



**SCORPIO**

Passive Income tool



# MONTH REPORT JUNE 2024

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# MARKET OVERVIEW

## Oversupply is affecting bitcoin

Continued and expected selling pressure from various sources put pressure on bitcoin and cryptocurrency markets in general in June. However, the fundamentals of this asset class remained largely unchanged.

In the absence of major changes in the macroeconomic outlook, we expect cryptocurrency valuations could rebound in the coming months. Cryptocurrency markets retreated in June 2024 as pockets of bitcoin sell-offs triggered a broader decline in investor risk appetite.

Actual and anticipated selling pressure from multiple sources contributed to bitcoin's decline during the month. Bitcoin's weakness, in turn, appeared to spill over into the rest of the cryptocurrencies. The main new sources of selling pressure were:

**Mt Gox Estate:** The trustees of the Mt Gox bankruptcy announced on June 24 that bitcoin and Bitcoin Cash payments would begin "in early July 2024." At the time of writing, the trustees had \$8.9 billion worth of bitcoins in their possession. There is uncertainty as to whether and when creditors will convert the proceeds into fiat money.

**German Government:** A German government agency has begun liquidating bitcoins confiscated in 2013. According to Arkham Intelligence, wallets associated with the German government sent about 4,000 bitcoins (worth about \$220 million) to exchanges in June.

**U.S. government:** on June 26, the U.S. government sent 3,940 BTC (\$240 million) seized from a wallet linked to a convicted drug trafficker to Coinbase Prime Deposit. Prior to that, the last confirmed sale by the U.S. government was in March 2023, when it sold 9,861 BTC worth \$216 million.

**U.S. Spot Bitcoin ETPs:** these products experienced net outflows of \$581 million in the second half of June, following net inflows in May and early June.

In addition to these new sources of sales pressure, bitcoin miners have continued to reduce their inventory: according to Glassnode, miners have sold ~1,560 bitcoins (~\$100 million) in the last 30 days. On the other hand, publicly traded Microstrategy reportedly purchased nearly 12,000 bitcoins (valued at \$786 million) in mid-June, which may have supported the bitcoin price.

While these short-term flows may have temporarily impacted the bitcoin price, we see no meaningful change in the asset's fundamentals. For example, while the U.S. dollar has moderately strengthened, markets have priced in the possibility of additional Fed rate cuts this year and next amid further weakening in consumer price inflation. In addition, some indicators of smart contract platform adoption have shown continued growth.



## CMC Crypto Fear and Greed Index chart for June:



## Bitcoin dominance table:

Metrics	June 2024	May 2024	Apr 2024
Transactions	17,250,973	18,193,788	14,475,082
Average daily trading volume	~\$22.73 bln	~\$28.20 bln	~\$33.87 bln
Bitcoin dominance in the market	53.63%	53.44%	50.60%
Highest price	\$71,907.85	\$71,946.46	\$72,715.36
Market cap <sup>1</sup>	\$1,235.94 bln	\$1,329.96 bln	\$1,193.55 bln
Average Hash Rate (EH/s)	580.37 EH/s	599.03 EH/s	625.00 EH/s

<sup>1</sup> This indicator shows market capitalization as of the last day of the month

June 2024 marks a significant turn for the cryptocurrency market as the SEC approves spot Ethereum (ETH) ETFs. This pivotal move has rejuvenated Bitcoin (BTC) and other leading cryptocurrencies, heralding a new era of optimism among investors.

