



HYPERION DECIMUS

CRYPTO NEWSLETTER

POWERED BY WEEKLY CRYPTO BRIEF

12th January 2025

BITCOIN-RELATED



Forbes: Bitcoin faced a tough week, with Bitcoin dropping 3.6% to \$94,778 on Jan. 10, as markets digested hawkish signals from the Fed and stronger-than-expected US employment data.

Bitcoin's network activity doubled in 2024 as it processed \$19 trillion in transactions compared to 2023's \$8.7 trillion. The network also achieved a record hashrate of 1,000 EH/s in early 2025, with US-based mining pools controlling 40% of the global hashrate.

The US government was authorized to sell some 69,000 BTC worth around \$6.5 billion seized from dark web marketplace Silk Road – according to a report citing an unnamed official as having said that permission for the sale had been granted by a federal judge.

US entities now hold 65% more Bitcoin reserves than their offshore counterparts, with the ratio soaring from 1.24 in September to 1.65 as of Jan. 6, according to CryptoQuant.

Fidelity Digital Assets, in its 2025 look ahead report, predicts “nation-states, central banks, sovereign wealth funds, and government treasuries will look to establish strategic positions in Bitcoin” this year. The report added: “Investors are not too late to join the digital asset movement. In fact, we believe we may be entering the dawn of a new era for digital assets, one poised to span multiple years – if not decades.” (See the 34-page report, [here.](#))

Czech National Bank Governor Aleš Michl is considering Bitcoin as a potential reserve diversification option but confirmed there are no current plans to acquire it in an interview with CNN Prima News. Michl said: “Sure, I consider Bitcoin, but there are seven of us on the board. Bitcoin is an interesting option for diversification against other assets.” He added that discussions would continue.

The Kingdom of Bhutan’s newly established special administrative region, Gelephu Mindfulness City, is considering crypto to enhance its economy. According to the announcement, it plans to include BTC (and ETH and BNB) in its strategic reserves.

New Hampshire and North Dakota became the latest US states to introduce legislation for a strategic Bitcoin reserve. The New Hampshire bill was introduced by Representative Keith Ammon, a Republican who represents

the 40th District. The North Dakota legislation was introduced by Representative Nathan Toman, Representative Josh Christy, and Senator Jeff Barta.

Kenya is preparing legislation to legalize Bitcoin and crypto, according to Treasury Cabinet Secretary John Mbadi.

MicroStrategy purchased another 1,070 BTC for \$101 million at an average price of \$94,004 per Bitcoin between Dec. 30 and Dec. 31. The company now holds 447,470 BTC, worth over \$44 billion. (The company announced a \$2 billion raise from a perpetual preferred stock offering to buy more Bitcoin, expanding its ambitious “21/21” plan that exceeded expectations in 2024.)

Japanese firm Metaplanet aims to expand its Bitcoin holdings to 10,000 BTC this year, a significant increase from its current 1,761 BTC, using strategic capital market tools to strengthen its presence in the Bitcoin ecosystem.

KULR Technology Group, a San Diego-based firm that provides energy storage solutions for aerospace and defense companies, bought an additional 213.4 Bitcoin for \$21 million.

Los Angeles-based social media marketing company Thumzup Media said in a statement that it purchased ~\$1 million in Bitcoin – its first major foray into the token.

Publicly traded company Heritage Distilling adopted Bitcoin as a strategic reserve asset and will accept BTC as payment.

Atua AI, an emerging leader in on-chain AI solutions, has integrated Bitcoin into its platform, providing enterprises with a secure and trusted mechanism for high-value transactions.

INDUSTRY ADVANCES



Standard Chartered is debuting cryptocurrency services in Europe after obtaining a digital asset license in Luxembourg. The bank announced on Jan. 9 that it is establishing a new entity in Luxembourg to act as its EU regulatory entry point for offering crypto and digital asset custody services.

MoonPay, BitStaete, FinTech ZBD and Hidden Road attained MiCA licenses from The Netherlands, letting them operate across the entire 27-nation EU.

HashKey Group secured virtual asset service provider approval in Ireland, enabling it to offer crypto trading and custody services as part of its global expansion strategy in key markets including Hong Kong and Singapore.

Crypto trading and liquidity provider GSR received approval from the UK's FCA to operate as a registered crypto asset business and conduct, among other services, trading for UK clients.

The derivatives arm of crypto exchange Bitfinex secured a Digital Asset Service Providers (DASP) license to operate in El Salvador. The derivatives trading arm of crypto exchange Bitfinex plans relocate from Seychelles to the Central American nation.

The Nation, an English-language news outlet based in Thailand, reported on Jan. 8 that Thailand's Deputy Prime Minister and Finance Minister Pichai Chunhavajira unveiled a pilot project to test cryptocurrency as an alternative to cash in Phuket.

Binance said 2024 was a record-breaking year as the custodial assets of its users topped \$160 billion for the first time. The platform also grew its number of registered institutional users by 97%... processed a record 4.44 million requests per second... and saw its cumulative historical trading volume exceed \$100 trillion.

Binance Futures is launching USDS-margined perpetual contracts for COOKIEUSDT, ALCHUSDT, and SWARMSUSDT with up to 75x leverage, settled in USDT and available for 24/7 trading.

A tokenized version of Coinbase's stock, which trades on the Nasdaq under the ticker COIN, could soon be available on the crypto exchange's Layer-2 network, Base. Jesse Pollak, head of Base and Coinbase Wallet posted on X: "It's something we are looking into in the new year."

Raydium Protocol launched beta perpetual futures trading on Solana, offering gas-free transactions, 40x leverage, and access to more than 90 markets.

Byte AI, the first AI agent food delivery service that enables people to use any crypto to order food, went live.

Solana developers proposed a lattice-based hashing system to address the "state growth problem," aiming to scale the network to billions of accounts while maintaining high security and efficiency.

Solana pushed validators to test Frankendancer, an early iteration of its Firedancer upgrade that aims to boost blockchain speeds to an unprecedented one million transactions per second.

Eliza Labs and Origin Trail launched a Decentralized Knowledge Graph plugin on Arbitrum, enabling AI agents to enhance memory and share knowledge for improved collective intelligence.

Starknet unveiled its dedicated rollup chain tech stack, SN Stack. The SN Stack offers developers the ability to build validity rollup chains with customized parameters like block times and sizes, using proven components of Starknet.

Northern Trust will work with the National University of Singapore to explore the implementation of blockchain technology on green finance frameworks and credentials.

Blockchain technology will be utilized to safeguard the authenticity of Jamaican Blue Mountain Coffee.



Bitcoin's hashrate is on track to reach 1 zettahash per second before the next halving event in about 3.5 years.

US-listed Bitcoin miners accounted for 25.3% of the global network in December, Jefferies said in a research report.

Nevada-based Bitcoin mining firm CleanSpark reached a significant milestone by surpassing 10,000 BTC in its treasury. (All the Bitcoins were mined exclusively from its US-based operations.)

Bitcoin mining firm MARA said in a recent production update that it had loaned 7,377 BTC from its reserves to third parties as of Dec. 31. The amount MARA has lent amounts to ~16% of its total Bitcoin reserves and was worth around \$730 million. MARA's head of investor relations, Robert Samuels, shed more light on the firm's BTC lending program, saying it had been active throughout 2024 and had generated a "modest single-digit yield."

