lowering inflation will resume this year but have now paused lowering interest rates pending data confirmation. Officials said they want to see whether inflation continues to fall toward the Fed's target level in the coming months before easing monetary policy again, while also expressing uncertainty about the impact of Trump's plan on price pressures, the labor market and economic growth.

Affected by DeepSeek, NVIDIA's market value evaporated to the largest extent in the history of the U.S. stock market

Nvidia shares plummeted on investor concerns surrounding Chinese artificial intelligence startup DeepSeek, wiping out a record amount of market value. Nvidia's stock price fell 13% at one point, with its market value evaporating approximately US$465 billion, breaking the record of a 9% drop last September (when the market value evaporated approximately US$279 billion), the largest in the history of the U.S. stock market.

KuCoin reaches settlement with the U.S. Department of Justice and will pay nearly $300 million in settlement

The U.S. Department of Justice said on January 27 that KuCoin had admitted operating an unlicensed remittance business and agreed to pay a settlement of nearly $300 million to the U.S. Department of Justice. As part of the settlement, KuCoin will withdraw from the U.S. market for two years.
At the same time, KuCoin founders Chun Gan and Ke Tang also reached settlement agreements with the U.S. Department of Justice (DOJ). Under the deal, the Justice Department agreed to drop all charges against the other founders if they meet certain conditions.

The U.S. Senate approved the nomination of Scott Bessent as Treasury Secretary, who will lead the formulation of encryption policy

The U.S. Senate approved Trump's nomination of Scott Bessent by a vote of 68 to 29. He will succeed Janet Yellen as Secretary of the Treasury and help formulate U.S. encryption policy.
Bessent, a well-known digital asset supporter, will lead a government task force to develop a crypto regulatory strategy and oppose the implementation of a U.S. central bank digital currency (CBDC). His responsibilities also include managing the Financial Crimes Enforcement Network, which focuses on enforcing cryptocurrency-related regulations in areas such as human trafficking and child exploitation.

Donald Trump launched personal meme coin $TRUMP, and his wife Melania Trump launched personal meme coin $MELANIA

On January 18, local time, US President-elect Donald Trump posted on his social account, announcing the launch of his personal Meme currency $TRUMP. Within 24 hours of its release, the market value of $TRUMP reached US$30 billion, with a maximum market value of US$80 billion, surpassing $DOGE to become the Top1 Meme token with the largest market value.
Just two days later, on January 20, the first lady of the United States, Melania Trump, also released a Meme named after herself - $MELANIA, with the market value reaching a maximum of 13 billion US dollars.

Giant Moves

Grayscale launches new Dogecoin Trust Fund

On January 31, Grayscale announced the launch of a new closed-end fund, Dogecoin Trust. The asset manager believes that DOGE is no longer just a meme coin, but has become a tool for global financial inclusion. Many fund managers had previously applied for DOGE ETFs after Donald Trump won the election.

MicroStrategy Preferred stock STRK raised a net $563.4 million, which will be used primarily for bitcoin and operations

MicroStrategy announced that it issued 7,300,000 shares of its 8.00% Series A Perpetual Exercising Preferred Stock (the "Perpetual Exercising Preferred Stock") on January 30, 2025 at a public offering price of $80 per share, with the offering and sale of the Perpetual Exercising Preferred Stock closing on February 5, 2025.
MicroStrategy estimates that the net proceeds from the offering, after deducting underwriting discounts and commissions and MicroStrategy's estimated offering expenses, will be approximately $563.4 million, and MicroStrategy intends to use the net proceeds from the offering for general corporate purposes, including the purchase of Bitcoin and working capital.

Ripple acquires Money Transmitter license in New York and Texas

Digital asset infrastructure company Ripple has obtained Money Transmitter licenses in New York and Texas and plans to expand its business in the US market. The license allows customer payment customers to access its cross-border payment solutions in the United States and conduct end-to-end managed transactions. Ripple said there is strong demand for compliant real-time global payments solutions from banks and crypto companies in New York and Texas.

Trump Media & Technology Group will launch fintech brand Truth Fi, which will invest $250 million in cryptocurrency and other fields

According to market news, Trump Media & Technology Group will launch the financial technology brand Truth Fi. Trump Media Group will invest US$250 million in SMAs, ETFs and cryptocurrencies.

Standard Chartered Bank obtains license to launch digital asset custody services in EU

On January 9, Standard Chartered Bank announced that it had obtained a Luxembourg license to launch digital asset custody services in the EU.

Regulatory Update

In the West

The state of Illinois has advanced a strategic Bitcoin reserve bill, which is intended to be held for a minimum of five years

Illinois has become the latest US state to move forward with a Bitcoin Strategic Reserve bill. House Bill 1844 (HB1844), introduced by Illinois Rep. John Cabello, proposed the creation of a Strategic Bitcoin (BTC) reserve as a "dedicated fund in state coffers for the purpose of holding Bitcoin as a financial asset."
Notably, according to the document, the bill proposes holding bitcoins for at least five years after the creation of the fund. After the five-year holding period, the Treasury will be allowed to "transfer, sell, misappropriate, or convert any Bitcoin in the Fund to another cryptocurrency."

