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Crypto in the Public Capital Markets: Opportunities and Challenges - Katten Muchin Rosenman

On October 20, Mark Wood, co-head of Katten's National Capital Markets practice, alongside representatives from investment bank H.C. Wainwright & Co., LLC and leading publicly traded Bitcoin miner Bitfarms Ltd., discussed the status of cryptocurrencies and capital raising by crypto-focused market participants as part of Katten's 2022 "[Crypto with Katten](#)" annual symposium (you can view the agenda for the symposium [here](#)). Below are highlights from the presentation.

Crypto in the US Public Capital Markets

A wide variety of companies in the crypto space have "gone public" in recent years — listing their common stock for trading on a securities exchange in the United States — including cryptocurrency mining companies, e-commerce and crypto- payment platforms, cryptocurrency exchanges and other financial services companies focusing on the evolving crypto ecosystem. Significantly, many overseas crypto businesses have also chosen to tap the United States capital markets for equity financing or chosen to list their stock on United States stock exchanges, including many of the largest crypto miners by market cap.i

From Record Highs to Challenging Markets

Publicly listed crypto companies experienced record growth through the end of 2021, with the market cap of publicly traded crypto miners alone exceeding \$16.5 billion by the end of the year. Indeed, during 2021, the stock of many crypto-oriented listed companies appreciated at a faster rate than even the price of Bitcoin itself during the same time period. However, prices of "crypto" stocks have fallen alongside the general market in 2022, with the three largest publicly traded Bitcoin mining companies losing more than \$4.5 billion in market cap, spurred on by the collapse of cryptocurrency prices generally in addition to the rising costs of electricity and general economic and inflationary pressures. Year to date, the price of Bitcoin has fallen approximately 65 percent, with many leading Bitcoin mining companies experiencing percentage market cap declines of 74-90 percent over the same time period.

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by Michael Tremeski, Mark Wood

December 26, 2022

Katten Muchin Rosenman LLP