Blockchain hardware manufacturer Canaan launched the Avalon Mini 3, a 37.5 TH/s Bitcoin miner that doubles up as a home heater, aiming to make mining accessible and practical for residential use. The Avalon Mini

3 offsets energy costs by recycling heat from the mining process to effectively warm living spaces, with a current preorder price tag of \$899.

GoMining, a blockchain-based platform that allows users to participate in the Bitcoin mining ecosystem via tokenized hashrate ownership, announced its expansion to Solana.

Thai police shut down a Bitcoin mining operation on JIT Co.'s premises estimated to have stolen ~\$3 million worth of electricity. Officials estimate the operation, located in the Phanat Nikhom district of Chonburi in eastern Thailand, involved ~1,000 machines.

ETPS (EXCHANGE-TRADED PRODUCTS), FUNDS & INDEXES

Crypto investment products, like ETFs, reached \$44.2 billion in net inflows in 2024, nearly quadrupling 2021's record of \$10.5 billion. This increase was driven largely by US spot Bitcoin and Ethereum ETF launches. Bitcoin products boasted \$38 billion in inflows, while Ethereum products saw late-year momentum pushing them to \$4.8 billion.

11 spot Bitcoin ETFs recorded a combined net outflow of \$582 million on Jan. 8, marking the second-largest total since these vehicles began trading a year ago, according to data from SoSoValue. (The large outflow comes shy of the record withdrawal of \$680 million on Dec. 19.)

Calamos announced on Jan. 6 that it will launch the world's first 100% downside protected Bitcoin ETF (CBOJ). The fund will combine options exposure on the Cboe Bitcoin US ETF Index with Treasury holdings and is designed to be held for 12 months. The exact upside cap will be determined Jan. 22 (anticipated listing date), based on options pricing. (Defined outcome products, including buffer funds, have boomed in recent years as investors look for new ways to diversify their portfolios.)

An XRP ETF could soon become a reality as favorable US crypto regulations bode well, Ripple President Monica Long said. Long added: "I think we will see one very soon. I think that we will see more crypto spot ETFs this year coming out of the US, and I think XRP is likely to be next in line after Bitcoin and Ether." (Notably, Ripple CEO Brad Garlinghouse and Chief Legal Officer Stuart Alderoty dined with President-elect Donald Trump.)

Grayscale announced a rebalance of its crypto-focused funds. The asset manager ditched Avalanche from its Digital Large Cap Fund to make room for a small allocation of Cardano. Bitcoin and Ethereum make up 90% of this portfolio, with the remainder split among XRP, Solana, and now Cardano. Elsewhere, it reshuffled the GSCPxE Fund, which tracks smart contract platforms except Ethereum. Sui was added to this fund with an 8% allocation, leaving little room for exposure to NEAR Protocol and Polkadot. Changes were also being made to the AI Fund, which by comparison is more evenly split across a flurry of crypto projects.

FUNDRAISING & OTHER FUNDING (\$5 MILLION OR MORE)

More than six months after the Arbitrum DAO approved the use of 225 million ARB tokens worth ~\$190 million to grow the network's gaming ecosystem, its Gaming Catalyst Program is ready to start investing and providing grants to gaming projects.

Blockchain development firm Movement Labs is reportedly nearing the completion of a \$100 million Series B funding round. The round will be co-led by CoinFund and Nova Fund (part of hedge fund Brevan Howard's digital assets arm).

Property mogul Grant Cardone launched the “first ever” Bitcoin real estate fund, which will see blend Bitcoin and real estate investing (in Florida). He’s raising a total of \$87.5 million.

Beam – a blockchain gaming ecosystem with its own Avalanche-based network, offering tools for game developers, seamless Web3 integrations, and a community-focused platform for gamers – raised \$72 million.

Sol Strategies is raising C\$27.5 million (~\$19 million) via debt financing to buy more SOL tokens and invest further in Solana staking infrastructure. (The firm also announced it had taken out a C\$25 million credit line to help finance its staking expansion.)

Crypto market data provider SoSoValue, best known for its ETF flow data tracking, raised \$15 million in a Series A round, led by HongShan (formerly Sequoia China) and SmallSpark.ai.

Fetch.ai, a crypto AI company built on Cosmos, announced a \$10 million accelerator to support startups developing solutions focused on AI agents, quantum computing, and high-performance tech.

Bitcoin wallet developer JAN3 raised \$5 million in seed funding to enhance its AQUA wallet, allocating \$1 million to build a Bitcoin treasury as it focuses on combining Bitcoin saving with USDT spending functionality.

IPOS, M&A, PARTNERSHIPS & DEALS



The 2024 Year-End Crypto M&A and Financing Report by Architect Partners highlighted a significant recovery in crypto M&A, which grew 29% YOY, and a 31% rise in private financing activity. Seed and early-stage funding led the resurgence, while strategic and tactical M&A reflected evolving market dynamics. Public companies actively raised \$18.5 billion, driven by Bitcoin-related strategies. (See the full 62-page report, [here](#).)

Coinbase expanded its European presence by acquiring mobile brokerage BUX's Cyprus unit, securing a Cyprus Investment Firm license to align with MiCA regulations and offer contracts for differences across the European Economic Area.

Digital asset brokerage FalconX acquired crypto derivatives platform Arbelos Markets for an undisclosed amount.

Decentralized data platform Pyth Network partnered with online-only bank Revolut to bring financial market data from 500+ markets into DeFi, further integrating traditional finance with decentralized ecosystems.

The team behind Mantra, the Layer-1 blockchain for real-world assets, has signed a \$1 billion agreement deal with DAMAC Group, an investment conglomerate, to boost accessibility to tokenized assets in the Middle East.

SmartOSC, the premier digital enabler signed a Memorandum of Understanding with Avalanche to pioneer blockchain adoption for enterprises, starting with one of Vietnam’s largest coffee chains.

The Kalp Foundation, a non-profit organization committed to building digital public infrastructure envisaging inclusive growth through blockchain technology, announced a collaboration with The Gambia. This transformative partnership, the first of its kind globally, aims to create a blockchain-powered digital public infrastructure platform, Gambia One, while simultaneously driving capacity-building initiatives for government leadership and skilling programs for Gambian youth in the blockchain and related technology ecosystem.

DEFI



Aave's proposal to peg Ethena's USDe to USDT raised concerns over systemic risks and conflicts of interest, as critics questioned the logic of equating assets with starkly different backing mechanisms.

Solana staking network Solayer unveiled InfiniSVM, a hardware-accelerated blockchain solution claiming one millisecond transaction confirmation times.

The Arbitrum DAO is holding an open vote on an improvement proposal to transition Arbitrum One and Arbitrum Nova to the Bounded Liquidity Delay (BoLD) protocol.

Decentralized perpetuals exchange Hyperliquid addressed decentralization criticisms, refuting claims of validator seat purchases while announcing plans for increased transparency and open-source node code once its system is secure.

CBDOS & STABLECOINS



Ethena, a fast-growing crypto project with a synthetic dollar token positioned as an alternative to stablecoins such as Tether's USDT, released its 2025 roadmap, which includes plans to launch iUSDe, a TradFi-focused stablecoin with a 10% yield, and integrate staked USDe (sUSDe) into Telegram's 900 million-user platform for payments and savings. These moves aim to connect DeFi and CeFi with traditional markets, targeting both fixed-income investors and everyday consumers.

Ripple teamed up with Chainlink, a decentralized oracle network, to improve the adoption and utility of its Ripple USD (RLUSD) stablecoin in DeFi applications. The collaboration will provide price feeds for RLUSD on Ethereum and the XRP Ledger.

