



# Year in Review

The Institutional Choice for **Digital Asset Trading**

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#### Opening Remarks

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## From tipping point to institutional bedrock

Heading into 2026, the digital asset industry has moved beyond a “tipping point” into a phase of structural permanence. The institutional adoption that was accelerating a year ago has crystalized into a new era of mainstream acceptance. Where crypto is no longer an experiment but a foundational pillar of the modern financial system.

In 2025, we witnessed milestones in Washington. The United States codified the **GENIUS Act**, establishing a federal framework for stablecoins, while the formalization of a **Strategic Bitcoin Reserve** signaled a historic shift in treasury policy. This has paved the way for public companies, pension funds and institutional investors to treat Bitcoin as a standard reserve asset.

Stablecoin adoption remains the industry’s most formidable success story. This year, the market cap surged past **\$290 billion**, becoming the primary settlement layer for global commerce. With **Visa** facilitating billions in monthly flows and **JPMorgan** scaling deposit tokens, the friction between traditional and decentralized finance continues to dissolve.

We have transitioned from an era of “hustle” to one of **institutional-grade execution**. Whether through the rise of **Agentic AI** using crypto rails for autonomous payments, or the dominance of high-performance networks like **Solana**, the focus has shifted from “what is possible” to “what is being built.”

Looking ahead, the landscape is defined by clarity. While macroeconomic headwinds persist, the industry is now positioned to capitalize on a foundation that has already been fortified by years of rigorous development and hard work.



**David Shsfrir**

CEO & Executive Chairman  
SDM



# The State of the Market

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## Timeline of Events

### January: BTC +10%

- Trump launches TRUMP memecoin, runs to \$75B FDV in 2 days then drops to \$27B
- Trump signs executive order establishing crypto working group
- SEC launches crypto task force
- MSTR purchases \$2.5B of BTC
- IBIT files for in-kind redemptions

### February: BTC -18%

- North Korea hacks Bybit for \$1.4B of ETH, immediately launders it
- Argentinian president partners with crypto scammer, to launch LIBRA memecoin, runs to >\$4B before collapsing in hours.
- MSTR purchases \$2.5B of BTC
- SEC closes investigation on Coinbase, RobinHood, Uniswap, Gemini and Consensys with no action

### March: BTC -2%

- Trump issues executive order for a Strategic Bitcoin Reserve and a digital asset stockpile
- SEC dismisses case against Kraken, Crypto.com, Cumberland, DRW and Yuga Labs.
- MSTR purchases \$2.5B of BTC
- GameStop announces \$1.3B in 0% coupon convertible notes to buy Bitcoin
- CME launches Solana futures

### April: BTC +14%

- Cantor Fitzgerald, Tether, Softbank and Bitfinex announce "Twenty One", backed by 42,000 BTC
- US Federal Reserve withdraws guidance for banks on crypto and stablecoins
- CME To launch XRP futures in May
- Circle files for IPO
- MSTR purchases \$2.3B of BTC
- BTC spot ETFs see \$3B of inflows

### May: BTC +11%

- Publicly traded Trump Media & Technology Group raises \$2.5B to buy BTC
- Coinbase to acquire Deribit for \$2.9B
- Bank regulator OCC confirms US banks can buy/sell/custody Bitcoin
- SEC dismisses lawsuit against Binance
- MSTR purchases \$2.7B of BTC
- BTC spot ETFs see \$5.2B of inflows

### June: BTC +2%

- Circle goes public in massively successful IPO; 10x in two weeks.
- Publicly traded SharpLink Gaming buys \$463M of ETH
- GENIUS Stablecoin Bill passes Senate, moves to House
- JPMorgan announces plans to offer borrowing against crypto ETFs
- Director of US FHFA issues order directing Fannie and Freddie to consider crypto as collateral for home mortgages
- MSTR purchases \$1.8B of BTC
- Metaplanet buys \$550M of BTC

**July: BTC +2%**

- Trump signs GENIUS Stablecoin Act into law
- BlackRock files for staking on spot ETH ETF
- CoreWeave to acquire Core Scientific for \$9B
- Galaxy announces sale of \$9B of BTC from Satoshi-era holder
- Trump Media and Technology Group buys \$2B of BTC
- Fundstrat's Tom Lee takes over publicly traded BitMine to convert to ETH treasury strategy and buys \$2B of ETH
- MSTR purchases \$3.7B of BTC
- Metaplanet buys \$421M of BTC
- NASDAQ-listed SharpLink Gaming buys \$500M of ETH

**August: BTC -6%**

- ETH ETFs see \$3.9B of inflows vs. BTC ETFs outflows of \$749M
- Trump signs executive order to allow crypto, private equity, and real estate in 401(k)s
- Trump signs executive order to stop unfair banking of crypto industry
- Pantera to raise \$1.5B, launch Solana DAT
- MSTR purchases \$426M of BTC
- ETH DAT BMNR buys \$4.3B ETH
- ETH DAT SBET buys \$1.05B ETH

**September: BTC +5%**

- Nasdaq files to allow tokenization and blockchain listing of stocks
- CFTC to allow stablecoins to be used as collateral in US derivatives markets
- Tether raising \$20B on \$500B valuation
- MSTR purchases \$850M of BTC
- ETH DAT BMNR buys \$3.7B of ETH
- Other ETH DATs combined buy \$800M of ETH

**October: BTC -4%**

- Crypto market flash crash, largest single-day crypto liquidation ever
- Bitwise SOL spot ETF starts trading, \$70M first day inflows
- HBAR and LTC ETFs go live with minimal inflows
- Trump pardons Binance founder Changpeng Zhao
- MSTR purchases \$2.3B of BTC
- BTC spot ETFs see \$3B of inflows

**November: BTC -17%**

- Robinhood to launch prediction markets
- Polymarket receives CFTC approval, enabling US market access
- Kalshi raises \$1B At \$11B valuation
- Ripple raises \$500M at \$40B valuation
- El Salvador buys \$100M of BTC
- BTC ETFs See \$3.5B of outflows

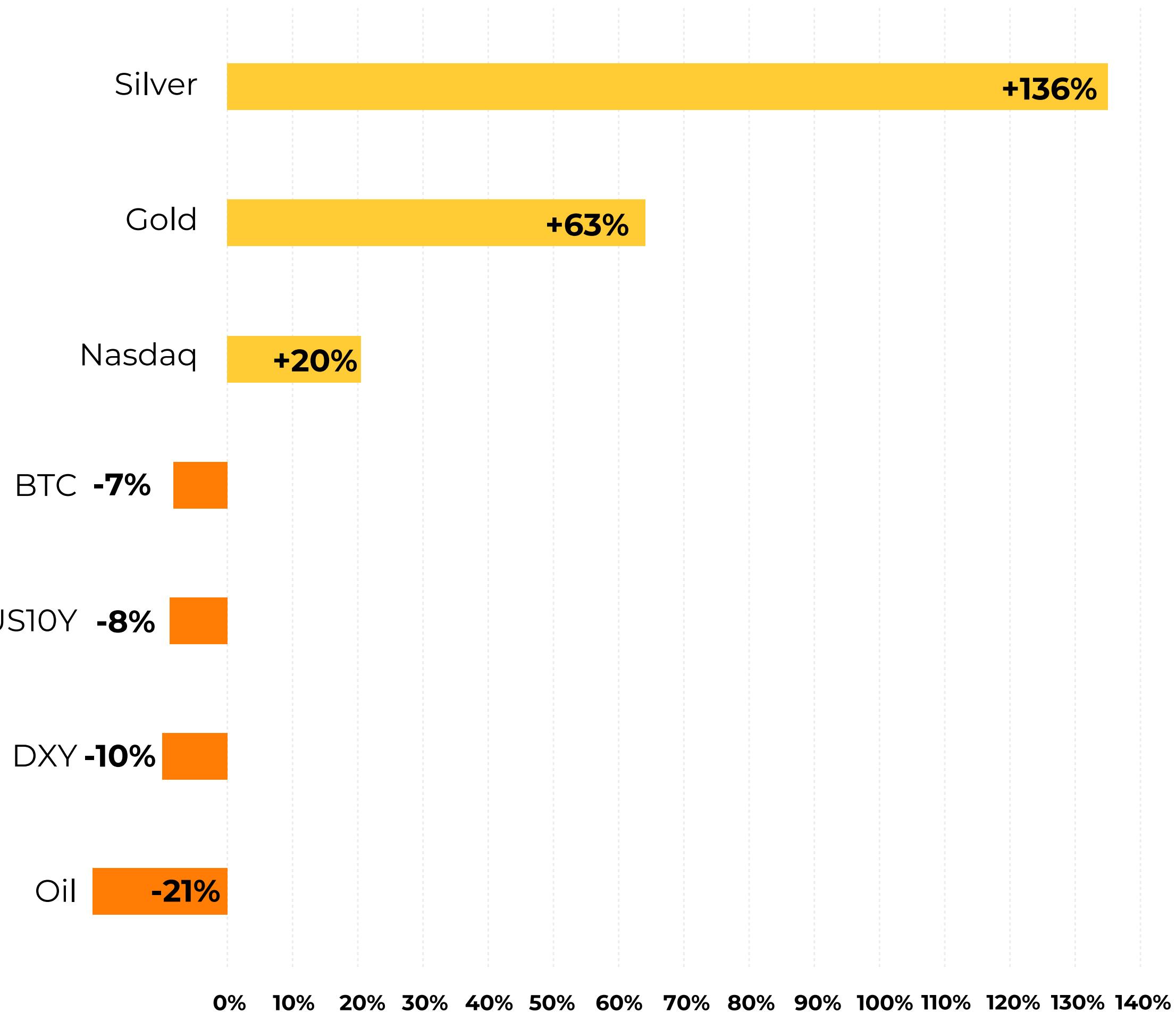
**December: BTC +8%**

- Ethereum Pectra/Fusaka upgrade successfully goes live on mainnet
- OCC grants conditional approval for 5 national digital asset banks
- MicroStrategy buys \$1.B BTC, surpassing 450,000 total BTC held
- MiCA stablecoin regulations reach full enforcement across the EU
- Bitcoin recovers to \$92,000 following a 36% market-wide correction



## Performance Across Multiple Asset Classes

Commodities are leading as risk assets diverge



## Key Takeaways: 2025 Asset Performance & Macro Shifts

**Digital Scarcity Dominance:** Bitcoin outperformed as a matured macro asset, driven by institutional inflows and its role as a hedge against fiscal deficits and geopolitical risk.

**Real Assets & Metals Surge:** Precious metals delivered strong returns, with silver significantly outperforming gold due to industrial demand from the energy transition.

**Higher-for-Longer Regime:** The US 10-year Treasury yield stabilized at elevated levels, signaling a structural shift away from the ultra-low-rate era toward a macro-sensitive environment.

**Equity & Energy Resilience:** Tech-led US equities saw moderate gains tempered by higher rates, while crude oil remained range-bound through OPEC+ discipline.

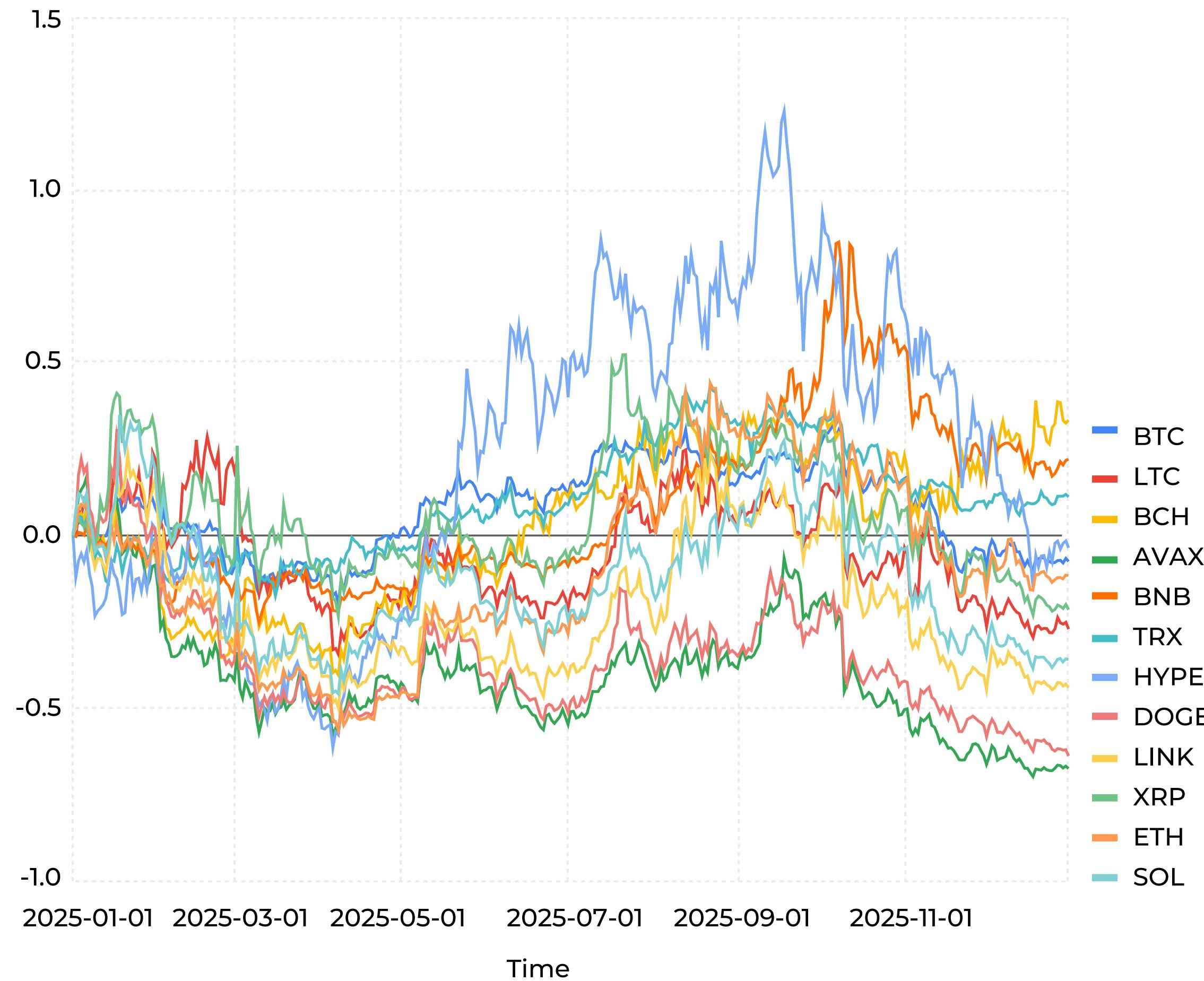
**Equity & Energy Resilience:** A weakening US dollar, driven by deficit concerns, provided a critical support mechanism for commodities and non-USD international assets.

**TLDR:** 2025 shifted the global portfolio toward scarcity-driven and inflation-resilient assets. While Bitcoin and precious metals led the field, the broader market adjusted to a new regime of structurally higher rates, prioritizing earnings resilience and diversification over purely speculative growth.



## Large Cap Performance

Large-cap crypto performance has become increasingly uneven



## Key Takeaways: From Macro Volatility to Liquidity Stress

**Q1: Macro Volatility & Defensive Posture:** U.S. tariff announcements sparked stagflation fears, leading to Bitcoin's weakest Q1 since 2020 and Ethereum's poorest start on record. While the Strategic Bitcoin Reserve was announced, a lack of execution roadmap limited its immediate impact.

**Q2: Risk-On Breakout & New Highs:** Easing trade tensions and rising liquidity pushed Bitcoin above \$110K, driven by corporate treasury accumulation and ETF inflows. Ethereum and large-cap alts outperformed as capital rotated into higher-beta assets.

**Q3: Consolidation & Capital Rotation:** Bitcoin traded sideways as investors weighed Fed rate-cut expectations. Capital rotated toward Solana (SOL), which led higher-beta assets due to strong on-chain activity and spot ETF optimism.

**Q4: Liquidity Stress & Flight to Quality:** An October 10 liquidation event triggered broad deleveraging, sending Bitcoin toward \$81,000. Investors pivoted toward assets with durable fundamentals and network usage, favoring SOL, BNB, and XRP over speculative narratives.

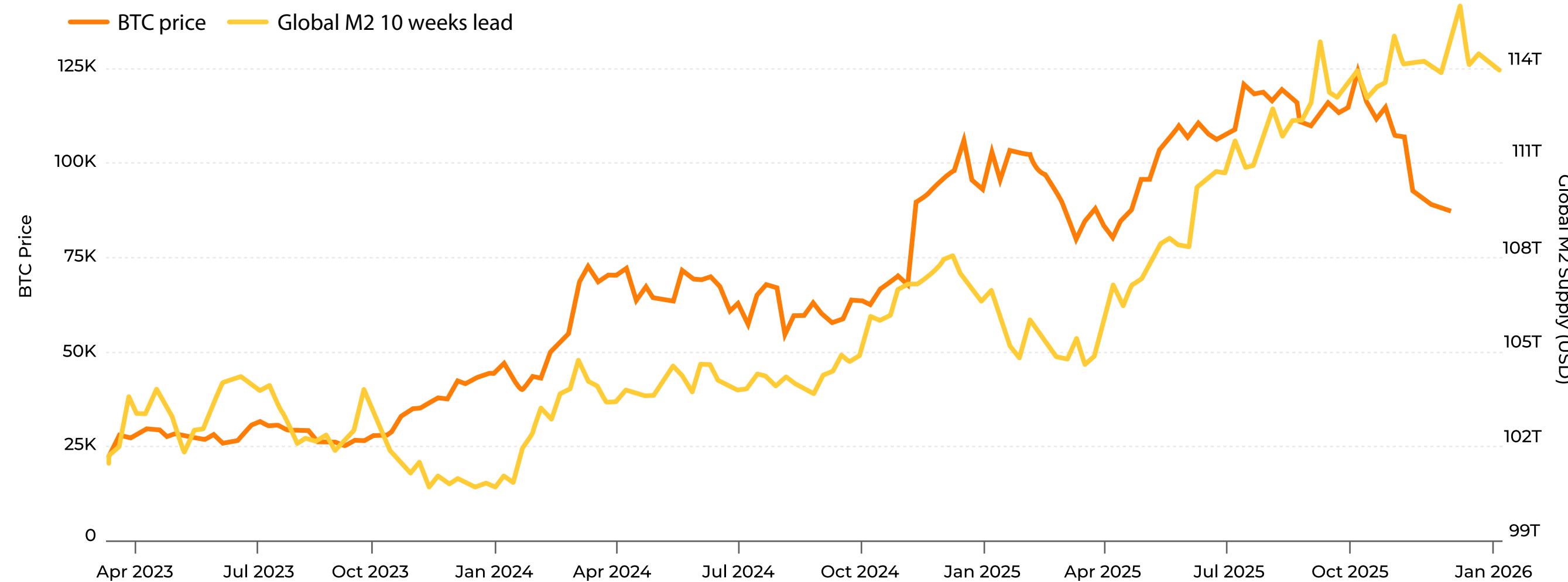
**TLDR:** 2025 was a year of extreme regime shifts, moving from **Q1 defensive drawdowns** to a **Q2 “Risk-On” peak (\$110K BTC)**, before ending in a **Q4 liquidity reset**. The year concluded with a flight to quality, where institutional capital favored assets with demonstrable utility and cash-flow generation over pure speculation.



## M2 & Bitcoin Recent Decoupling

Bitcoin's price is diverging from global liquidity trends

### Bitcoin and Global M2 10- Week Lead



**TLDR:** In 2025, Bitcoin **decoupled from global M2**, shifting from a macro hedge to a domestic asset driven by **U.S. liquidity and ETF flows**. Price action now front-runs policy shifts by months, reflecting **sophisticated derivatives positioning** rather than broad monetary trends. This break forces a total re-evaluation of Bitcoin's role as its correlation with global money supply disappears.

### Bitcoin & Global Liquidity: The Great Decoupling

**Historical Correlation:** Through early 2024, Bitcoin served as a reliable hedge, tracking global M2 expansion as a proxy for digital scarcity.

**The 2024–2025 Shift:** Despite M2 rising steadily toward **\$114T**, Bitcoin decoupled, dropping from its **\$108K** peak to **\$83K** by Q4 2024.

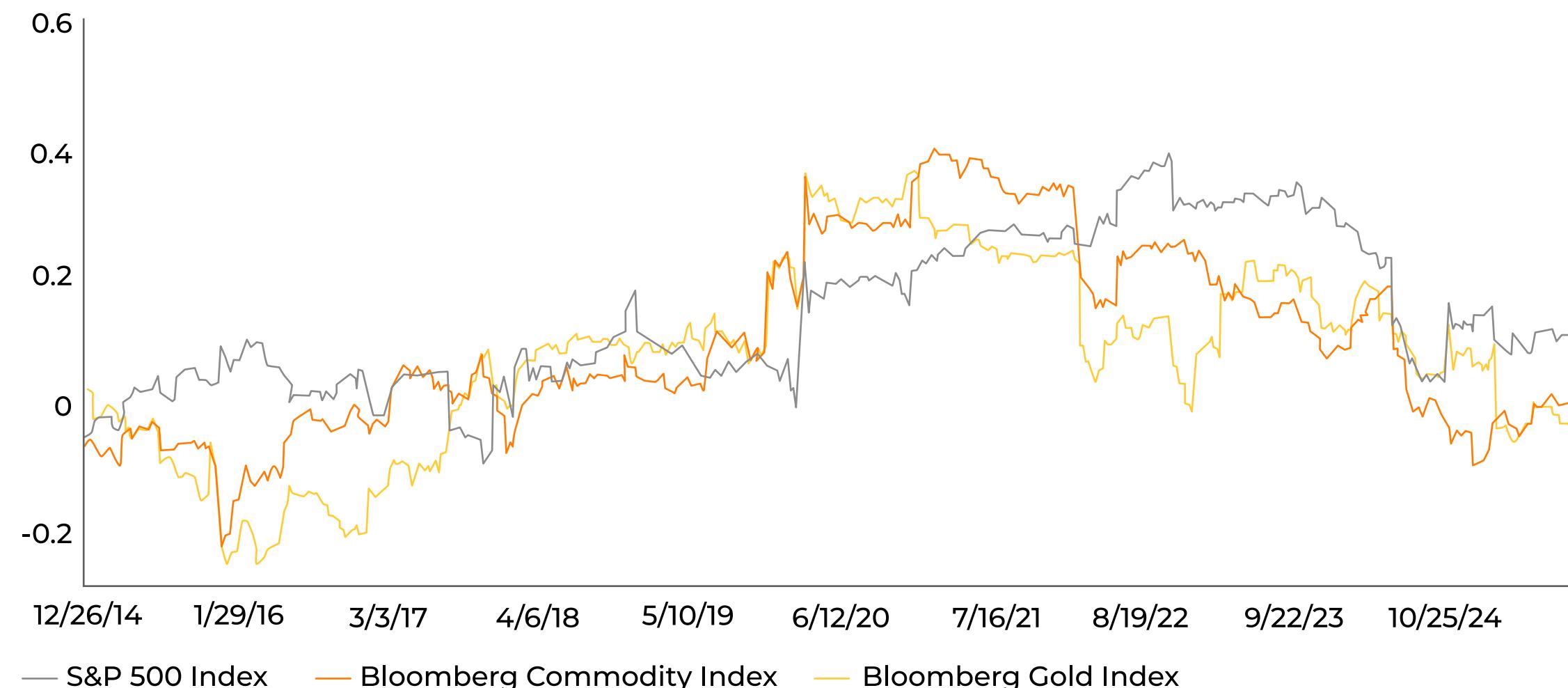
**Domestic Focus:** Price action now responds more to **U.S. liquidity conditions** than aggregate global money supply.

**New Price Drivers:** Short-term moves are now dominated by **institutional ETF flows** and sophisticated derivatives positioning rather than broad monetary trends.

**Data Lag vs. Market Lead:** A timing mismatch has emerged. Markets now price in policy shifts months before lagging **M2 data** reflects them.

## Correlation Shifts Between BTC, Equities, and Commodities

Bitcoin still follows stocks more than any other asset, but that connection is cooling off.



Source: Bloomberg Finance, L.P., as of October 31, 2025.  
Past performance is not a reliable indicator of future performance.

**Correlation Intensity Halved:** BTC-equity correlation peaked at **0.4** in 2021-2023 but has dropped to **0.15–0.20** as of late 2025.

**Independent Asset Path:** From 2014 to early 2020, BTC traded independently with all major correlations **near zero or negative**.

**2024 Divergence Event:** Mid-2024 saw a rare decoupling where BTC-gold and BTC-commodity correlations **turned negative**.

**Superior Diversification:** Current levels (0.15–0.20) provide **2x the diversification benefit** compared to the high-intensity 2021 period.

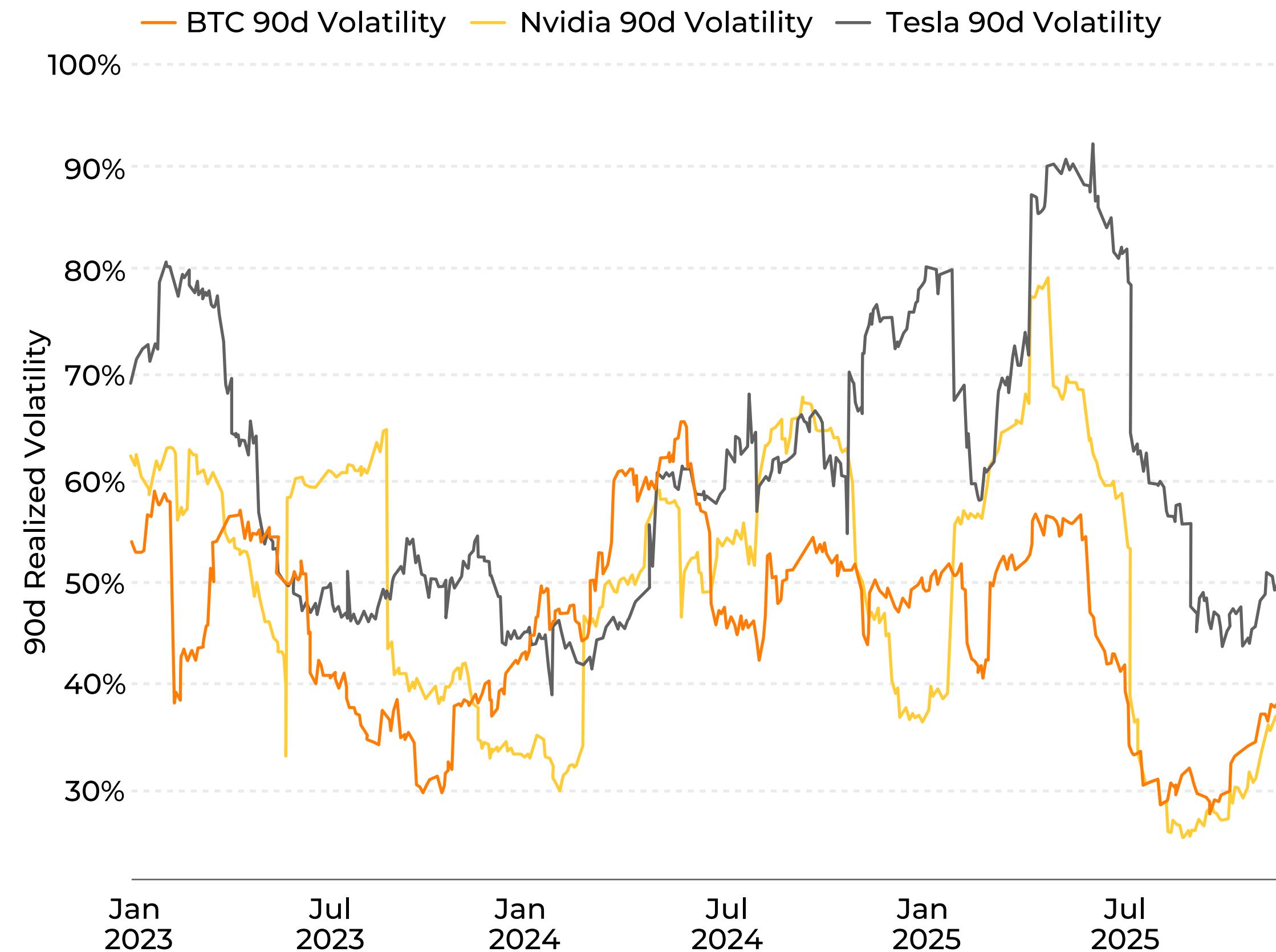
**Macro Sensitivity:** Despite decoupling from stocks, BTC remains highly reactive to **Fed policy and liquidity conditions**.

**TLDR:** Bitcoin is undergoing a structural decoupling, with its correlation to equities falling to **half the intensity** of the 2021-2023 peak. As of late 2025, BTC provides meaningful diversification while remaining an independent signal for **global liquidity and Fed policy**.



## Bitcoin Realized Volatility is Comparable to Major Tech Stocks

Bitcoin is entering a cycle that more closely resembles traditional asset behavior



### Key Takeaways: A Structural Shift in Risk

⬆️ **Equity-Like Volatility:** 90-day realized volatility has compressed to **35–40%**, parity with major tech names like **Tesla and Nvidia**.

⬆️ **End of the Volatility Premium:** This marks a permanent departure from prior cycles where Bitcoin routinely doubled or tripled the volatility of traditional equities.

⬆️ **Institutional Dampening:** The launch of ETFs and institutional custody has deepened liquidity, effectively smoothing intraday price swings.

⬆️ **Sophisticated Hedging:** Mature derivatives markets now allow for efficient exposure hedging, preventing the runaway liquidations seen in earlier years.

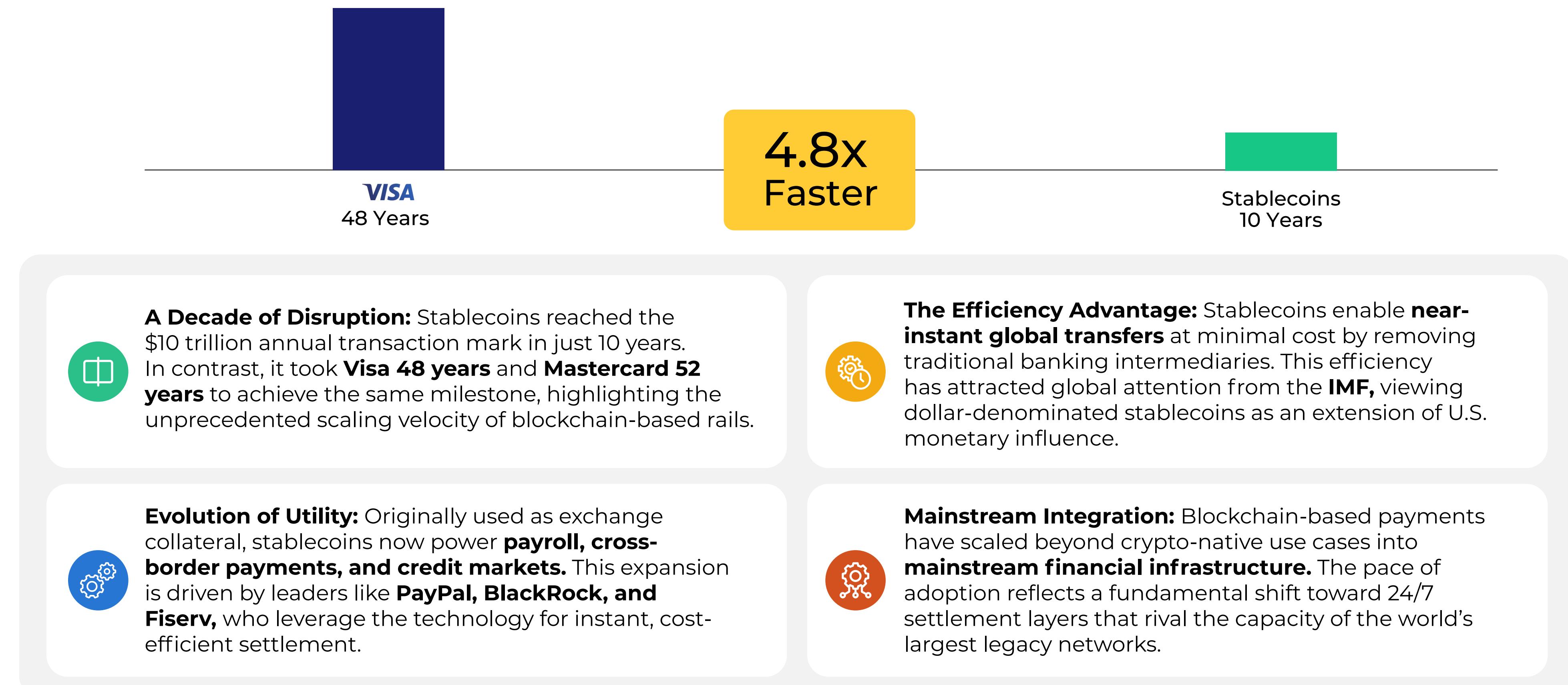
⬆️ **Macro Synchronization:** Global uncertainty regarding rate cuts and growth has pulled crypto into the same rhythmic volatility patterns as broader risk assets.

**TLDR:** Bitcoin's volatility is no longer a bug, but a feature of its maturation. By trading at the **same 35–40% volatility level as Nvidia**, Bitcoin has undergone a transition from a speculative experiment to a **standardized macro asset**, smoothed by institutional liquidity and integrated into global risk-management frameworks.



## The \$10 Trillion Dollar Upgrade: Stablecoins vs. Legacy Rails

Blockchain-based payment rails are scaling 4.8x faster than traditional financial infrastructure



**TLDR:** Stablecoins achieved in 10 years what took legacy networks nearly half a century. Driven by massive fee efficiencies and institutional adoption, they have evolved from niche crypto tools into a backbone of global financial infrastructure.

## Stablecoin activity is developing across multiple independent ecosystems.

Chain	Jan 2024	Jan 2025	Dec 2025	Since 2024 CMGR	2025 CMGR	Commentary
 Ethereum	43.6B	75.2B	103.8B	4.7%	3.0%	Ethereum remains USDT's institutional and custodial anchor. Growth accelerated sharply in 2024, then normalized in 2025 as issuance diversified across cheaper rails.
 TRON	50.5B	59.8B	80.3B	1.4%	2.7%	TRON continues to function as USDT's primary payments rail. 2025 growth re-accelerated as global remittance and exchange settlement demand expanded.
 Solana	0.82B	1.34B	2.09B	4.1%	4.1%	Still small relative to ERC and TRC, but Solana-based USDT doubled in 2025, signaling growing traction in trading and consumer-facing apps.
 Ethereum	22.8B	34.4B	52.8B	3.5%	4.0%	Ethereum remains USDC's settlement layer. 2025 growth reflects balance-sheet expansion and renewed institutional confidence rather than payments usage.
 Solana	1.09B	6.0B	10.8B	15.3%	5.4%	After explosive 2024 growth, USDC-SOL matured in 2025 with steady compounding, reinforcing Solana's role as a high-throughput payments rail.
 Base	0.19B	3.5B	4.4B	25.9%	2.0%	Base absorbed rapid issuance in 2024's launch phase, then plateaued in 2025 as supply aligned with organic Coinbase-led demand.