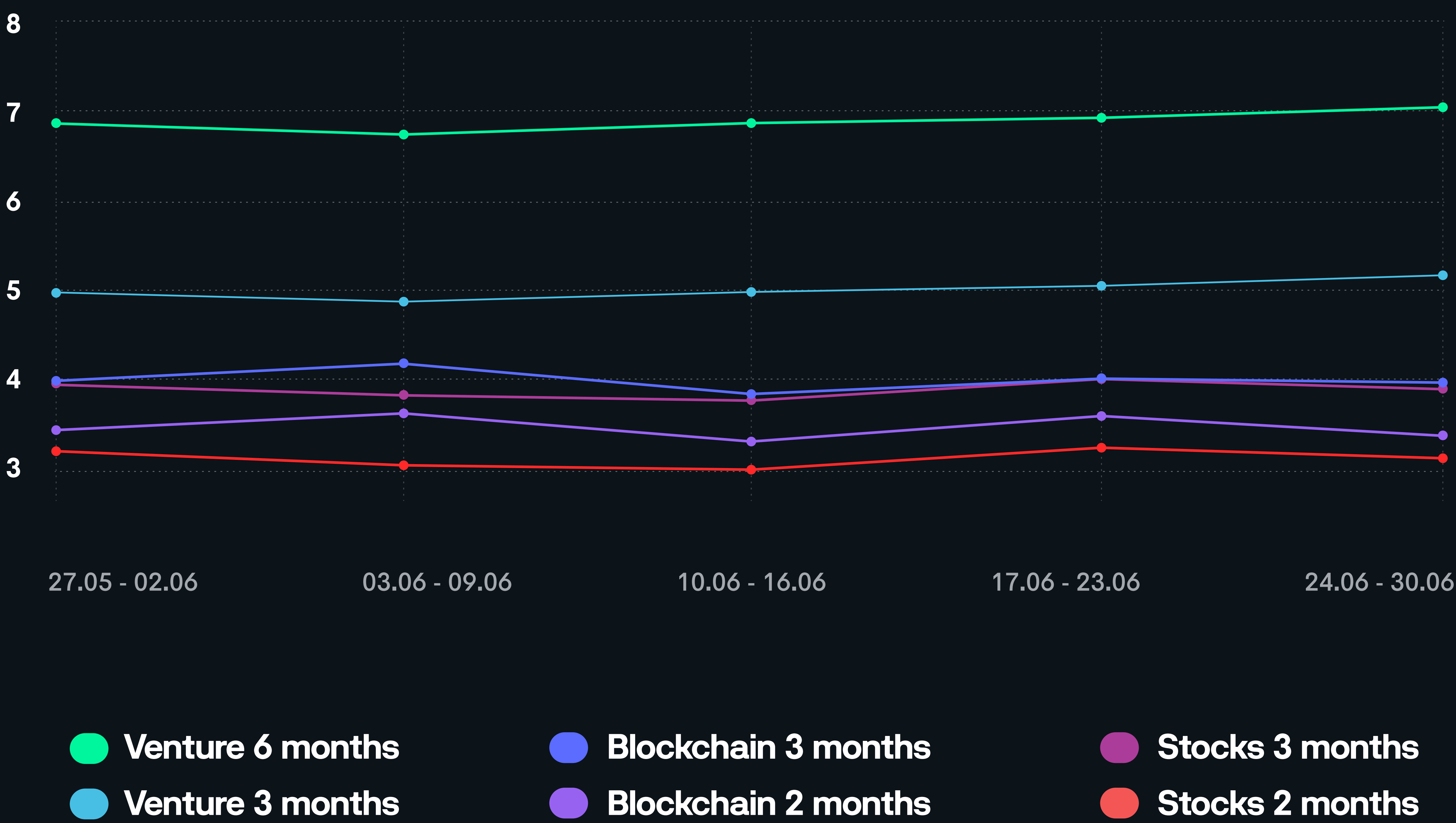
- BTC was affected by ETF outflows, miners’ selling, and liquidations by governments.
- US spot ether ETFs may launch in mid-July or later.
- SEC closed its Ethereum investigation but did not explicitly confirm ether’s commodity status.
- The German Federal Criminal Police Office (BKA) transferred \$24 million in Bitcoin across two transactions to crypto exchanges Kraken and Coinbase
- PoliFi Tokens Return to Business After Proof of DJT-Trump Link Fails to Materialize

# FINANCIAL PERFORMANCE

## Financial report for June 2024

Segment	June	May	Change
Net income in equity markets	\$4,459,300	\$4,626,500	-3.61%
Investment income	\$3,567,000	\$3,242,000	10.02%
Private investments	\$6,016,530	\$5,517,250	9.05%
Direct investments	-\$4,933,370	-\$4,757,000	3.71%
Head offices	-\$50,000	-\$50,000	0%
Dividends on private investments (including fees)	-\$6,480,667.89	-\$5,910,102.66	9.65%
Marketing (including referral program)	-\$752,066.25	-\$727,156.25	3.43%
Income tax expense	-\$130,286.85	-\$169,648.75	-23.20%
Salaries of employees other than executives	-\$454,987.69	-\$433,698.30	4.91%
Top management salaries	-\$161,492.55	-\$153,936.13	4.91%
Data fees	-\$10,000	-\$9,000	11.11%
Dealing and settlement	-\$236,200	-\$180,200	31.08%
Insurance	-\$259,792.36	-\$247,636.38	4.91%
Profit before income tax	\$704,253.27	\$917,020.29	-23.20%
Statutory net profit after income tax	\$573,966.41	\$747,371.54	-23.20%