NFTS, BLOCKCHAIN GAMING & METAVERSE



Jeju Island, South Korea's most famous tourist destination, is embracing blockchain technology to transform its tourism sector. Starting in the second half of 2025, the self-governing province plans to roll out NFT-based digital visitor cards, offering discounts, travel subsidies, and special membership perks at popular attractions.

The SONIC token, tied to Solana's Layer-2 gaming solution, Sonic SVM, launched on major exchanges, reaching a \$2.3 billion fully diluted valuation, with trading options on Bybit, OKX, Backpack, and Raydium.

Ethereum game franchise Illuvium is set to leverage the viral AI agent Virtuals Protocol to enhance its non-playable characters.

Action Square is teaming up iwth Line Games to advance blockchain game development.

Lotte Group, a big five conglomerate in South Korea, said that it has picked the Arbitrum blockchain for its Lotte Caliverse. The Lotte Caliverse will be an AI-driven 3D entertainment experience on the blockchain. Arbitrum has been a popular choice as a Layer-2 Ethereum blockchain, and this deal will bring a number of brands to a metaverse-like experience.

JOB MOVEMENT



Ripple CEO Brad Garlinghouse revealed that 75% of the firm's open job positions are now US-based due to optimism for Donald Trump's incoming pro-crypto administration.

Yassine Elmandjra, Crypto Asset Director at Ark Invest, resigned.

Crypto exchange Gemini appointed a new senior management team in Europe. Mark Jennings joined the company as its new head of Europe. Daniel Slutzkin was appointed head of the UK. And Vijay Selvam was named international-focused general counsel. The firm plans to significantly expand its footprint in the region in 2025.

REGULATIONS, RULINGS & COMMENTARY



Following the opening of the 119th US Congressional session last week, politicians have promised clarity on regulatory requirements for stablecoins, a framework for deciding whether crypto firms are mostly overseen by the CFTC or the SEC, and even the establishment of a Bitcoin national reserve.

Stablecoin advocate and US Federal Reserve board member Michael Barr announced his resignation as the Fed's reserve vice chair for supervision, citing concerns over potential clashes with the incoming administration of Donald Trump.

The US Senate Banking Committee plans to have crypto-friendly Sen. Cynthia Lummis lead its newly created digital asset subcommittee, fulfilling a promise made by its incoming chair.

Rep. Bryan Steil will chair the House's digital assets subcommittee, prioritizing clearer crypto rules and innovation-friendly policies.

Oklahoma Senator Dusty Deever introduced the Bitcoin Freedom Act, state-level legislation that would allow Oklahoma residents and employees to opt for Bitcoin payments, emphasizing financial sovereignty amid concerns over inflation.

CFTC Chair Rostin Behnam will step down from the role on Jan. 20, with his final day at the agency set for Feb. 7. Over the past few years, Behnam urged Congress to address a lack of crypto regulation at the federal level, highlighting that over 49% of the CFTC's enforcement actions in its 2023 fiscal year were related to digital assets. During his tenure, Behnam supported the Digital Commodities Consumer Protection Act. Names reportedly being considered to replace Behnam include Summer Mersinger (CFTC), Jill Sommers (Potomak Global Partners), Josh Sterling (Milbank Law), and Brian Quintenz (Andreessen Horowitz).

Outgoing SEC chair Gary Gensler warned most of the 10,000 to 15,000 crypto projects he's had oversight of at the agency won't survive in a parting shot to the crypto industry that he's been at war with for his entire term. Gensler said: "[The field] is rife with bad actors. It's built on non-compliance. I've never seen a field that's so much wrapped up in sentiment and not so much about fundamentals."

The IRS released a new ruleset for DeFi trading platforms that clarifies how the traditional broker rules apply. It states that there are three layers in the DeFi stack: the user interface, the application layer that executes transactions, and the blockchain settlement layer. The interface layer, like the Uniswap webapp, will be treated as brokers and required to collect KYC information, track transactions, and report to the IRS and customers starting in 2027.

Jeremy Allaire, CEO of stablecoin issuer Circle, says the firm has contributed \$1 million of its stablecoin, USDC, to Donald Trump's inaugural committee.

The announcement by Canada's prime minister Justin Trudeau that he's stepping down sparked speculation the country could follow the US in adopting a pro-crypto agenda, with Pierre Poilievre, the pro-crypto leader of Canada's Conservative Party leading the Polymarket odds to become the country's next prime minister. Poilievre previously endorsed Bitcoin and crypto as a hedge against inflation but hasn't commented directly on Bitcoin and crypto since it was revealed he held shares in a Canada-based ETF that invests in cryptocurrencies.

The UK Treasury amended legislation, clearly exempting crypto staking from rules governing collective investment schemes (CIS refers to any pooled investment arrangement where participants share in the income generated.) The change provides clarity for crypto firms operating in the UK, allowing them to offer qualified staking services without being subject to the stringent regulations governing CIS activities. The amended legislation is set to take effect on Jan. 31.

Chinese authorities published a policy document to boost the development of a national data infrastructure, including implementing blockchain technology, as the country aims to complete such an infrastructure by 2029. (The Chinese government continues to ban cryptocurrency trading and mining, but it has long embraced other applications powered by permissioned blockchains that don't rely on tokens.)

The Hong Kong Monetary Authority launched an initiative to assist banks in adopting distributed ledger technology.

South Korea's financial regulator plans a phased lifting of its de facto institutional crypto trading ban, according to local media reports. The FSC reportedly intends to gradually allow institutional investors to trade on crypto exchanges, starting with non-profit organizations. Such lifting of restrictions was one of the ruling People Power Party's election promises to boost the sector, alongside pushing for the launch of local spot crypto ETFs.

Crypto exchange Bybit is set to temporarily restrict services in India from Jan. 12, citing regulatory developments and ongoing efforts to finalize its Virtual Digital Asset Service Provider registration in the country.

BUGS, OUTAGES, HACKS, SCAMS, ALLEGATIONS, INVESTIGATIONS, ENFORCEMENTS & WRONGDOINGS

The crypto industry faced \$3 billion in losses due to hacks and scams in 2024, marking a 15% increase from \$2.61 billion in 2023, according to blockchain security firm Peckshield. Hacks accounted for \$2.15 billion – or over 70% – of total losses, a 42.38% increase from \$1.51 billion in 2023, while scams contributed \$834.5 million, as per the security firm's annual report. It was harder to recover stolen funds in 2024, as ~\$488.5 million worth of stolen crypto assets were recovered, representing a 27.62% decline from the ~\$674.9 million recovered in 2023.

Finnish police seized \$2.6 million worth of luxury watches after raiding a property linked to crypto founder Richard Heart. In addition to the watches, police said they had seized millions of euros from a Finnish bank account and froze cryptocurrencies held at a foreign service provider as part of a preliminary investigation into the suspect started in the fall of 2024.

An early Texas Bitcoin investor was ordered to surrender his crypto and other wallet private keys and access codes as part of a restraining order after being sentenced in December to two years in prison for tax fraud. Frank Richard Ahlgren III falsely underreported capital gains on Bitcoin sales between 2017 and 2019 and owes the US government ~\$1.1 million in restitution.

The mother of the late Suchir Balaji, a former OpenAI employee turned whistleblower, has raised over \$140,000 worth of cryptocurrency to fuel an independent investigation after she claims her son didn't die by suicide.