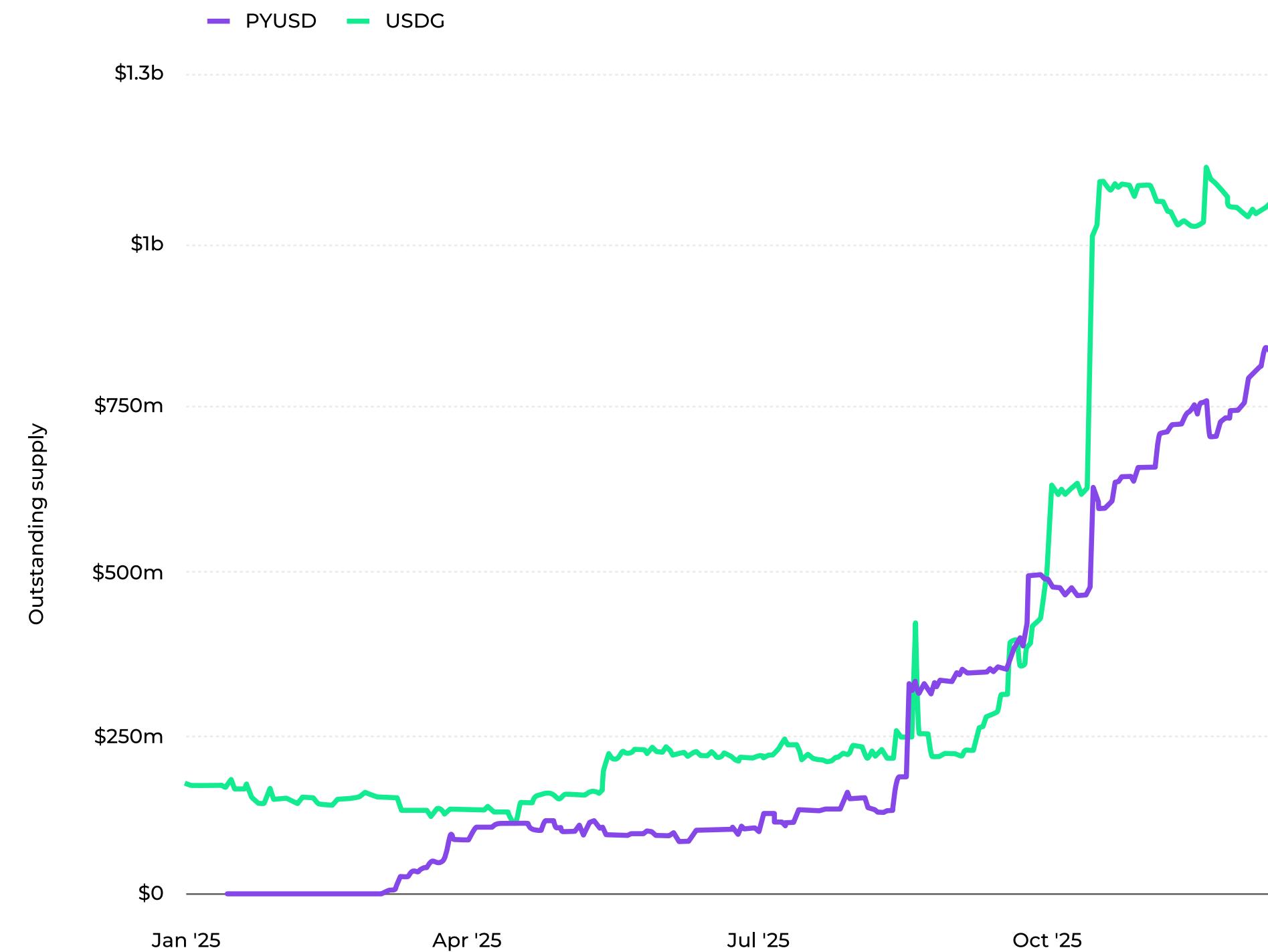


## Non-EVM Stablecoin Development is Booming

Issuance is scaling rapidly on Solana

### USDG and PYUSD reach \$1.7B in combined supply on Solana

PYUSD has grown to \$1B in 2025 while USDG has reached \$800M since launching in February



#### Key Takeaways:

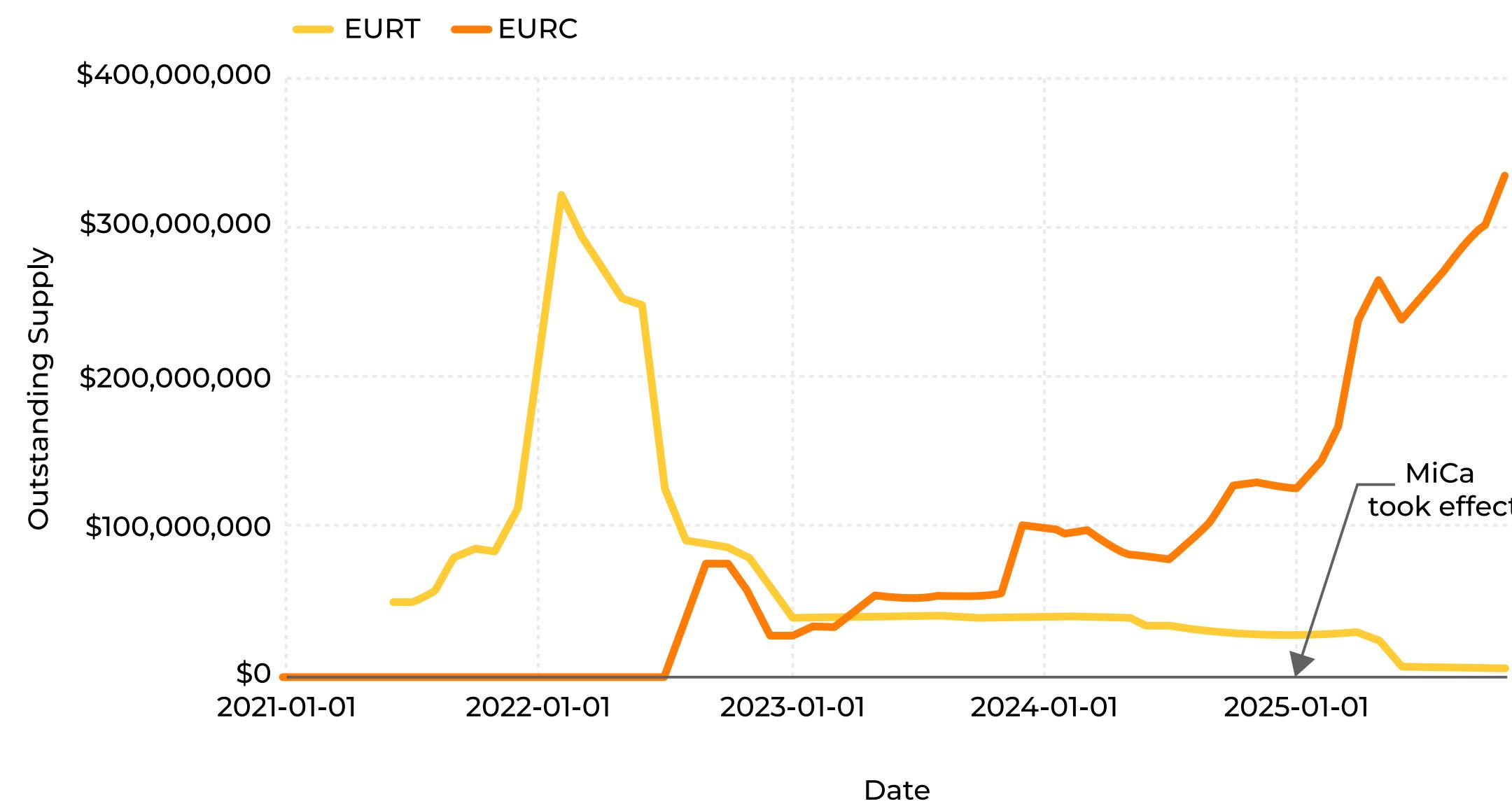
- ▲ **Massive Supply Expansion:** Combined institutional supply for **USDG (\$800M)** and **PYUSD (\$1B)** surged on Solana in 2025.
- ▲ **Regulated Market Lead:** USDG maintains a dominant **41% market share**, while PYUSD holds a significant **24%** average on the network.
- ▲ **Elite Partner Network:** The Global Dollar Network connects over 100 major **partners**, including **Robinhood, OKX, and Gemini**.
- ▲ **Yield-Sharing Model:** Both tokens allow network partners to **share yield** from treasury reserves directly with their users.
- ▲ **Shift to Settlement:** Institutional influx is pivoting Solana from speculative trading toward a **global payment and settlement layer**.

**TLDR:** Solana has matured into a global settlement layer. This growth is fueled by regulated issuers using yield-sharing models to attract institutional-scale capital.

## EURT vs EURC

Regulated euro stablecoins are consolidating around a single market leader

	Supply	Market Share	CMGR	Total Change
<b>EURT</b>	\$4,767,265	1%	- 4.4%	-90%
<b>EURC</b>	\$333,944,653	99%	+16.9%	+96,600%



### EURC has grown from zero to market relevance in just over three years.

Circle's EURC supply compounded at nearly 17% per month, rising from under half a million euros in mid-2022 to more than €330 million by late 2025. That trajectory mirrors early-stage stablecoin adoption curves seen with USDC in 2019–2020.

### EURT continues a prolonged decline.

Tether's euro-denominated token has been shrinking by roughly 4.4 % per month since early 2020, falling from about €49 million → €4.8 million. Liquidity has migrated toward USD-pegged assets and regulated euro products like EURC. In 2021 EURT made up nearly all euro-stablecoin float; by late 2025 EURC controls around 99% of on-chain euro supply.

### Regulatory clarity under MiCA is the structural driver.

Circle's EU registration and bank-grade reserves meet MiCA e-money standards, unlocking demand from European fintechs and neobanks. Tether's non-regulated model, while dominant in USD, limits institutional euro exposure.

### Network diversification amplified EURC's reach.

EURC circulates across Ethereum, Solana, Avalanche, Base, and Polygon, giving it deeper composability in DeFi and tokenized-settlement platforms. EURT remains primarily ERC-20, constraining velocity and integrations.

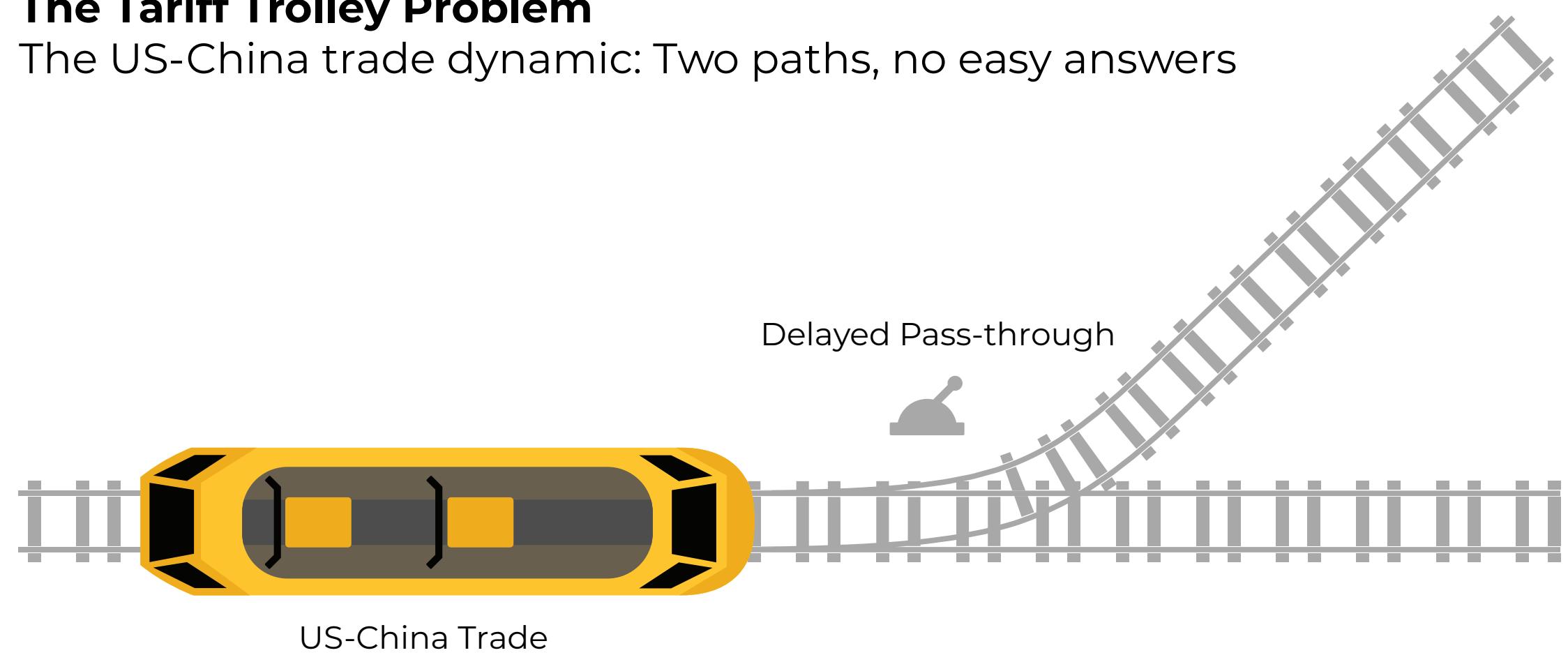


## The Tariff Trolley Problem & Global Supply Chain Reshuffling

Rising trade frictions are forcing difficult economic trade-offs across the global economy

### The Tariff Trolley Problem

The US-China trade dynamic: Two paths, no easy answers



### Key Economic Implications

**Corporate Strain:** When businesses absorb costs, the resulting margin compression often leads to reduced capital expenditure and slower job growth.

**Consumer Impact:** If costs are passed through, resulting price hikes erode household purchasing power and fuel inflationary pressure.

**Monetary Deadlock:** Both paths complicate Fed policy; sticky inflation prevents rate cuts, while cost-absorption risks a deeper economic downturn.

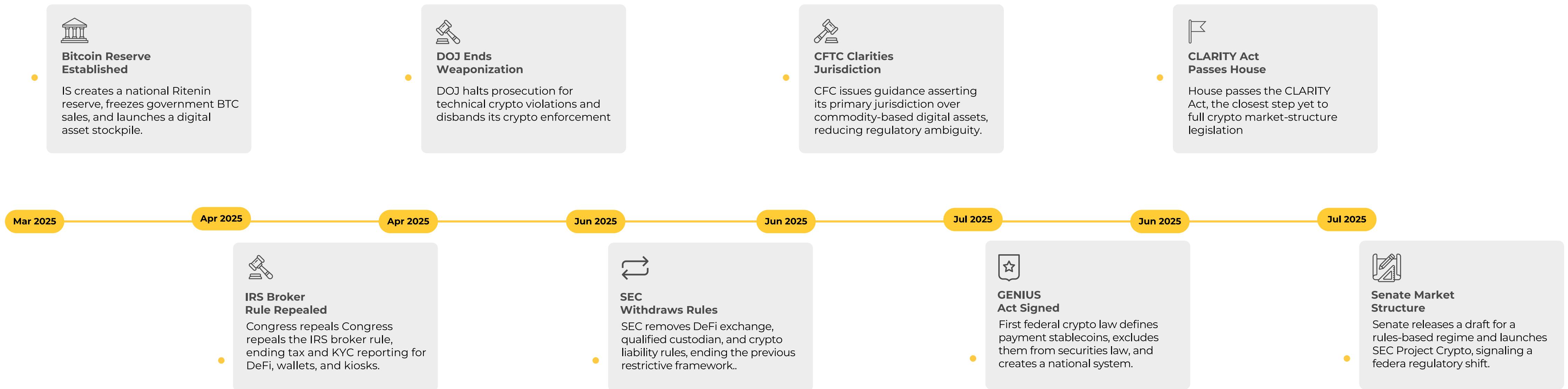
**Market Volatility:** This uncertainty typically triggers a flight to safety, strengthening the USD while pressuring high-risk assets like Equities and Crypto.

**TLDR:** The tariff deadlock threatens a “**monetary deadlock**” that traps the Fed between sticky inflation and a deeper economic downturn. For high-risk markets, this uncertainty triggers a flight to safety, directly **pressuring Crypto valuations** and strengthening the USD at the expense of global liquidity.



## US Crypto-Friendly Policy Pivot

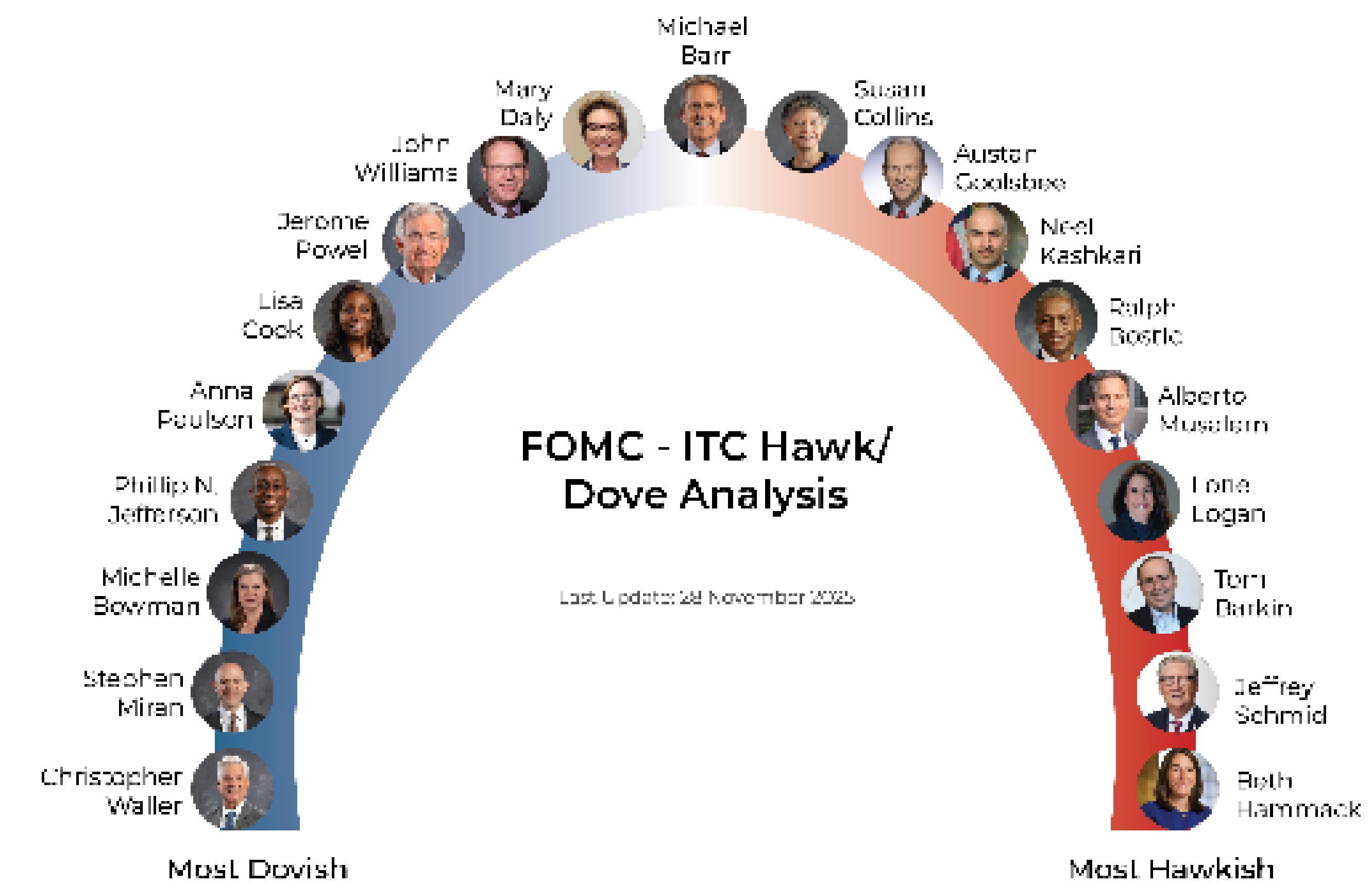
Regulatory momentum is shifting toward clarity, access, and institutional participation



**TLDR:** The 2025 **U.S. policy pivot** replaces regulatory aggression with a strategic federal framework, including a **national Bitcoin Reserve** and the **GENIUS Act**. By repealing restrictive IRS and SEC rules, the government derisking the asset class, and supporting its integration into the national financial infrastructure.

## FOMC Dove/Hawk Scale

Rate-cut expectations remain restrained despite moderating inflation



## Key Takeaways

**FOMC Policy Outlook:** Federal Reserve easing has entered a cautious, conditional phase with markets pricing in at least one 25bp cut for 2026 depending on labor stability and continued disinflation.

**Base Case (One 25bp Cut):** A minimum 25bp easing is expected by consensus, but additional cuts are contingent on Core PCE nearing 2%, contained unemployment, and stable market growth.

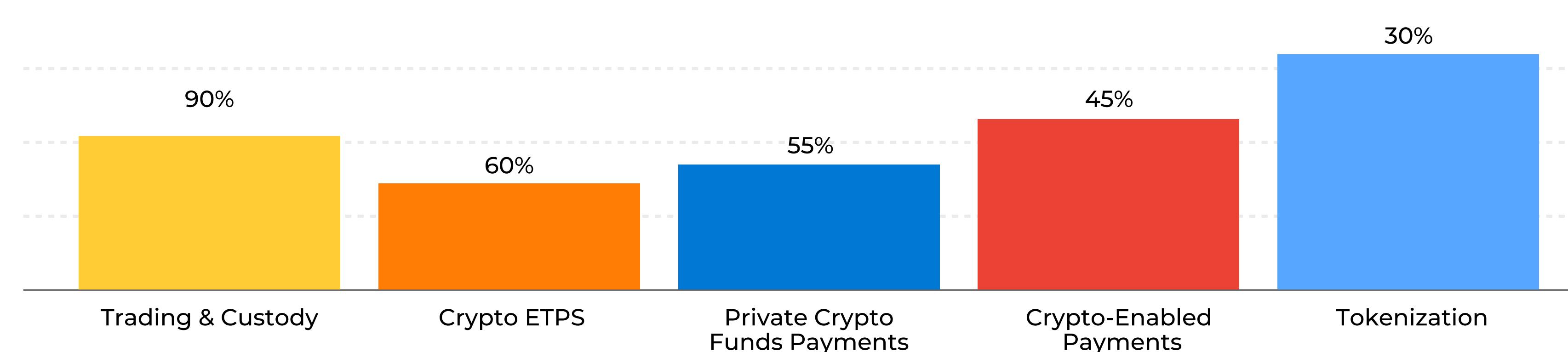
**Hawkish Bias Persists:** Jerome Powell is signaling less conviction in aggressive cuts as the Fed remains focused on sticky wages, services inflation, and ongoing geopolitical supply risks.

**Implications for Risk Assets:** Asset reflation remains secondary to inflation control, meaning higher real rates and a firm dollar will continue to act as headwinds while limiting liquidity expansion

**TLDR:** The Fed has shifted to a cautious normalization phase, targeting a **3.1% terminal rate** with only one 25bp cut projected annually through 2027. Despite a hawkish 9-3 vote split and a focus on inflation over asset reflation, this structural pivot removes significant long-term macro resistance for crypto.

## Institutional Adoption: 2025 Integration Snapshot

Mapping how 25 leading financial institutions are transforming their business with crypto.



**Universal Entry Point (92% Adoption)** Trading and custody is the mandatory baseline. 23 of 25 firms offer regulated safeguarding, transitioning the sector from a niche value-add to a standard banking requirement.



**The Full-Stack Leaders (12% of market)** Only BlackRock, JPMorgan, and Fidelity are active in all 5 categories. These firms are the only ones merging legacy capital with high-utility frontiers like tokenization.



**The Infrastructure Divide (High vs. Low)** A gap exists between custody (92%) and private crypto funds (32%). Institutions prioritize regulated plumbing and ETPs over direct exposure to crypto-native fund structures.



**The Payment Pivot (44% Adoption)** A cluster of 11 firms including Visa, Mastercard, and BNY Mellon focuses strictly on crypto-enabled payments. They prioritize stablecoin rails as a structural replacement for legacy settlement systems.

**TLDR:** Adoption has shifted from access to infrastructure. While 92% of firms provide the custody foundation, only the top 12% have integrated blockchain into their entire business stack.



## Jerome Powell's Upcoming Term Expiration

Leadership transition could materially shift the Fed's policy direction



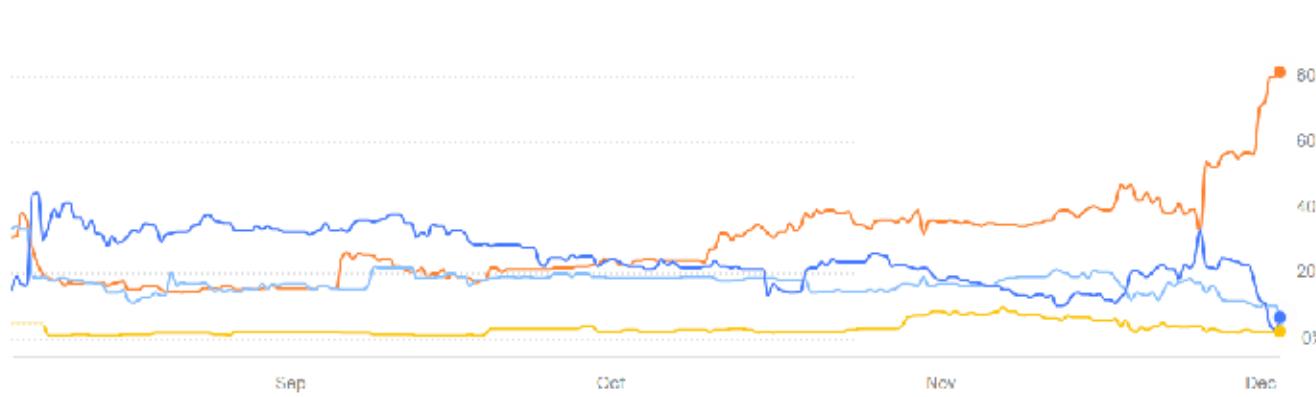
### The Data

**"Kevin Hasset: 82% Probability"**

Who will Trump nominate as Fed Chair?

\$12,832,505 Vol. Dec 31, 2026

• Kevin Hassett 82% • Kevin Warsh 8% • Christopher Waller 7.0% • Scott Bassett 2.9%



### Candidate Profile



#### Policy Stance:

Growth First



#### Alignment:

Pro-Liquidity Agenda



#### Crypto Friendly

Framework



#### Digital-First

Framework



### Market Impact

#### Rates:



Aggressive cuts beyond 25-50bp baseline.

#### Equities / Risk Assets:



Outperformance on lower rate expectations.

#### US Dollar:



Pressure from dovish policy shift.

#### Treasury Yields:



Compression toward 4.00-4.25% range.

#### Crypto:



Tailwind from pro-liquidity/growth stance.

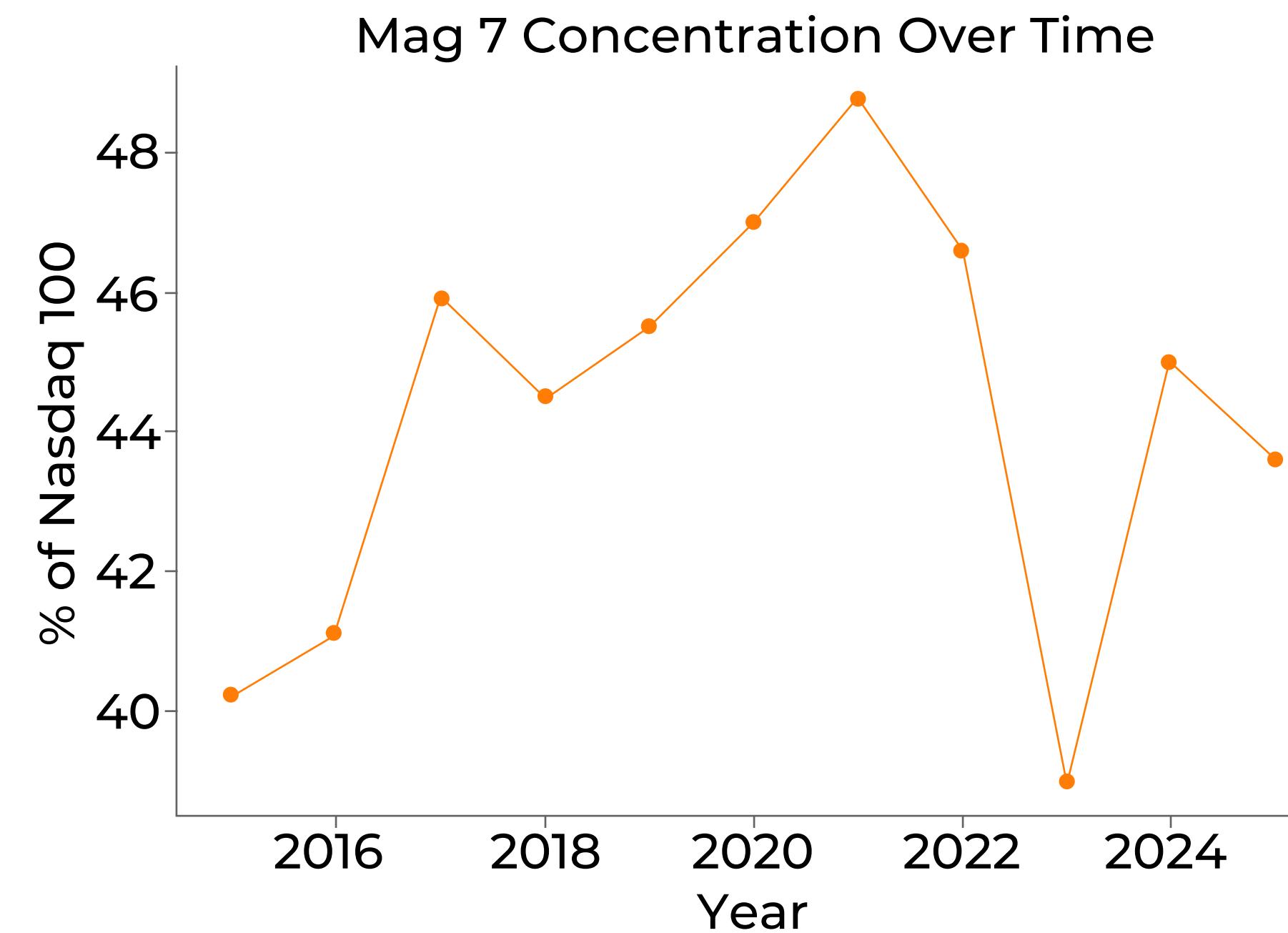
**TLDR:** The 82% probability of Kevin Hassett as Fed Chair signals a decisive shift toward a "Growth-First" and "Pro-Liquidity" agenda. This transition is expected to trigger aggressive rate cuts and treasury yield compression, creating a powerful tailwind for crypto and risk assets.





## Equity Concentration Risk Driven by Mega Caps

Seven tech giants make up more than 40% of the Nasdaq-100, leaving the index highly exposed to sector-specific risks.

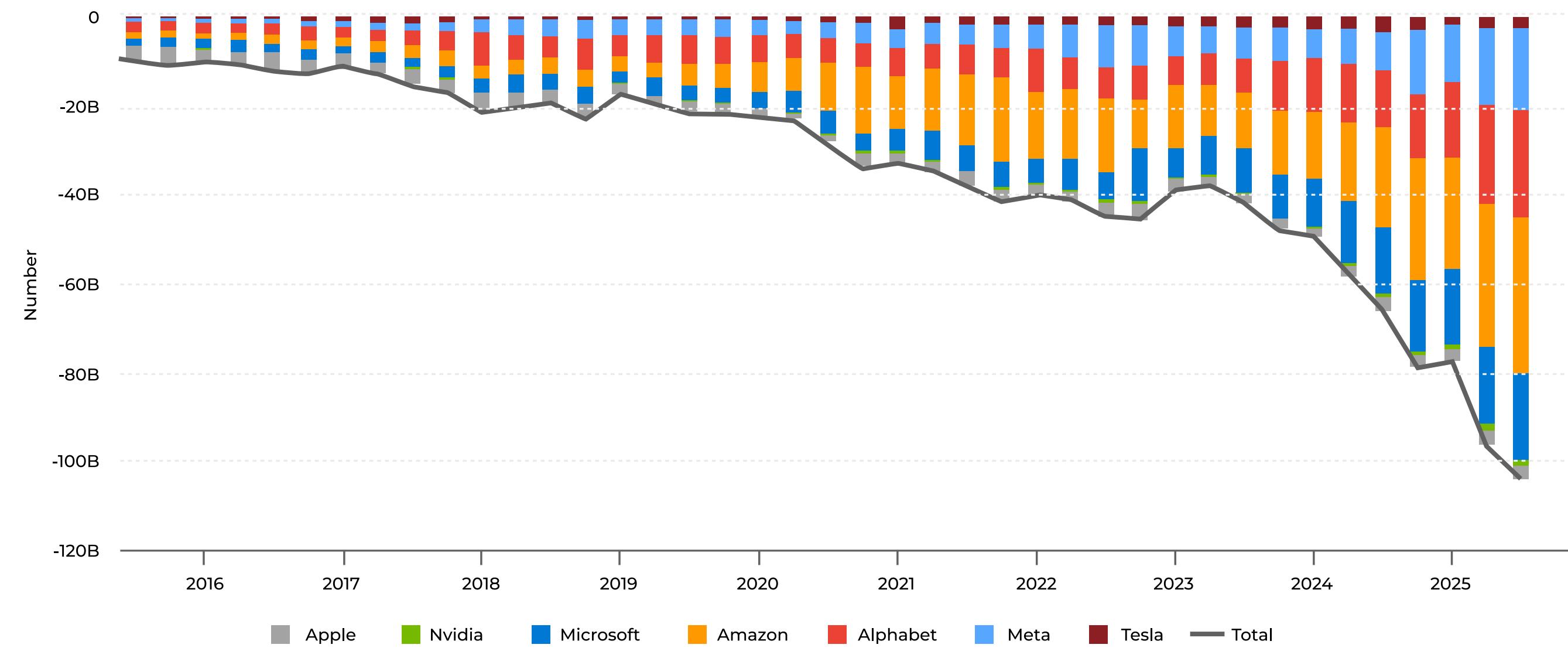


### Key Takeaways

- 🕒 **Dominant Share:** Mag 7 = +44% of NASDAQ 100
- 📋 **Historical Peak:** 48.8% (2021)
- ❗ **Emerging Risk:** Sector specific equity concentration
- ⚙️ **Performance Engines:** AI/ Data Centers/Cloud Computing/Cash Flows
- 🏦 **Stabilizing Anchor:** Institutional Inflows

**TLDR:** The “Magnificent 7” concentration in the Nasdaq 100 hit **43.6% in 2025**, down from the **48.8% peak in 2021**. While AI cash flows provide a “stabilizing anchor,” this outsized share creates a **sector-specific concentration risk** that leaves the broader index highly vulnerable to the volatility of just seven stocks.

