

What Does the Launch of Donald and Melania Trump's Meme Coin Mean for the Cryptocurrency Industry

Background of \$TRUMP

President-elect Donald Trump's new meme coin \$TRUMP which launched early this year, currently has a market capitalisation of roughly \$4.7 billion, down from a peak of more than \$15 billion when the coin first initially launched. This was Trump's latest venture into cryptocurrency and merchandise sales ahead of his inauguration. Trump's meme coin is the latest addition to a growing line of merchandise celebrating his election victory, which includes perfumes, colognes, and "Trump Watches." In September last year, he unveiled a line of "Trump Watches" priced at up to USD100,000, following previous releases of USD100 silver coins, 1,000 pairs of limited-edition sneakers, USD60 Trump-branded Bibles, and NFT cards. NFTs have accounted for the majority of Trump's merchandise earnings, with licensing fees reportedly totaling USD7.2 million. His most recent line of signed and unsigned guitars, sold out for a total of \$4.6 million in sales.

The launch of \$TRUMP comes amidst the president-elect's repeated promise to enact policies that lessens regulatory scrutiny on cryptocurrencies which includes an advisory council on the industry. Additionally, numerous reports suggest that Donald Trump has plans to issue an executive order to make crypto-friendly policies as a top priority. Moreover, Donald Trump has also pledged to establish a Bitcoin reserve which will allow the Federal Government to officially buy and sell Bitcoin. Consequently, numerous cryptocurrency bulls look positively towards Donald Trump's second term in office.

Background of \$MELANIA

On a separate note, the first lady of the United States, Melania Trump took to social media X to announce the launch of her meme coin just a day before her husband's inauguration. Her post, which was retweeted by Donald Trump himself, announced the official launch of \$MELANIA shortly after \$TRUMP was launched. The new launch inadvertently caused a sell-off in \$TRUMP as investors looked to pile into the rival coin. Both \$TRUMP and \$MELANIA have experienced highly volatile price points and spikes in trading volume as investors across the globe anticipate a crypto-friendly Trump administration.

Implications for Bitcoin and the Cryptocurrency Industry

The timed launches of \$TRUMP and \$MELANIA is no coincidence and is highly touted to be a strong statement of intent by the US President to his supporters that crypto-friendly policies will soon come. Despite warnings from investment professionals that \$TRUMP and \$MELANIA are highly risky and speculative in nature, both meme coins still saw large trading volumes from investors with \$TRUMP even breaching into the world's top 10 cryptocurrencies at its peak. Consequently, numerous industry experts are cautiously optimistic about Trump's promises on crypto-friendly policies. For one, establishing a Federal Bitcoin reserve would mark a huge shift from fiat currency to digital assets and it would require a tremendous amount of capital and manpower for the Federal Government to do so. However, experts highly believe that Donald Trump will ultimately pull through with his crypto-friendly policies which would be characterised by an increase in institutional and retail participation. Overall, cryptocurrency bulls will have reasons to be optimistic

about as the world awaits a flurry of new policies from the world's largest economy which could prop the price up of all digital assets across the board.

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