The federal judge overseeing the SEC's lawsuit against Coinbase ruled that the case must be paused until an appeals court can weigh in. US District Judge Katherine Failla agreed with Coinbase's argument that too many courts across the country are coming to different conclusions about the legality of crypto, which should be acknowledged as a novel legal issue.

Coinbase's chief legal officer has revealed unredacted FDIC "pause letters," accusing the agency of regulatory overreach by urging banks to halt crypto-related services, sparking calls for Congressional hearings.

The CFTC served Coinbase with a subpoena in relation to prediction market Polymarket. The regulator's request sought "general customer information" in relation to Polymarket.

A federal judge postponed the sentencing of Avi Eisenberg, convicted for exploiting DeFi trading platform Mango Markets, to April 10, citing the case's complexity and the need for an additional review of sentencing issues.

A UK High Court judge dismissed early Bitcoin adopter James Howells' attempt to sue his local council in South Wales to recover an accidentally discarded hard drive from a landfill, which he claims holds access to £600 million (\$739 million) in BTC. Judge Andrew John Keyser KC ruled there were "no reasonable grounds" for Howells' case, as existing laws make the hard drive Newport City Council's property, and environmental permits block excavation.

Cube Entertainment co-CEO Kang Seung-kon is accused of misleading investors in a crypto project called Nestree by falsely guaranteeing returns. Nestree's price surged nearly 10x following Cube's 2022 investment but later collapsed, leading investors to consider legal action against Kang, who has denied the allegations.

An unnamed Canadian crypto forum moderator was reportedly forced to go into hiding with his family following an alleged kidnap attempt where the criminals intended to steal his Bitcoin.

Rapper Heather "Razzlekhan" Morgan dropped the first of two new singles ahead of serving 18 months in prison for her role in an infamous, multi-billion-dollar Bitcoin heist. Released on Jan. 10, Morgan described her new track "Razzlekhan vs. The United States" in a statement.

Crypto exchange OKX warned users of fraudulent OKX browser extensions that have appeared in the Firefox browser plugin store.

Virtuals Protocol addressed a critical vulnerability flagged by a security researcher, quickly patching the problem and announcing plans for a bug bounty program to enhance ecosystem security.

MISCELLANEOUS

On Jan. 8, cryptocurrency traders were liquidated for over half a billion dollars as bitcoin and ether faced

increased market volatility. In a 24-hour window, nearly 186,000 traders were liquidated, with the total liquidations across centralized exchanges amounting to \$524.8 million, according to data from Coinglass.

Former BitMEX CEO Arthur Hayes now predicts the crypto bull market will extend into a March 2025 peak, driven by over \$600 billion in potential liquidity injections via US Federal Reserve and Treasury initiatives. Hayes backtracked on his earlier prediction of a market crash around President-elect Donald Trump's Jan. 20 inauguration, expecting there will now be sufficient dollar liquidity in Q1 to offset potential policy disappointments. Hayes advised risk-takers at his family office, Maelstrom, to turn their dial to “degens,” increasing investments in DeSci tokens, including BIO, VITA and PSY, as part of its strategy.

Solana memecoin marketplace Pump.fun appears to be cashing out more SOL as its fee account sent \$20.49 million SOL to crypto exchange Kraken on Jan. 7, according to on-chain analytics platform Arkham.

Around \$759 million of token unlocks are set to hit the market over the next seven days, according to tokenomics platform Tokenomist. The biggest unlocks to come will be from Aptos's native token, APT, valued at \$114 million, and Movement's token, MOVE, valued at \$54 million.

Avalon Labs, the entity behind Bitcoin-backed stablecoin USDa, says it plans to launch its own native governance token, AVL.

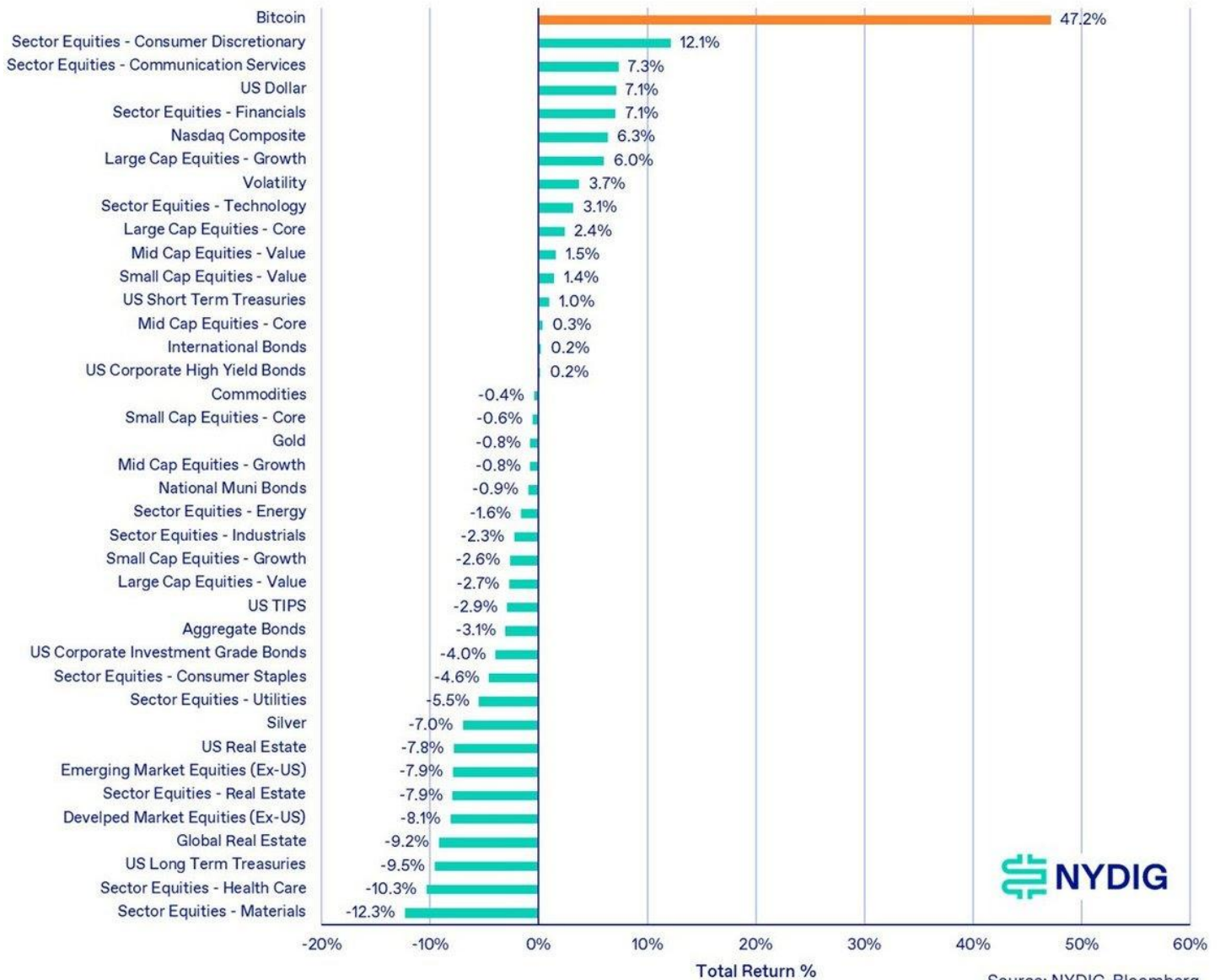
The team behind the popular non-custodial crypto wallet Phantom poured cold water on users' hopes for an airdrop tied to its upcoming social discovery feature, saying it has “no plans” to launch a token.