## Magnificent 7 AI Capex Reached Historic Levels



### key Takeaways

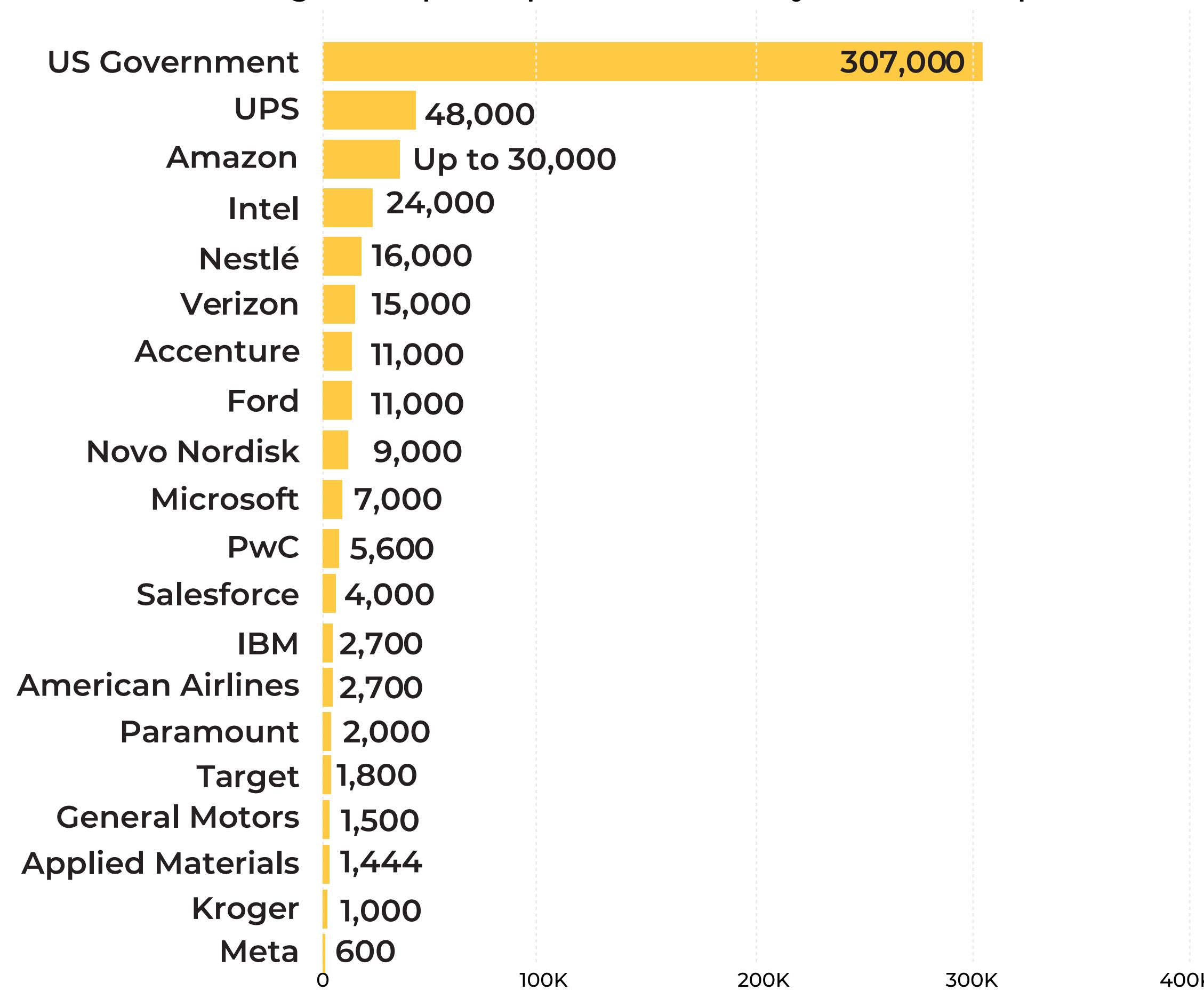
- ↑ Magnificent 7 AI capex inflects sharply after 2023, reaching historic levels by 2025
- ↑ Spending is concentrated in AI infrastructure (data centers, compute, chips), not routine expansion
- ↑ Scale of investment assumes rapid utilization and monetization of AI workloads
- ↑ If adoption lags, markets risk an overbuild cycle and higher volatility into 2026

**TLDR:** Mag 7 AI capex has reached historic levels, with total spending projected to exceed **\$500B by 2026** as the cohort pivots to an asset-heavy infrastructure model. This massive scale of investment, now accounting for **25% of total U.S. market capex**, demands rapid monetization to prevent a high-volatility overbuild cycle that would threaten broader market stability.



## U.S. Labor Market outlook

Job losses are rising as companies prioritize efficiency and cost discipline



### Key Takeaways:

U.S. employers cut over 1 million jobs in 2025, the fifth worst layoff year in three decades, driven by a combination of AI-led automation, tariff pressures, and broader cost restructuring across sectors.

Despite elevated job losses, corporate profits and equities remain near record highs, creating a structural divergence likely to persist. The Fed has pivoted to prioritizing labor market stability as justification for cautionary rate cuts, yet inflation remains sticky amid ongoing supply chain adjustments and trade policy uncertainty. This tension means the long end of the U.S. Treasury curve is unlikely to move lower as persistent inflation pressures remain.

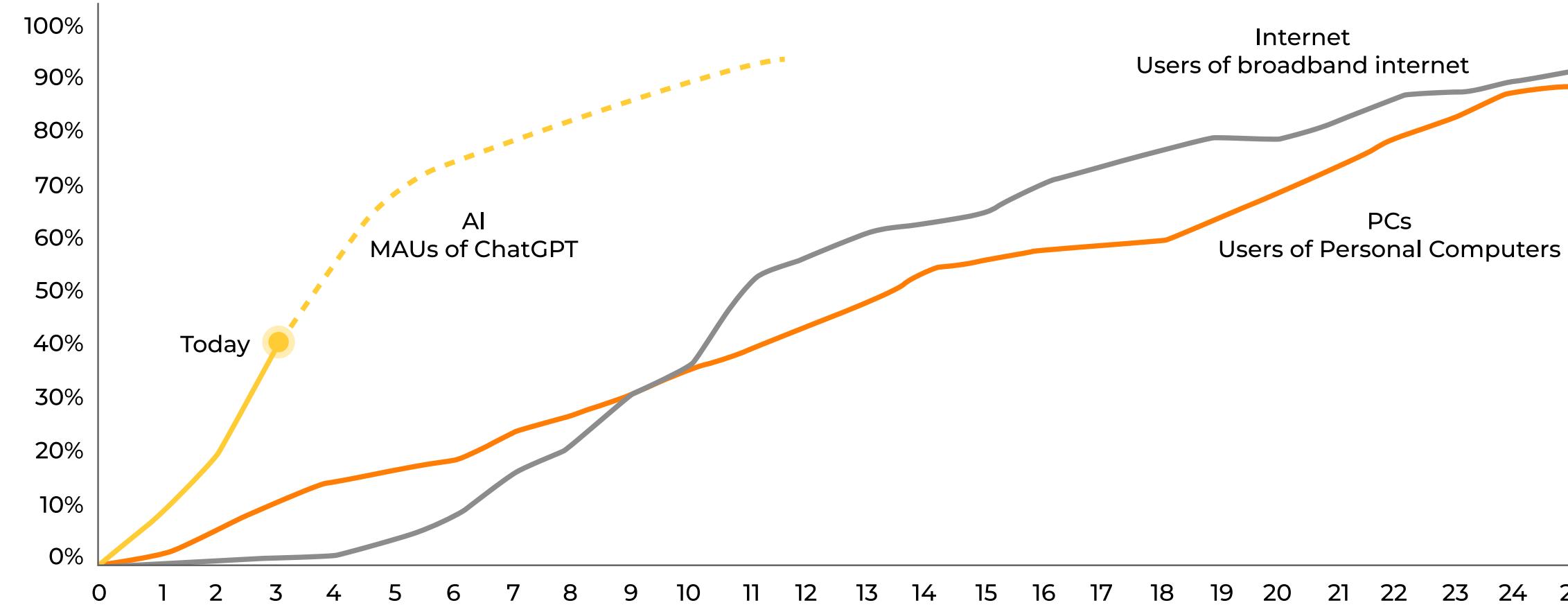
The Fed can continue cutting rates, but this will not translate to lower long-term treasury yields (US10Y), which are more likely to hold steady or drift higher into 2026.

**TLDR:** U.S. employers cut **1 million jobs in 2025**, the fifth-worst layoff year in decades, due to AI automation and tariff pressures. Despite Fed cuts aimed at labor stability, sticky inflation will likely keep **long-term yields steady or rising** into 2026. This forces a divergence where record corporate profits coexist with mass layoffs and high borrowing costs.

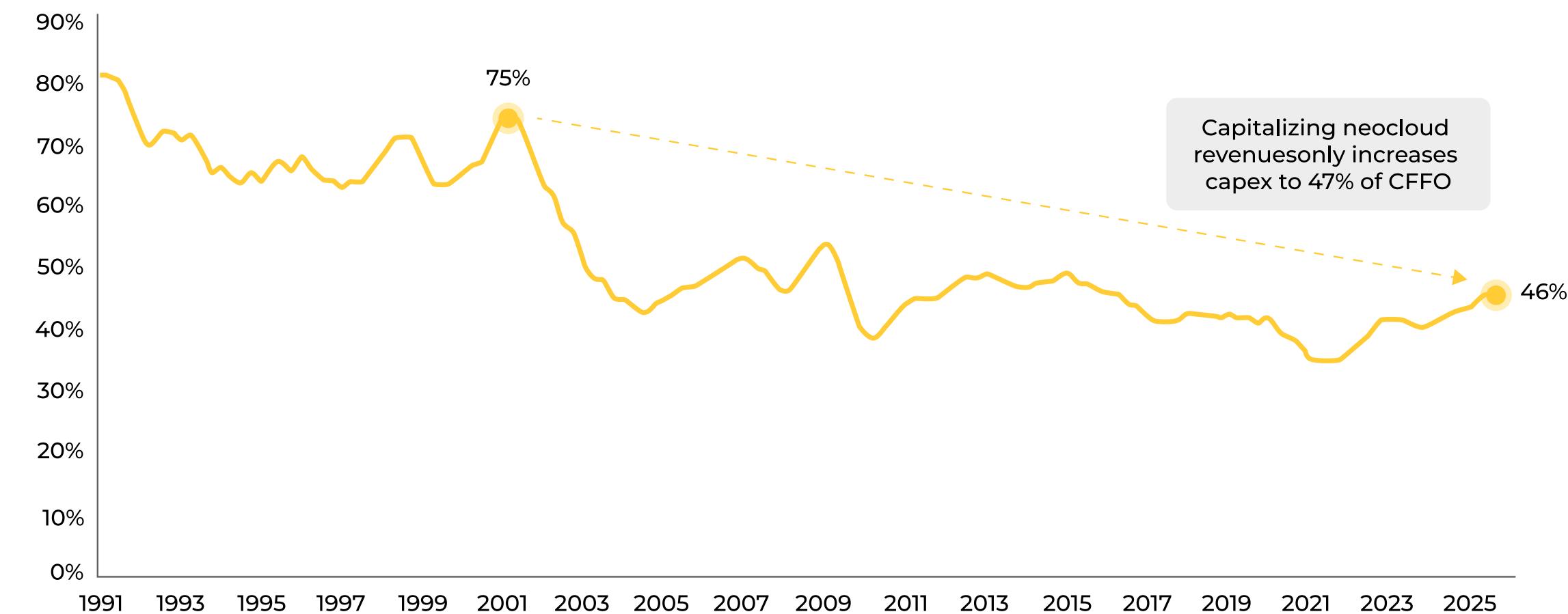
## A.I. Boom: No Bubble Yet

Adoption is accelerating while investment remains financially disciplined

AI is still early in its journey but massive adoption so far!



**Capex is growing, but is funded with operating cash flow**  
**S&P 500 capex as % of CFFO**



## AI Boom – But No Bubble Yet

**Unprecedented Diffusion:** ChatGPT reached **40% U.S. penetration** in just 2 years.

**Faster Than Internet/PC:** Adoption is outpacing the Internet and PC by **over 10x**.

**GDP Growth Driver:** AI investment is a primary contributor to 2026 economic **growth**.

**Sustainable Capex:** Spending is just **46% of cash flow**, down from the 75% Dot-Com peak.

**Cash-Flow Funded:** Buildouts are funded by operating cash, not aggressive debt **deployment**.

**Healthy Scaling:** The current dynamic suggests a more sustainable scaling path than previous tech bubbles.

**TLDR:** AI adoption is shattering historical records with 40% penetration in 2 years, yet financial risks remain low. Unlike the Dot-Com era, current AI infrastructure is sustainably funded by operating cash flow at nearly half the historical peak intensity.

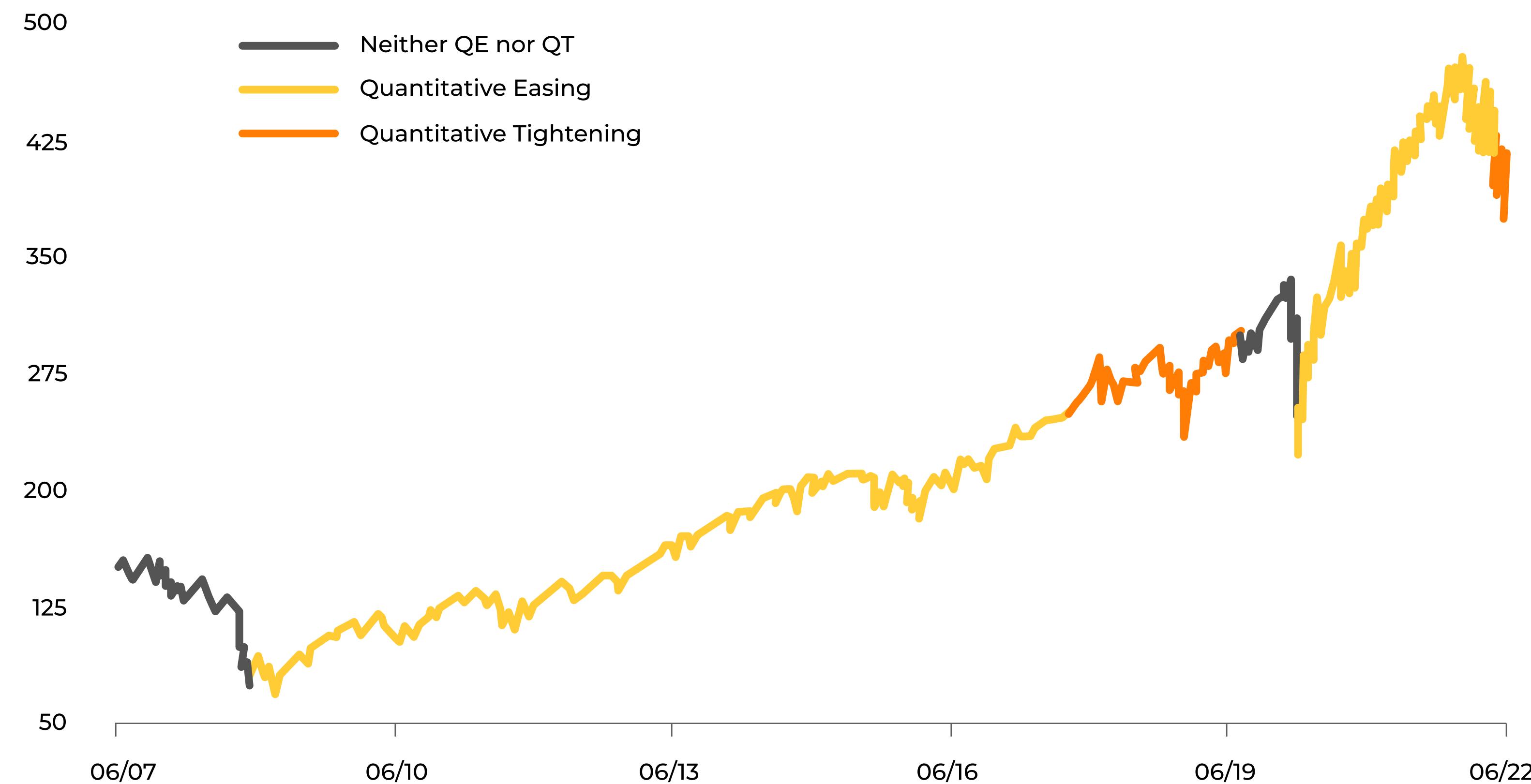




## Quantitative Tightening Progress

Markets are beginning to price an easing of liquidity constraints

### S&P 500 (SPY): Last 15 Years



**TLDR:** While Quantitative Tightening (QT) historically creates volatility, the Fed's **December 2025 exit** from the runoff program marks a major liquidity turning point. With a shift back toward balance sheet expansion expected in 2026, the market is pricing in a favorable **pro-liquidity environment** for equities and risk assets.

## QE Historical Timeline

A major source of systemic liquidity pressure has been removed

Federal Reserve Program	Duration/Mo
QE1 (Nov 2008 - Mar 2010)	17 months
After QE1	9 months
QE2 (Nov 2010 - Jun 2011)	9 months
After QE2	15 months
QE3 (Sep 2012 - Oct 2014)	26 months
After QE3	39 months
QT (Jan 2018 - Dec 2018)	12 months
QE4 (Mar 2020 - Mar 2022)	24 months



**QT Runoff Concluded:** The Fed ended its balance sheet reduction program in **December 2025**.



**QE Catalyst History:** Historical QE programs lifted the S&P 500 by **30-100%+** and drove Bitcoin's first major surges.



**Tightening Toll:** The June 2022–2025 QT cycle contributed to a **25% S&P 500 drop** and a **77% Bitcoin crash** at its onset.



**Strategic Reinvestment:** The Fed will now pivot to reinvesting maturing MBS into short-term T-bills to manage reserves.



**Liquidity Tailwind:** Termination of QT removes a major structural headwind, signaling a shift toward a **pro-liquidity environment**.

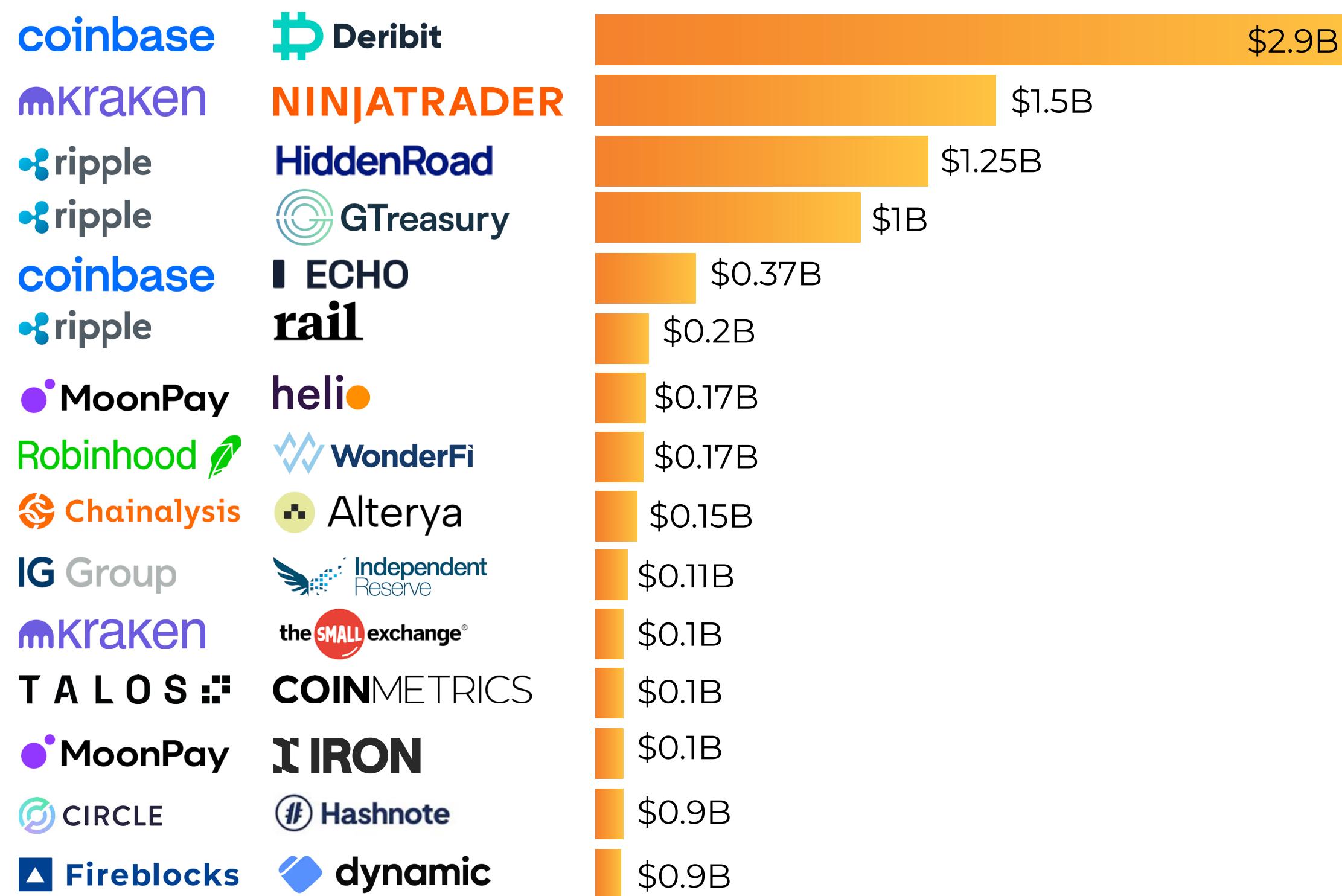
**TLDR:** The Fed's **December 2025 termination of QT** marks the end of a multi-year liquidity drain that previously saw assets like Bitcoin drop **77%**. While the shift to reinvestment isn't "classic QE," it removes a critical structural headwind for risk assets heading into 2026.



## Mergers & Acquisitions

Consolidation accelerated as leading firms expanded across the crypto stack

### Crypto M&A activity 2025 Overview



### Mergers and Acquisitions: 2025 Overview

- Record Transaction Volume:** Crypto M&A hit an all-time high with **\$8.6B in total deals** closed through November 2025.
- Market Consolidation:** Deal volume across 133 transactions exceeded the combined total of the previous four years.
- Coinbase Deribit Anchor:** Coinbase led the surge with the **\$2.9B acquisition** of derivatives marketplace Deribit.
- Strategic Infrastructure Shift:** Ripple closed **\$2.25B** in deals for prime brokerage (Hidden Road) and treasury management (GTreasury).
- Full-Stack Service Race:** Kraken and others are acquiring futures and tokenized stock providers to build **institutional-grade financial suites**.
- TLDR:** 2025 was a landmark year for consolidation, with \$8.6B in deals reflecting a massive shift toward full-stack institutional services. Driven by favorable Fed policy and regulatory shifts, leaders like Coinbase, Ripple, and Kraken are aggressively acquiring infrastructure to dominate the global crypto-financial stack.

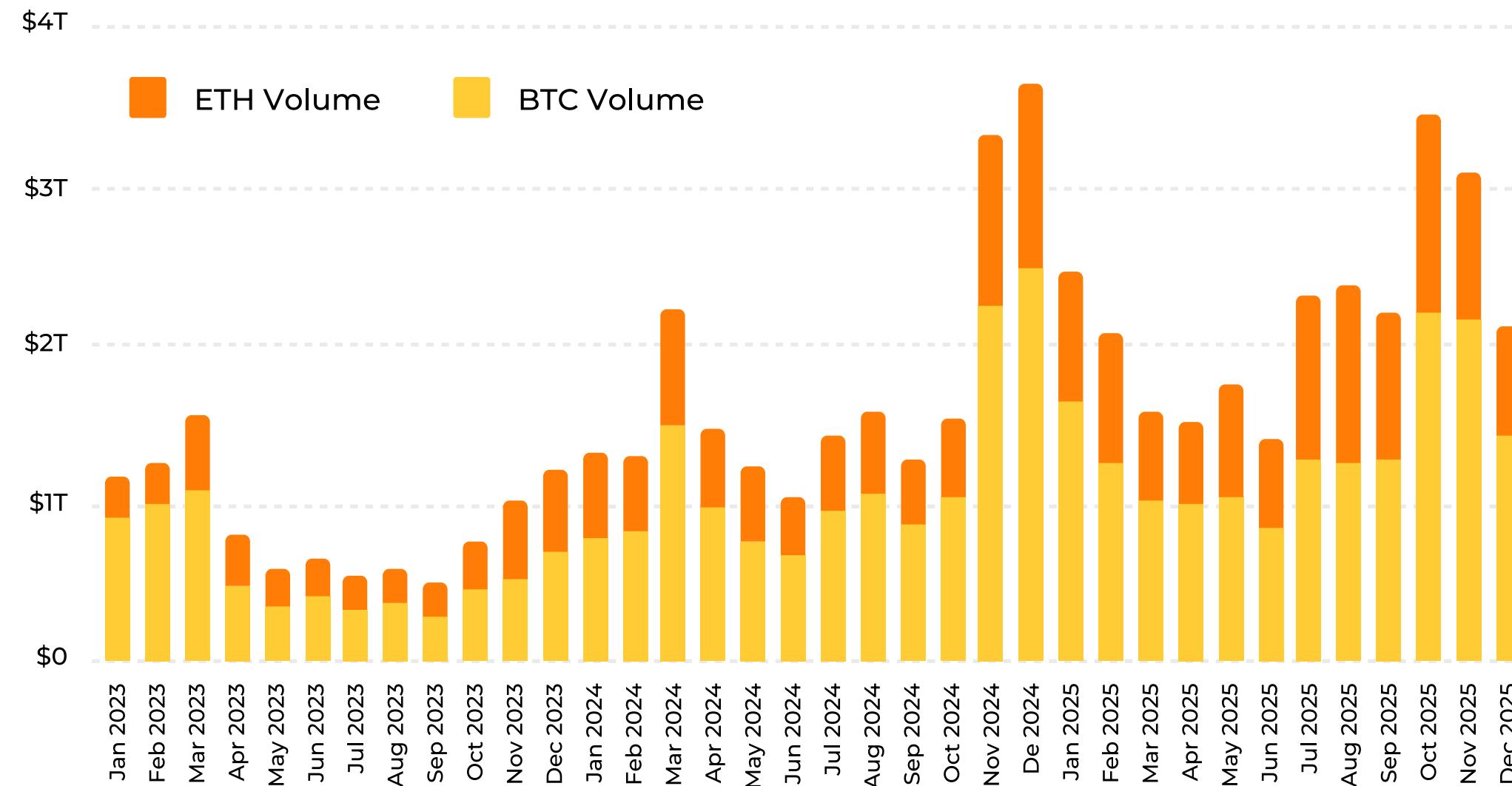


# Liquidity and Trends

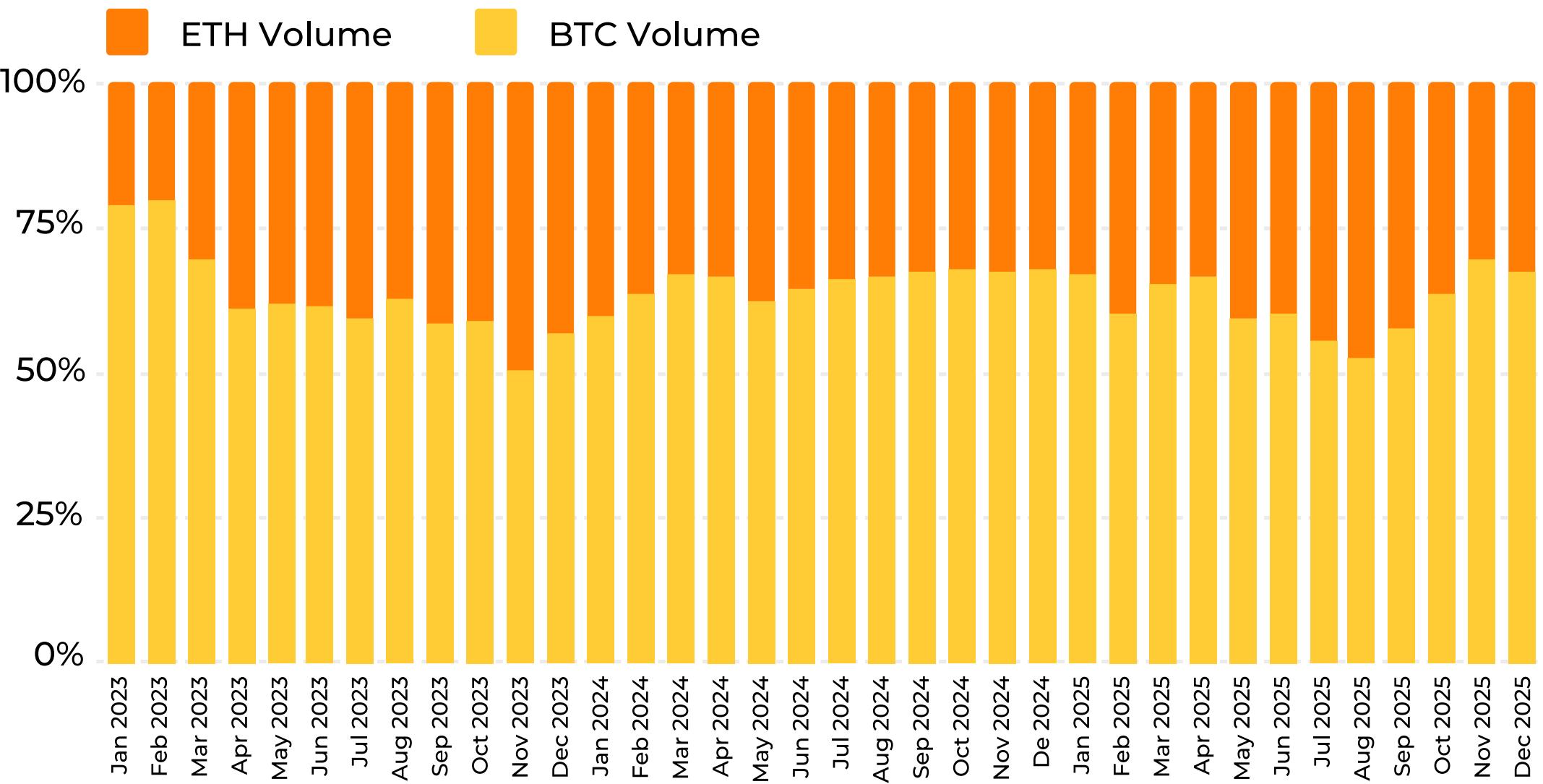
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## BTC & ETH Volume

Bitcoin remains the primary liquidity anchor despite episodic Ethereum surges



## BTC & ETH Volume Distribution



## Key Takeaways: Volume & Institutional Reallocation

 **Persistent BTC Dominance:** Bitcoin consistently led trading volume, solidifying its role as the primary macro hedge and liquidity anchor for institutional portfolios.

 **Institutional Divergence (August 2025):** A historic reallocation occurred as Ethereum ETFs drew **\$3.87 billion** in monthly inflows, while Bitcoin ETFs saw **\$751 million** in net outflows.

 **Strategic Convergence Points:** November 2023 and August 2025 emerged as critical moments where ETH volume rose to meet or nearly match BTC, signaling intense capital rotation.

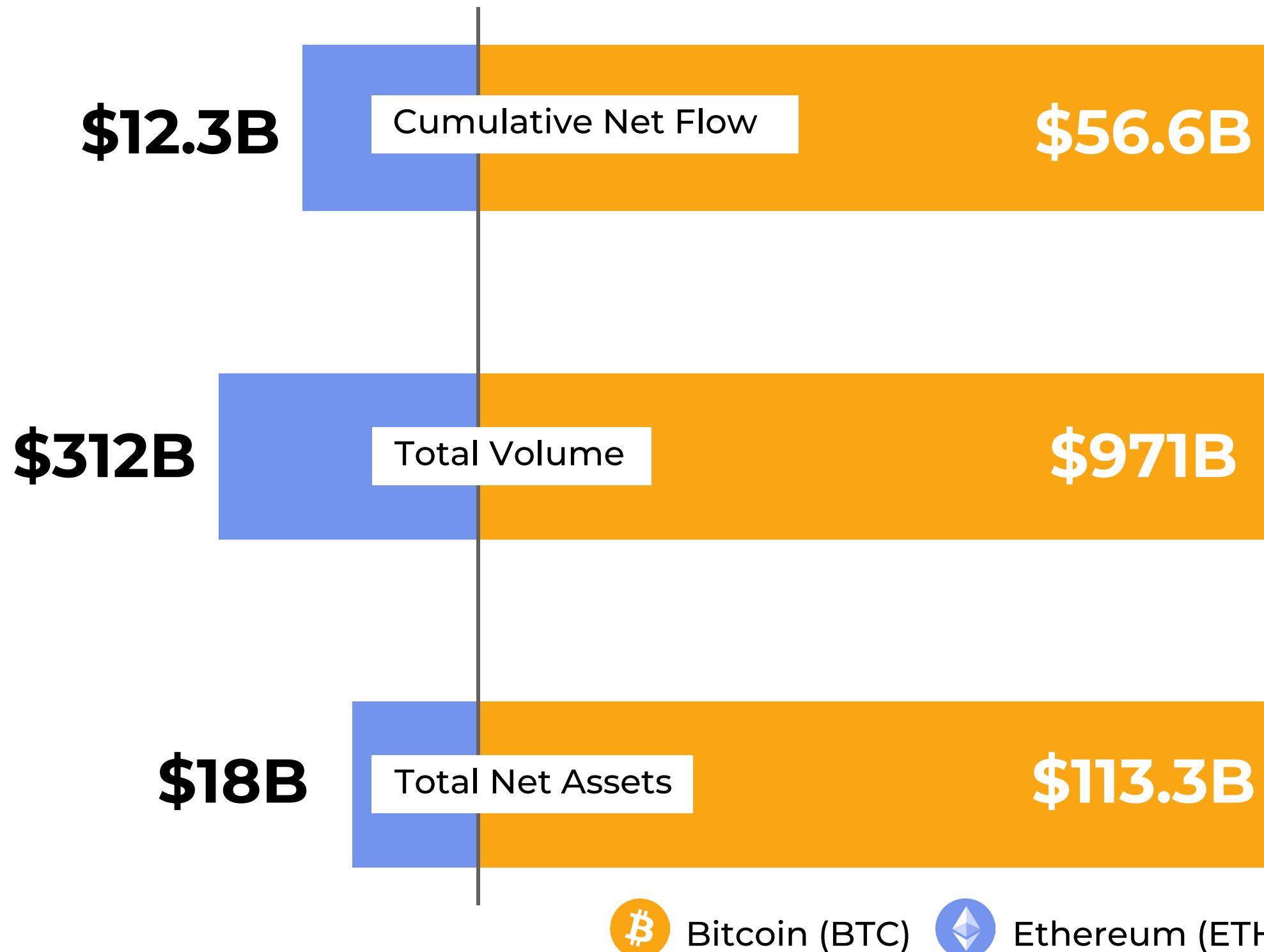
 **Narrative Evolution:** Investors shifted from viewing Bitcoin as the sole “store-of-value” to treating Ethereum as a “productive asset” driven by network utility, restaking, and DeFi growth.

