

# Grayscale bitcoin ETF saw record daily outflows as bitcoin tumbled

## Description

Bitcoin's valuation continued its descent on Tuesday, **amidst** an **unprecedented** flight of capital from Grayscale's Bitcoin Trust, leading to a marked depletion in the fund's assets after its conversion into an **exchange-traded fund (ETF)** this year.

Remarkably, Grayscale's ETF witnessed a historic **liquidation** of approximately \$642.5 million on Monday, according to BitMEX Research. This **liquidation** coincided with a significant 4% drop in Bitcoin's value. By Tuesday afternoon, the cryptocurrency experienced an additional 2% decline, though it had somewhat recovered from the day's lowest trading point. Comprehensive data detailing Tuesday's transactional activities is **foreseeable** to be disclosed on Wednesday morning.

The transition of Grayscale into an ETF, initiated on January 10th, seemingly **culminated** in a mass **exodus** of investors from the fund, in stark contrast to the influx of capital towards nine new spot bitcoin ETFs, which were endorsed by the U.S. Securities and Exchange Commission (SEC) on the same day.

The continuous outflows from the Grayscale ETF on Monday **culminated** in the total outflows since January 10 reaching an astonishing \$12 billion. Nonetheless, a 52% increase in Bitcoin's price has somewhat mitigated the severity of these losses. Currently, the fund's assets are valued at approximately \$27.2 billion, significantly lower than the \$29 billion recorded at the commencement of trading in the new ETFs.

Mr. Todd Rosenbluth, Head of Research at VettaFi, a distinguished market analysis firm, observed, "Given its status as the largest bitcoin ETF, **redemption** and profit-taking were **foreseeable**."

Grayscale anticipated that shareholders might opt for **liquidation** of shares to **settle debts** and realize gains, leading to significant outflows. In an effort to mitigate further erosion of investor confidence, Mr. Michael Sonnenshein, CEO of Grayscale, confirmed in a statement to CNBC that the firm would "progressively reduce" the fees charged on the fund. Grayscale currently imposes a fee of 1.5%, considerably higher than the 0.25% fees of its nine competitors, though these are often temporarily waived to zero.

While other Bitcoin funds experienced modest inflows or slight net changes, the notable outflows from Grayscale resulted in the lowest single-day Bitcoin ETF flows since late January.

Rosenbluth added a pragmatic note, stating, "Funds are not perpetually directed towards these ETFs. Thus, it is **plausible** for investors to reap profits after a significant bull run."

## Vocabulary Insights:

- **Amidst (Preposition):** In the middle of or surrounded by; among.
- **Unprecedented (Adjective):** Never before known or seen, without previous example.
- **Exchange-traded fund (ETF) (Noun):** An investment fund traded on stock exchanges, akin to stocks. An ETF holds assets such as stocks, commodities, or bonds and typically operates with an arbitrage mechanism designed to keep its trading close to its net asset value.
- **Liquidation (Noun):** The process of converting assets into cash or cash equivalents by selling them

on the market.

- **Foreseeable (Adjective):** Able to be foreseen or predicted as likely to happen.
- **Culminated (Verb):** Reached a climax or point of highest development.
- **Exodus (Noun):** A mass departure of people from one place to another, often due to political, economic, or social reasons.
- **Settle debts (Phrase):** To pay off what is owed financially.
- **Redemption (Noun):** The action of regaining or gaining possession of something in exchange for payment, or clearing a debt.

## Vocabulary List:

1. **Descend** // (verb): To move or fall downwards.
2. **Depletion** // (noun): A reduction in the number or quantity of something.
3. **Conversion** // (noun): The act of changing something into a different form or use.
4. **Endorse** // (verb): To approvesupportor sustain.
5. **Mitigate** // (verb): To make (something) less severeharmfulor painful.
6. **Influx** // (noun): The arrival or entry of large numbers of people or things.

## Vocabulary quizzes

### Multiple Choice ( Select the Correct answer for each question. )

1. Which word means causing gloom or depression?

Option: dismal  
Option: zenith  
Option: ascend  
Option: trifecta

2. What term refers to the fact of something being widespread or common?

Option: concealed  
Option: prevalence  
Option: aspirational  
Option: reliance

3. What are profits or incomes gained through business activities called?

Option: ascend  
Option: earnings  
Option: rigidity  
Option: conglomerates

4. Which term denotes a prolonged public dispute or debate?

Option: endeavor  
Option: conversion  
Option: controversy  
Option: levies

5. What word means to make less severe serious or painful?

Option: transparency  
Option: grounded  
Option: mitigate  
Option: leveraging

6. Which term describes something that spreads rapidly and widely on the internet?

Option: targeted  
Option: crucial  
Option: viral  
Option: guarantee

7. Which word means extremely large or great in size?

Option: trifecta  
Option: rigidity  
Option: colossal  
Option: influx

8. What term refers to the arrival of a large number of people or things?

Option: aspirational  
Option: endorse  
Option: influx  
Option: abysmal

9. What is the reduction in the number or quantity of something?

Option: dismal  
Option: depletion  
Option: supremely  
Option: trifecta

10. Which term means inflexible or not giving way?

Option: vividly

Option: unyielding

Option: reliance

Option: grounded

**Gap-Fill ( Fill in the blanks with the correct word from the vocabulary list. )**

11. The company reached the \_\_\_\_\_ of success last year.

12. The warranty provides a \_\_\_\_\_ for the product for two years.

13. The government \_\_\_\_\_ taxes on imported goods.

14. Many large companies are part of global \_\_\_\_\_.

15. The brand promotes a(n) \_\_\_\_\_ lifestyle in its advertisements.

16. The bureaucratic system's \_\_\_\_\_ prevents quick decision-making.

17. The novel had an \_\_\_\_\_ plot that captivated readers.

18. She set \_\_\_\_\_ goals for her career and strived to achieve them.

19. It is \_\_\_\_\_ to have an emergency fund for unexpected expenses.

20. The article \_\_\_\_\_ the benefits of regular exercise.

**Matching Sentences ( Match each definition to the correct word from the vocabulary list. )**

21. The earthquake caused a number of casualties.

22. The company became a in the tech industry.

23. She was confident during the presentation.

24. The government promised to increase in its operations.

25. Her hard work and led to her success.

26. The marketing campaign was at young adults.

27. Despite his success he remained and humble.



28. Regular backups are to data security.
29. The app developers focused on strategies for revenue.
30. Their partnership was built on mutual trust and .

## Answer

**Multiple Choice:** 1. dismal 2. prevalence 3. earnings 4. controversy 5. mitigate 6. viral 7. colossal 8. influx 9. depletion 10. unyielding

**Gap-Fill:** 11. zenith 12. guarantee 13. levies 14. conglomerates 15. aspirational 16. rigidity 17. intriguing 18. lofty 19. prudent 20. extols

**Matching sentence:** 1. staggering 2. behemoth 3. supremely 4. transparency 5. diligence 6. targeted 7. grounded 8. crucial 9. monetization 10. reliance

## CATEGORY

1. Business - LEVEL5

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7. Grayscale Bitcoin ETF
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