Vitalik Buterin liquidated memecoins, including popular cryptocurrencies like CULT, DOGE, and SHIB, worth ~\$2.5 million to fund his Kanro charity, which addresses pandemic-related issues.

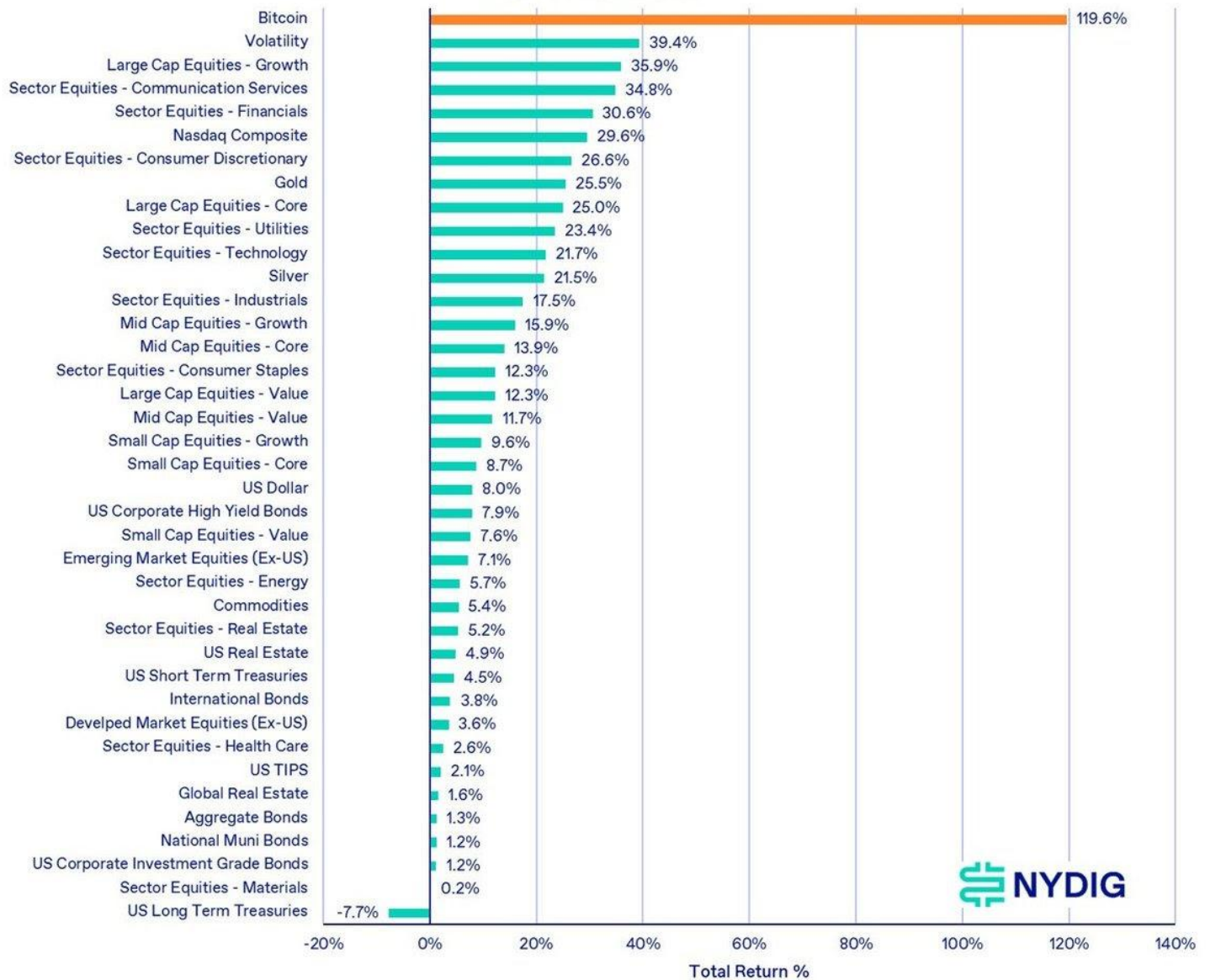
CHARTS, TABLES, QUOTES, COMMENTARY & OTHER IMAGES

NYDIG: Bitcoin beat every other asset class for Q4 and 2024...