**TLDR:** While Bitcoin remained the **macro anchor** of the 2023–2025 cycle, Ethereum successfully challenged its volume dominance during two strategic windows. The **August 2025 pivot** was particularly significant, marking a transition where institutional capital explicitly favored Ethereum’s **network-driven utility and yield** over Bitcoin’s pure store-of-value proposition.



## BTC vs. ETH Spot ETFs

Institutional capital remains heavily concentrated in Bitcoin



### Key Takeaways: The Institutional Era

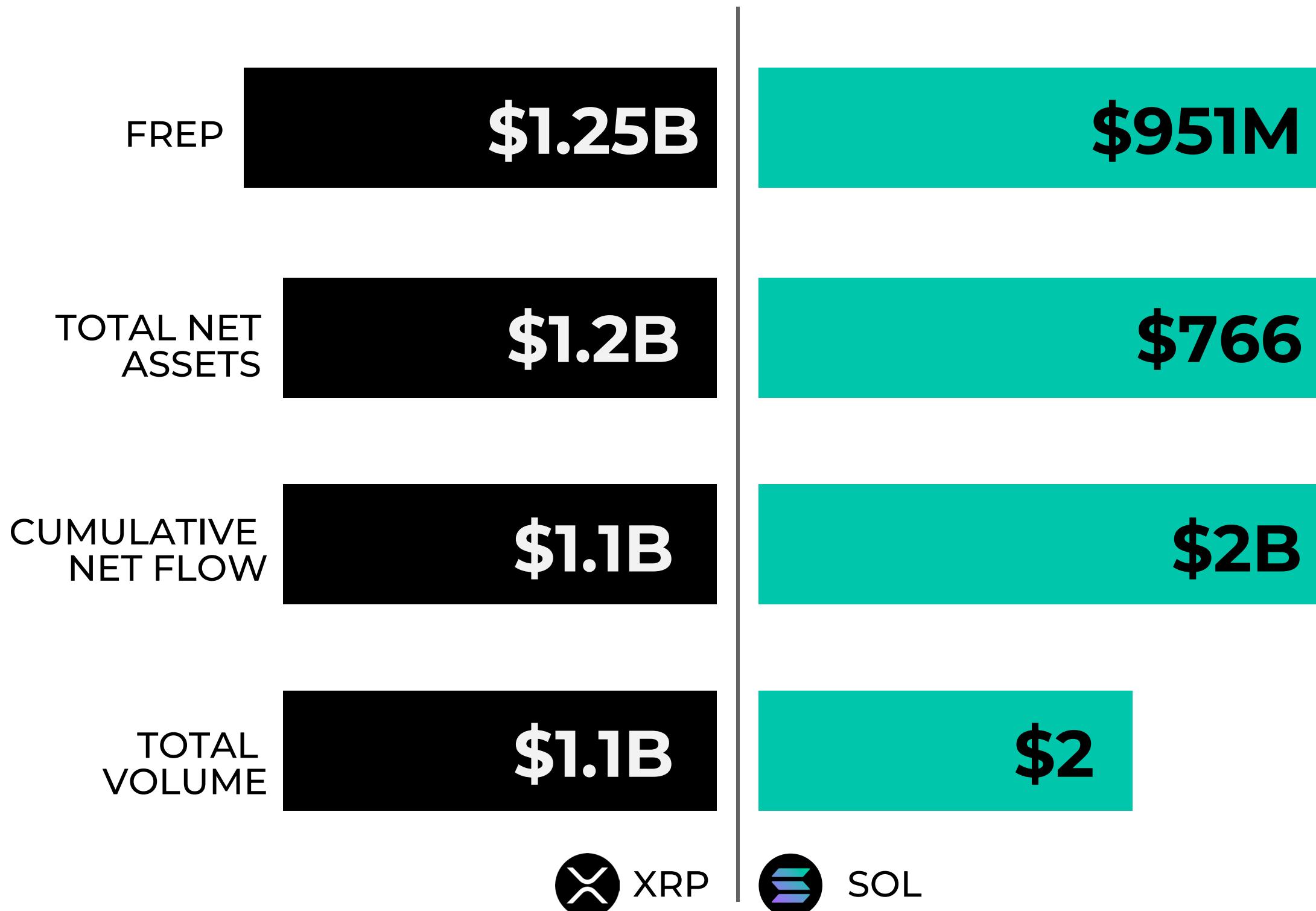
- Institutional Dominance:** Large financial firms and banks have replaced retail flows as the primary market driver throughout 2025.
- Strategic Allocation:** Professional investors now treat Bitcoin as a durable macro hedge, utilizing multi-year risk frameworks rather than short-term speculation.
- ETF Catalyst:** The launch of spot ETFs for BTC, ETH, and SOL has unlocked record liquidity and mainstream pricing efficiency across global markets.
- Market Maturity:** Advanced custody and exchange infrastructure have transformed Bitcoin into a mature asset class with significantly reduced volatility.

**TLDR:** Institutional capital has fundamentally matured the Bitcoin market, replacing retail-driven volatility with stable, long-term allocations. The emergence of spot ETFs has acted as the primary bridge, providing the transparency and liquidity needed for banks and hedge funds to treat digital assets as a standard portfolio diversifier.



## XRP & SOL Volume

Institutional behavior is diverging across alternative crypto ETFs



### XRP Spot ETF (Institutional Retention)

- **Total Net Assets: \$1.65B**
- **Cumulative Net Flow: \$1.23B**
- **Performance Insight:** XRP-based products have led the new altcoin ETF cohort, attracting over **\$1.2 billion** in net inflows since their November 2025 debut. The fund exhibits strong capital retention, maintaining a **30-day streak** of uninterrupted daily inflows through late 2025.



### Solana (SOL) Spot ETF (High Velocity)

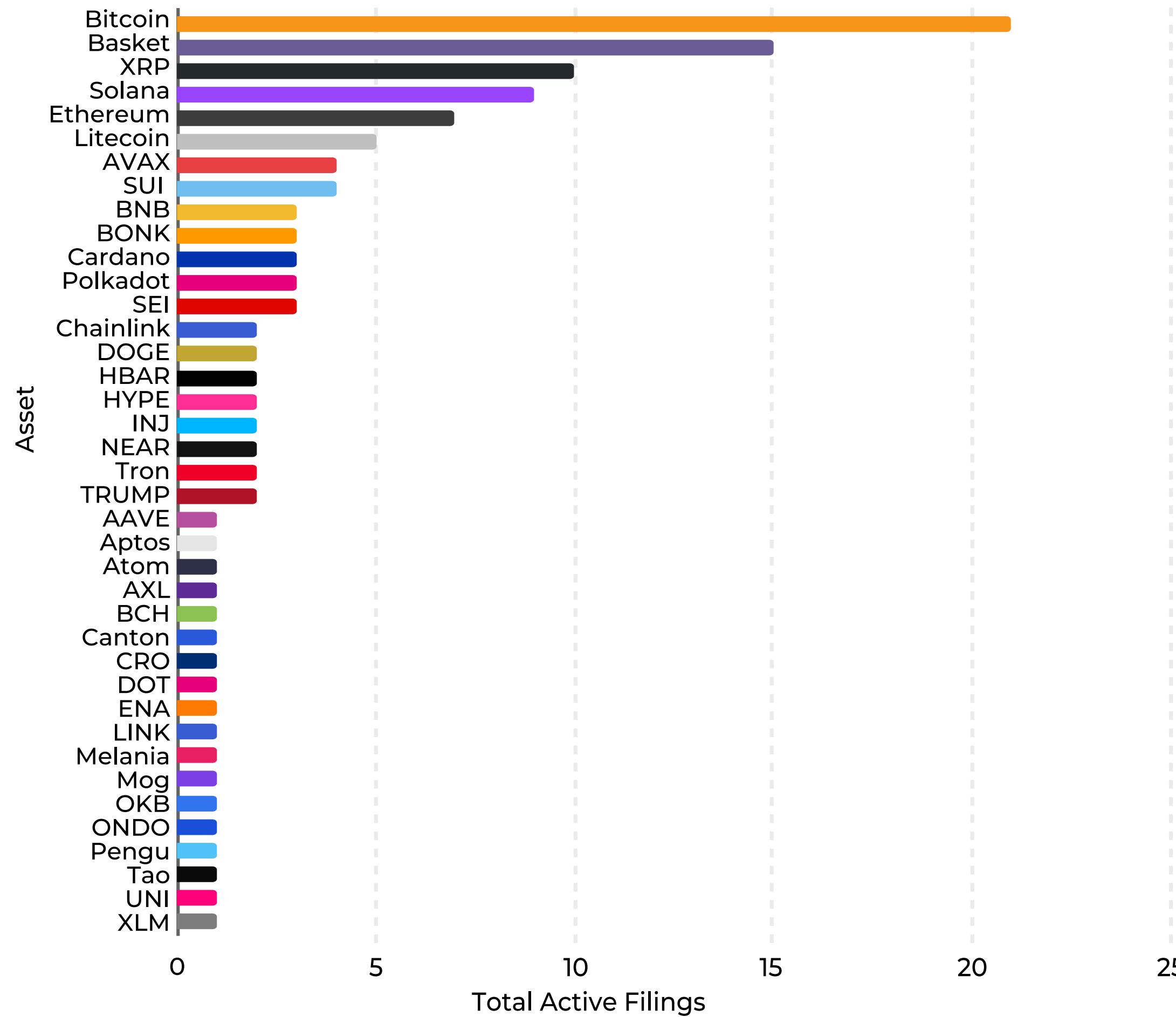
- **Total Net Assets: \$1.09B**
- **Cumulative Net Flow: \$792M**
- **Performance Insight:** Solana ETFs crossed the **\$1 billion AUM** milestone in early January 2026. Despite having a smaller asset base than XRP, Solana exhibits significantly higher **trading velocity**, with debut-week volumes exceeding **\$250 million** as institutional investors use the fund for tactical exposure.

**TLDR:** While XRP ETFs lead in total capital with **\$1.65B in assets**, Solana has rapidly crossed the **\$1B milestone** while maintaining higher trading velocity. This suggests that while XRP is currently favored for long-term **structural allocation**, Solana is the preferred vehicle for high-frequency **institutional trading**.



## List of Active ETP Filings

Regulatory demand is clustering around a small set of digital asset leaders



**Dominant Market Leaders:** Bitcoin continues to lead the institutional race with over **20 active filings**, while **XRP (10)** and **Solana (9)** have solidified their positions as the primary “altcoin” choices for regulated products.

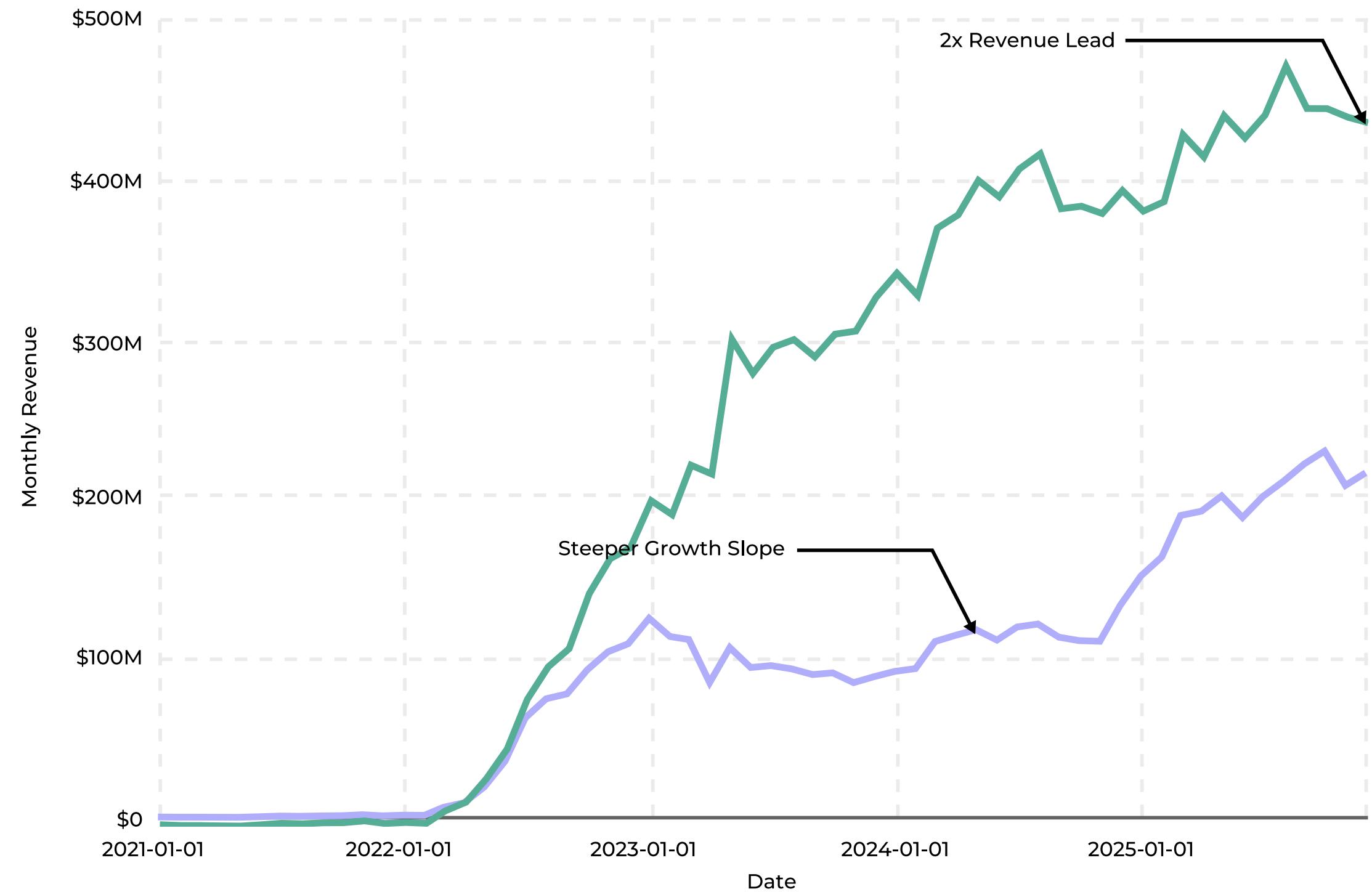
**Rise of the “Basket” Strategy:** Multi-asset **“Basket”** filings are now the second-largest category with **15 active filings**, signaling a shift toward diversified index-style products over single-coin exposure.

**Accelerated Approval Pipeline:** Recent regulatory changes have shortened approval timelines to as little as **75 days**, contributing to a “wall of filings” that now includes over **120 pending applications** across dozens of different crypto assets.

**TLDR:** Issuers are flooding the market with over 120 ETP filings, fueled by faster 75-day approval timelines for assets like XRP and Solana. This pivot is backed by **\$391.5B** in private network assets, vastly outweighing the **\$18.3B** on public chains.

## Tether vs. USDC Monthly Revenue (2025)

Two distinct stablecoin business models are emerging at scale



**TLDR:** While Tether operates as a massive **yield-generating** engine powered by its \$5.23B annual scale, **Circle** has successfully pivoted to a **utility-first model**, where \$2.48B in revenue is increasingly tied to transaction velocity and ecosystem activity rather than just the size of its reserves.



### Tether: The Scale & Maturity Model

**Dominant Market Leader:** Remains the top revenue-generating business in the digital asset market.

**Total 2025 Revenue:** Generated \$5.23 billion in annual revenue.

**Peak Monthly Performance:** Recorded \$442 million in revenue for December 2025 alone.

**Strategic Profile:** Revenue growth was slower than Circle's in percentage terms but significantly larger in absolute volume.

**Earnings Driver:** Income is primarily driven by massive reserve holdings rather than incremental network usage.

### Circle: The Transaction-Driven Model

**Rapid Efficiency:** Monthly revenue reached \$216 million in December 2025.

**Total 2025 Revenue:** Secured \$2.48 billion in annual revenue.

**Strategic Profile:** Revenue growth directly tracked network usage rather than simple supply expansion.

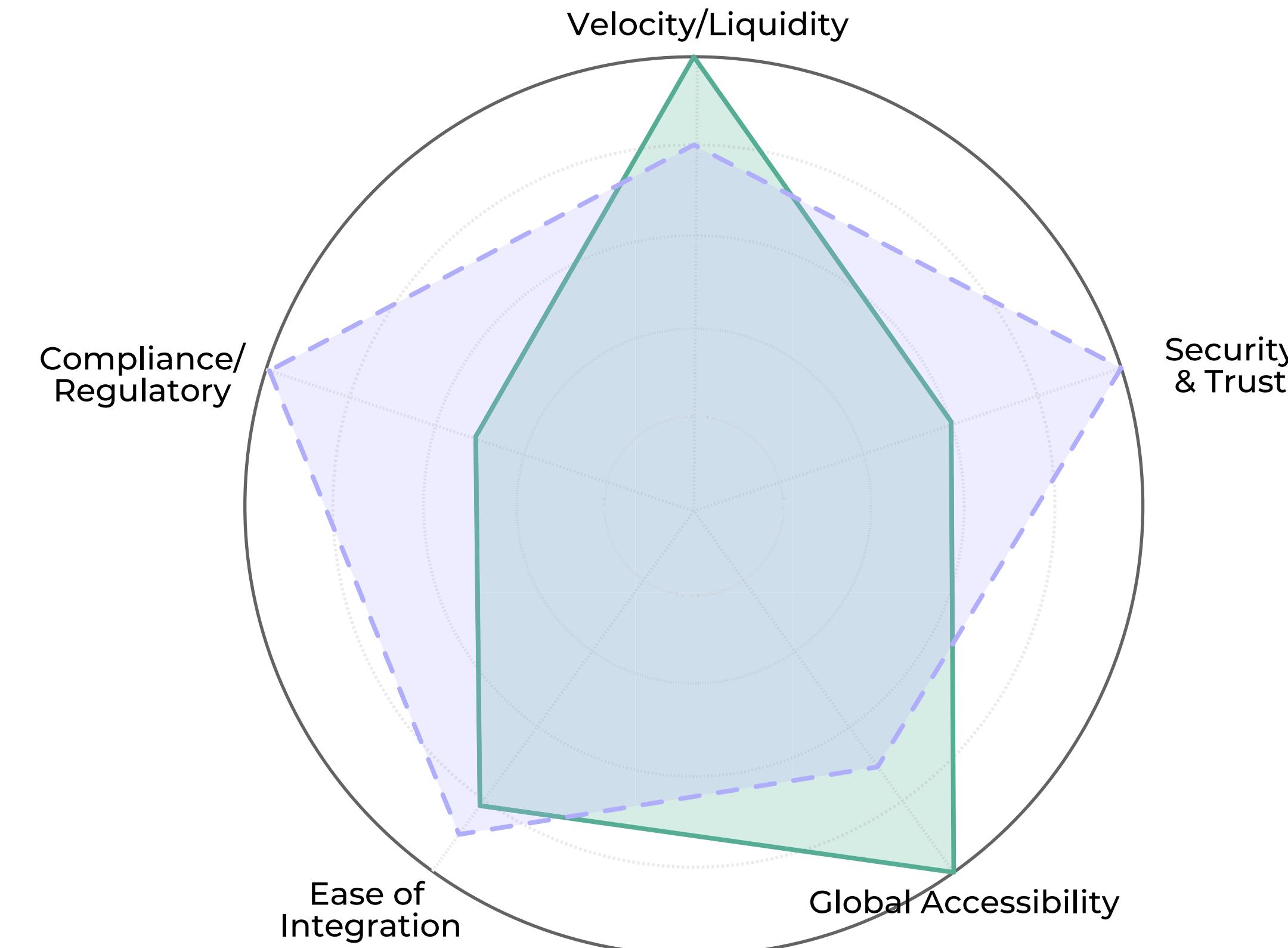
**Monetization Strategy:** Effectively decoupled revenue from balance-sheet growth, focusing on activity-based monetization.

**Network Effect:** Reinforces a model that is increasingly transaction-driven and utility-focused.



## Tether vs. USDC Transfer Count (2025)

Usage patterns are diverging as stablecoin networks mature



**Tether (USDT) - High Velocity**

**Circle (USDC) - Compliance & Adoption**

**TLDR:** While **Tether** nearly doubled its transfers to **399M** through emerging market demand, **Circle** surged to **539M** transfers, driven by a second-half acceleration in institutional settlement and payroll use cases.



### Tether (High-Velocity Scale)



**Transfer Growth:** Transfers increased sharply, rising from **206M** to **399M** over the year.



**Market Demand:** Indicates sustained demand for USDT as a transactional asset, particularly in emerging-market corridors.



**Usage Profile:** Growth remained robust even at massive scale, proving the durability of the reserve-backed model.



**Velocity:** Positioning highlights USDT as a primary medium for high-velocity global transfers.



### Circle (Accelerating Adoption)



**Transfer Growth:** Transfer volumes nearly doubled, rising from **285M** to **539M** in 2025.



**H2 Momentum:** Growth was particularly strong in the second half of the year, signaling a late-year surge.



**Primary Use Cases:** Accelerating adoption across institutional settlement, payroll, and global payments.

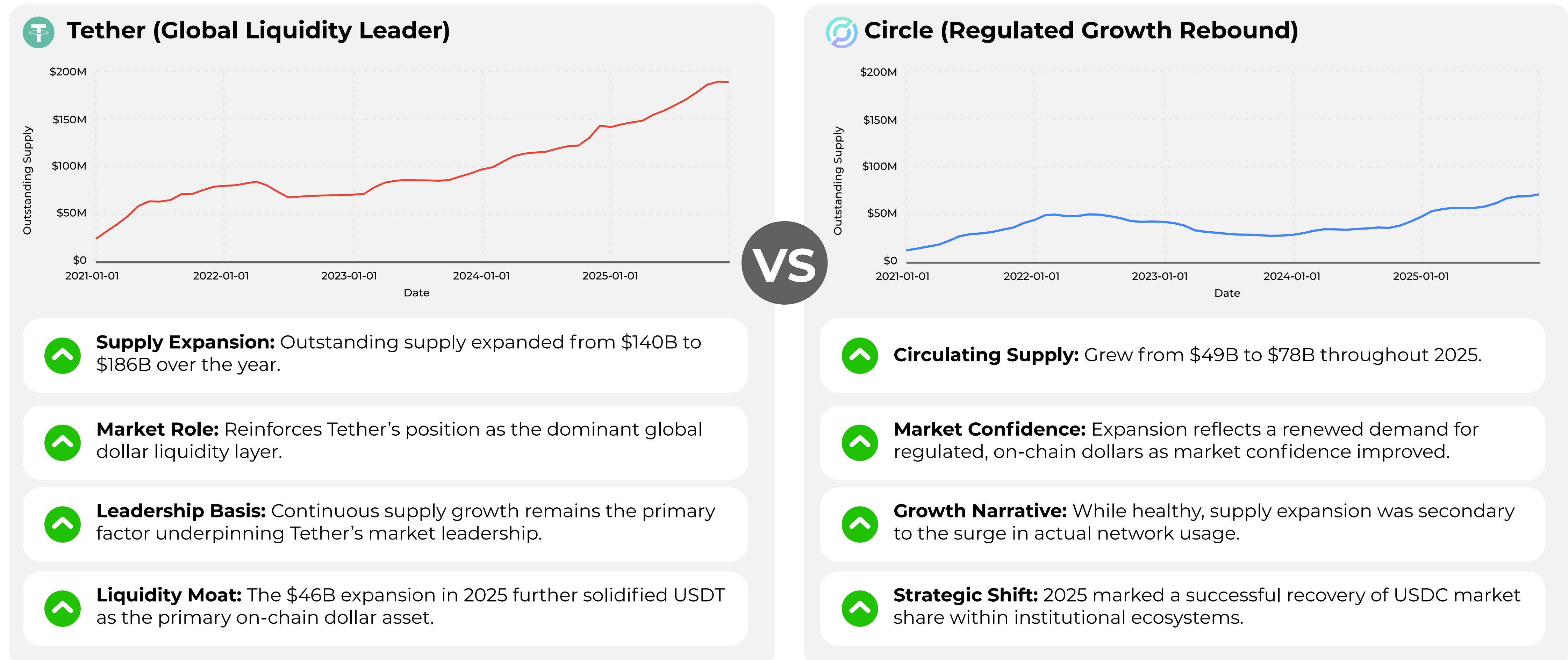


**Usage Focus:** Circle's year was defined by usage expansion, focusing on transactional utility rather than just issuance.



## Tether vs. USDC Outstanding Supply (2025)

Market leadership and growth trajectories are diverging between issuers



**TLDR:** Tether solidified its dominance as the global liquidity layer by expanding its supply to **\$186B**. Simultaneously, **Circle** saw a significant rebound to **\$78B**, driven by improved confidence in regulated assets, though its growth remains more focused on network utility than raw issuance.

## Tether vs. USDC Compound Monthly Growth (2025)

Growth is increasingly differentiated by revenue, velocity, and liquidity dynamics



### Revenue Generation (The Yield Gap)



**Tether: 1.2% CMGR**

Reflects a mature, scale-driven model where revenue is driven by massive reserve yields rather than incremental usage.



**Circle: 3.3% CMGR**

Outperforming in growth rate as monetization aligns with expanding transactional adoption and utility.

### Transactional Velocity (Transfer Count)



**Tether: 6.2% CMGR**

The strongest growth category for Tether, indicating robust demand in high-velocity and emerging market corridors.



**Circle: 6.0% CMGR**

Nearly identical compounding rate to Tether, reinforcing a usage-led expansion that outpaces its own supply growth.

### Liquidity Expansion (Outstanding Supply)



**Tether: 2.7% CMGR**

Steady balance-sheet expansion underpinning its role as the dominant global dollar liquidity layer.



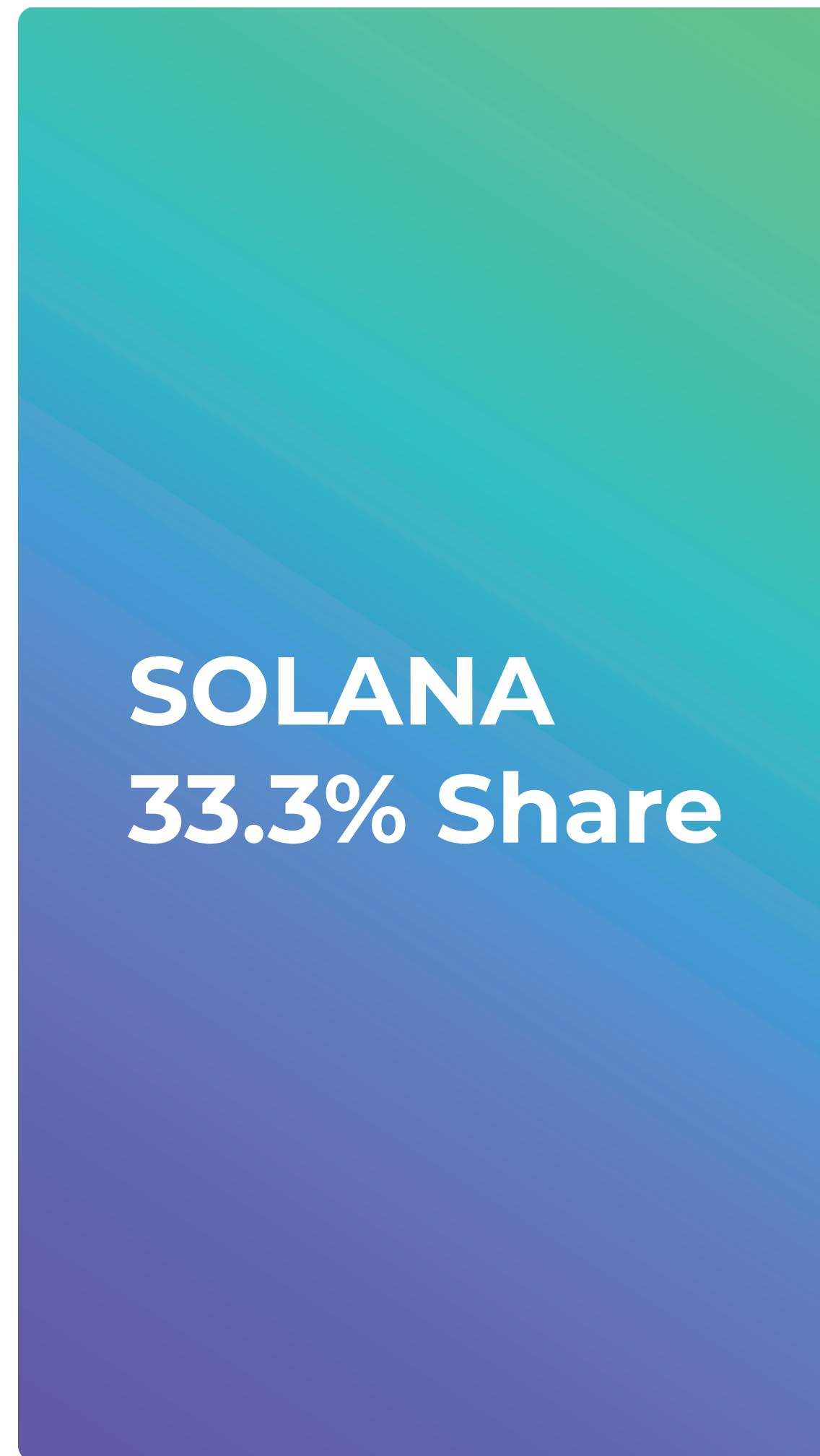
**Circle: 4.4% CMGR**

Faster supply compounding driven by renewed market confidence in regulated, on-chain dollar alternatives.

**TLDR:** Circle's 2025 was defined by **usage-led efficiency**, with revenue and supply compounding faster than its rival. Meanwhile, Tether maintained **dominance at scale**, showing its strongest growth in transactional velocity (6.2%) despite a more mature revenue profile.

## USDC on Solana: High-Velocity Retail Player

Retail payment activity is concentrating on Solana



Sloluan	Rose
Socouses	Sum
Sptupl	Polpogm
Anctrads	Stodoros
Chenl	Foctupet
Foloen	Ontorgen
Binance	Goupre
Chere	Bectoras
Boctonas	Endimpis
Sinance	Sosgrs
Recpos	Eohinpis
Calde	
Binance	Friesc
Entoce	Almales
Maceuts	Adnoom
Surincls	
Tam	

### Key Takeaways

- User Dominance:** Solana leads with 4 million active USDC senders (over 1/3 of the monthly market).
- Rapid Growth:** Active sender base expanded 10x since October 2023.
- Transaction Profile:** Skews toward high-frequency retail with a \$2.4K average ticket size.
- Volume Benchmarks:** \$4T YTD volume trails Ethereum (\$8T) and Base (\$13.5T).

**Key Strength:** Superior stablecoin velocity makes Solana the hub for retail payments and high-throughput use cases.

## 401K Policy Shift: Unlocking the Next Wave of Capital

Retirement capital could become a meaningful new source of long-term inflows

**U.S. 401(k) ASSET POOL: \$9.3 TRILLION**

**POTENTIAL 1% ALLOCATION: \$93 BILLION**

63% Larger than  
total BTC ETF Inflows

**TOTAL BTC ETF INFLOWS (2024-PRESENT): \$57 BILLION**



**TLDR:** The upcoming February 2026 DOL rule change bridges the **\$9.3 trillion** retirement pool and the crypto market. A 1% shift would inject **\$93 billion** in new demand, dwarfing the impact of the original spot ETF launches and providing massive institutional liquidity.

 **Policy Shift:** In August 2025, President Trump issued an executive order to include crypto, private equity, and real estate in 401(k) plans.

 **Regulatory Timeline:** The Department of Labor is currently reviewing fiduciary guidelines, with final rule changes expected by February 3, 2026.

 **Total Addressable Market:** U.S. 401(k) accounts held \$9.3 trillion in assets as of mid-2025.

 **Inflow Potential:** A 1% allocation to digital assets would generate \$93 billion in inflows.

 **Comparative Impact:** This single allocation represents a 63% increase over total BTC ETF inflows since their 2024 debut.

 **Market Significance:** Unlocks massive, long-term “sticky” capital, providing a structural foundation for institutional crypto adoption.