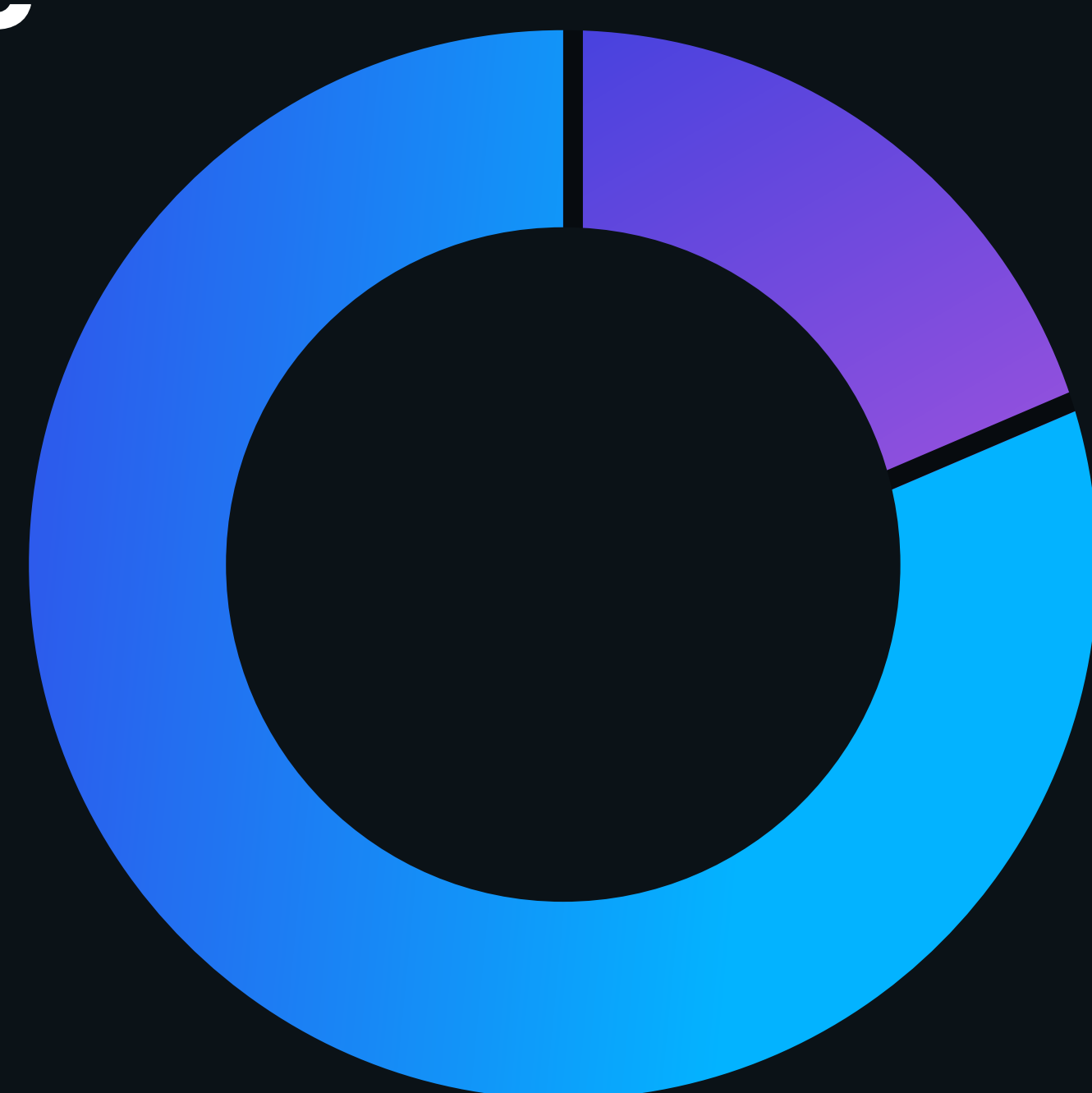
## Comparison of net weekly returns of investment portfolios