Arizona Senate Committee Approves Strategic Bitcoin Reserve Bill

Arizona lawmakers in the United States proposed a bill to allow public funds to invest in Bitcoin and other digital assets, and the state's Senate Finance Committee approved the bill with a 5-2 vote on January 27.
The proposed legislation, co-sponsored by Wendy Rogers and Jeff Weninger, known as SB1025, the Arizona Strategic Bitcoin Reserve Act, would allow the state to invest up to 10% of public funds, including funds held by the state treasurer and retirement systems, in cryptocurrencies such as Bitcoin.

Ten Russian regions impose a total ban on cryptocurrency mining

Ten Russian regions have completely banned cryptocurrency mining from January 1, 2025, and three other regions have implemented partial bans. The government decree, passed on December 23, 2024, provides for a complete ban on mining from January 2025 to March 2031, and in three other regions, partial restrictions on mining during each heating season until 2031 (from November 15 to March 15 of each year, except for the first year when the ban takes effect on January 1, 2025).

In the East

The Hong Kong Securities and Futures Commission has approved two more virtual asset trading platform licenses, increasing the number of licensed trading platforms to 9

The Hong Kong Securities and Futures Commission approved two more virtual asset trading platform licenses on January 27, namely PantherTrade, a subsidiary of Futu, and YAX, a subsidiary of Tiger International, bringing the current number of licensed virtual asset trading platforms in Hong Kong to nine. According to the Hong Kong Securities and Futures Commission, there are currently 9 virtual asset trading platforms on the list of applicants, of which a total of 5 are considered to be licensed.

Thailand's Ministry of Finance: Will discuss Bitcoin sandbox plan with central bank soon

Thailand's Finance Ministry plans to discuss a Bitcoin sandbox project in the southern province of Phuket with the Bank of Thailand soon, Deputy Finance Minister Paopoom Rojanasakul said. Paopoom told reporters on January 21 that officials would review the legal aspects of the plan and the government aimed to roll out the project as soon as possible.

Taiwan's financial regulatory authorities will propose a draft cryptocurrency law before the end of June

Peng Jinlong, Chairman of Taiwan's Financial Supervision Department, stated on January 9 that he adopts a cautious and friendly attitude towards the virtual asset market. The draft of the Special Law on Virtual Assets has been completed and will soon enter the public hearing process. The draft of the Special Law on Virtual Assets will be sent to Taiwan's administrative agencies before June 30 this year.

South Korea's Financial Services Commission will roll out crypto regulatory reforms in phases to allow institutions to participate in trading

South Korea is preparing to ease restrictions on cryptocurrency trading by institutional investors, signaling a major shift in the way the country regulates digital assets. The country's Financial Services Commission (FSC) will roll out regulatory reforms in phases to allow institutions to participate in cryptocurrency trading.
Currently, South Korea's regulations limit cryptocurrency trading to verified retail investors. While institutional investors are not banned outright, banks are prohibited from opening cryptocurrency trading accounts for them. However, the FSC plans to initiate these reforms in partnership with the Digital Assets Commission, with non-profits likely to be the first to gain entry. Additionally, the FSC is preparing to launch the second phase of the Virtual Asset User Protection Act. This phase will establish new guidelines for cryptocurrency listing standards, stablecoins, and the operational behavior of virtual asset exchanges.

* Note: The terms "virtual assets", "digital assets" and "crypto assets" mentioned above may vary from region to region, but they actually have the same concept.

Newsletter Jan. 2025

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Disclaimer

About SINOHOPE

Sinohope Technology Holdings Limited (1611.HK) serves as an all-in-one digital asset custody platform, committed to help every enterprise use digital assets safely and easily. Adhering to the principles of "Secure, Compliant, Professional and All-in-one", SINOHOPE provides easy-to-use services, covering MPC self-custody, OTC Desk, digital asset custody and virtual asset management. SINOHOPE understands the importance of compliance. We have been actively applying for various virtual asset and finance-related licenses in major global markets. Up to now, SINOHOPE's subsidiaries have successfully obtained: (i) approval from the Securities and Futures Commission of Hong Kong to conduct Type 1 (Dealing in Securities), Type 4 (Advising on Securities) and Type 9 (Asset Management) regulated activities and to manage portfolios that invest 100% in virtual assets; (ii) obtained a Trust or Company Service Provider ("TCSP") License (Hong Kong) and registered as a Trust Company in Hong Kong; (iii) registered the Money Services Business (MSB) from the Financial Crimes Enforcement Network (FinCEN) in the United States

Investor Inquiry

Email：ir@sinohope.com
LinkedIn：新火科技「SINOHOPE」
Twitter：@SinohopeGroup
Website：www.sinohope.com

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