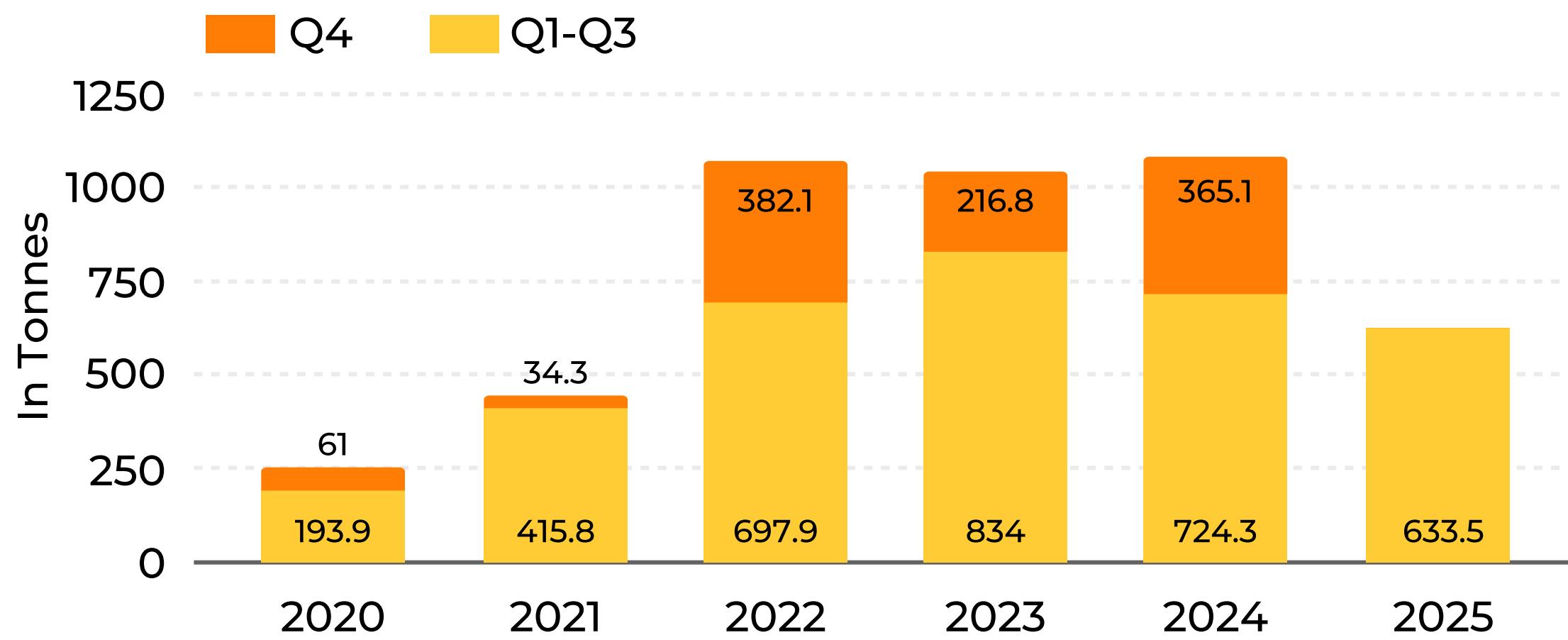




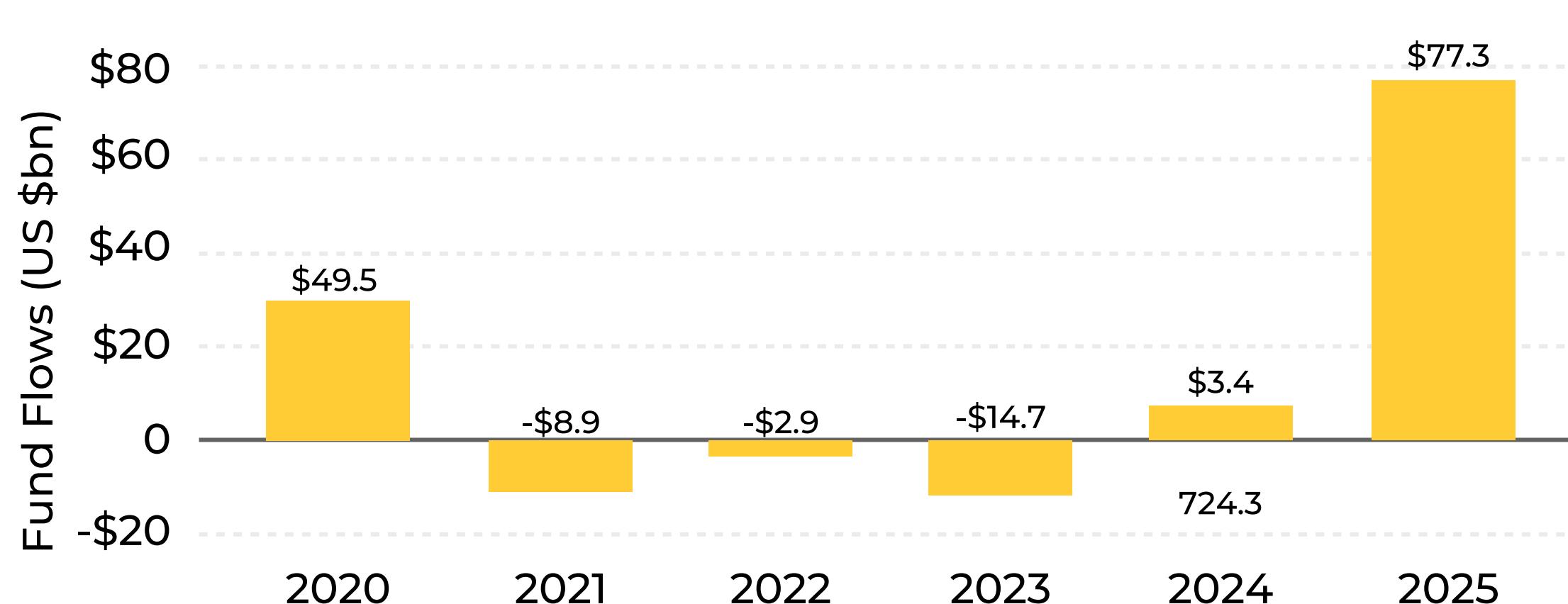
## The Debasement Trade

Demand for scarce, non-sovereign assets is accelerating

### Central Bank Gold Demand



### Gold ETF Flows



**Market Drivers:** Record fiscal deficits and central bank expansion fueled a return to scarce, non-sovereign stores of value.

**Gold Performance:** Rose **60%+** to all-time highs of **\$4,590/oz**, driven by central bank de-dollarization and risk mitigation.

**Silver Performance:** Outperformed with a **160% YTD** gain, supported by monetary hedging and industrial demand for electrification.

**Policy Shift:** Global policymakers are rotating into assets outside the reach of sanctions and dollar liquidity risk.

**Digital Integration:** Growing skepticism toward fiat sustainability is driving long-term demand for BTC and ETH as modern hard assets

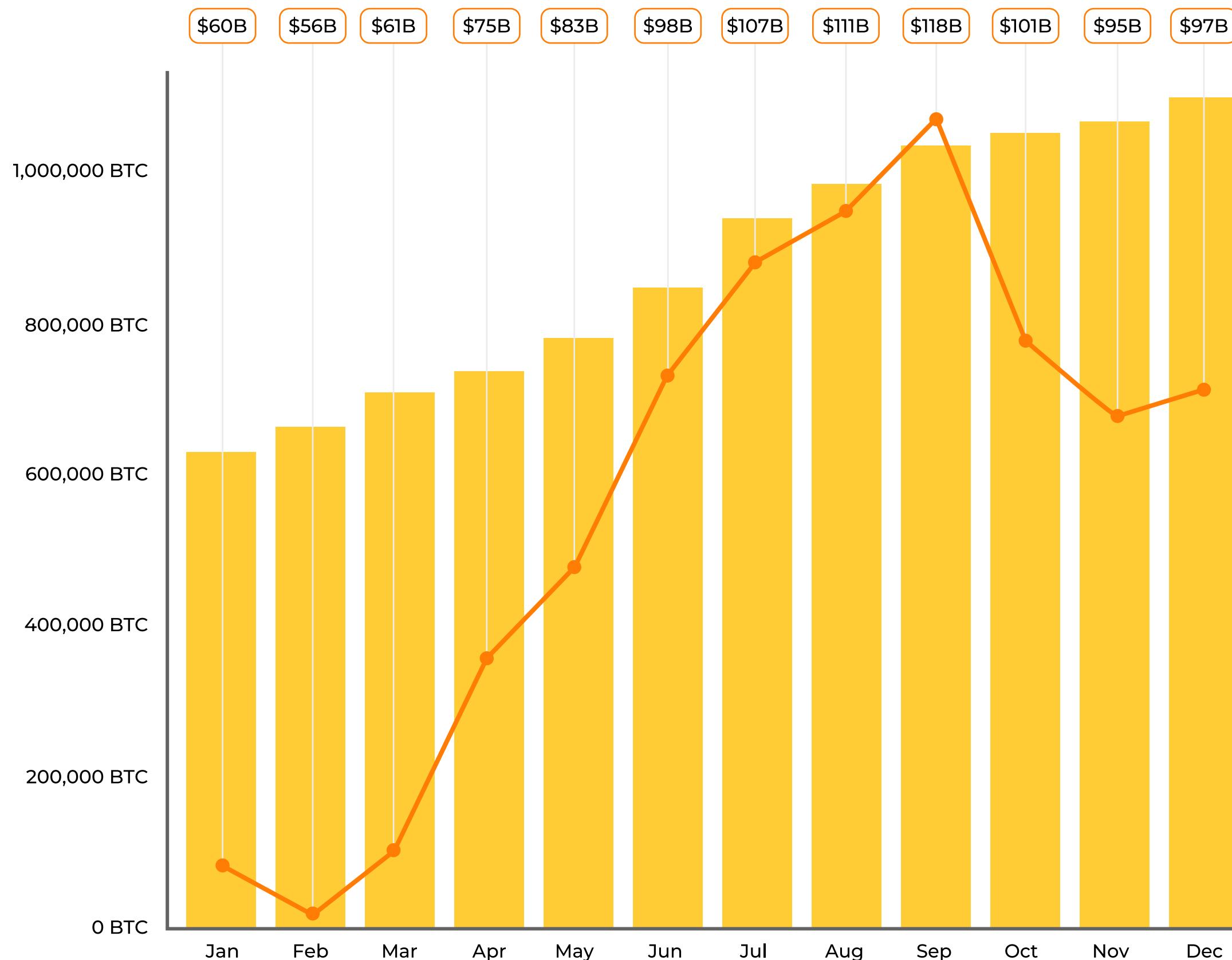
**TLDR:** In 2025, record deficits and central bank expansion fueled a “de-dollarization” shift into scarce, non-sovereign assets. Gold hit record highs of **\$4,590/oz** (+60%) and Silver surged **+160%** as policymakers sought assets immune to sanctions and liquidity risks. This macro backdrop has solidified **Bitcoin** and **Ethereum** as the modern “hard asset” alternatives to traditional fiat.

# Bitcoin Treasuries

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## Treasury Issuance (2025)

Corporate issuance is accelerating as balance sheets shift toward digital assets



**Expanding Capital Segment:** Bitcoin treasuries represent a rapidly growing sector of the capital market as more firms adopt digital asset reserves.



**Pioneering Dominance:** Strategy (formerly MicroStrategy) remains the industry leader, having maintained dominance since initiating its pioneer purchasing strategy in 2020.



**Pure Play Accumulators:** Specialized entities like Metaplanet, Adam Back's Bitcoin Standard Treasury Company, and Jack Mallers' XXI are now wholly dedicated to Bitcoin accumulation.



**Hybrid Growth Models:** While miners like Marathon and Riot generate holdings through production, mainstream giants like Tesla and GameStop, along with various private firms, contribute via strategic purchases.

**TLDR:** Crypto has evolved from speculative “hype” into an asset class that is a macro-sensitive pillar of U.S. national security. Despite a late-2025 price drawdown that collapsed equity premiums (mNAV), the market has matured with a 2x increase of tracked participants, the rise of “pure-play” accumulators, and the emergence of multi-billion dollar Ethereum and Solana reserves.



## Leading Treasury Companies (By Cryptocurrency)

Treasury adoption is expanding across a broader set of digital assets

 BTC	Strategy
 ETH	Bitmine, SharpLink
 SOL	Forward, Solana Company, DFDV, Sharps, Upexi
 LTC	Mei Pharma
 DOGE	CleanCore, TZUP
 LINK	LINK Reserve, Caliber
 BNB	CEA Industries, Nano Labs
 XRP	Quantum Bio., Hyperscale, Flora
 ADA	C2 Blockchain, Reliance Global
 CRO	Trump Media
 AVAX	AgriFORCE (AVAX One)
 TON	AlphaTON
 WLD	EightCo

 **Top Companies:** Strategy accounts for most holdings — an estimated 61% of all public treasury Bitcoin holdings, with its closest competitors holding just a fraction of its treasury balance

 **Rising Participation:** BitcoinTreasuries.net more than doubled the number of treasuries it tracked over 2025

 **Altcoin Treasuries:** Ethereum and Solana treasuries are now a multi-billion dollar complement to Bitcoin holdings

 **mNAV Compression:** mNAV has gradually trended downward in recent months and years, pointing to sector compression and reduced interest among investors

 **Bitcoin Price Impacts:** While Bitcoin holdings have steadily climbed in recent years, declining crypto market prices in late 2025 have reduced the dollar value of companies' holdings

 **Stock Market Trends:** Bitcoin stock prices have fallen for global "pure play" treasuries following summer highs

 **Institutional Ownership:** Institutions are actively buying select U.S. stocks tracked by BitcoinTreasuries.net

**TLDR:** Driven by a doubling of tracked treasuries and a "Great Pivot" in federal policy, the sector has transitioned into an era of global commercial dominance led by Strategy's 61% market share (672,497 BTC), even as mNAV compression and late-2025 price volatility force a shift toward institutional multi-asset reserves.



## Top-100 Public Bitcoin Treasury Companies

Corporate crypto treasuries are becoming increasingly global and diversified

BITCOINTREASURIES.NET		Ticker	Bitcoin [mNAV] <sup>↓</sup>
1	Strategy	↑  MSTR	672,497 [0.82]
2	MARA Holdings, Inc.	MARA	53,250 [0.91]
3	Twenty One Capital	XXI	43,514 [0.79]
4	Metaplanet Inc.	↑  MTPLF	35,102 [1.16]
5	Bitcoin Standard Treasury Comp...	CEPO	30,021 [0.10]
6	Bullish	BLSH	24,300 [2.28]
7	Riot Platforms, Inc.	RIOT	19,324 [3.17]
8	Coinbase Global, Inc.	COIN	14,548 [49.03]
9	Hut 8 Mining Corp	HUT	13,696 [4.52]
10	CleanSpark, Inc.	CLSK	13,011 [2.86]
11	Trump Media & Technology Gro...	DJT	11,542 [3.12]
12	Tesla, Inc.	TSLA	11,509
13	Block, Inc.	XYZ	8,780 [51.89]
14	Strive	ASST	7,525 [1.53]
15	GD Culture Group	GDC	7,500 [0.42]
16	Cango Inc	↑  CANG	7,419 [0.39]
17	Galaxy Digital Holdings Ltd	GLXY	6,894 [14.33]
18	Next Technology Holding Inc.	NXTT	5,833 [0.03]
19	KindlyMD, Inc.	NAKA	5,398 [0.38]
20	American Bitcoin Corp	ABTC	5,098 [3.47]
21	Semler Scientific	SMLR	5,048 [0.58]
22	ProCap Financial	BRR	5,000 [0.74]
23	GameStop Corp.	GME	4,710 [26.35]
24	Boyaa Interactive International ...	0434	4,091 [0.94]
25	Empery Digital	EMPD	4,081 [0.51]
26	Gemini Space Station Inc	GEMI	4,002 [3.30]
27	OranjeBTC	OBTC3	3,722
28	Bitcoin Group SE	ADE	3,605 [0.58]
29	Capital B	ALCPB	2,823 [1.39]
30	The Smarter Web Company PLC	SWC	2,664 [0.52]
31	DeFi Technologies	DEFI	2,452 [1.37]
32	Microcloud Hologram	HOLO	2,353 [0.18]
33	Sequans Communications S.A.	SQNS	2,264 [0.57]
34	HIVE Digital Technologies	HIVE	2,201 [3.07]

BITCOINTREASURIES.NET		Ticker	Bitcoin [mNAV] <sup>↓</sup>
35	Core Scientific	CORZ	2,116 [24.79]
36	Bitdeer Technologies Group	↑  BTDR	1,998 [14.53]
37	BITFUFU	FUFU	1,959 [2.57]
38	Exodus Movement, Inc	EXOD	1,902 [2.95]
39	Bitfarms Ltd.	BITF	1,827 [8.09]
40	Canaan Inc.	CAN	1,730 [24.30]
41	NEXON Co., Ltd.	3659	1,717
42	Fold Holdings Inc.	FLD	1,526 [0.92]
43	Cipher Mining	CIFR	1,500 [41.74]
44	Remixpoint	3825	1,411 [1.81]
45	Anap Holdings Inc.	3189	1,347 [0.61]
46	DDC Enterprise Limited	DDC	1,183 [0.09]
47	Treasury	TRSR	1,111
48	H100 Group	H100	1,046
49	ZOOZ Power	ZOOZ	1,036 [0.06]
50	KULR Technology Group	KULR	1,021 [1.23]
51	Nano Labs	NA	1,000 [0.59]
52	USBC, Inc.	USBC	1,000 [0.05]
53	Ming Shing Group	MSW	833 [0.16]
54	Yueda Digital Holdings	YDKG	819 [0.33]
55	SOS Limited	SOS	803 [20.01]
56	Bitcoin Treasury Corp	BTCT	771 [0.66]
57	Figma Inc	FIG	767
58	Convano Inc	6574	763 [5.40]
59	Aker ASA	AKER	754 [84.45]
60	CIMG Inc	IMG	730 [0.23]
61	Satsuma Technology	SATS	620 [0.77]
62	Méliuz	CASH3	605 [1.51]
63	MercadoLibre, Inc.	MELI	570
64	bitmax	377030	551 [0.84]
65	Alliance Resource Partners, L.P.	ARLP	541 [62.32]
66	Samara Asset Group	SRAG	540 [4.31]
67	Hyperscale Data	GPUS	515 [1.40]
68	Phoenix Group PLC	PHX	514

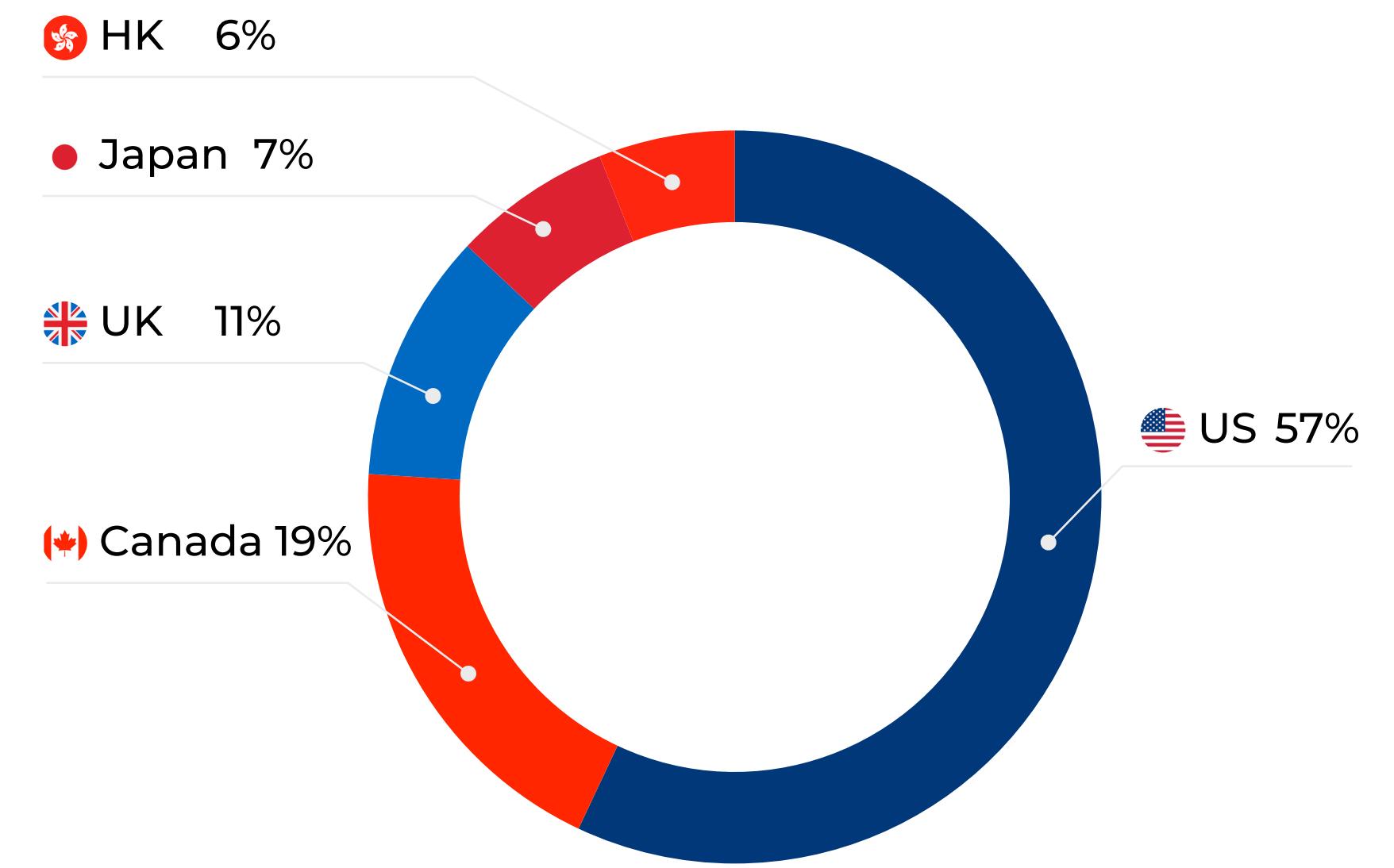
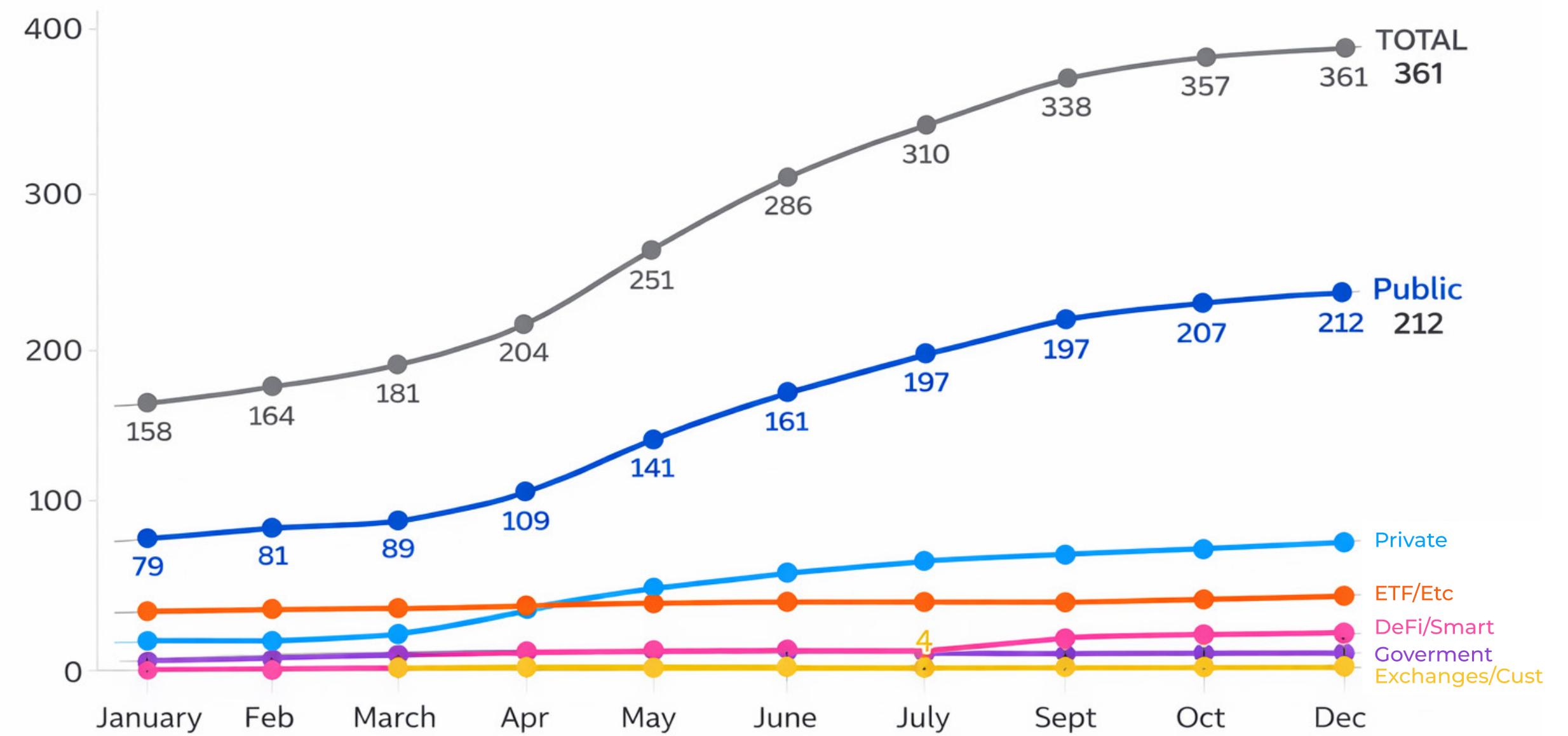
BITCOINTREASURIES.NET		Ticker	Bitcoin [mNAV] <sup>↓</sup>
69	DigitalX	DCC	502 [0.85]
70	Prenetics	PRE	502 [4.66]
71	3U Holding AG	UUU	427 [0.32]
72	Neptune Digital Assets	NDA	410 [2.19]
73	Virtu Financial, Inc.	VIRT	410
74	Net Holding A.S.	NTHOL	352 [16.94]
75	Consensus Mining & Seigniora...	CMSG	340
76	DMG Blockchain Solutions Inc.	DMGI	324 [1.20]
77	LM Funding America	LMFA	305 [0.08]
78	POP Culture Group Co., Ltd.	CPOP	300 [1.30]
79	S-Science	5721	296 [11.06]
80	The9 Limited	NCTY	285 [3.82]
81	Bitplanet	049470	265
82	LQWD Technologies Corp.	LQWD	253 [1.23]
83	Coinshares International Limit...	CS	236 [39.60]
84	WEMADE	112040	223
85	Rumble Inc.	RUM	211
86	BitMine	BMNR	192
87	Bitcoin Treasury Capital	BTCB	187
88	Coinsilium	COIN	182 [0.51]
89	Genius Group	GNS	180 [3.13]
90	Matador Technologies Inc	MATA	175 [1.09]
91	The Brooker Group	BTC	165 [6.38]
92	Vanadi Coffee, SA	VANA	161
93	FRMO Corp.	FRMO	159 [22.85]
94	B HODL	↑  HODL	158 [1.39]
95	Parataxis Korea	288330	150 [4.10]
96	Sixty-Six Capital Inc	SIX	149 [0.84]
97	K33 AB	K33	141 [2.90]
98	BTCS S.A.	↑  BTF	138
99	Vaultz Capital	V3TC	135
100	Horizon Kinetics Holding Corp	HKHC	132 [37.52]
Total of top 100			1,090,949
Total of all public companies			1,093,641

**TLDR:** Strategy (formerly MicroStrategy) remains the undisputed market leader with 672,497 BTC, a holding that is 12.6 times larger than second-place MARA Holdings and anchors a top 100 group that collectively controls over 1.09 million BTC, or roughly 5.2% of the total circulating supply.



## Number of Crypto Treasuries Tracked

Crypto treasury adoption continues to broaden across geographies



**TLDR:** The number of crypto treasuries has grown rapidly over the year, driven primarily by **public companies**, which now make up the majority of tracked entities. Adoption is heavily concentrated geographically, with the **U.S. accounting for 57%**, followed by Canada (19%) and the UK (11%), highlighting North America as the clear center of corporate crypto treasury activity.

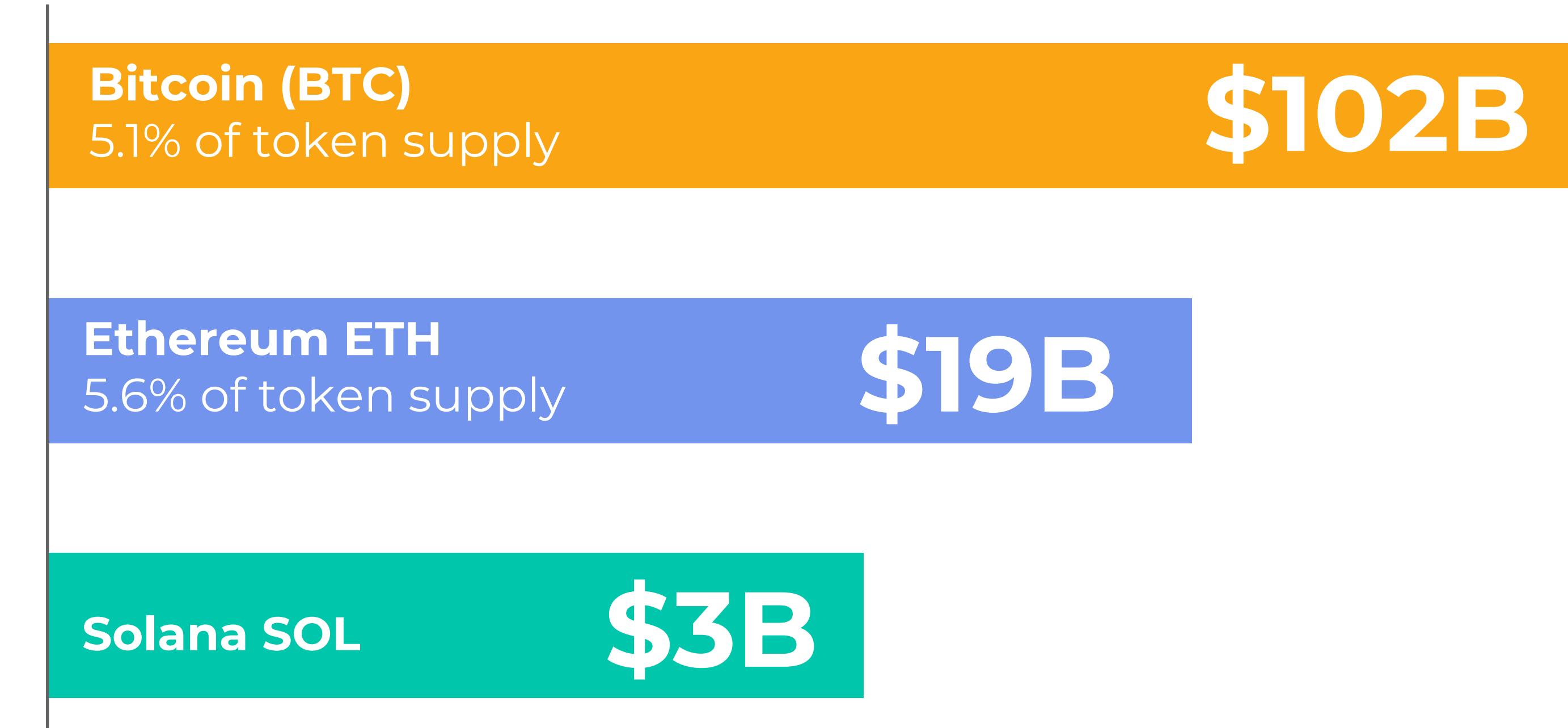
## Bitcoin vs. Altcoin Treasury Holdings

Bitcoin remains the dominant asset on corporate balance sheets



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Year In Review 2025

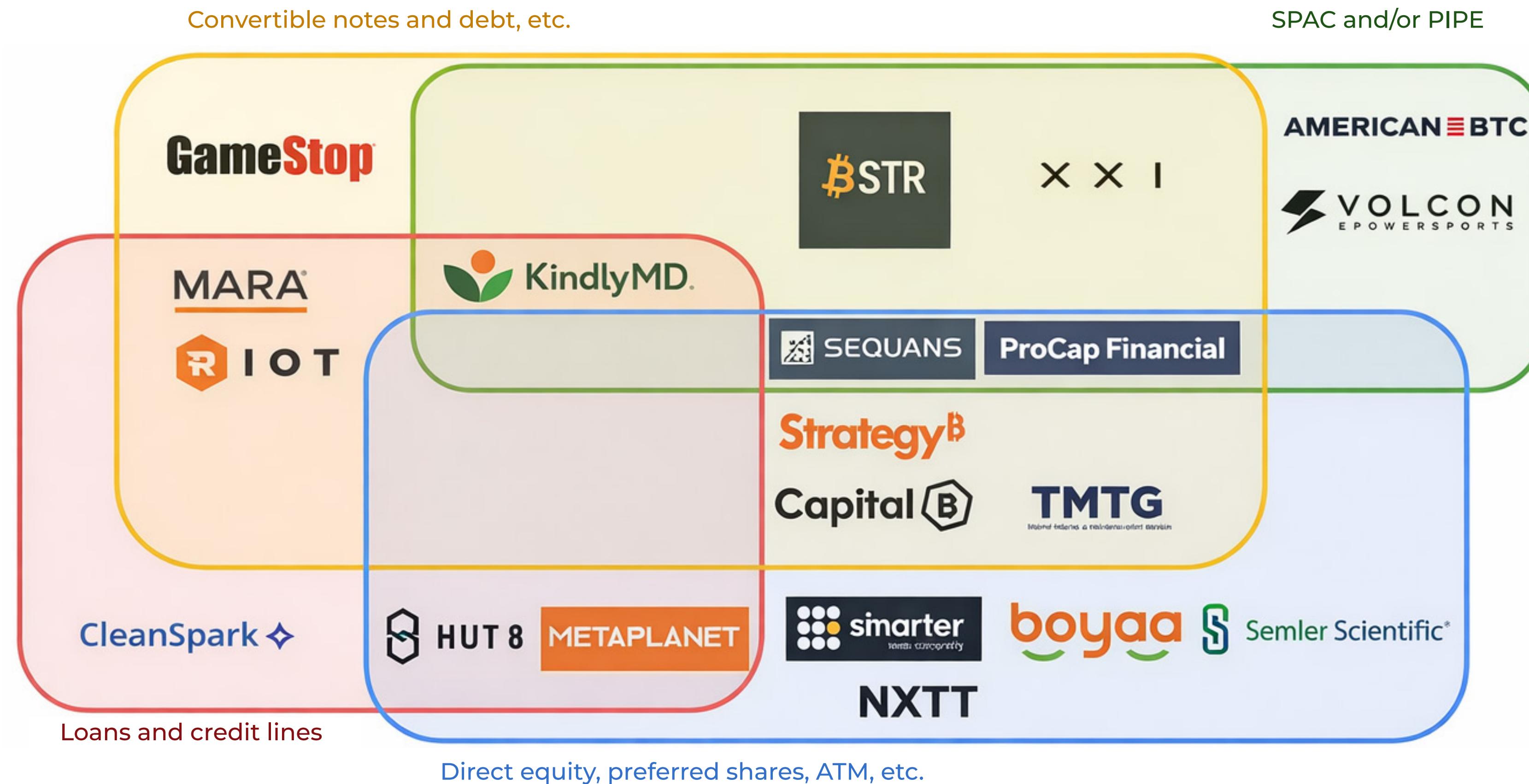


**TLDR:** Bitcoin overwhelmingly dominates corporate treasury holdings by value (~\$102B), cementing its role as the primary institutional reserve asset. **Ethereum**, though much smaller (~\$19B), has the highest share of its supply held in treasuries, while **Solana** remains early, with limited treasury penetration both in value and supply share.