Quarterly Returns - Q4 2024



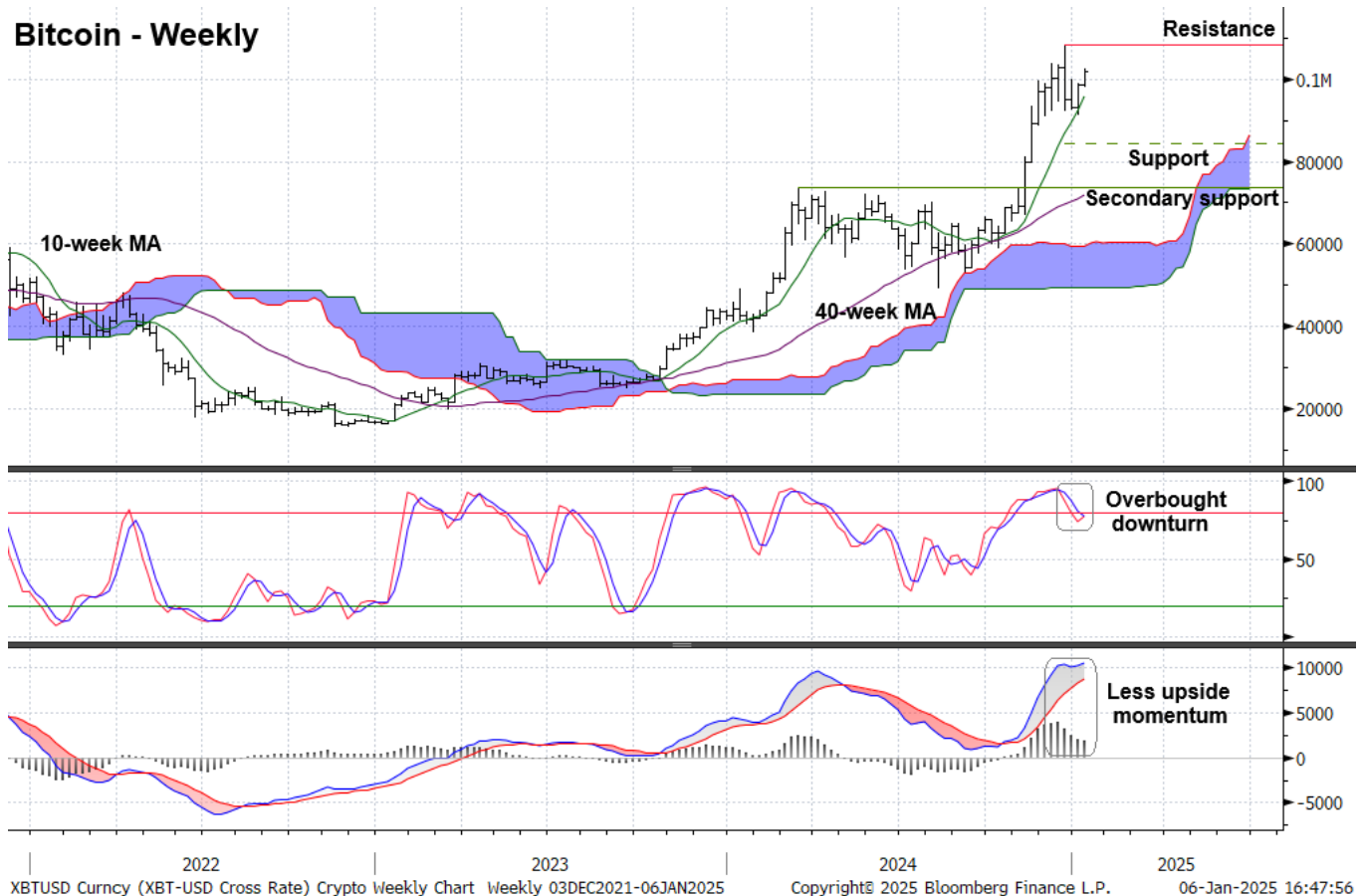
2024 Returns



Source: NYDIG, Bloomberg

Katie Stockton, founder and managing partner of Fairlead Strategies, offers a technical breakdown and bullish long-term outlook for Bitcoin...

Bitcoin rounded out an exceptionally strong 2024 (up 120% YOY) with a whimper, logging the first overbought “sell” signal on its weekly bar chart since mid-April according to the stochastic oscillator, which is an indicator of trend exhaustion. The signal suggests Bitcoin will remain range-bound, at least in the short term (roughly 2-6 weeks), as other risk assets (e.g., equities) continue to pull back.



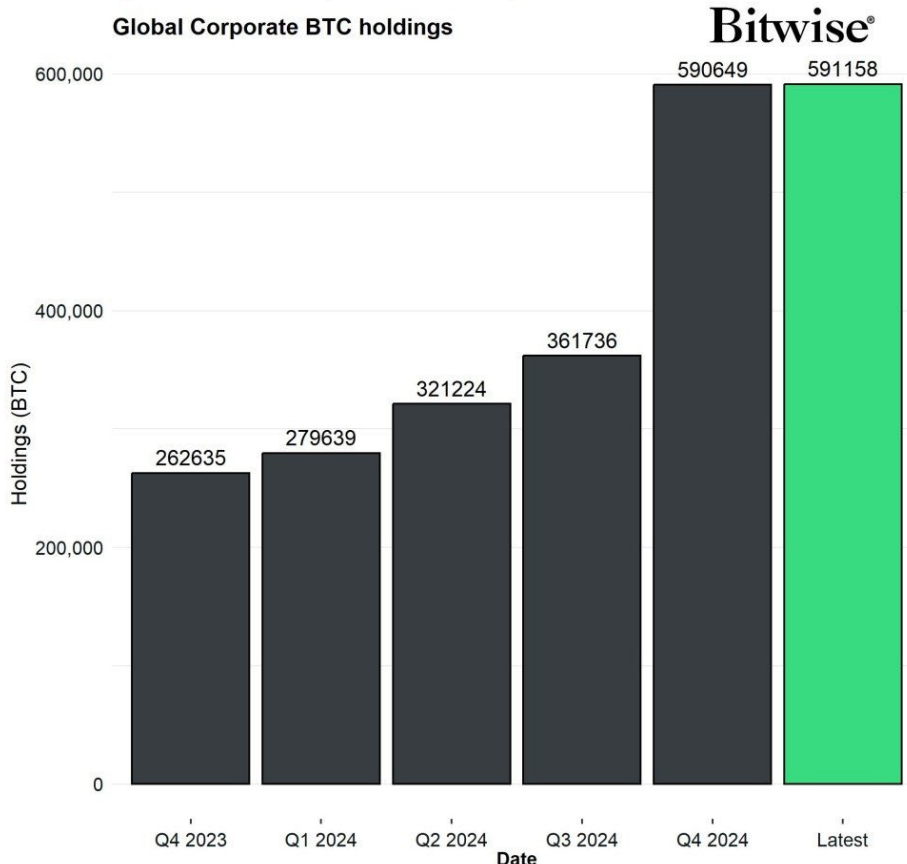
Key technical levels to watch for Bitcoin:

- Minor resistance is at the most recent high, near \$108K, above which is “uncharted” territory. A breakout would be a bullish development, but the momentum does not appear strong enough to generate a breakout at this time.
- Initial support is near \$87.6K, defined by the Ichimoku cloud model, which is a trend-following model based on historical prices. Recent deterioration in our intermediate-term indicators increases the chances that a pullback will deepen further, with secondary support near \$73.8K, reinforced by the rising 200-day (~40-week) moving average.

Despite short- and intermediate-term bearish signals, the long-term outlook for Bitcoin remains bullish from a technical perspective following the post-election breakout in November. The breakout to new highs marked emergence from a several-month downtrend channel, and it helped long-term momentum indicators like the monthly moving average convergence/divergence (MACD) reaccelerate. Thus, a correction for Bitcoin in Q1 should present an opportunity to add exposure ahead of another up-leg in Bitcoin later in 2025.

Global corporate Bitcoin treasuries have more than doubled in the last 12 months...

Global corporate Bitcoin adoption has recently accelerated



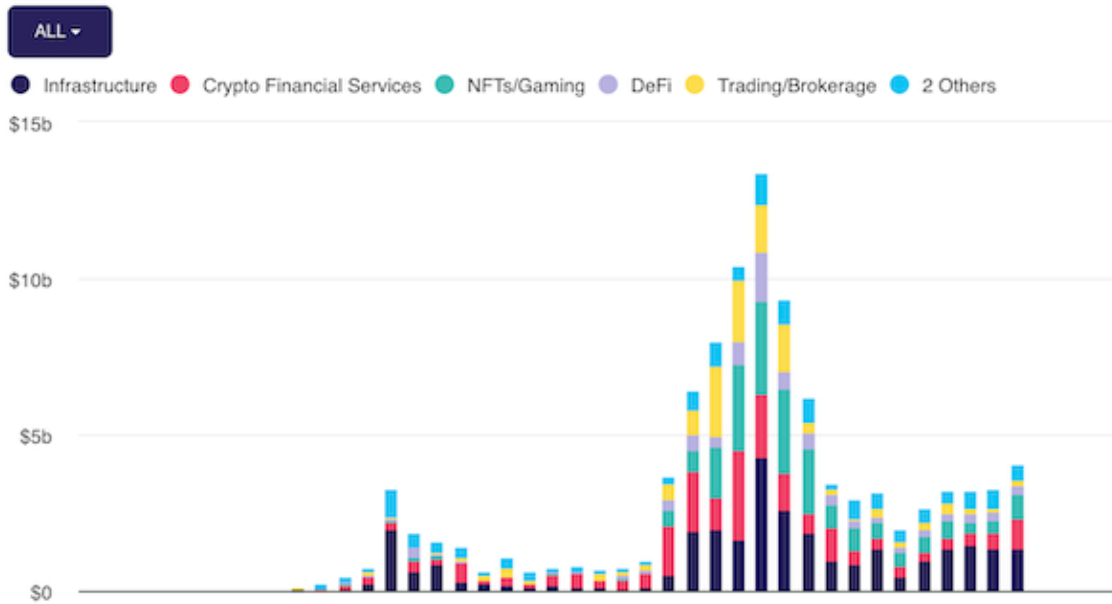
Source: bitcointreasuries.net, Bitwise Europe; latest data as of 2025-01-06

James Seyffart: Just how big was the first year for Bitcoin ETFs? MASSIVE. Here's a list of the largest ETFs 1 year after they launched. Even if you inflation adjust the assets, 4 of the Bitcoin ETFs are in the top 20 US ETF launches of all time. IBIT, FBTC, ARKB, and BITB...