# PLATFORM STATISTICS

## Users on the platform



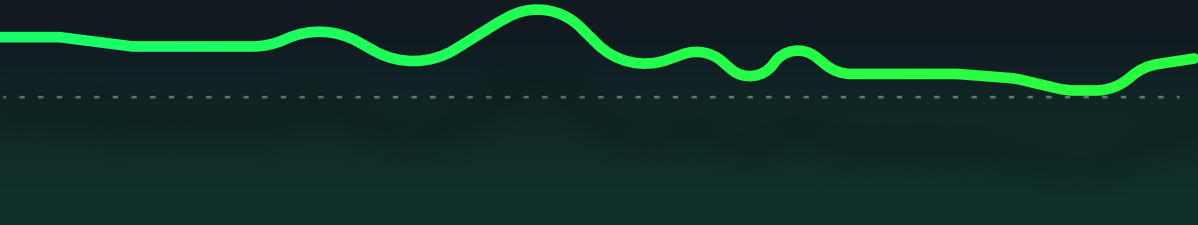
- 77.36% 16,927 Non-investing users
- 22.64% 4,954 Investing users

## Stats for June

Total users

21,881

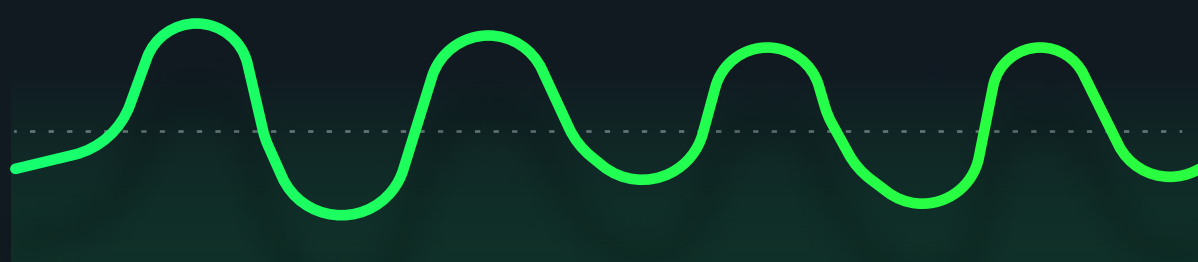
+9.42% 1788 30 days



Sum of withdrawals from the platform

\$3,510,370

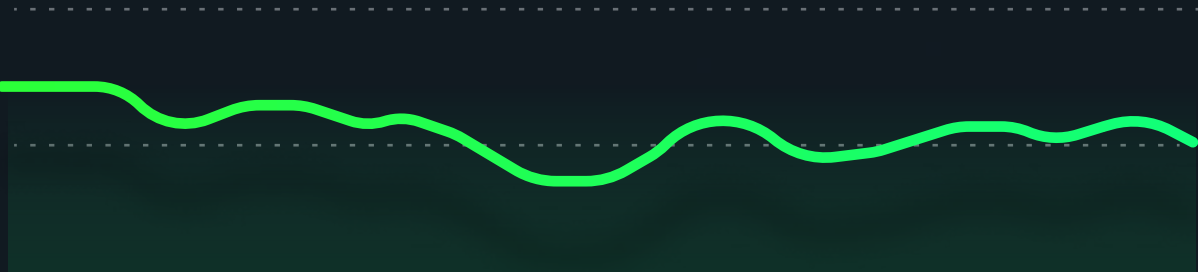
+5.63% \$187,204 30 days



Amount of bonuses received for turnover

\$97,850

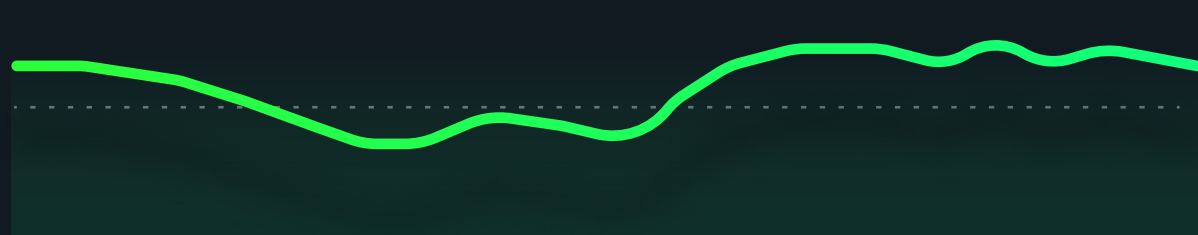
+3.22% \$3,050 30 days



Referral program awards paid out

\$654,216.25

+3.46% \$21,860 30 days



Amount of internal transfers between users

\$411,252.36

-3.14% \$13,314.93 30 days



Amount of currency swaps

\$174,388.57

-1.40% \$2,479.89 30 days





## Number of transactions in different ranges

Investment range (\$)	June	May	Change
100,000 — 300,000	6	6	+0.00%
50,000 — 100,000	12	11	+9.09%
30,000 — 50,000	23	21	+9.52%
20,000 — 30,000	30	27	+11.11%
10,000 — 20,000	42	38	+10.53%
5,000 — 10,000	104	95	+9.47%
1,000 — 5,000	200	182	+9.89%
100 — 1,000	663	606	+9.41%