## How do Bitcoin Treasury Companies Raise Funds

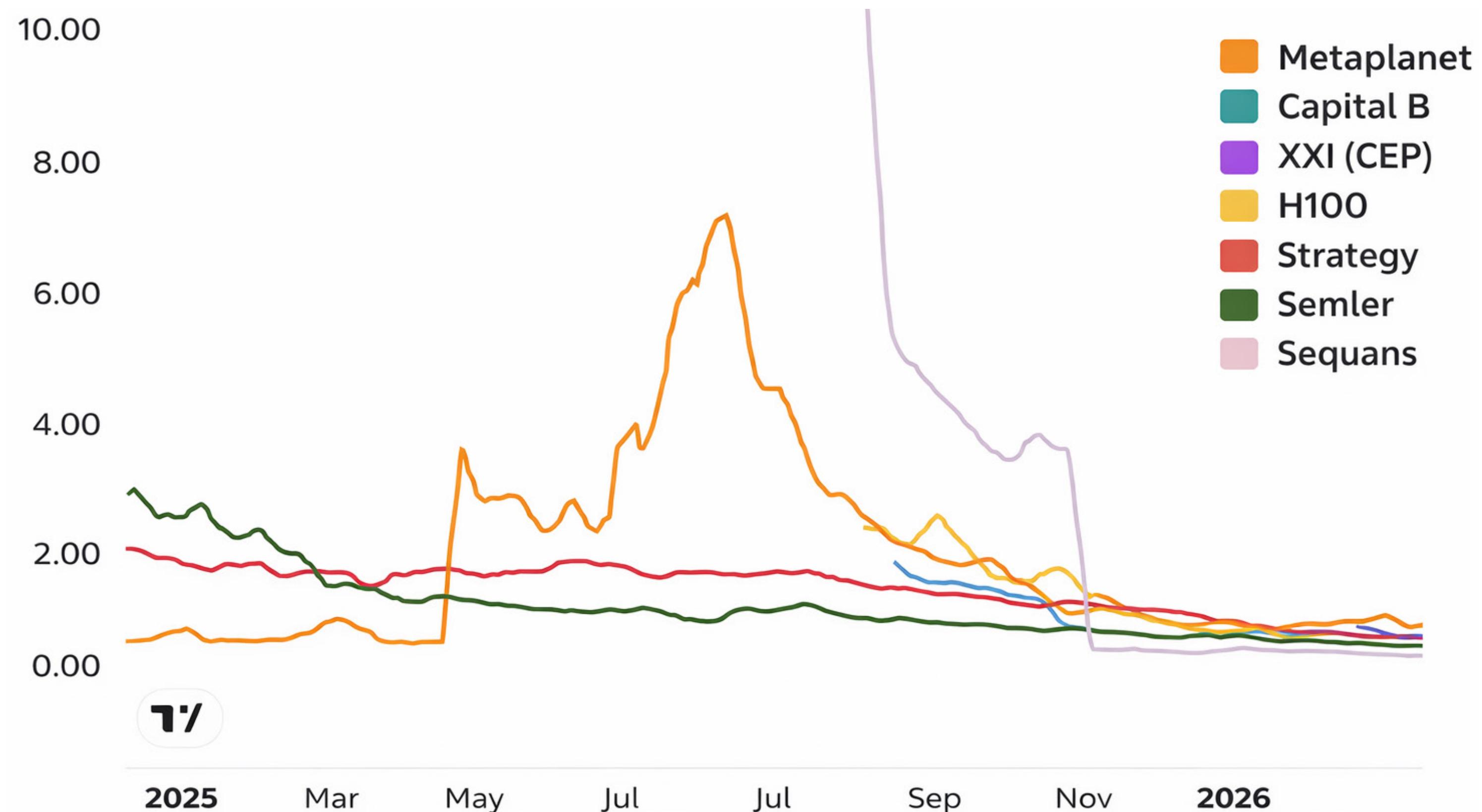
Treasury strategies are being financed through a wide range of capital structures



**TLDR:** Bitcoin treasury companies fund BTC accumulation through **multiple capital paths**, not a single strategy. Most combine **convertible debt, equity issuance, and credit facilities**, with newer entrants increasingly using **SPAC/PIPE structures**, signaling growing financial sophistication and capital-markets normalization of Bitcoin treasury models.

## Historical mNAV of Select Treasury Companies

Treasury-linked equities have converged after early-cycle dispersion



**TLDR:** Bitcoin treasury mNAVs were volatile early in the year, with several companies trading at large premiums, but those premiums have steadily collapsed. By late 2025 into 2026, nearly all tracked names converge toward an mNAV near 1, signaling sector-wide compression and a shift toward more disciplined, valuation-aware capital markets behavior.

## Future Outlook

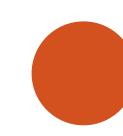
### Market focus is shifting from price action to balance-sheet durability

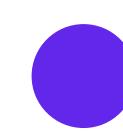
We see several important trends to watch in the coming months:

 **Market Trends:** Stock prices for most “pure play” treasuries remain low, and recovery is uncertain

 **Bitcoin Below All-Time Highs:** Declining Bitcoin prices have reduced treasury holding values, but there is a silver lining: this provides an opportunity for companies buying to purchase BTC at low prices

 **Net Additions are Expected:** Some companies are selling portions of their Bitcoin holdings — and while recent months have seen significant sales, we expect purchases to bring net holdings steadily up

 **Deindexing Relief:** MSCI has dropped plans to exclude Bitcoin treasury companies from its indexes, saving companies from a decision that would have likely caused billions of dollars in outflows

 **Company Count:** Companies may enter the Bitcoin treasury space even if purchases remain small, allowing growth in the treasury sector independent of large fundraisers and spending

 **Altcoin Trends:** ETH and SOL treasuries are growing alongside Bitcoin, and treasuries focused on altcoins such as XRP, BNB, and others stand to grow as well

**TLDR:** Bitcoin treasury stocks remain under pressure as lower BTC prices compress valuations, but this creates an opportunity for companies to accumulate at discounted levels. Despite some near-term selling, net holdings are expected to rise, regulatory and index risks have eased, and the treasury model is expanding beyond Bitcoin to ETH, SOL, and other altcoins.

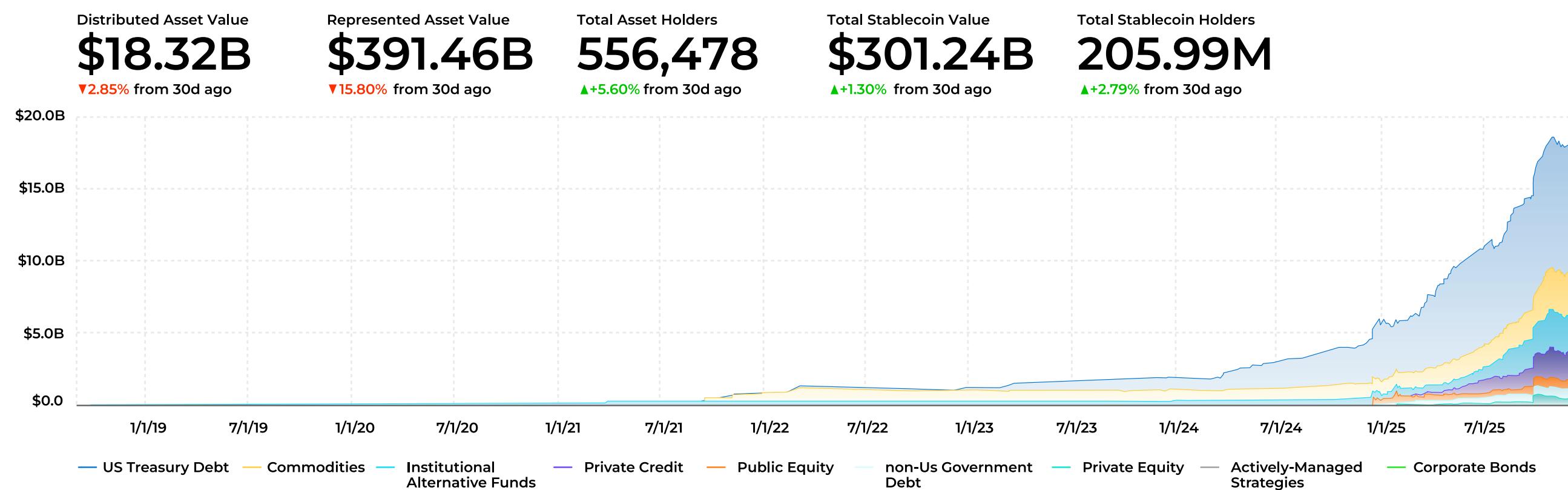


## Real World Assets (RWA)

Tokenization activity is scaling beyond crypto-native use cases

### What is Real-World Asset Tokenization?

Real-world asset tokenization is the process of creating a digital representation of an asset on a blockchain, where the token reflects legal rights attached to the underlying asset through established structures such as SPVs, trusts, or fund vehicles.



**TLDR:** As of late 2025, the RWA market has reached a massive \$400B+ valuation, though it remains highly concentrated within private institutional networks like Canton (91% share). While private rails handle the bulk of represented value, public blockchains are seeing significant traction in tokenized Treasuries and Commodities, setting the stage for a 2026 expansion into private credit and broader equity settlement.

### Key Takeaways: Tokenized Real World Assets (RWA)

**Bifurcated Market:** \$391.5B sits in private networks (Canton) vs. \$18.3B on public chains (ETH/SOL).

**Institutional Dominance:** Canton Network holds a 91% market share (\$372.7B) for institutional asset recording.

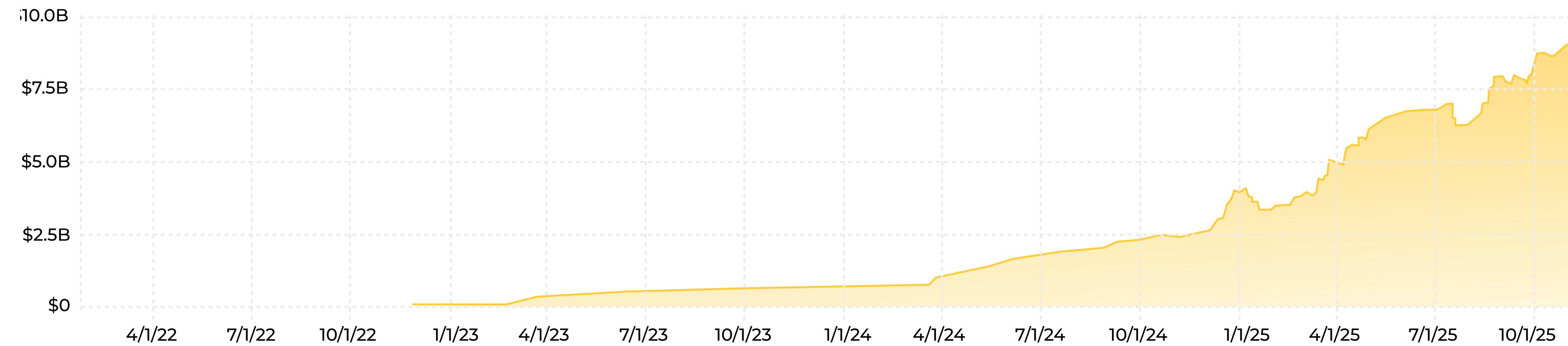
**Public Chain Leaders:** U.S. Treasuries lead public RWA, topped by BlackRock's BUIDL (\$2.3B) and Circle's USYC (\$1.2B).

**Commodity & Stablecoin Anchor:** Tokenized gold exceeds \$3B, while stablecoins provide a \$301.2B liquidity floor.

**Rising Adoption:** Asset holders reached 556k (up 5.6% monthly), supported by 206M stablecoin users.

## Total RWA Value (2022-2025)

Tokenized asset value is compounding as on-chain finance matures



Source 2: <https://www.bis.org/publ/bisbull115.pdf>

Tokenised money market funds (TMMFs) are regulated securities that represent shares in funds investing in short-term government debt and repos, but circulate as tokens on public blockchains like Ethereum, offering yield at money market rates while enabling on-chain programmability and peer-to-peer trading. The sector has grown more than tenfold from \$770 million at end-2023 to nearly \$9 billion by October 2025, emerging as a key RWA segment bridging traditional finance with DeFi infrastructure.

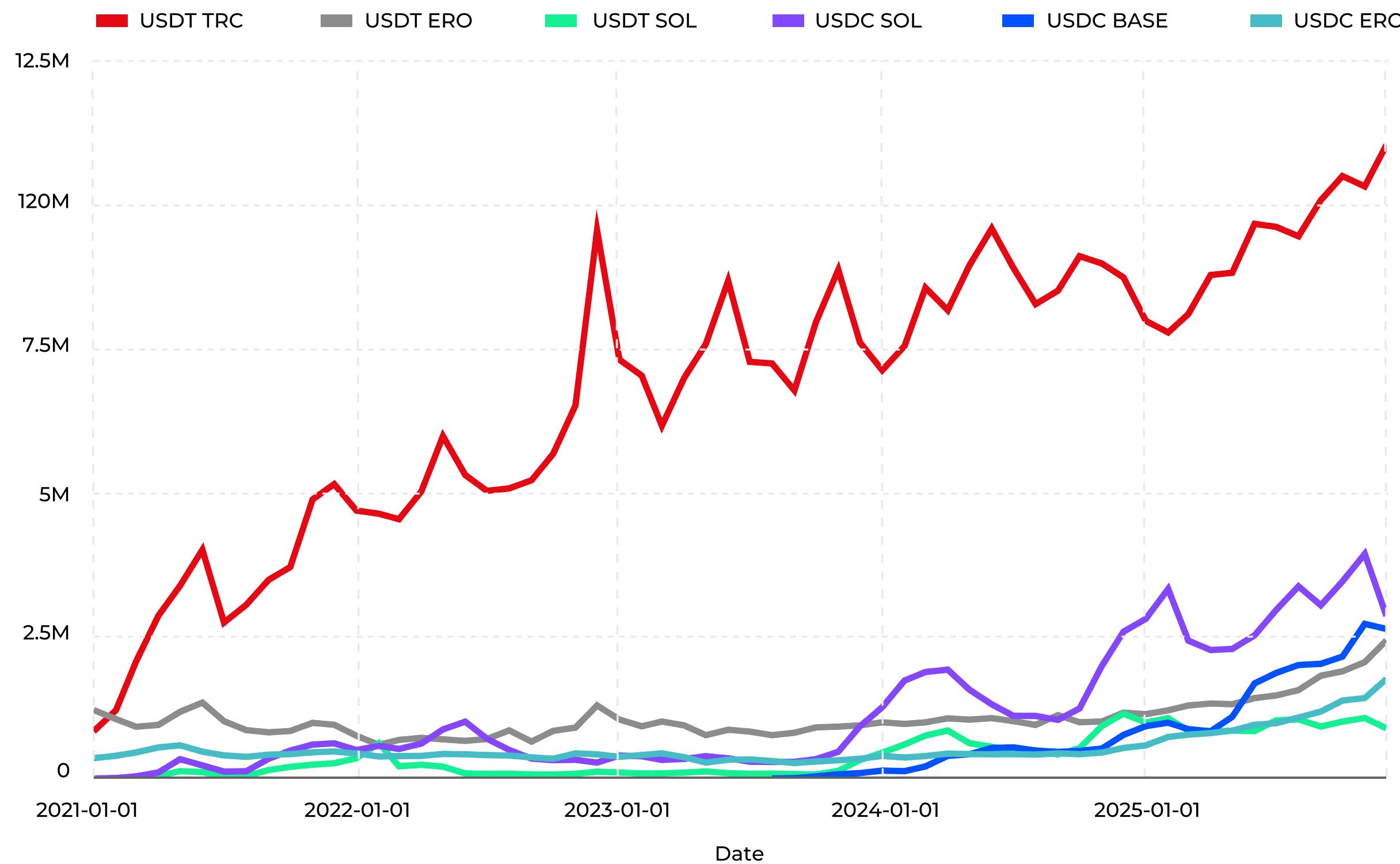
Ethereum now accounts for 50% of total value locked as institutional adoption accelerates, with major players including BlackRock's BUIDL and Franklin Templeton entering alongside crypto-native firms like Ondo Finance. The market remains highly concentrated, with roughly 90% of holdings in top funds controlled by just four wallet addresses, predominantly DeFi protocols using TMMFs as yield-bearing collateral. While TMMFs address stablecoin limitations by offering returns in a higher rate environment, risks persist around liquidity mismatches between instant redemption capabilities and traditional settlement cycles, interconnectedness with stablecoins, and potential run dynamics amplified by blockchain transparency.

# The Onchain Economy

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## Stablecoin Migration: The Structural Shift to Low-Fee Rails

Transaction activity is migrating toward faster, lower-cost settlement networks



### USDT on TRON: The Global Payments King

USDT-TRC is now the dominant global rail, growing from <1M 'monthly senders in 2021 to 11M+ by late 2025. This persistence proves its role as "everyday money" for remittances, P2P, and merchant flows in emerging markets.

### The USDC Migration: Solana & Base Surge

USDC activity has decisively migrated to Solana and Base, both now **materially surpassing Ethereum** in active senders. Solana routinely posts **2M-4M monthly senders**, while Base scaled from zero to **2.5M+** in just two years.

### Ethereum's Shift: Institutional Settlement

Ethereum-based growth has remained flat compared to low-fee alternatives. While it remains the anchor for **high-value institutional settlement**, it is no longer the default venue for high-volume, high-frequency stablecoin transfers.

### The Core Driver: Fee Sensitivity

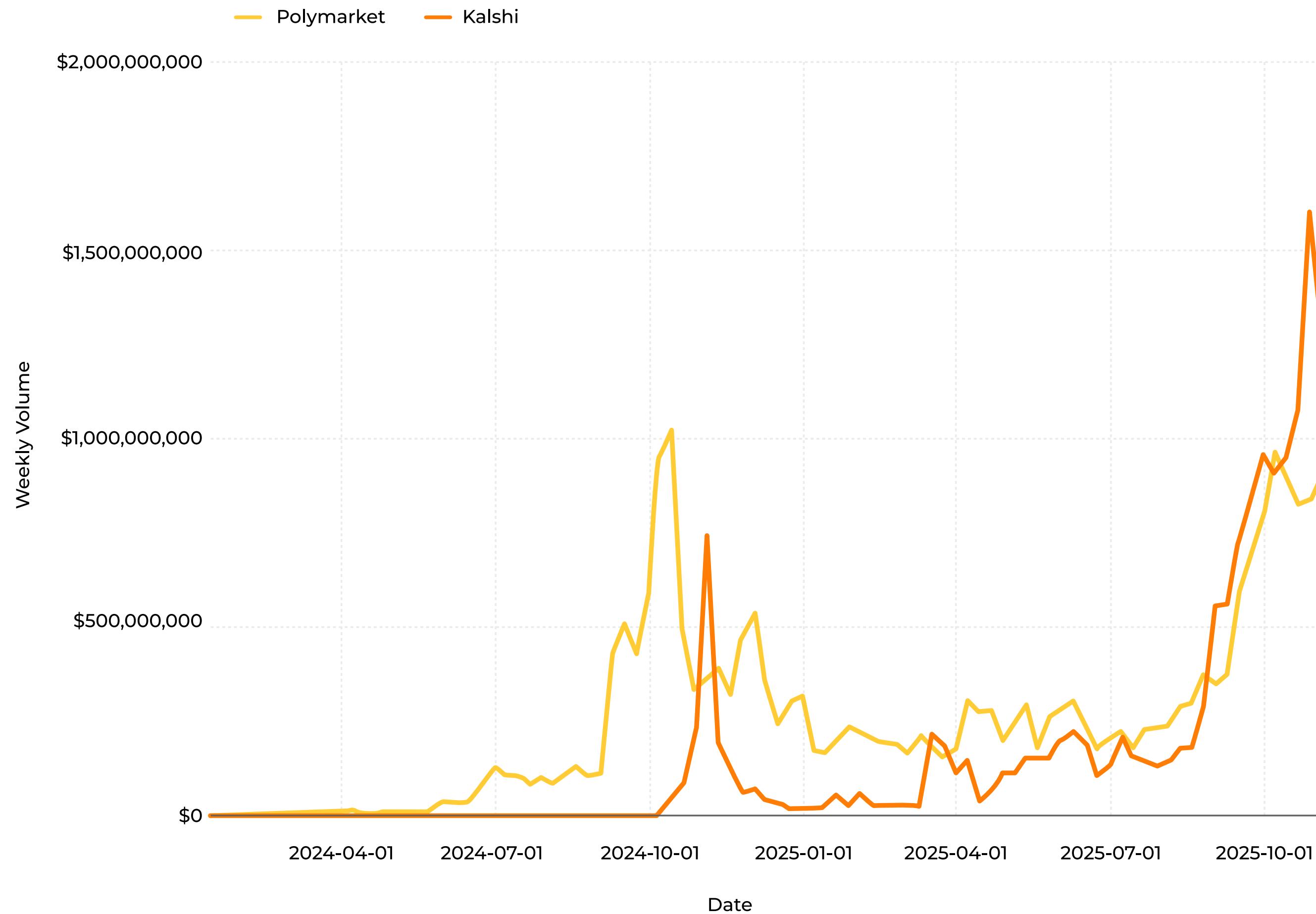
Five years of data confirm stablecoin velocity moves toward **the cheapest and fastest environments**. High-frequency usage is entirely fee-sensitive, driving the massive divergence between L2s/Alt-L1s and the Ethereum mainnet.

**TLDR:** Stablecoin velocity has moved to the edges. **TRON** dominates global payments (11M+ users), while **Solana and Base** have replaced Ethereum as the primary engines for high-frequency USDC activity.



## Prediction Markets Weekly Volume

Trading activity is accelerating as prediction markets gain mainstream traction



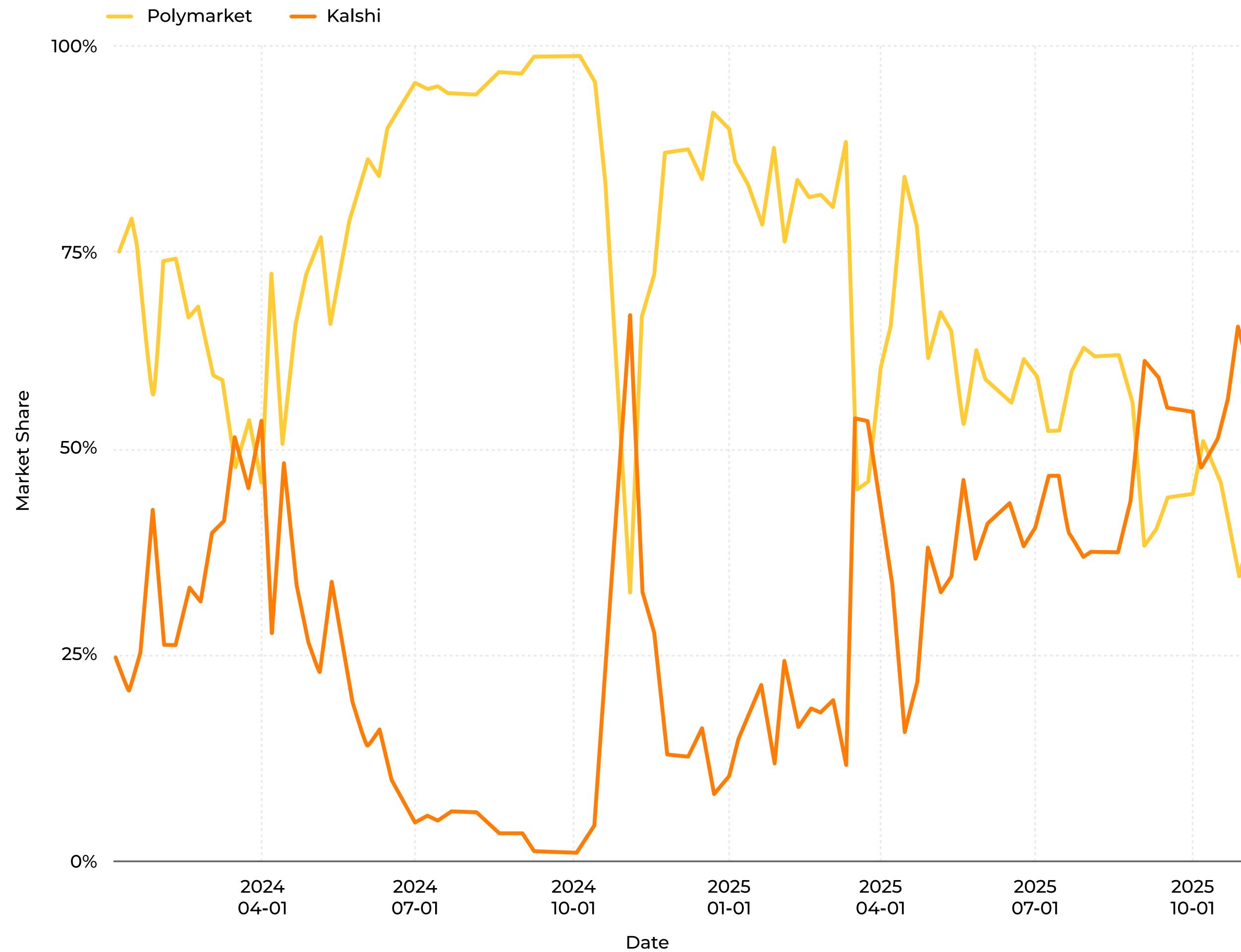
### Key Takeaways

- Volume Explosion:** Weekly trading volumes surged to record highs following the **November 2024 U.S. election**.
- Competitive Reshuffling:** The market transitioned from a Polymarket near-monopoly to a **duopolistic landscape**.
- Kalshi Momentum:** Kalshi achieved a breakout milestone, capturing over **40% of total market activity**.
- Institutional Adoption:** Massive volume spikes signal a shift from niche speculation to **mainstream sentiment tracking**.
- Predictive Utility:** Sustained post-election flows suggest these platforms are becoming **permanent fixtures** in global forecasting.

**TLDR:** In 2025, prediction markets became a permanent fixture in global forecasting as **Kalshi captured 40% of activity**, breaking the previous monopoly and creating a **regulated duopoly**. Massive post-election volumes signaled a definitive shift from niche speculation to **mainstream sentiment tracking** and institutional-grade predictive utility.

## Polymarket vs. Kalshi Market Share

Market leadership shifted rapidly during periods of heightened event risk



### Key Takeaways

- ↑ CFTC-Reulgated Contracts Growth Fueling Kalshi Surge
- ↑ Institutional & US-Based Capital Influx
- ↑ Polymarket leading Offshore and Entertainment Use Cases

**TLDR:** The shift to a regulated duopoly has permanently elevated prediction markets into institutional forecasting tools, with market share now stabilized between Polymarket and Kalshi. While election-year spikes proved the utility of these platforms, the sustained post-election volume signals they have transitioned from speculative novelties into essential mainstream sentiment trackers.

## Prediction Markets Next Act

Prediction markets are transitioning from niche platforms to institutional-scale infrastructure

### Prediction Markets: The Scaling Phase

 **Valuation Parity Reached:** Kalshi's late-2025 valuation hit **\$11B**, placing it on equal footing with Polymarket's rapid growth.

 **Strategic Capital Influx:** Polymarket secured a landmark **\$2B investment from ICE**, while Kalshi raised **\$1B from Sequoia/CapitalG**.

 **Normalization Era:** Markets are evolving from seasonal speculation into **continuous information engines** for macro and sports data.

 **Scale-Up Momentum:** Polymarket is reportedly seeking a new round to reach a **\$15B valuation** by 2026.

 **Structural Convergence:** Both leaders are moving from "proof of concept" to integration with **mainstream financial primitives**.

**TLDR:** Prediction markets have successfully transitioned from seasonal election hype into a **\$20B+ institutional asset class**. This maturity is driven by a massive **\$3.7B capital influx** and a permanent pivot toward macro and sports-based forecasting utility.

Fundraising Amounts			
	Polymarket	Raise	Valuation
2020		\$4m	\$30m
2021		\$25m	\$150m
2024		\$55m	\$500m
2025		150m	\$1.2b
2025		\$2b	\$9b
Kalshi			
	Kalshi	Raise	Valuation
2019		\$150k	-
2021		\$30m	\$100m
2025		\$185m	\$2b
2025		\$300m	\$5b
2025		\$1b	\$11b



# Lightning

## Lightning: Key Metrics & Innovation (2023-2025)

Lightning adoption is accelerating as enterprise use cases mature



**Lightning Network Core:** Functions as a global rail with 98% transaction success and instant finality.

**Cash App:** Processes 25% of its total Bitcoin volume through Lightning.

**Coinbase:** Nearly 15% of all platform Bitcoin transactions flow through Lightning.

**Chipper Cash:** Migrated 50% of its total payments to the network post-launch.

**CoinCorner:** Over 37% of all Bitcoin payments are settled via Lightning.

**Yield Innovation:** Liquidity providers can earn between **1-4% APY** on self-custodied Bitcoin through routing fees and liquidity leasing.

**Network Scale:** The ecosystem has expanded to over **1 million channels**, reflecting exponential infrastructure growth.

**TLDR:** Enterprises globally are adopting Lightning for speed, cost, and reliability, with transaction success rates matching traditional card networks.

## Bitcoin's Transition to a Global Payment Rail

The Bitcoin Lightning Network (LN) has moved beyond an experimental protocol to become a high-speed, enterprise-grade payment and remittance tool. This section outlines the network's exponential growth, the technical innovations fueling its adoption, and the path to scaling for billions of users.



### Viral Growth: Bitcoin as a Real-World Payment System



**Exponential Reach:** The global user base surged from 500k to over **900 million** in just six years, driven by mainstream exchange integrations.



**Liquidity Milestone:** Public capacity shattered records, crossing **5,000 BTC by 2024** and reaching **5,411 BTC** by late 2025.



**Enterprise Scaling:** Large exchanges (Binance, OKX, Kraken) now act as core liquidity hubs, processing millions in monthly volume with **99%+ reliability**.



**Multi-Asset Future:** New upgrades like **Taproot Assets (v0.7)** now enable stablecoins like USDT to move over Lightning rails, potentially bringing trillions in volume to the network.

**TLDR:** The global Bitcoin payment ecosystem has reached a massive scale, exploding to 900 million users by late 2025, with liquidity hitting 5,411 BTC. Major exchanges now provide 99%+ reliable rails for trillions in potential volume via Taproot Assets.

## Technical Innovation: The Engine of the Boom

### Infrastructure maturity is unlocking real-world Lightning adoption

The recent surge in Lightning adoption is being driven by a mature ecosystem of technical tools and institutional confidence. Companies are lowering the barriers to entry, making it simple to embed high-speed Bitcoin payments.

#### Key Adoption Drivers & Companies



**Speed to market:** SDKs and APIs from Voltage, Breez, and LDK allow fintechs to launch Lightning integration in as little as two weeks.



**Market Reach:** An estimated over 122 million Lightning-capable wallets exist globally, the majority ready to be activated.



**Enterprise Integration:** A leading Voltage customer with 1.8M+ users routes all transactions over Lightning.



**Commerce:** As of November 2025, over 4 million small business merchants using Square terminals now have capability to receive Lightning Network payments, while being capable to settle in dollar denominated accounts.



**Institutional View:** Fidelity Digital Assets' 2025 research framed Lightning as the most viable network for micropayments, global commerce, and stablecoin rails.

#### Lightning Beyond Bitcoin: A Multi-Asset Rail



**Stablecoins:** Stablecoin issuers like Tether have confirmed Taproot Assets integrations, extending Lightning beyond Bitcoin into a multi-asset financial network.



**Enterprise Yield:** Cash App's node, Block, earned a 9.7% yield on \$10M deployed liquidity. Through Amboss Rails, Voltage customers are accessing programmatic yield strategies without giving up custody.

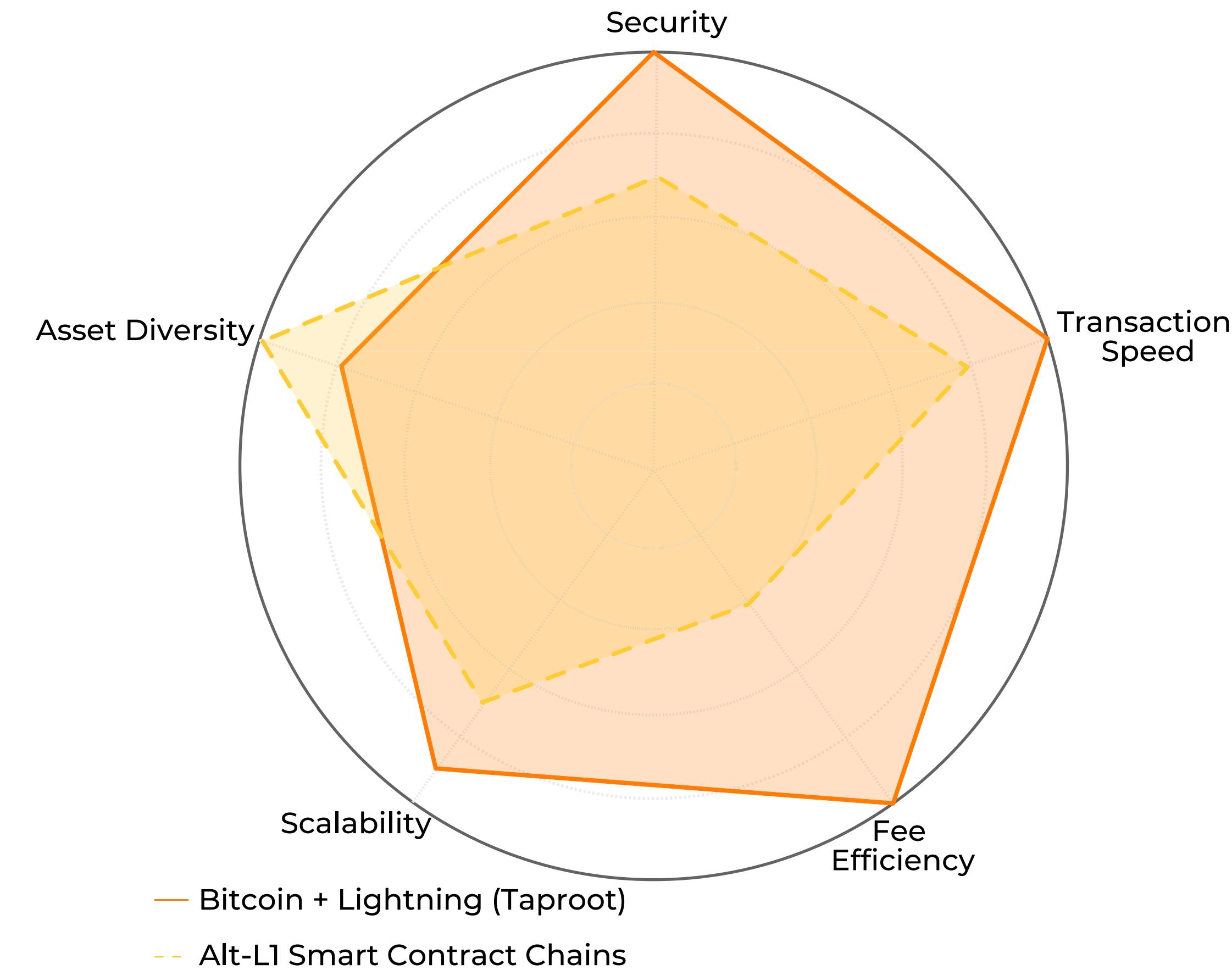


**Enterprise Integration:** A leading Voltage customer with 1.8M+ users routes all transactions over Lightning

**TLDR:** The recent surge in Lightning adoption is being driven by a mature ecosystem of technical tools and institutional confidence. Companies are lowering the barriers to entry, making it simple to embed high-speed Bitcoin payments.

