

Trump Taps a16z's Brian Quintenz To Lead CFTC

Trump nominates a16z's Brian Quintenz for CFTC chair. Cboe BZX seeks approval for staking implementation into 21Shares ETH ETF. US CPI comes in hot, and Coinbase's annual revenue doubles to \$6.6B. In Trending Topics, we discuss a promising future for prediction markets and the ongoing search for \$720M in lost BTC.

This Week's Main News

Trump nominates a16z's Quintenz to lead CFTC

President Trump has nominated Brian Quintenz, currently the head of policy at Andreessen Horowitz's a16z crypto arm, to lead the CFTC.

Quintenz expressed his gratitude for the nomination on X. Known for his pro-crypto stance, he added that "...the agency is also well poised to ensure the USA leads the world in blockchain technology and innovation." This latest appointment shows Trump's pro-crypto agenda is set to continue, while potentially positioning the CFTC to play a larger role in regulating the industry.

In a related move, Trump selected Jonathan Gould, a former executive at crypto firm Bitfury, to head the Office of the Comptroller of the Currency, further solidifying a crypto-friendly regulatory shift.

Cboe seeks staking approval for 21Shares ETH ETF

The Cboe BZX Exchange has filed a Form 19b-4 with the SEC in a proposal to permit staking for the 21Shares Core Ethereum ETF. If approved, this change would allow the ETF to participate in Ethereum's proof-of-stake mechanism and enable investors to accrue staking rewards.

This is the first ETF to file with the SEC to incorporate staking into a spot ETH ETF. [According](#) to Bloomberg ETF Analyst James Seyffart, the deadline for the filing will likely fall in late October, depending on when the SEC acknowledges the filing.

A new crypto-friendly administration has increased the odds of various regulated institutional crypto products gaining approval. Seyffart, along with colleague Eric Balchunas, have given a spot Litecoin ETF [90% odds](#) of approval by the deadline of October 2.

U.S. inflation comes in hot

January's CPI print came in hot at 3.0% year-over-year, surpassing an expected 2.9%. Core CPI came in at 3.3% year-over-year, above expectations of 3.1%, while month-over-month core CPI rose by 0.4% compared to estimates of 0.3%. BTC sold off on the news, dropping below \$95,000 but ultimately recovering to book a 2.18% daily gain.

Concerns of a possible inflation resurgence have tempered expectations for the Fed to cut rates. Fed Chair Jerome Powell, appearing before the House Financial Services Committee on Wednesday, stated the Fed had made progress on inflation, "but we're not quite there yet. So we want to keep policy restrictive for now."

Coinbase sees full-year revenue double to \$6.6B

Coinbase released its full-year earnings report on Thursday. The U.S.-based exchange saw 2024 revenue of \$6.6bn, net income of \$2.6bn, and adjusted EBITDA of \$3.3bn. Full-year revenue more than doubled 2023's figure of \$3.1bn, and the firm ended Q4 with \$9.3bn in USD resources. COIN shares are up 20% year-to-date.

Q4 was a particularly strong period for crypto exchanges. Robinhood's crypto trading volume rose by over 400% to \$70bn in the final quarter of the year, leading Bernstein to double its price target for Robinhood stock.

In a sentence

- [Binance denies asset sell-off rumors, attributes changes to internal treasury management](#)
- [Strategy increases holdings to 478,740 BTC](#)
- [Tether CEO dismisses JPMorgan's analysis of its reserves](#)

Trending Topics

U.S. Prediction Markets Continue To Gain Favor

Prediction markets saw explosive growth during the U.S. Presidential election campaign. For the U.S. market, Kalshi was front and center as it fought an extensive legal battle with the CFTC over its election contracts.

In October last year, Kalshi won an [appeal](#) against the CFTC which allowed it to offer election prediction markets in the U.S. Last month, Kalshi went before a federal appeals court [arguing](#) that the CFTC exceeded its authority under previous Chair Rostin Behnam. However, with a shift in CFTC leadership and sentiment materializing, Kalshi and its competitors are hopeful for a brighter future.

Acting CFTC Chair Caroline Pham [indicated](#) that Kalshi's election contracts call for a more nuanced examination, suggesting that initial rulings need not represent a final stance. Commissioner Summer Mersinger stated that "election event prediction markets are here to stay," showing recognition of the market's significance.

In addition to existing CFTC staff becoming more vocal in their support for a constructive approach

to prediction markets, President Trump has nominated Brian Quintenz as CFTC Chair. Quintenz, who currently serves as head of policy at the crypto arm of venture capital firm a16z, is a major advocate for softer regulation. Kalshi also [brought on](#) Donald Trump Jr. as a strategic adviser, with the firm stating his involvement is progress toward making event trading mainstream.

Polymarket, crypto's favorite prediction market, was itself subject to a \$1.4mn CFTC [fine](#) in 2022, while the DOJ [probed](#) the platform in November last year during fevered U.S. election betting for allegedly allowing U.S. users to bet on the site. Since then, Polymarket recorded \$1.9bn and \$1.2bn in betting volume for December and January, respectively.

Recently, we have seen a rapidly shifting regulatory environment for crypto in the U.S. which has massively benefited U.S.-based crypto firms. At this stage, it appears the closely related prediction market industry is enjoying a similar shift in treatment.

The Hunt For \$720M In Lost Bitcoin

James Howells, a resident of Newport, South Wales, has stated he wishes to buy the landfill where he believes his lost 7,500 BTC (\$720mn) fortune is buried.

Howells got involved with BTC back in 2009, mining the coins himself. The computer engineer believes his former partner mistakenly threw out the hard drive containing the now sizeable fortune.

Howells previously sued Newport City Council to either search for the device or receive compensation, but on January 9, Judge Andrew John Keyser KC dismissed the case. The judge cited the lengthy time elapsed and found "no reasonable grounds" for pursuing the claim.

Despite the legal setback, Howells now says he and investment partners are interested in purchasing the landfill outright, provided they can reach a fair market price. Before any deal, he aims to determine whether Newport City Council is willing to sell the site and whether Natural Resources Wales might grant a permit allowing excavation and reclamation.

The landfill is set to close by 2026, a move that Howells views as contradicting the council's earlier arguments about potential disruptions from any search. Howells has also hinted at a possible token or NFT to fund his effort if other avenues fail. However, he remains confident in his appeal lodged on January 27.

Recommended Reading

From our analysts

- **6-day volatility at 15-month low:** Bitcoin volatility has dwindled over the past week, accompanied by shallow ETP flows and muted activity in derivatives, while options traders have been seeking downside protection.
- **Keeping The Hype:** With big catalysts in the pipeline, Hyperliquid aims to keep up the hype. We have a closer look at the LI's plans for growth and expansion.

Reading

- **Why We Need a Bipartisan Stablecoin Bill:** The GENIUS Act lays the groundwork for a new era of American exceptionalism, says Senator Kirsten Gillibrand, of New York.