9.86%	\$593,000	Stocks
24.77%	\$1,490,160	Blockchain
65.38%	\$3,933,370	Venture

## Investment volume in each portfolio

This graph shows the sum of user contributions to each portfolio area. In June, there was a return of the distribution of funds invested in portfolios to earlier ratios. The dominance of the venture capital portfolio, although reduced, remains significant, indicating that investors are keenly interested in venture capital investments.



# VENTURE INVESTMENT



## IoTeX Launches PinSwap: AI-Powered Innovation in DePIN Finance

06/11/2024

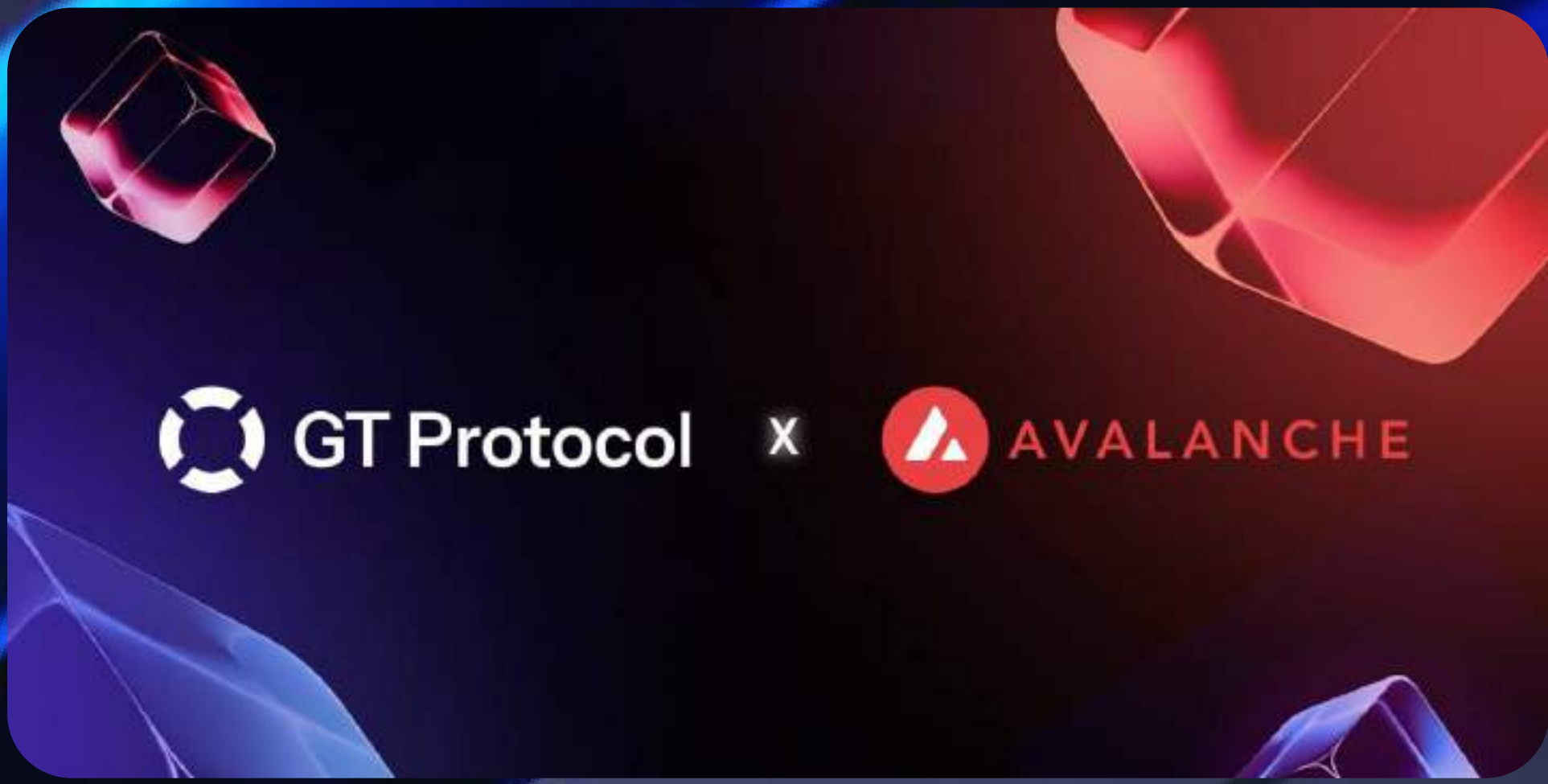
IoTeX launches PinSwap, a decentralized trading platform for the burgeoning DePIN market, expected to reach \$3.5 trillion by 2028. PinSwap's AI-driven liquidity and governance mechanisms foster financial innovation and stability. This platform redefines DeFi trading dynamics, ensuring real-time execution and enhanced accessibility.