## Infrastructure Comparison: Taproot Assets vs. Legacy Chains

Lightning-native assets offer a structurally different performance profile



### Legacy Stablecoins

- High Gas Fees
- Centralized Risks
- Limited Interoperability

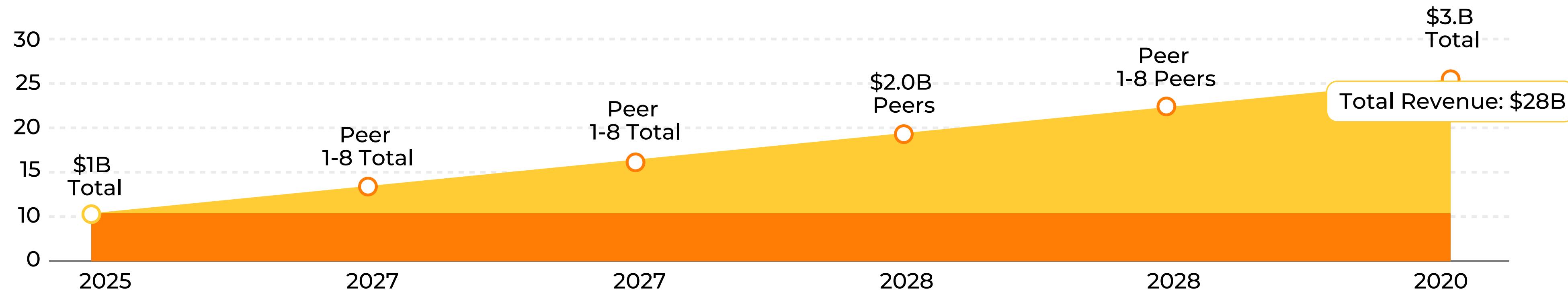
### Bitcoin-Backed Stablecoins

- Near-Zero Fees
- Instant Global Settlement
- Multi-currency Support (Taproot) Bitcoin-grade security

**TLDR:** Taproot assets enable stablecoins to inherit lightning's speed and bitcoin's security without the high fees or congestion of ethereum and solana. This transforms lightning into a multi-currency rail where bitcoin provides invisible, instant settlement for global currencies.

## The Lightning Network Revenue Forecast (2025-2030)

Revenue expansion is driven by layered adoption across consumer, enterprise, and machine use cases



### How we get from \$1B to \$30B by 2030



**The cash app anchor (11% of 2030 total)** Cash app routes 25% of bitcoin volume through lightning. Projected 2030 revenue reaches \$3 billion from fees, FX spreads, and APIs, representing less than 15% of block inc. total revenue.



**Institutional and exchange scaling (2028 cohort)** Major exchanges and neobanks integrate lightning in 2028 for FX arbitrage and instant settlement. These operators reach \$4 billion each, adding \$8 billion to the total 2030 forecast.



**Early fintech entrants (2027 cohort)** Two new wallet and remittance providers enter in 2027. Each scales to \$2 billion in annual revenue, contributing a combined \$4 billion to the 2030 ecosystem total.



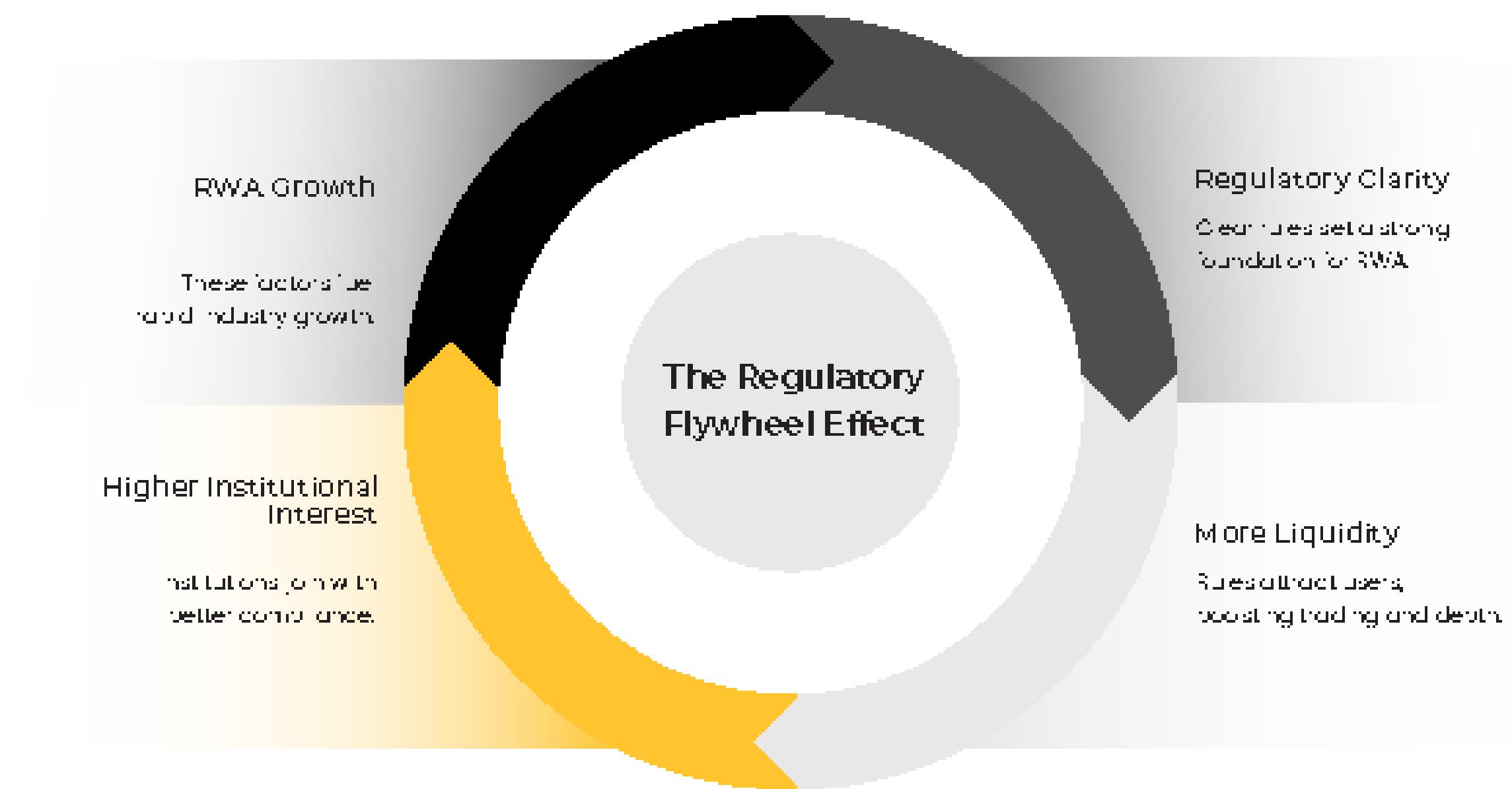
**The AI and automation frontier (2030 cohort)** Three infrastructure companies enter by 2030 targeting machine-to-machine payments and streamed APIs. These models contribute \$13 billion total, averaging \$4.3 billion in annual revenue per firm.

# Regulation & Policy

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## Regulatory Clarity is Finally Supporting Innovation & Growth

Clear regulatory frameworks are reinforcing adoption and market depth



**TLDR:** The RWA market is undergoing a structural shift as global regulators replace ambiguity with defined legal frameworks. With the EU's DLT Pilot Regime, Singapore's institutional pilots, and U.S. state-level recognition of on-chain ownership, traditional financial institutions are now aggressively moving from experimentation to live, compliant settlement on shared digital infrastructure.

### Key Takeaways: Global RWA Regulatory Landscape

- ▲ **Defined Security Frameworks:** Markets have shifted from ambiguous crypto classifications to explicit tokenized security regulations, unlocking massive institutional participation.
- ▲ **EU Passporting:** MiFID II and the DLT Pilot Regime enable seamless trading and settlement of tokenized instruments across 27 member states.
- ▲ **Asian Institutional Pilots:** Singapore's Project Guardian and Hong Kong's dual SFC/HKMA framework have transitioned from sandboxes to live institutional bond and fund pilots.
- ▲ **U.S. Legal Clarity:** UCC Article 12 reforms in Delaware and Wyoming officially recognize blockchain records as valid proof of ownership and collateral.
- ▲ **Operational Consolidation:** Tokenization replaces fragmented legacy processes by unifying onboarding, registries, and reporting onto a single, fractionalized infrastructure.

## The Regulatory Landscape

Digital assets are moving from regulatory uncertainty to strategic integration

### Global Strategic Shift



**End of Early Adoption:** 2025 marked the transition from existential survival to structural integration within the global financial system.



**Institutional Shift:** Global sentiment moved from cautious containment to active commercialization and systemic adoption.



**The “Great Pivot”:** Shifting from adversarial friction toward structural legitimacy and a standardized battle for market share.



**Beyond “If”:** The industry has answered the “if” of regulation and is now firmly focused on the “how” of compliance and operational resilience.

### The U.S. Policy Engine



**National Security Reclassification:** Digital asset infrastructure is now defined as a critical pillar of U.S. national economic security.



**Dollar Dominance:** U.S. policy now views digital assets as essential geopolitical tools for maintaining USD reserve status.

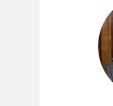


**“Crypto Week” (July 14-18, 2025):** Historic legislative victories moved assets from “offshore risks” to onshore regulated infrastructure.

### Personnel is Policy: Leadership Transition



**Paul S. Atkins (SEC Chairman):** Launched “Project Crypto” to prioritize blockchain innovation over enforcement.



**Scott Bessent (Treasury Secretary):** Shifted Treasury department policy to drive proactive digital asset growth.



**David Sacks (AI & Crypto Czar):** Special Advisor charged with rescinding restrictive and outdated regulations.



**Mark T. Uyeda (Acting SEC Chair):** Immediately launched the SEC Crypto Task Force

**TLDR:** 2025 redefined digital assets as a pillar of U.S. national security. Driven by the “Great Pivot” in federal policy and a pro-innovation leadership team, the industry has moved from a period of regulatory containment into an era of global commercial dominance.

## U.S. Crypto Policy Is Setting a New Global Standard



### The GENIUS Act



**Strategic Role:** Transforming stablecoins into a federally-regulated payment utility to provide standardized rails for the global dollar.



**Public Law 119-27:** Signed July 18, 2025; defines payment stablecoins as regulated financial products.



**Permitted Issuers:** Restricts operations to insured banks or qualified non-banks.



**100% Reserve Mandate:** Requires backing by High-Quality Liquid Assets (HQLA) with mandatory monthly public disclosures.



**Non-Security Status:** Amends federal law to clarify that stablecoins are not securities or commodities.

### The CLARITY Act



**Strategic Role:** Resolving asset classification to provide predictable “swim lanes” for large-scale capital deployment.



**Clear Jurisdictional Boundaries:** Ends “regulation by enforcement” by establishing exclusive SEC and CFTC territories.



**The Functional Test:** Classifies networks as “digital commodities” based on specific decentralization metrics.



**Graduation Pathway:** Provides a legal process for projects to transition from security status to commodity status as they decentralize.



**TLDR:** If the “Great Pivot” was the vision, **GENIUS** and **CLARITY** were the architecture. By standardizing **payment rails** and ending **jurisdictional turf wars**, these acts provided the predictable legal framework necessary for 2025’s institutional integration.



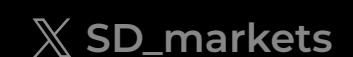


# Year in Review

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## Cross-Chain Takeaways



### Momentum shifted in 2025.A

01

#### Momentum Shift:

Solana and L2s cooled to single-digit growth; liquidity returned to Ethereum.

02

#### Scale over Launch:

Demand shifted from new “launch” chains to established “scale” chains.

03

#### Scale over Launch: Ethereum Dominance:

Reclaimed its spot as the primary sink for USDC supply.

04

#### Emerging Growth:

Smaller networks like Aptos are seeing rapid, compounding issuance.

## Solana is Gaining Traction

### Ecosystem Deep Dive



#### Top categories by TVL: stablecoins, liquid staking, lending, and DEXs



#### Key Takeaways

- ⬆️ **Value Efficiency:** On-chain value (TVL) grew **+725%**, far outstripping market cap growth.
- ⬇️ **Valuation Compression:** Solana trades at a lean **~2.95x TVL**, down from a **13x** peak in 2024.
- ⬆️ **The Ethereum Gap:** Convergence with ETH's valuation would imply a massive move to a **\$700B FDV**.
- ⬆️ **Liquid Staking Surge:** Now a **\$7.1B** vertical, this is the network's fastest-growing yield sector.
- ⬇️ **Concentration Risk:** Network liquidity remains heavily tied to a small group of major stablecoin issuers.
- ⬆️ **Infrastructure Shift:** Capital is rotating from speculative "launch chains" back to established "scale chains".

**TLDR:** On-chain TVL surged +725%, signaling a massive shift from speculative "launch chains" toward capital-efficient, yield-generating scale infrastructure. While Solana's lean valuation suggests huge upside, the industry now faces critical concentration risk as liquidity remains tied to a handful of major stablecoin issuers.

## Cross-Asset Takeaways



03

**Gold-backed XAUT outperformed.**

At 7-9% monthly compounding, Tether Gold saw robust demand during 2025's inflation and rate volatility environment, marking one of the fastest-growing tokenized assets.

02

**TRON remains massive but plateauing.**

TRC20 USDT is still the largest supply chain, but growth slowed to 2% monthly, signaling near-saturation in emerging-market and exchange use cases.

01

**USDT ERC dominates total growth.**

Ethereum's USDT supply more than doubled since early 2024, compounding roughly 3.8% per month, benefiting from institutional and cross-chain settlements.

04

**Solana continues strong organic growth.**

With 6%+ monthly gains, Solana's low-cost infrastructure attracted both retail and exchange flows, reinforcing its place as a settlement alternative to TRON.

05

**Newer and niche chains normalized.**

Aptos, TON, and CELO saw slowing or negative growth after initial expansions, indicating liquidity consolidation toward core networks.

06

**EURT contraction persisted.**

The euro-denominated Tether token continued to shrink, falling over 80% since early 2024 as dollar stablecoins maintained dominance in both retail and institutional flows.

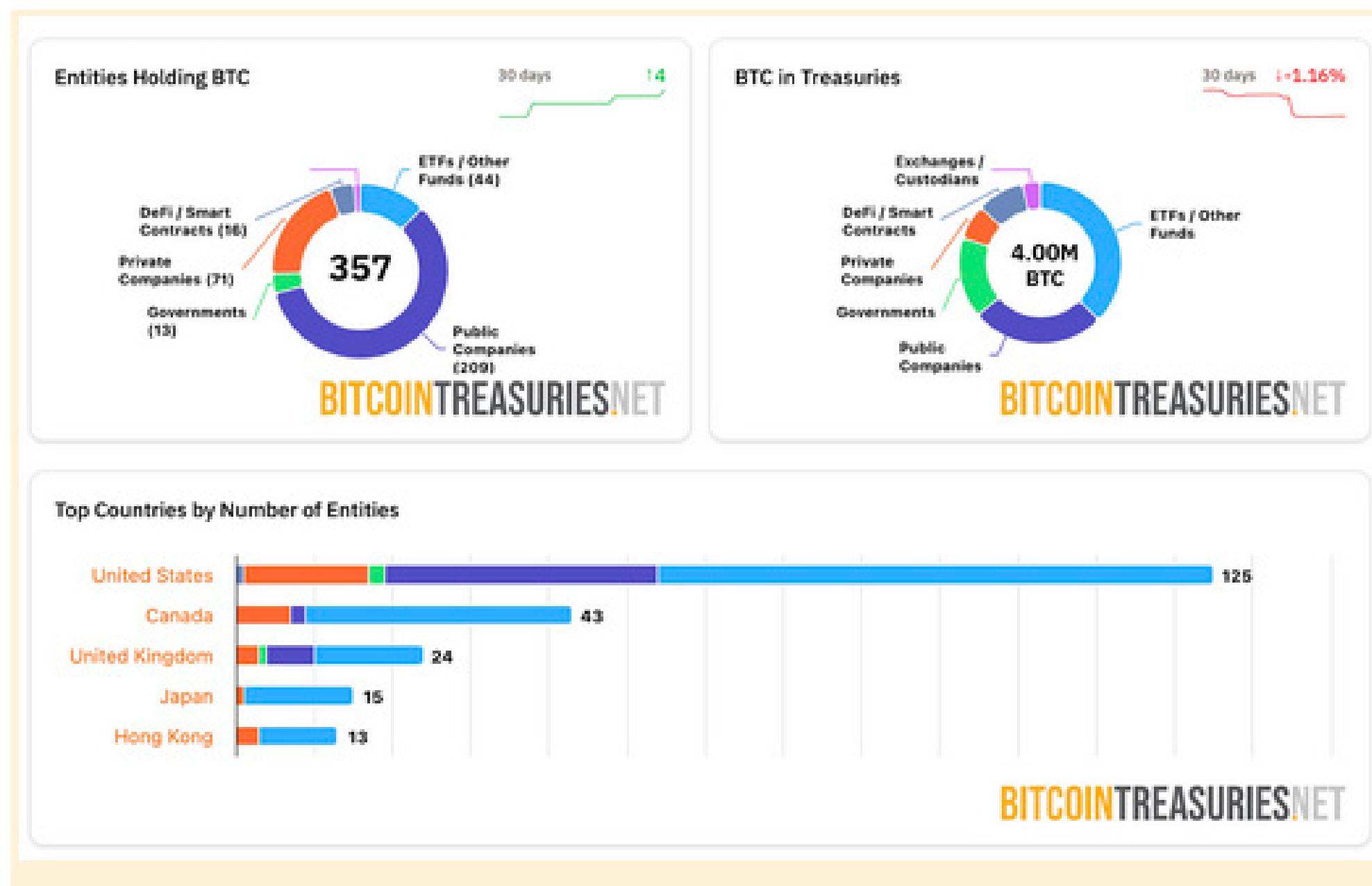


## Overview - 1 page

Growing BTC and ETH adoption across public companies and sovereigns  
 ETFs reshaping custodial concentration  
 Corporate balance sheet narratives including the Strategic Reserve discussion

## Treasury Statistics 1 page

Total holdings by public companies, private entities, and sovereigns  
 ETF versus non ETF distribution  
 Miner held supply and post halving adjustments



## Bitcoin Ownership Breakdown 1-pager

Long term holders and short term holders  
 ETF holders  
 Exchange balances and self custody trends  
 Institutional penetration

## Fund Allocation Trends

ETF share of total BTC  
 Treasury adoption  
 Model portfolio penetration  
 Cross asset rebalancing flows

## Looking Ahead 1-pager

Supply constraints entering 2026  
 Miner sustainability and consolidation  
 ETF flow sensitivity  
 Corporate adoption cycles



## Trading

Crypto market structure changes, volatility spikes, deleveraging events (Massive deleveraging events in 2025)

The rise of Gold

Altcoins - Top Performers and Laggards of 2025

Zcash

Sector breakdown

Market Structure

Cross chain settlement growth

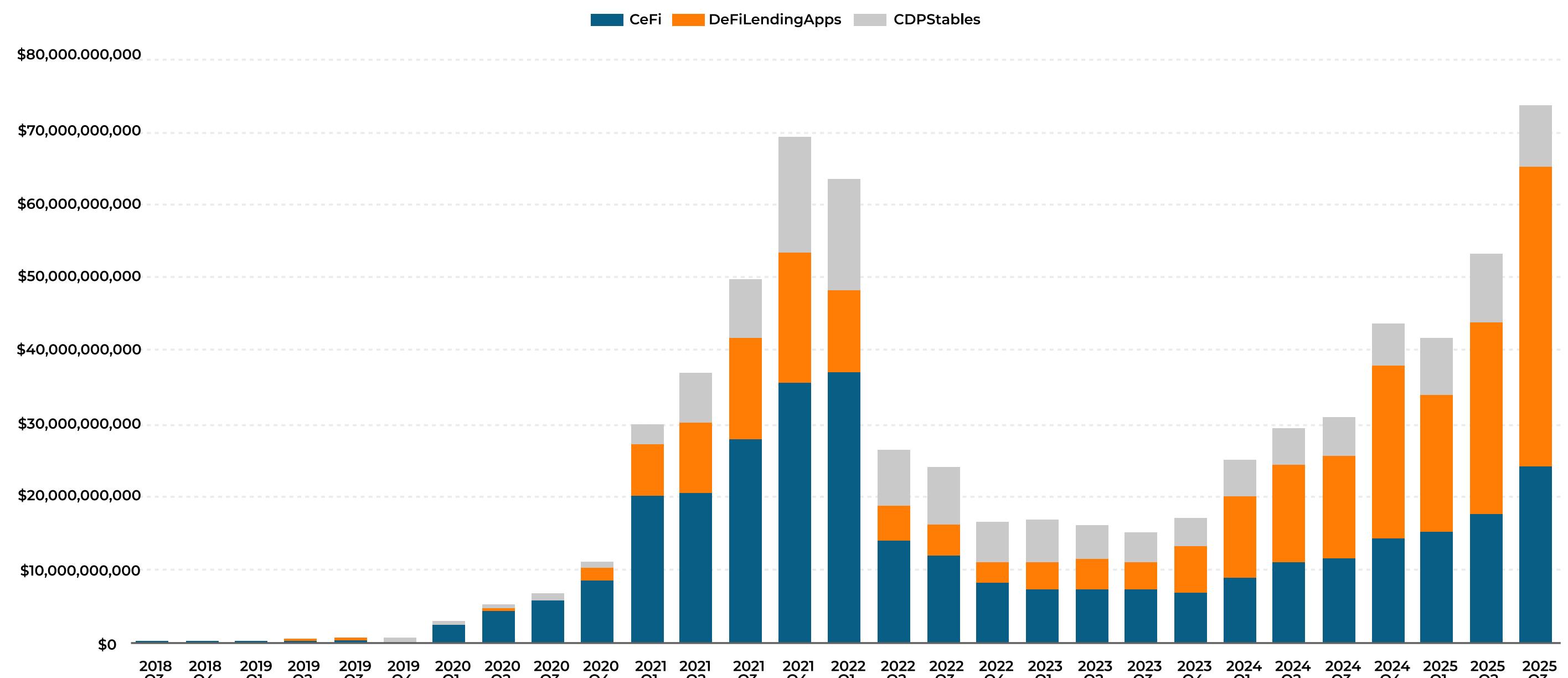
## Derivatives

- Onshore vs offshore derivatives
- Changes in depth of book
- how derivative markets lead or lag spot, basis, funding rates, and what that means for hedging crypto exposures.
- BTC & ETH Volatility
- Growth in decentralized perps, hyperliquid vs aster, etc...
- DEX, Perp
  - Growth in decentralized perpetuals
  - Hyperliquid and Solana based perps
  - Liquidity fragmentation across chains



## Lending

### Growth of lending activity- CeFi Vs DeFi



### Lending: CeFi vs. DeFi Evolution



**New Market Peak:** Total crypto-collateralized lending reached **\$73.59B in Q3 2025**, shattering the 2021 record by **6.09%**.



**DeFi Dominance Surge:** Decentralized lending now controls **55.7% (\$40.99B)** of the total market, up from 48.6% in 2021.



**CeFi Recovery:** Centralized lending hit **\$24.37B**, with the top three players commanding over **75% of CeFi activity**.



**De-Risking Milestone:** Providers have abandoned opaque, uncollateralized models in favor of **on-chain visibility**.



**Value Drivers:** Growth is fueled by incentive **programs**, improved collateral assets, and sustained price appreciation.

**TLDR:** The lending market hit a new all-time high of **\$73.59B in Q3 2025**, defined by a structural shift toward **DeFi dominance (55.7% share)**. Unlike previous cycles, current growth is anchored in **fully collateralized standards** and transparent on-chain visibility, signaling a more mature and de-risked lending ecosystem.



# Lightning

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## Capital Efficiency: Bitcoin-Native Yield

Lightning is evolving into an economic layer where capital is actively deployed to earn yield without surrendering custody.



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Year In Review 2025

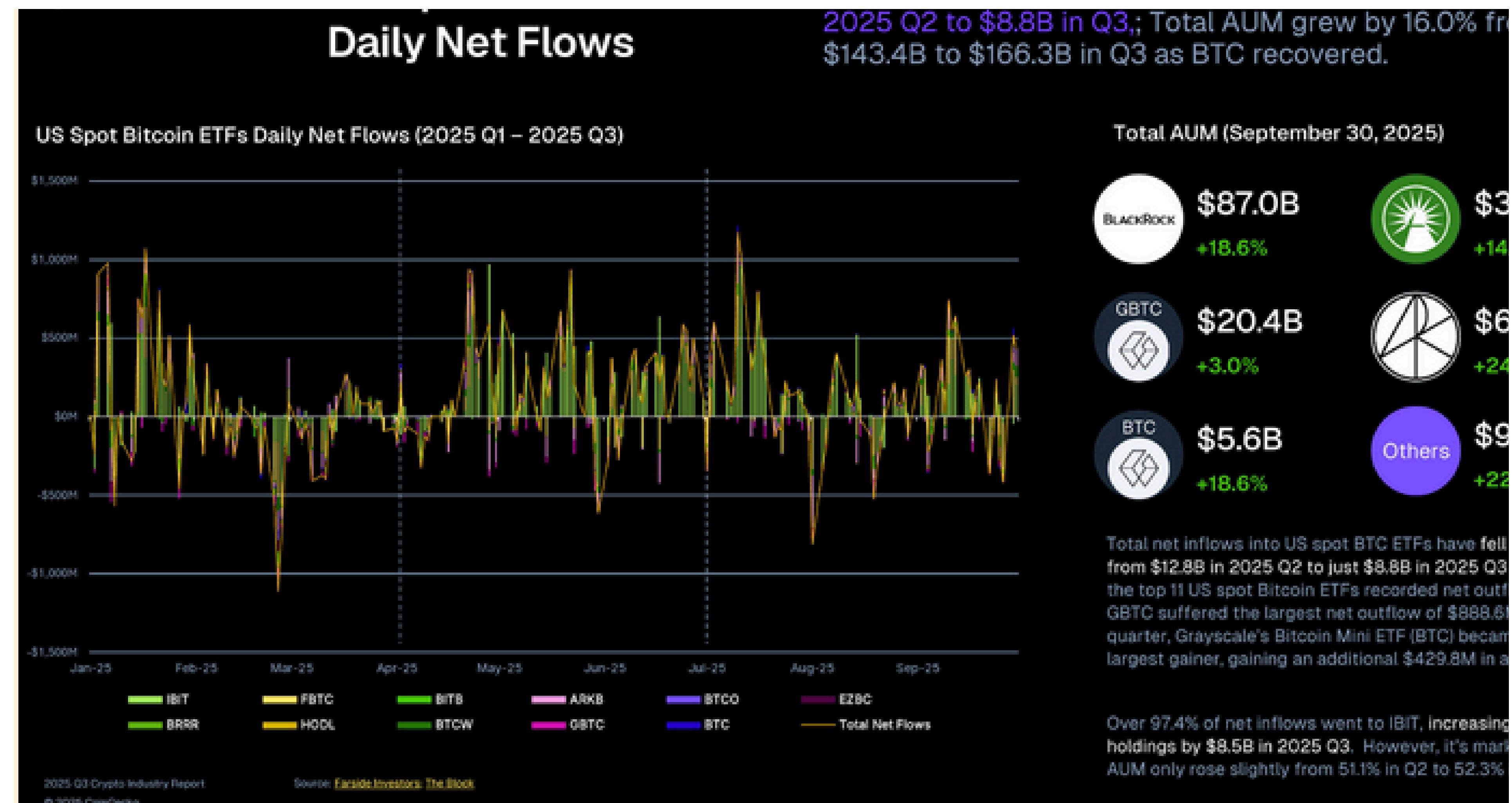
Innovation	Purpose	Key Features
<b>Amboss Rails</b>	Institutional-grade liquidity deployment for enterprises and custodians.	Self-custodial design; yield generated from real payment flow (not lending); institutional tooling for automated channel management.
<b>Amboss Magma</b>	Peer-to-peer marketplace for inbound liquidity, addressing a historical bottleneck.	Direct market for merchants to purchase payment liquidity.
<b>MPFlow</b>	Machine-learning agent that intelligently allocates liquidity across the network.	Reduces guesswork and strengthens overall network topology.
<b>Real Yield</b>	Yield is driven by economic activity (routing payment traffic and leasing channel liquidity).	Historical Leasing yield: 1–4% APR; Historical Payment Routing Yield: <1% APR.



**TLDR:** Bitcoin has evolved into a productive asset where yield is generated via **network utility** rather than counterparty lending. By leveraging **Amboss Rails** and Magma, institutions can capture 1–4% APR while maintaining 100% custody of their assets.

# The Onchain Economy

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Asset	All US Listed Crypto ETPs		Filed Only
	Total Assets (\$ Mln)	# Of ETPs	# of ETP Filings
Bitcoin	\$125,425	60	21
Ethereum	\$22,019	25	7
Basket/Index	\$2,234	13	15
XRP	\$1,638	11	10
Solana	\$1,566	13	9
Chainlink	\$72	1	3
HBAR	\$62	1	2
DOGE	\$30	4	2
Litecoin	\$7.6	1	5
SUI	\$0.2	1	4
AVAX	N/A	N/A	4
BNB	N/A	N/A	3
BONK	N/A	N/A	3
Cardano	N/A	N/A	3
Polkadot	N/A	N/A	3
SEI	N/A	N/A	3
HYPE	N/A	N/A	2
INJ	N/A	N/A	2
NEAR	N/A	N/A	2
Tron	N/A	N/A	2
TRUMP	N/A	N/A	2
Zcash	N/A	N/A	1
AAVE	N/A	N/A	1
Aptos	N/A	N/A	1
Atom	N/A	N/A	1
AXL	N/A	N/A	1
BCH	N/A	N/A	1
Canton	N/A	N/A	1
CRO	N/A	N/A	1
ENA	N/A	N/A	1
Melania	N/A	N/A	1
Mog	N/A	N/A	1
OKB	N/A	N/A	1
ONDO	N/A	N/A	1
Pengu	N/A	N/A	1
Tao	N/A	N/A	1
UNI	N/A	N/A	1
XLM	N/A	N/A	1
<b>Total</b>	<b>\$ 153,053</b>	<b>130</b>	<b>125</b>

Source: Bloomberg Intelligence

Bloomberg  
Intelligence BI

List of Active ETP Filings			
Asset	Total Active Filings	1933 Spot Filings	1940 & Derivs Filings
Bitcoin	21	3	18
Basket	15	5	10
XRP	10	3	7
Solana	9	5	4
Ethereum	7	1	6
Litecoin	5	2	3
AVAX	4	3	1
SUI	4	2	2
BNB	3	1	2
BONK	3	0	3
Cardano	3	1	2
Polkadot	3	1	2
SEI	3	2	1
Chainlink	2	1	1
DOGE	2	1	1
HBAR	2	1	1
HYPE	2	0	2
INJ	2	1	1
NEAR	2	1	1
Tron	2	1	1
TRUMP	2	0	2
AAVE	1	0	1
Aptos	1	1	0
Atom	1	0	1
AXL	1	1	0
BCH	1	0	1
Canton	1	1	0
CRO	1	0	1
DOT	1	1	0
ENA	1	0	1
LINK	1	0	1
Melania	1	0	1
Mog	1	1	0
OKB	1	0	1
ONDO	1	1	0
Pengu	1	1	0
Tao	1	0	1
UNI	1	0	1
XLM	1	0	1
<b>Total</b>	<b>124</b>	<b>42</b>	<b>82</b>

Source: Bloomberg Intelligence

Bloomberg  
Intelligence BI

## Volume & Open Interest

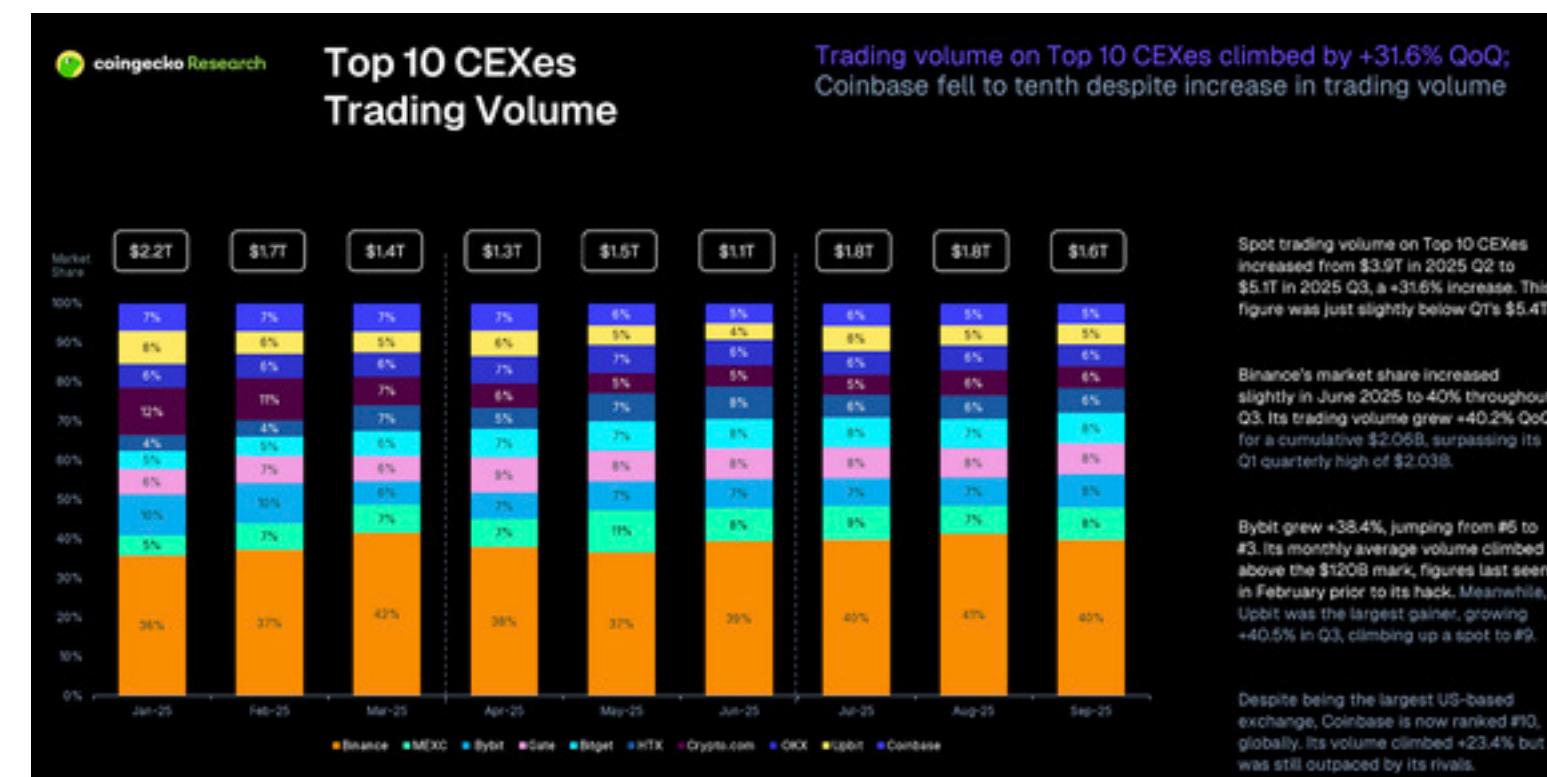
### Spot - CEX

Trading volume on Top 10 CEXes climbed by +31.6% QoQ;

Spot trading volume on Top 10 CEXes increased from \$3.9T in 2025 Q2 to \$5.1T in 2025 Q3, a +31.6% increase. This figure was just slightly below Q1's \$5.4T.

