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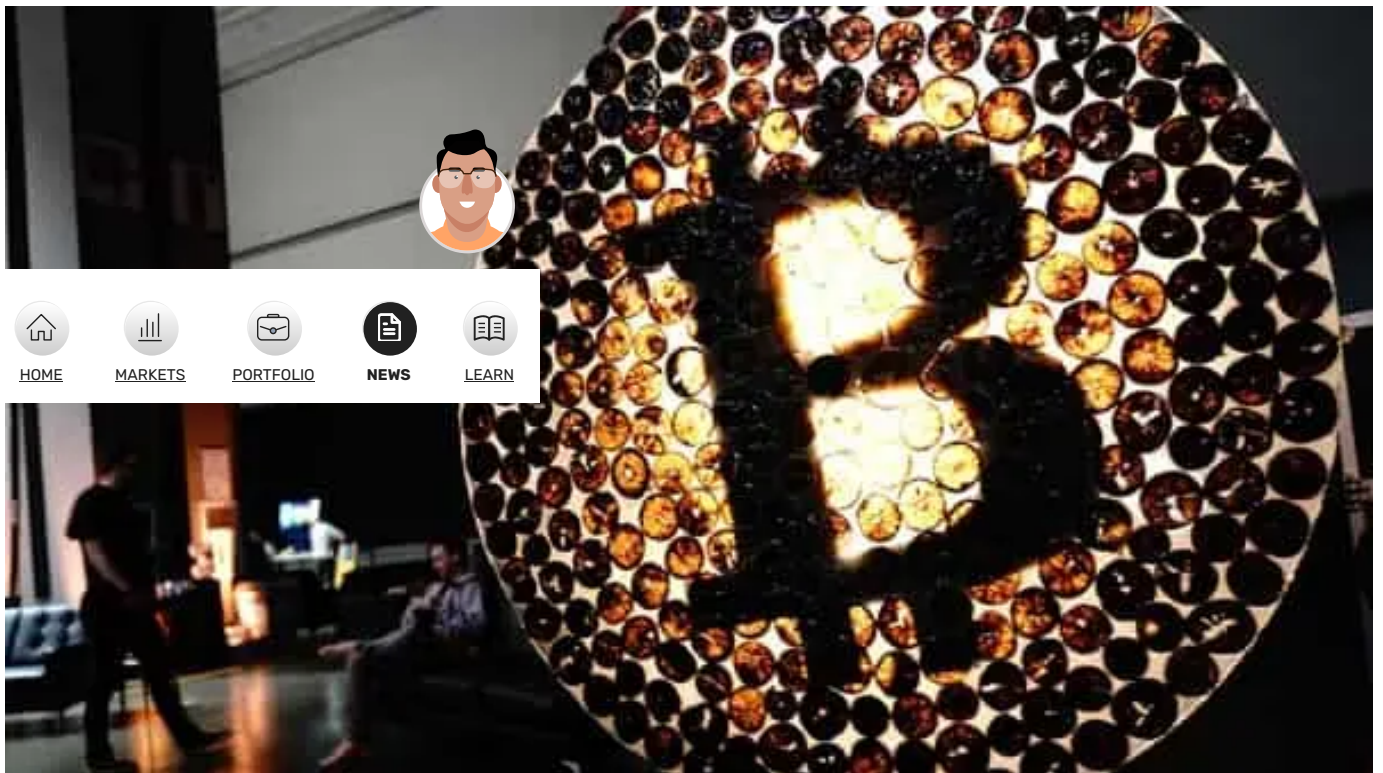
## All eyes towards a crypto Indian summer

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Updated: 13 Apr 2022, 01:08 PM IST

**TL;DR.**

One particular phenomenon that is growingly becoming evident with the Bitcoin price movements compared to other financial assets is that the price movements and overall sentiments are increasingly converging.



All eyes towards a crypto Indian summer

As the total circulating supply of Bitcoins crosses 19 million units with only 2 million more Bitcoins to be mined till 2140, the price sentiment of Bitcoin isn't upbeat. Clawing back to just over \$40k, the markets witnessed a sharp drop from \$43K to sub \$40k on 11th of April, spinning the hopeful sentiments away with the sharp drop.

One particular phenomenon that is growingly becoming evident with the Bitcoin price movements compared to other financial assets is that the price movements and overall sentiments are increasingly converging.

Bitcoin prices in dollars are reacting in a similar fashion to that of stocks when the sentiments of Global Food Shortage, rising inflation due to commodity price movements and Federal Reserve's Monetary policy anticipation drove the stocks sharply down on Monday while providing a spike to the Treasury Yields – Classic Portfolio Economics.

Does this mean that Bitcoin is becoming a mainstream financial asset gradually? Well, with the recent surge of institutional investments and Treasury diversifications into Bitcoin, it doesn't seem to be a distant possibility.

Institutional investment in to Decentralised Finance grow steadily but surely as we see despite the sharp correction in the Cryptocurrency prices led by Bitcoin, the total market capitalization of DeFi projects on data aggregator CoinMarketCap as grown by 15.59% to \$133.5 billion on Monday.

DeFi protocols with interoperability functions have stolen the show in 2022 led by the Cosmos protocols. This week the star of the DeFi market was Kava protocol – which is currently developing co-chain protocols for both Ethereum and Cosmos Networks.

Ethereum Co-chain beta launch of Kava witnessed a staggering 12.6k wallets and over 160k transactions within 2 days of launch on April 5 this year. Proliferation into NFT project development, integration of a DeFi Launchpad and DeFi piggy bank has been other winning developments by the Kava protocol.

Despite the consolidation phase demanding patience from the trading community who have been expecting astounding rallies in Cryptocurrency markets like in the recent years, the development in the Crypto-economy seems to be rising as more value-adding projects get announced and significant investments are being witnessed.

Despite price plunges, the glassnode reports that three quarters of all BTC wallets are still in profit – the adoption of Crypto – measured through the number of new wallets being created also suggests that more and more people are getting familiar with this new digital asset class.

Web3, NFT and Metaverse projects seem to be the key thrust areas with several new investment initiatives like Uniswap’s venture into investing into projects specific to Web3 based projects and companies. Uniswap’s proliferation follows FTX’s launch of \$2billion to Web3 development project investment.

As commercial and DeFi functionalities of NFT continue to attract institutional investments, the Metaverse is also witnessing significant investments especially into the Gaming arena currently.

However, as the new technologies are shaping up, the enthusiasm and interest around the Cryptocurrency markets and protocols are sending us strong signals of an early revival awaiting beyond the consolidation phase.

In Indian markets, however, the implementation of 30% tax on crypto investments is being discussed to have impacted the crypto volumes recorded in the centralised Crypto Exchanges of the country.

Coinbase has also suspended its UPI on-ramp feature following a statement from the RBI Payments arm stating no permission awarded to any Crypto services to use UPI. We, however, strongly believe that the Indian markets will soon shake away the blues and lead the Cryptocurrency markets out of consolidation with the “Crypto Indian Summer” around the corner.

*Ajoy Pathak is a Blockchain Evangelist with [CryptoWire](#), a first port of call for entry into blockchain and cryptocurrencies. CryptoWire seeks to empower participants of the crypto universe with its super app and its research, training and information platforms like Crypto University, CryptoTV and CryptoWire.*



First Published: 13 Apr 2022, 01:08 PM IST

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