## Enhancing Web3 Experience: OneID and Nabox Integration

06/21/2024

OneID and Nabox have integrated their services to enhance cross-chain asset management. Nabox users can now access a Linked Wallet via OneID, simplifying multichain interactions. This collaboration aims to provide a seamless and secure Web3 experience.



## GT Protocol Announces Strategic Integration with Avalanche

06/27/2024

GT Protocol integrates with Avalanche, enhancing its financial applications with high-speed performance and near-instant transaction finality. This partnership leverages Avalanche's unique architecture to significantly boost scalability and security, marking a major advancement in Web3 technology.



## Distribution of venture capital investments by sector



Each month, Scorpio initiates non-public investment rounds in startups that are already in partnership with the fund, as well as publicly stacking new partnership contracts. In June 2024, private investments in startups through our platform amounted to \$3,933,370, totaling \$4,933,370 including Scorpio's isolated contribution.

## Distribution of investments by venture rounds



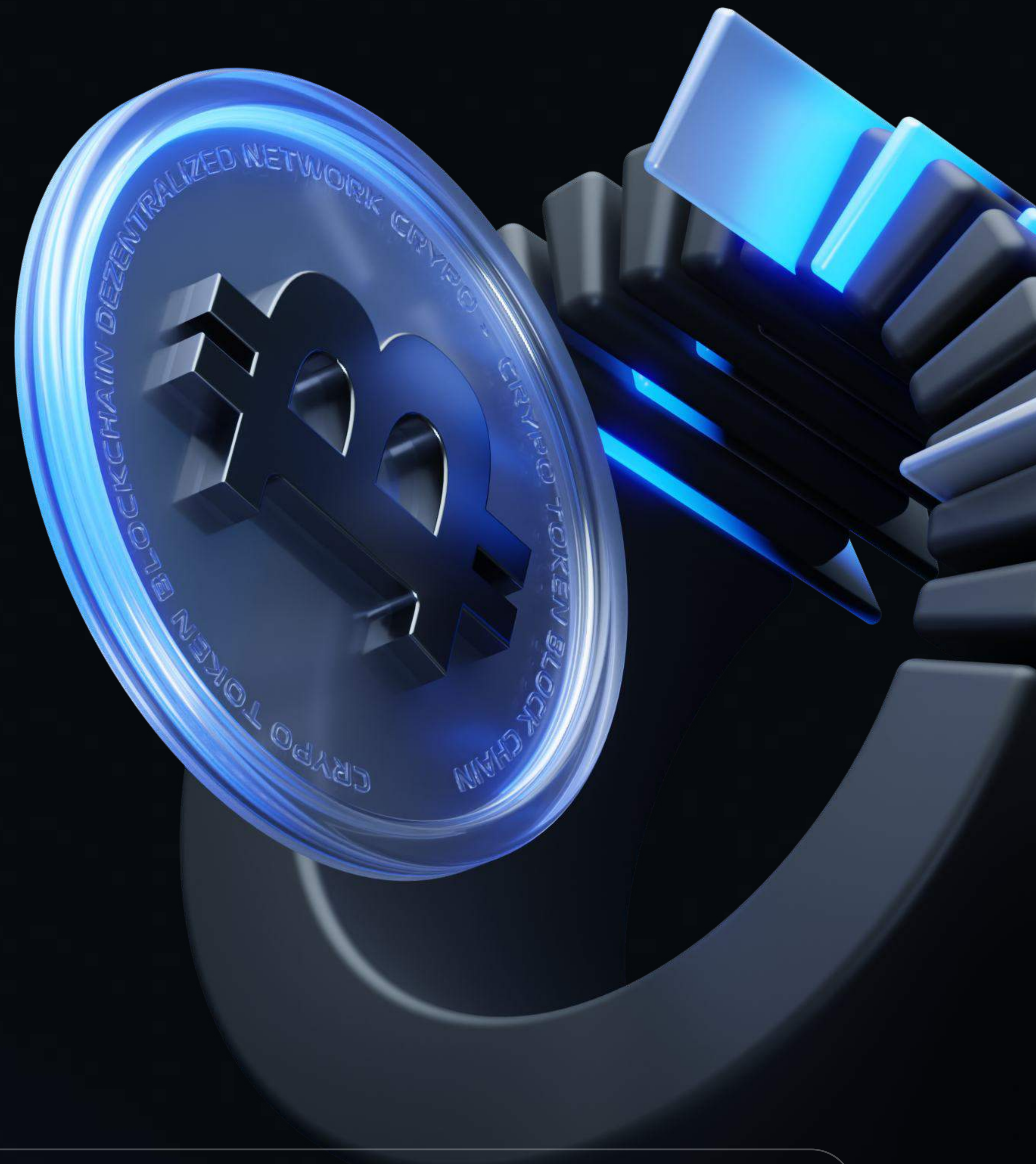


# BLOCKCHAIN INVESTMENTS

## Fueling blockchain innovation

We drive the development of blockchain technology by investing in innovative startups with transformative potential. Our strategy is to identify and support early-stage projects that push the boundaries of decentralized finance (DeFi), smart contracts and digital asset interoperability.

By providing not only capital but also strategic guidance and access to our extensive network, we enable these ventures to scale solutions that improve the availability, security and efficiency of blockchain, fostering a more open, transparent and inclusive digital economy.



