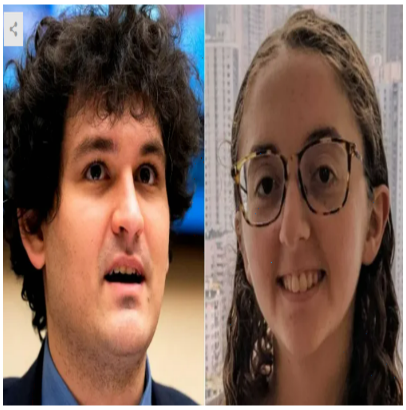

Alameda Frontran Crypto Tokens Ahead Of New Listings On FTX

Description

Another day, and one more shoe drops in the ongoing FTX scandal.

In the latest episode in this relentless scandal-drama, the WSJ reports that the trading arm of Sam Bankman-Fried's empire, Alameda Research, **was quietly amassing stakes in various cryptos ahead of announcements that FTX would be listing them for trade, a practice that is patently illegal.**

Citing analysis of public blockchain data from analytics firm Argus, the Wall Street Journal reported that on the days FTX said it would be listing "new" tokens between 2021 and March of this year, **Alameda had already amassed roughly $60 million worth of tokens ahead of time, arguably to sell into the burst of customer demand and make a huge risk-free profit.**

This dollar amount was combined across 18 different coin listings tied to the Ethereum blockchain, according to the report, which goes on to note that while it's unclear whether Alameda sold the tokens, the practice continues to raise questions about regulations in the world of crypto, where illegal frontrunning and other manipulative tactics have become a way of life.

The report notes the obvious – that the listings on FTX added "both liquidity and a stamp of legitimacy" to tokens, which would then often boost their prices.

Omar Amjad, co-founder of Argus, told the Wall Street Journal: "What we see is they've basically almost always in the month leading up to it bought into a position that they previously didn't. It's quite clear there's something in the market telling them they should be buying things they previously hadn't."

Obviously, both Alameda and FTX did not respond to WSJ questions, although Bankman-Fried did tell the financial paper back in February that Alameda "had the same access to information as all other market makers on the platform and that its traders didn't have special access to client information".

Spoiler alert: they did.

by Tyler Durden

Category

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