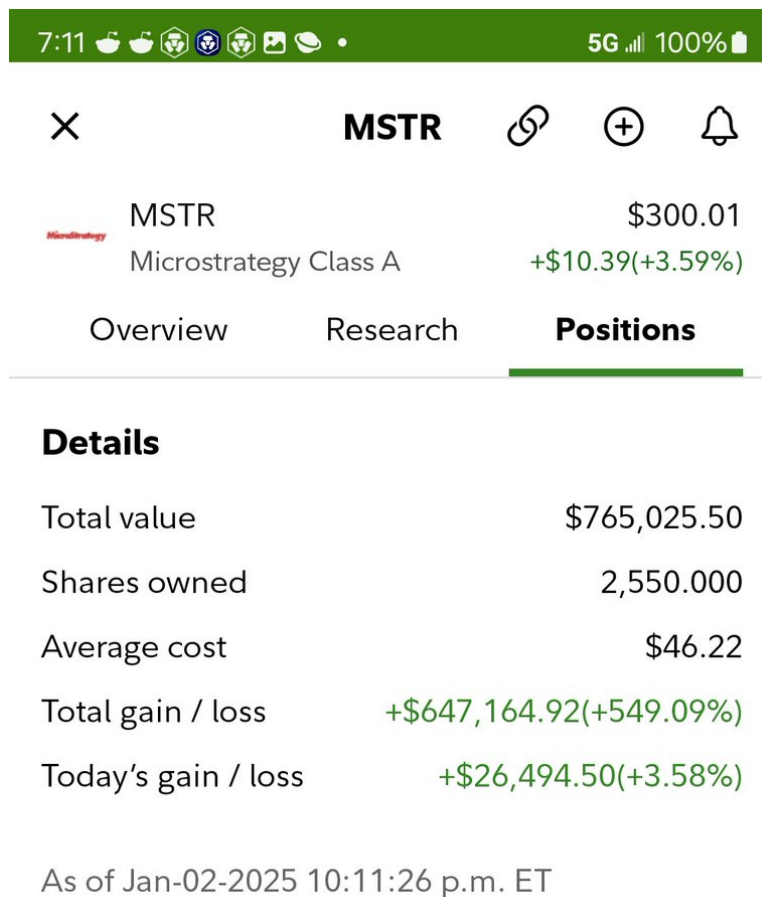
Ticker	Name	Launch Date	Assets at 1 Yr (\$Mln)	Inflation Adj. Assets
IBIT	iShares Bitcoin Trust ETF	1/11/24	\$ 52,333	\$ 52,333
QQQ	Invesco QQQ Trust Series 1	3/10/99	\$ 18,300	\$ 34,003
EFA	iShares MSCI EAFE ETF	8/17/01	\$ 12,127	\$ 21,173
FBTC	Fidelity Wise Origin Bitcoin Fund	1/11/24	\$ 19,681	\$ 19,681
DVY	iShares Select Dividend ETF	11/7/03	\$ 4,124	\$ 6,816
XLC	Communication Services Select Sector SPDR Fund	6/18/18	\$ 5,322	\$ 6,555
BOND	PIMCO Active Bond Exchange-Traded Fund	2/29/12	\$ 4,317	\$ 5,866
JIRE	JPMorgan International Research Enhanced Equity ETF	6/13/22	\$ 5,564	\$ 5,772
GLD	SPDR Gold Shares	11/18/04	\$ 3,428	\$ 5,474
BBEU	JPMorgan BetaBuilders Europe ETF	6/18/18	\$ 4,415	\$ 5,439
TBT	ProShares UltraShort 20+ Year Treasury	5/1/08	\$ 3,626	\$ 5,365
EEM	iShares MSCI Emerging Markets ETF	4/11/03	\$ 2,975	\$ 5,009
IVV	iShares Core S&P 500 ETF	5/19/00	\$ 2,663	\$ 4,727
BBJP	JPMorgan BetaBuilders Japan ETF	6/18/18	\$ 3,698	\$ 4,555
BBCA	JPMorgan BetaBuilders Canada ETF	8/8/18	\$ 3,698	\$ 4,548
ARKB	ARK 21Shares Bitcoin ETF	1/11/24	\$ 4,391	\$ 4,391
LQD	iShares iBoxx \$ Investment Grade Corporate Bond ETF	7/26/02	\$ 2,353	\$ 4,037
BITB	Bitwise Bitcoin ETF	1/11/24	\$ 3,829	\$ 3,829
XLRE	Real Estate Select Sector SPDR Fund	10/8/15	\$ 2,920	\$ 3,816
IEMG	iShares Core MSCI Emerging Markets ETF	10/22/12	\$ 2,761	\$ 3,730

The Block Pro Research: Q4 2024 venture funding in crypto reached \$4 billion across 687 deals, marking the highest quarterly investment total since Q4 2022.

Quarterly Venture Funding by Category



Jason Marquez said he's "just a Truck Driver that loves listening to Michael Saylor on YouTube" and revealed he has profited massively from the advice of the MicroStrategy Executive Chairman.



Blockware Intelligence summarized last week from a mostly on-chain perspective...

BTC Trading Sideways: BTC continues to consolidate in the \$90,000 to \$100,000 range. It should go without saying that the Bitcoin trading in this range for a prolonged period of time is BULLISH. The volatility can cause swings in online sentiment, but this is objectively bullish price action. Some of this week's volatility is being attributed to the US Department of Justice being cleared to sell Silk Road confiscated Bitcoin amounting to ~69,000 BTC (~\$6.5 billion). However, given there are only 6 more trading days (including today) before Trump's inauguration – the total sale of these coins is not going to happen. While the current administration may not be pro-Bitcoin, they are not pro “losing money.” Selling that many coins in a short period of time would result in slippage and the DOJ wants to maximize dollar proceeds from a Bitcoin auction. Moreover, there's undoubtedly large pools of institutional capital ready to on the buy-side if some of these coins are auctioned off – the SBR is right around the corner. This is a nothing burger.

14 Consecutive Hourly Green Candles: Thursday night into Friday morning (EST), Bitcoin put in a record-breaking 14 consecutive positive green candles on the hourly. This shows us that there are LARGE buyers in the market. This price action is indicative of an institutional investor executing a Time Weighted Average Price (TWAP) strategy. What this means is a large capital allocator is trying to deploy X amount of capital into BTC while getting the best price possible. Just like the DOJ can't market sell multiple billions at once without dropping the price, an institution cannot market buy multiple billions at once without pushing the price up – this is market 101. This buyer in particular spread their purchases out across a few hours so as to limit their impact on the price. The previous record was 11 consecutive green hourly candles back in January 2017.

Short-Term Holder Realized Price: We're eyeing a test of the short-term holder cost-basis sometime in Q1 2024 – it's currently at ~\$88,000 and rising. A dip below this level is unlikely in our view – given the underlying bullish conditions, discussed in-depth in our 2025 forecast – but it's possible that support is tested as the market trades sideways (with volatility) as we await confirmation about Trump's economic & BTC policy, Fed policy, etc.