### Implemented

#### Phase 1: Incubation and Growth

1

Introduction of the incubation process and criteria for selecting AI protocols

2

Incubate the first batch of projects driven by artificial intelligence

3

Providing support and resources for incubated projects

4

Monitoring and evaluating the success of incubated projects

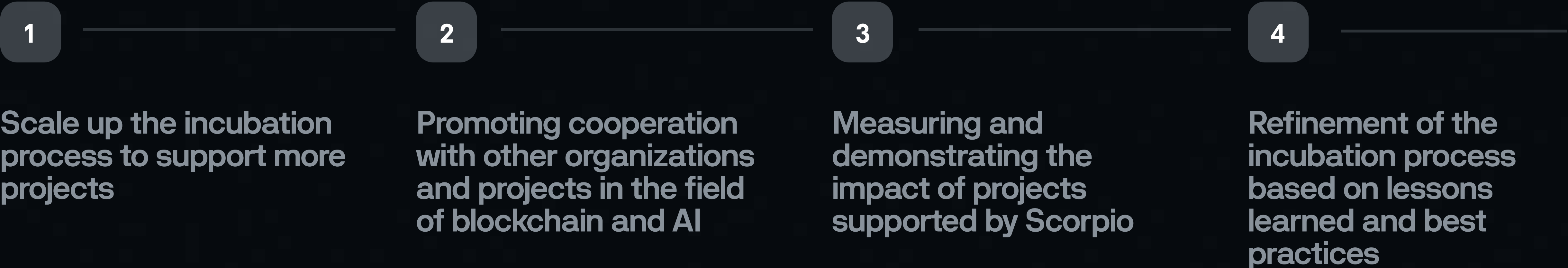


# To be implemented in the future

## Phase 2: Foundation and Infrastructure



## Phase 3: Expansion and Impact



The timeline for achieving project objectives depends on progression through each stage and achievement of milestones within those stages.

## Phase 2: Foundation and Infrastructure



Upon completion of this phase, Scorpio will launch a token that will be primed for public listing

Implementation period  
**3 - 6 months** \*

## Phase 3: Expansion and Impact



This phase implies a stable position of new projects in the market with further expansion

Implementation period  
**6 - 12 months** \*

\* Please note that these timelines are approximate and are subject to change based on development progress, external influences and community input.



# STOCK MARKET

## Stock market performance

The outlook for corporate earnings has shifted higher, with analysts now expecting S&P 500 earnings to have grown +9% year-over-year the previous quarter. The reacceleration of growth expectations has resulted in mega-cap companies representing a large portion of the S&P 500's value, with the top 10 companies making up 37% of the index's value, the largest weight since the index was created. The difference between the index (+15.3% YTD) and the average stock (+5.1% YTD) highlights this concentration.