Binance's market share increased slightly in June 2025 to 40% throughout Q3. Its trading volume grew +40.2% QoQ for a cumulative \$2.06B, surpassing its Q1 quarterly high of \$2.03B.

Bybit grew +38.4%, jumping from #6 to #3. Its monthly average volume climbed above the \$120B mark, figures last seen in February prior to its hack. Meanwhile, Upbit was the largest gainer, growing +40.5% in Q3, climbing up a spot to #9. Despite being the largest US-based exchange, Coinbase is now ranked #10, globally. Its volume climbed +23.4% but was still outpaced by its rivals.



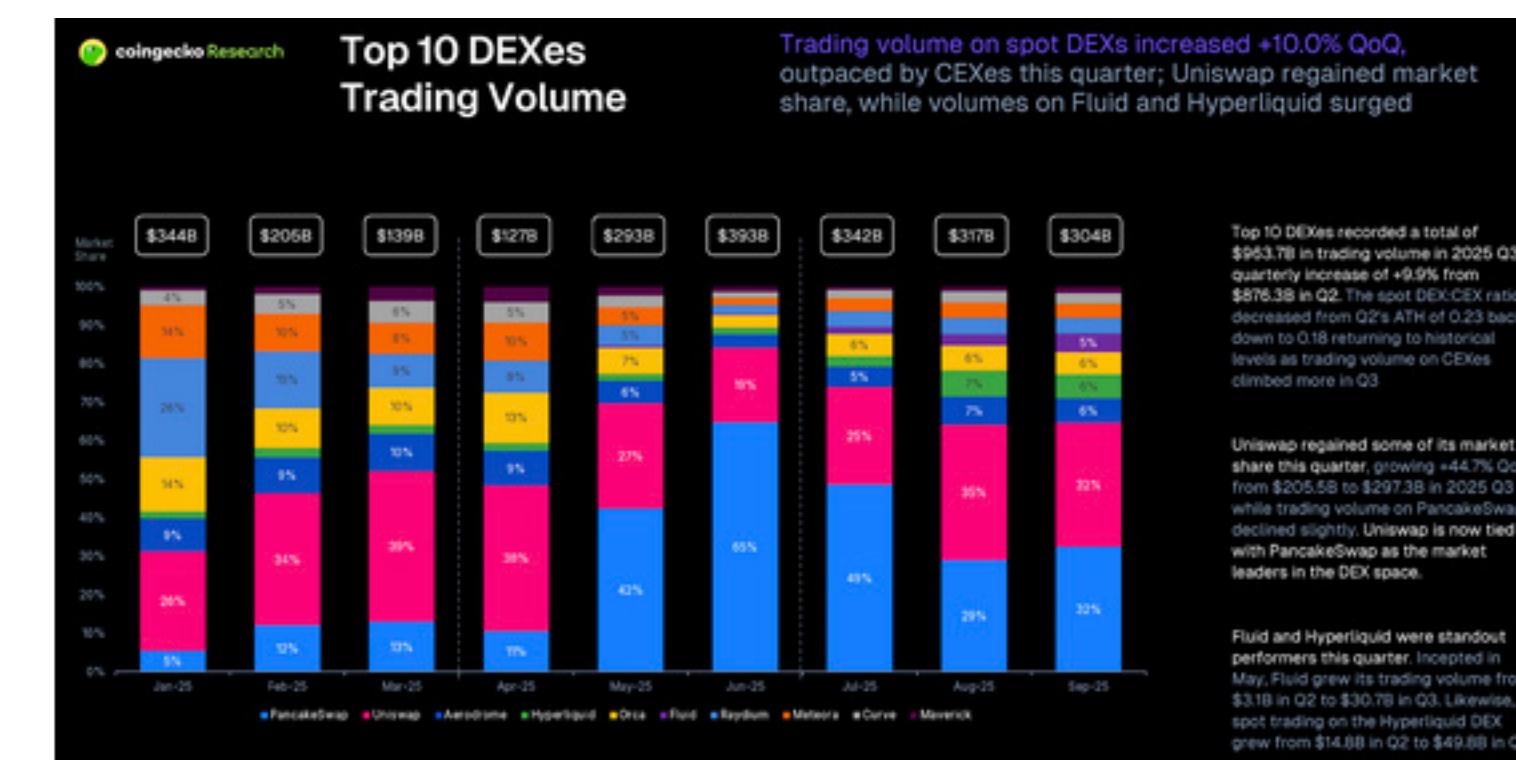
### Spot - DEX

Trading volume on Top 10 CEXes climbed by +31.6% QoQ; outpaced by CEXes this quarter; Uniswap regained market share, while volumes on Fluid and Hyperliquid surged

Top 10 DEXes recorded a total of \$963.7B in trading volume in 2025 Q3, a quarterly increase of +9.9% from \$876.3B in Q2. The spot DEX:CEX ratio decreased from Q2's ATH of 0.23 back down to 0.18 returning to historical levels as trading volume on CEXes climbed more in Q3

Uniswap regained some of its market share this quarter, growing +44.7% QoQ from \$205.5B to \$297.3B in 2025 Q3 while trading volume on PancakeSwap declined slightly. Uniswap is now tied with PancakeSwap as the market leaders in the DEX space.

Fluid and Hyperliquid were standout performers this quarter. Incepted in May, Fluid grew its trading volume from \$3.1B in Q2 to \$30.7B in Q3. Likewise, spot trading on the Hyperliquid DEX grew from \$14.8B in Q2 to \$49.8B in Q3.



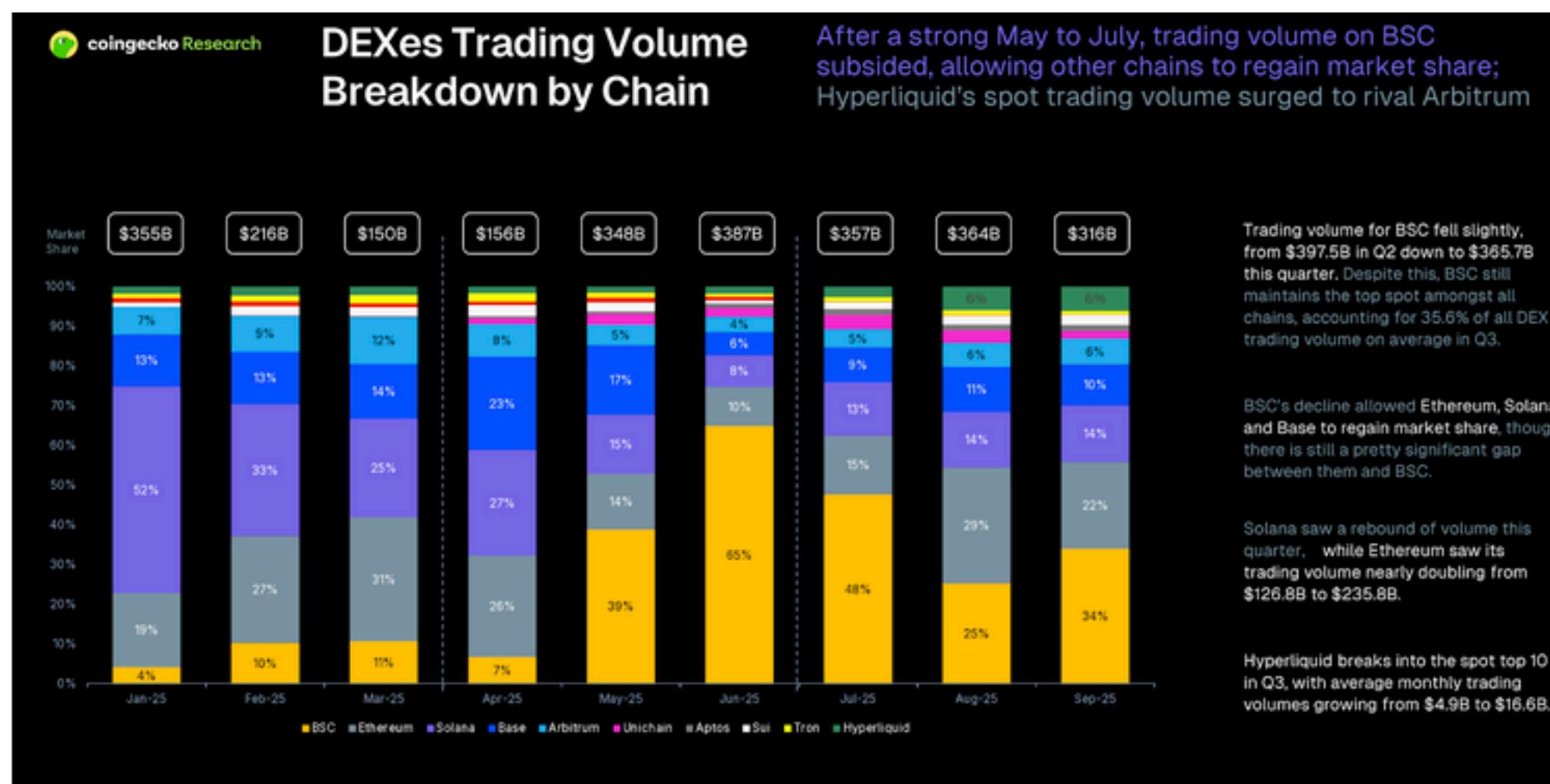
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Trading volume for BSC fell slightly, from \$397.5B in Q2 down to \$365.7B this quarter. Despite this, BSC still maintains the top spot amongst all chains, accounting for 35.6% of all DEX trading volume on average in Q3.

BSC's decline allowed Ethereum, Solana and Base to regain market share, though there is still a pretty significant gap between them and BSC.

Solana saw a rebound of volume this quarter while Ethereum saw its trading volume nearly doubling from \$126.8B to \$235.8B.

Hyperliquid breaks into the spot top 10 in Q3, with average monthly trading volumes growing from \$4.9B to \$16.6B.



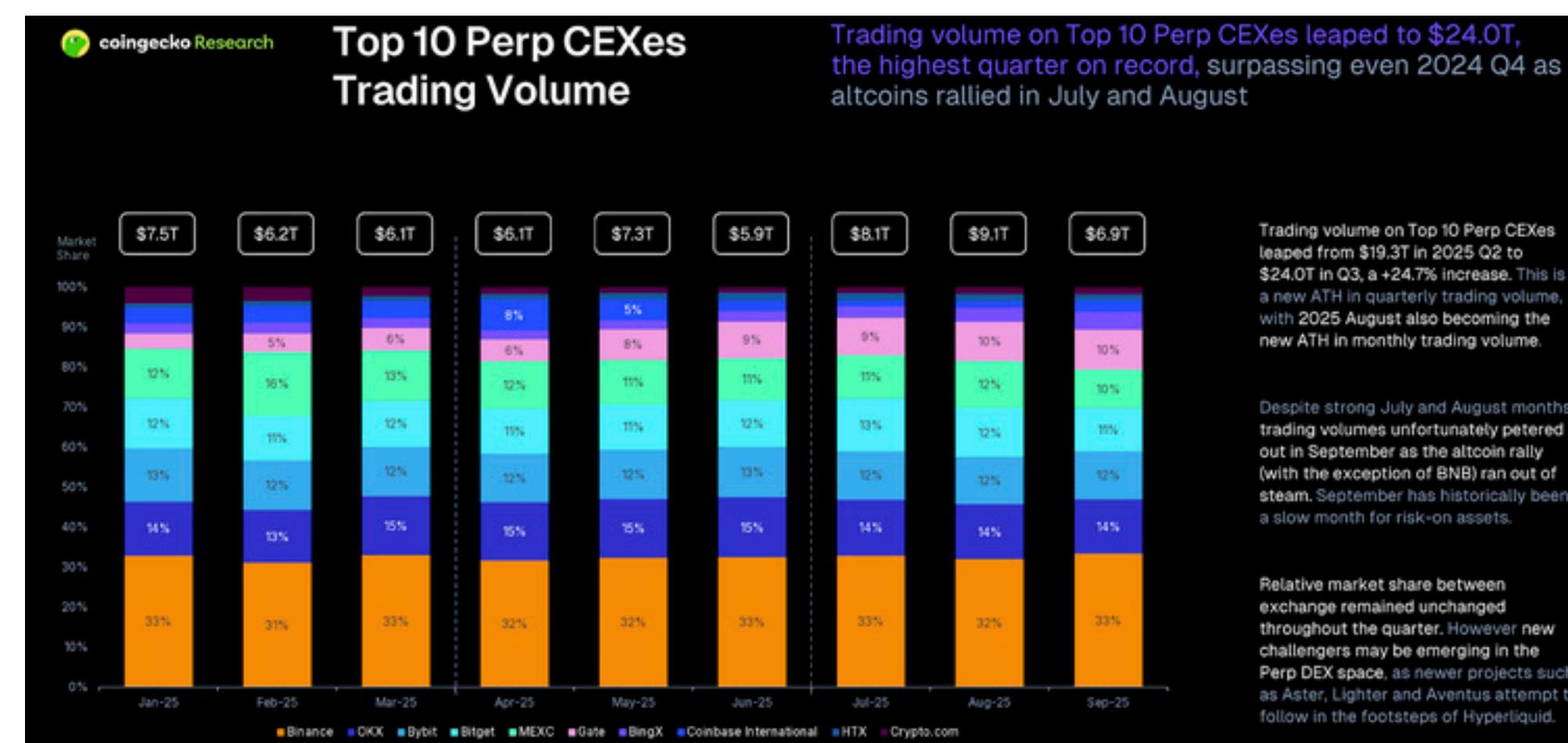
## Perps - CEX

Trading volume on Top 10 Perp CEXes leaped to \$24.0T, the highest quarter on record, surpassing even 2024 Q4 as altcoins rallied in July and August

Trading volume on Top 10 Perp CEXes leaped from \$19.3T in 2025 Q2 to \$24.0T in Q3, a +24.7% increase. This is a new ATH in quarterly trading volume, with 2025 August also becoming the new ATH in monthly trading volume.

Despite strong July and August months, trading volumes unfortunately petered out in September as the altcoin rally (with the exception of BNB) ran out of steam. September has historically been a slow month for risk-on assets.

Relative market share between exchange remained unchanged throughout the quarter. However new challengers may be emerging in the Perp DEX space, as newer projects such as Aster, Lighter and Aventus attempt to follow in the footsteps of Hyperliquid.

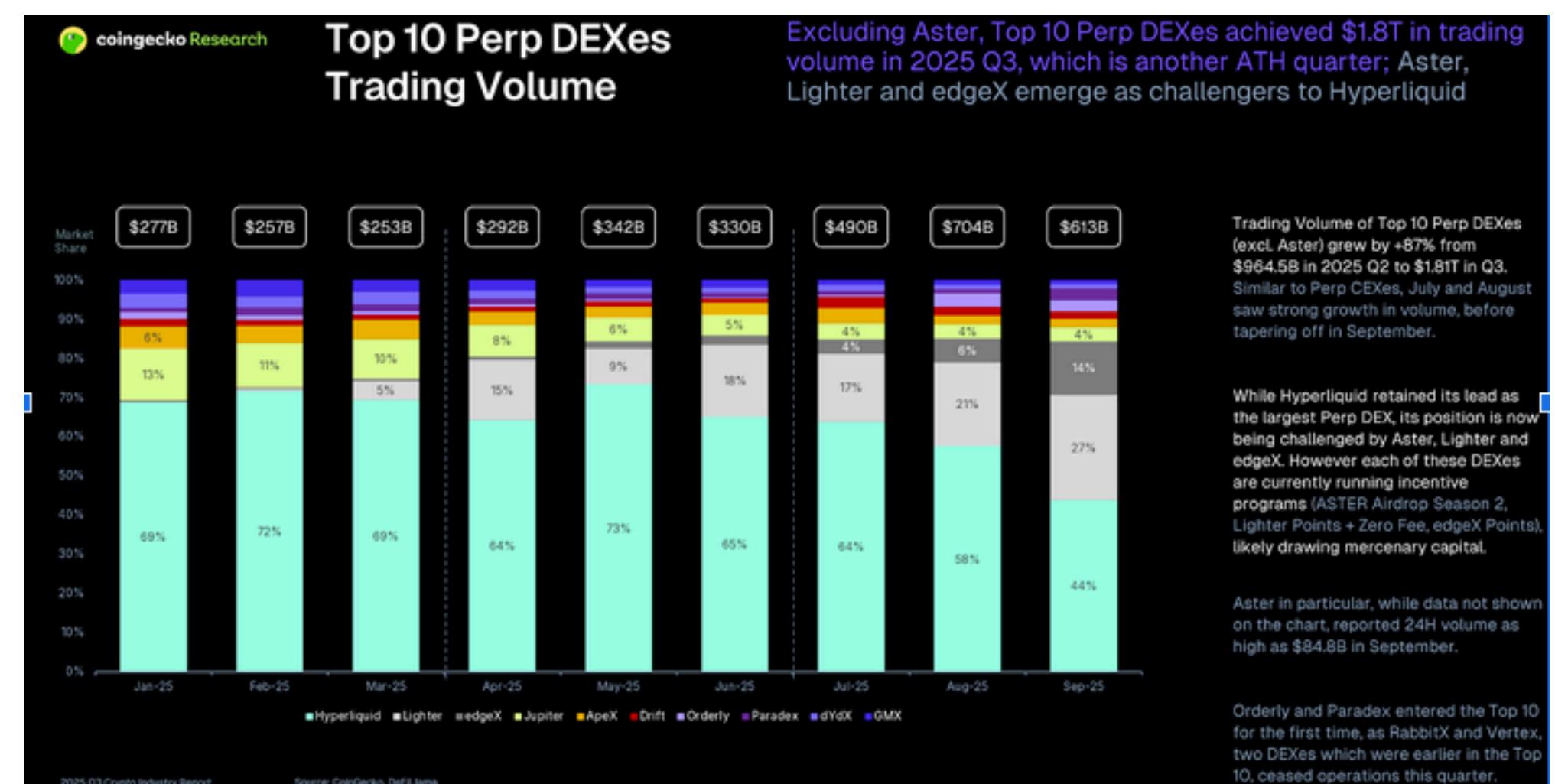


## Perps - CEX

Trading Volume of Top 10 Perp DEXes (excl. Aster) grew by +87% from \$964.5B in 2025 Q2 to \$1.81T in Q3. Similar to Perp CEXes, July and August saw strong growth in volume, before tapering off in September.

While Hyperliquid retained its lead as the largest Perp DEX, its position is now being challenged by Aster, Lighter and edgeX. However each of these DEXes are currently running incentive programs (ASTER Airdrop Season 2, Lighter Points + Zero Fee, edgeX Points), likely drawing mercenary capital. Aster in particular, while data not shown on the chart, reported 24H volume as high as \$84.8B in September.

Orderly and Paradex entered the Top 10 for the first time, as RabbitX and Vertex, two DEXes which were earlier in the Top 10, ceased operations this quarter.



## Perps OI - CEX

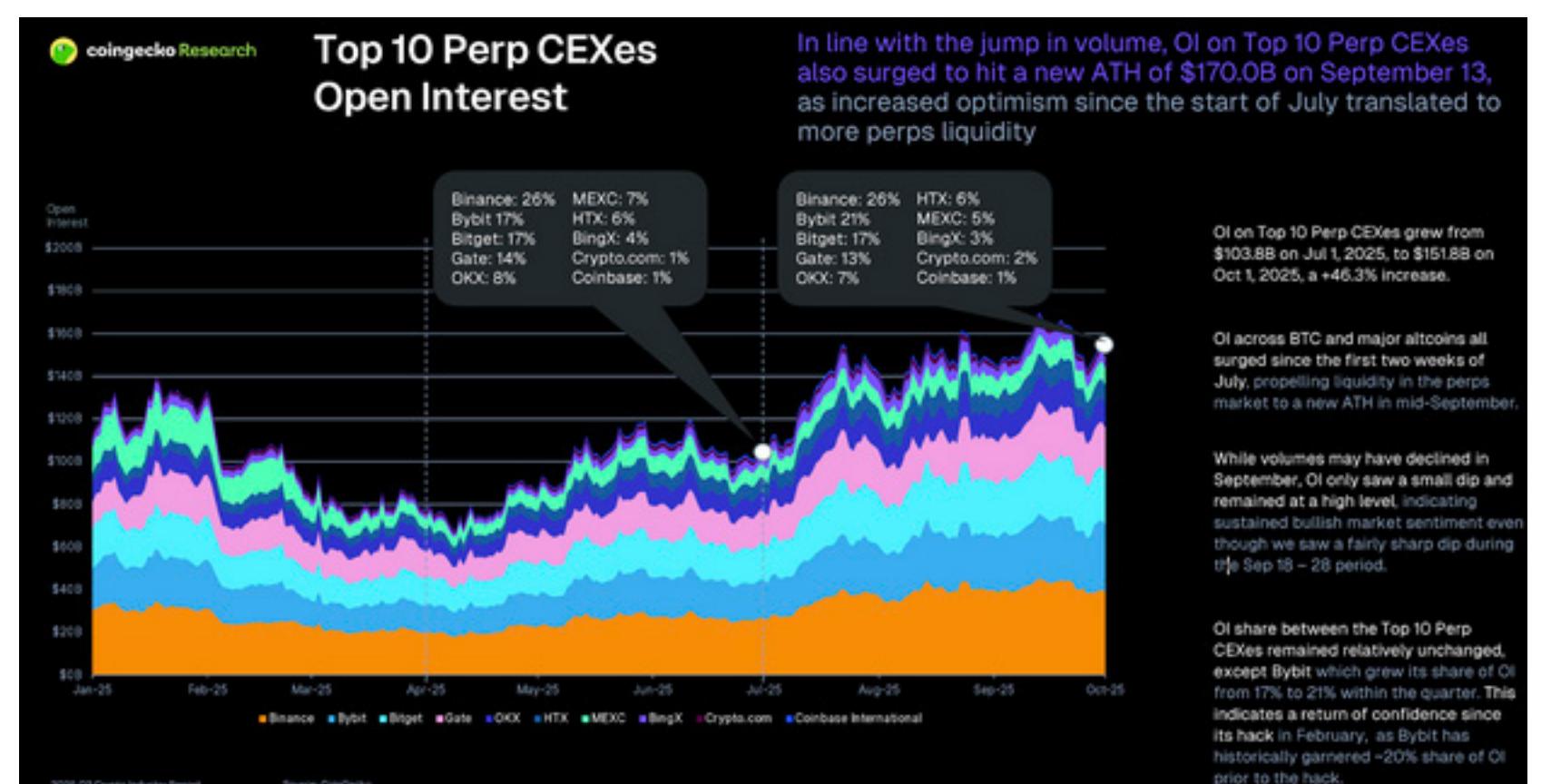
In line with the jump in volume, OI on Top 10 Perp CEXes also surged to hit a new ATH of \$170.0B on September 13, as increased optimism since the start of July translated to more perps liquidity

OI on Top 10 Perp CEXes grew from \$103.8B on Jul 1, 2025, to \$151.8B on Oct 1, 2025, a +46.3% increase.

OI across BTC and major altcoins all surged since the first two weeks of July, propelling liquidity in the market to a new ATH in mid perps September.

While volumes may have declined in September, OI only saw a small dip and remained at a high level, indicating sustained bullish market sentiment even though we saw a fairly sharp dip during the Sep 18 – 28 period

OI share between the Top 10 Perp CEXes remained relatively unchanged, except Bybit Feb-25 Mar-25 Binance Bybit Apr-25 Bitget Gate May-25 OKX HTX Jun-25 MEXC BingX Jul-25 Crypto.com Aug-25 Coinbase International Sep-25 Oct-25 which grew its share of OI from 17% to 21% within the quarter. This indicates a return of confidence since its hack 2025 Q3 Crypto Industry Report © 2025 CoinGecko Source: CoinGecko in February, as Bybit has historically garnered ~20% share of OI prior to the hack.



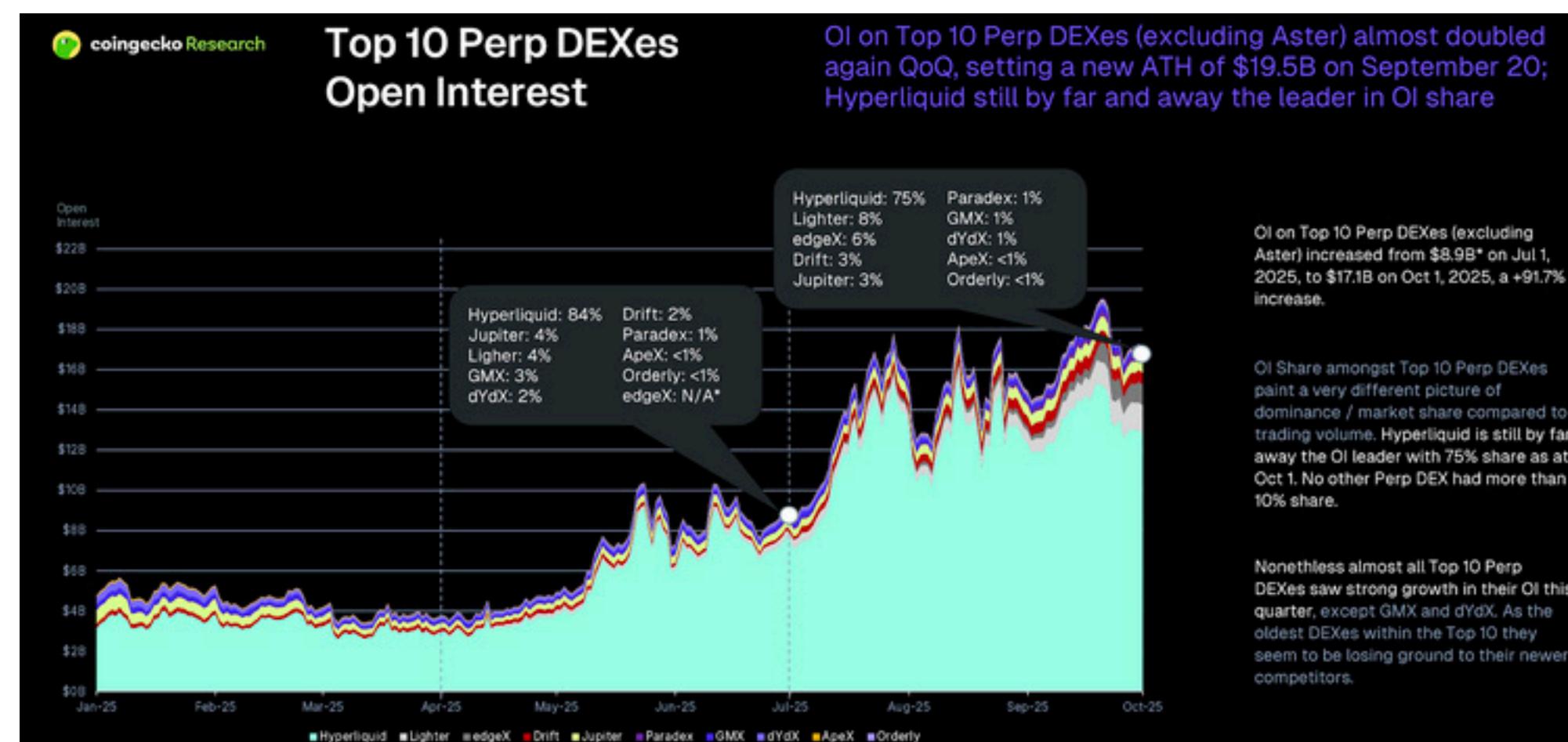
## Perps OI - DEX

OI on Top 10 Perp DEXes (excluding Aster) almost doubled again QoQ, setting a new ATH of \$19.5B on September 20; Hyperliquid still by far and away the leader in OI share

OI on Top 10 Perp DEXes (excluding Aster) increased from \$8.9B\* on Jul 1, 2025, to \$17.1B on Oct 1, 2025, a +91.7% increase.

OI Share amongst Top 10 Perp DEXes paint a very different picture of dominance / market share compared to trading volume. Hyperliquid is still by far away the OI leader with 75% share as at Feb-25 2025 Q3 Crypto Industry Report © 2025 CoinGecko Mar-25 Hyperliquid Source: CoinGecko Note: edgeX , OI only Apr-25 Lighter DeFiLlama available since May-25 edgeX Drift Jupiter Jun-25 Paradex Jul-25 GMX dYdX Oct 1. No other Perp DEX had more than 10% share.

Nonetheless almost all DEXes saw quarter strong all Top growth 10 Perp in their OI this, except GMX and dYdX. As the oldest DEXes within the Top 10 they seem to be losing ground to their newer competitors.



## Perps OI - CEX

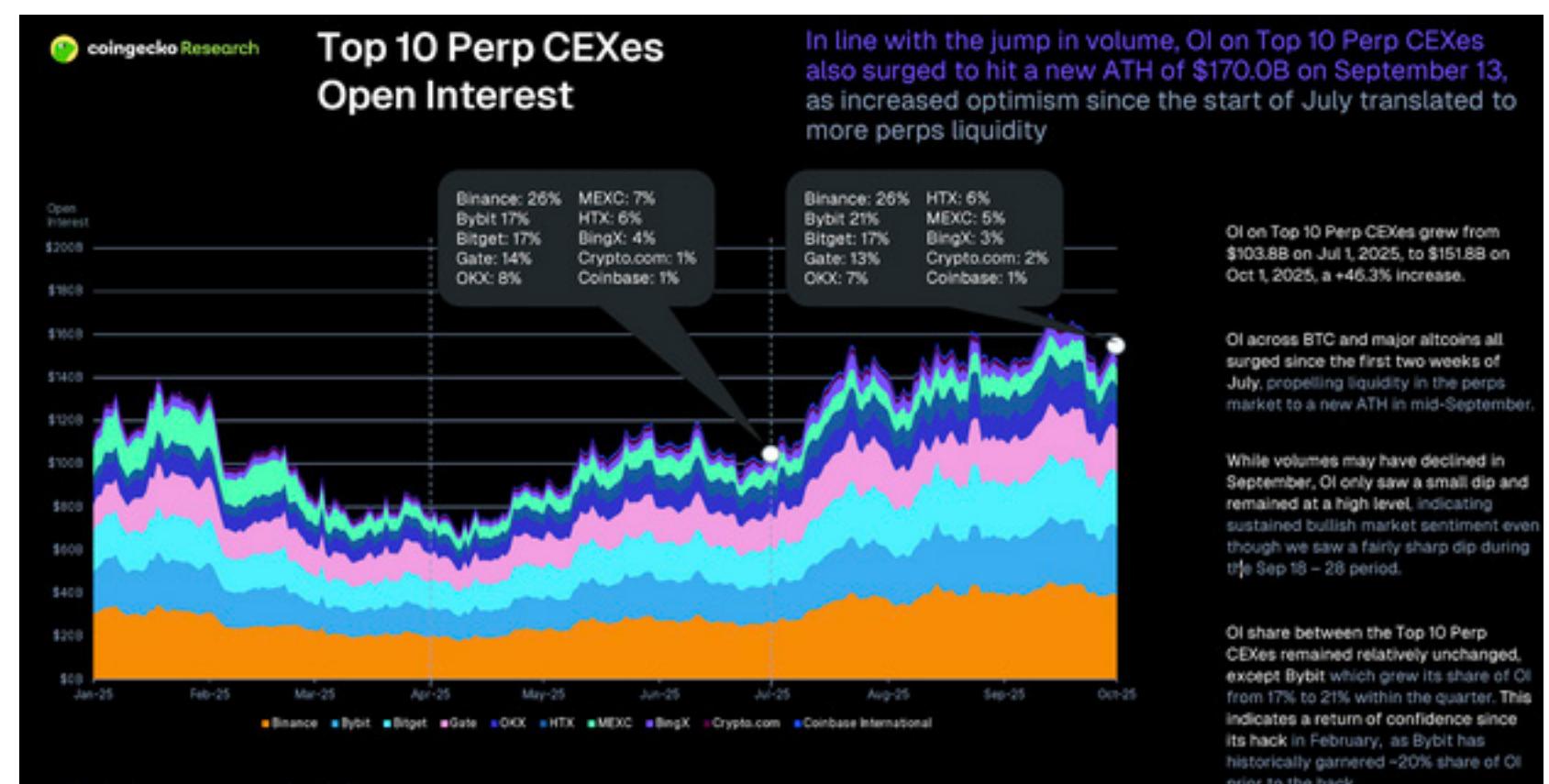
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# Mergers and Acquisitions

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## ■ Closing Remarks

A year of crypto entering economic adulthood  
Institutions, RWAs, stablecoins, and AI defining the next cycle  
Liquidity outlook for 2026  
SDM's forward strategy in markets, credit, derivatives, and institutional execution

## Key Takeaways

- We expect 2026 to accelerate structural shifts in digital asset investing, which have been underpinned by two major themes: macro demand for alternative stores of value and improved regulatory clarity. Together, these trends should bring in new capital, broaden adoption (especially among advised wealth and institutional investors), and bridge public blockchains more fully into mainstream financial infrastructure.
- As a result, we expect rising valuations in 2026 and the end of the so-called “four-year cycle,” or the theory that crypto market direction follows a recurring four-year pattern. Bitcoin’s price will likely reach a new all-time high in the first half of the year, in our view.
- Grayscale expects bipartisan crypto market structure legislation to become U.S. law in 2026. This will bring deeper integration between public blockchains and traditional finance, facilitate regulated trading of digital asset securities, and potentially allow for on-chain issuance by both startups and mature firms.
- The outlook for fiat currencies is increasingly uncertain; in contrast, we can be highly confident that the 20 millionth Bitcoin will be mined in March 2026. Digital money systems like Bitcoin and Ethereum that offer transparent, programmatic, and ultimately scarce supply will be in rising demand, in our view, due to rising fiat currency risks.
- We expect more crypto assets to be available through exchange-traded products in 2026. These vehicles have had a successful start, but many platforms are still conducting due diligence and working to incorporate crypto into their asset-allocation process. As this process matures, look for more slow-moving institutional capital to arrive throughout 2026.