High expectations for future growth in the top 10 companies of the S&P 500 remain. Their contribution to earnings over the last 12 months is roughly 27%, compared to a weight of 37%.

### Largest positions closed in June 2024

Index	Entry date	Entry price	Closing date	Closing price	Deal amount	Type	Result
HK50	06/05/2024	\$18,671.2	06/18/2024	\$17,861.6	\$1,500,000	Short	+\$60,412.92
HSCE	06/06/2024	\$6,554.8	06/12/2024	\$6,359.65	\$1,450,000	Short	+\$38,664.29
HK50	06/19/2024	\$18,452	06/24/2024	\$17,840.4	\$1,620,000	Short	+\$48,670.84
HSCE	06/14/2024	\$6,374.82	06/19/2024	\$6,587.77	\$1,400,000	Long	+\$42,277.46
HSI	06/13/2024	18,104.13	06/19/2024	\$18,430.39	\$1,500,000	Short	-\$31,805.58
TECH	06/05/2024	\$3,844.44	06/11/2024	\$3,694.44	\$1,890,000	Short	+\$67,898.09
HSI	06/25/2024	\$18,015.6	06/25/2024	\$17,702.5	\$2,250,000	Long	-\$46,138.44
SZSE	06/18/2024	\$9,326.67	06/25/2024	\$8,855.56	\$2,100,000	Short	+\$99,619.36
CEI	05/30/2024	\$6,397.78	06/02/2024	\$6,548.89	\$1,370,000	Short	-\$36,730.22
CEI	06/11/2024	\$6,362.22	06/18/2024	\$6,602.22	\$1,400,000	Long	+\$48,312.87
DJI	05/30/2024	\$38,111.48	06/06/2024	\$38,886.17	\$1,540,000	Long	+\$31,295.48
NASDAQ	06/05/2024	\$16,823.88	06/12/2024	\$17,608.44	\$2,400,000	Long	+\$111,908.08
DJT	06/13/2024	\$14,968.81	06/14/2024	\$14,547.9	\$2,000,000	Long	-\$56,248.20
NASDAQ	06/13/2024	\$17,715.27	06/17/2024	\$17,935.99	\$2,250,000	Short	-\$28,056.57
DJI	06/14/2024	\$38,528.39	06/20/2024	\$39,232.5	\$2,800,000	Short	-\$51,199.11
S&P500	06/04/2024	\$5,291.34	06/13/2024	\$5,433.74	\$2,700,000	Long	+\$72,647.92
DJT	06/17/2024	\$14,932.9	06/20/2024	\$15,102.45	\$2,200,000	Short	-\$25,001.68
DJI	06/19/2024	\$38,834.86	06/24/2024	\$39,411.21	\$2,480,000	Long	+\$36,792.95
DJT	06/18/2024	\$14,938.77	06/28/2024	\$15,415.23	\$3,100,000	Long	+\$98,855.66
DJU	04/06/2024	\$943.96	06/17/2024	\$908.81	\$3,250,000	Short	+\$120,986.08

The result of the trades presented in the table takes into account the broker's commissions. This table does not show all deals made by Scorpio, but only the largest of them.

In trading, we at Scorpio, minimize scalping approaches and operate large volumes on more time-consuming trades, so some positions can remain open for weeks or months.



# CONCLUSION

## S&P overheated by leading companies

In June, the world's major stock indices showed mixed dynamics, mainly due to significant growth in the technology and telecommunications sectors. Sharp growth in shares of companies with high capitalization led to an increase in the S&P 500 index. The market was enthusiastic about strong earnings reports and the potential of artificial intelligence (AI), as well as signs of a resilient economy. Falling interest rates, driven by lower inflation, also boosted bond markets, highlighting the complex interplay between equity and fixed income markets as investors navigate the changing economic landscape.

Despite these gains, investor expectations for lower interest rates this year have been revised upward, reflecting cautious optimism in the market.

Open the opportunities of the investment platform in your personal cabinet

Home

## Scorpio performance

The company ends the period 06/01/2024 to 06/30/2024 with an operating profit of \$574K, fully covering its investment platform and operating expenses. In June 2024, bitcoin and cryptocurrency markets experienced notable selling pressure from various sources, including the Mt Gox Estate, German and U.S. governments, and outflows from U.S. Spot Bitcoin ETPs. Despite these challenges, the core fundamentals of cryptocurrencies remained strong, suggesting a potential rebound in valuations.