Long-Term Holder Supply: Due to the fact that Bitcoin's has a finite supply, its price behaves very differently than other commodities. For example, if there's an increase in demand for oil, there are two ways for that demand to “find” supply: 1. Bid the price higher. 2. Drill for more oil. Because an increase in demand for Bitcoin CANNOT be met with an increase in production, there's only one way for an increase in demand to find supply. Bid the price higher. With all the noise of financial markets and geopolitics, the fundamental reality of Bitcoin's supply and demand is oft forgotten. Demand for Bitcoin increased after Trump won the election – and that new demand HAD to bid the price higher to find supply. Supply was found – it always is, for every buyer there is a seller. And we can see this on-chain. From October 2024 to today, roughly 1 million coins belonging to “long-term holders” were moved on-chain. Long-term holders moving (selling) coins is a feature of BTC bull runs (on the chart below note Q1 2021, Q1 2024, Q4 2024). Long-term holders have already reverted back to net-accumulation. In other words, it is likely that demand has “found” the majority of supply that is willing to sell in the \$90k to \$100k region. Continued accumulation from long-term holders in the coming weeks is our base case, and this further solidifies this price range as a launching pad for continuation of the bull market.

Cold Weather Forces Curtailments for US Based Miners: After seven consecutive increases to Bitcoin mining difficulty (more hashrate coming online), difficulty is expected to fall (albeit slightly) at the next adjustment. With a severe cold front hitting the United States right now, many Bitcoin miners are turning off their machines. Seasonality in hashrate/difficulty is becoming increasingly common: Larger

concentration of total hashrate within the United States (thus many miners are responding to similar weather conditions). Both of the previous winters have multiple negative difficulty adjustments – a trend we expect to increase going forward. This creates an opportunity for smaller miners to benefit. Most large operators are obligated to halt energy consumption during periods of increased energy demand (such as cold fronts). Smaller miners however – especially those with sound, skilled operations – can continue to hash, benefiting from the decrease in difficulty.

Energy Gravity: At a typical hosting rate today, the average miner requires ~\$70,000 worth of energy to produce 1 BTC (green line).

Conclusion from Coin Metrics’ “State of The Network” weekly report from 1/7/25. (Read the full report, [here](#).)

As Bitcoin celebrates its 16th anniversary, it is clear that this revolutionary digital asset has profoundly impacted the global financial landscape. From its humble beginnings as an obscure whitepaper, Bitcoin has evolved into a globally recognized store of value and a potential hedge against economic uncertainty.

One of the most transformative aspects of Bitcoin is its decentralized monetary policy, which is devoid of state intervention and defined by a transparent, algorithm-driven framework. This stark contrast to the centralized control of traditional fiat currencies has been a key driver of Bitcoin’s appeal, empowering individuals and communities to take greater control over their financial futures.

The stability and credibility that Bitcoin has demonstrated through its decreasing volatility and the growing adoption of stablecoins and Bitcoin ETFs further solidify its position as a viable alternative to traditional financial systems. These developments have significant implications for the potential role of Bitcoin and other cryptocurrencies in the global economy, as the prospect of dollarization or the widespread adoption of digital assets as a replacement for fiat currencies becomes increasingly plausible.

As we look to the future, the legacy of Satoshi Nakamoto’s creation will undoubtedly continue to shape the evolution of finance, technology, and the very nature of money itself. Bitcoin’s 16th birthday serves as a testament to the resilience, innovation, and transformative power of this groundbreaking digital asset, promising an exciting and unpredictable path ahead.

Blockworks updated key metrics...

Total Crypto Market Cap	\$3.45 T
Bitcoin Market Cap	\$1.87 T
Ethereum Market Cap	\$396.20 B
ETH/BTC Ratio	0.03
Ethereum Gas Price	3.06 gwei
DeFi TVL	\$211.29 B
Fear and Greed Index	69 (Greed)

Grayscale Research published ‘December 2024: Crypto Takes a Breather After Roaring Year. (See highlights below. Read the full piece, [here](#).)

- Crypto valuations declined in December after stronger returns earlier in the year. The pullback may have reflected more hawkish signals from the Federal Reserve. The last two Bitcoin bull markets featured many drawdowns of a similar magnitude.
- Spot Bitcoin and Ether ETPs launched in the US market in 2024. Cumulative inflows have now totaled \$38bn. Bitcoin and Ether ended the month down 3% and 10%, respectively.
- The Financials Crypto Sector outperformed in December. Grayscale Research believes this market segment may benefit from regulatory changes and/or new legislation under the incoming US administration and has featured several assets related to DeFi in its updated Top 20 list. The Top 20 also featured assets related to decentralized AI technologies, which remain a major market focus.
- In early January, the Senate will consider President-elect Trump’s nominees for Treasury Secretary, Commerce Secretary, SEC Chair, and CFTC Chair.

Bitwise its seventh annual Bitwise/VettaFi Benchmark Survey of Financial Advisor Attitudes Toward Crypto Assets. (See some highlights below. (Check out the full 21-page survey results, [here](#).)

- Crypto allocations for clients doubled year-over-year.
- 96% of advisors received questions about crypto from clients.
- Advisors are 2x as likely to invest for the first time in 2025 vs. 2024.

Bernstein analysts made 10 predictions for 2025 as crypto enters its “Infinity Age:”

- The analysts reiterated their \$200,000 Bitcoin price target by the end of 2025 amid a rising narrative around sovereign adoption following President-elect Donald Trump's strategic Bitcoin stockpile campaign pledge.
- While the analysts are uncertain whether actual nation-state buying begins this year, they do expect continued growth in corporate treasury adoption, anticipating inflows of more than \$50 billion in 2025 compared to \$24 billion last year.
- The analysts predict the US spot Bitcoin ETFs will attract net inflows exceeding \$70 billion – double the approximate \$35 billion generated in 2024 – led by accelerated institutional adoption.
- Rounding out the Bitcoin side of things, the analysts suggested miners will “have to” continue shifting capacity to AI for value creation this year.
- They expect AI and crypto convergence will foster innovation through decentralized AI-focused blockchains, AI-integrated wallets and tokenized AI agents.
- Bernstein anticipates “unprecedented” regulatory tailwinds for the industry this year with the incoming pro-crypto administration, including potential legislation on stablecoins.
- Such legislation could drive substantial growth in the global stablecoin market, with the analysts predicting it will cross \$500 billion in 2025.
- They anticipate banks and asset managers will begin launching new crypto offerings.
- Expect a more pro-crypto SEC to withdraw or settle existing cases with crypto companies, more crypto firm IPOs and equity market tokenization this year.
- Ethereum is poised to become the next “institutional darling” in 2025, despite underperformance last year, driven by traditional investors seeking intrinsic value.

Arca’s 2025 Digital Assets Predictions:

DeFi Predictions

- We will see a rise in on-chain derivatives
- A new cohort of mid-to-late cycle yield seekers will emerge
- There will be clear winners in CeFi and DeFi intermediaries

Real World Assets (RWA) Predictions

- Stablecoins and tokenized MMFs will go mainstream
- RWAs will be integrated into traditional distribution channels
- LATAM, in particular, will see growth in RWA adoption

Crypto Venture Investing Predictions

- The AI Agent sector in digital assets will explode

- We will see more robust fundraising and new tokens on the market
- We will see a breakout consumer application

a16z released 7 “Big Ideas” for crypto in 2025...

1. Enterprises will increasingly accept stablecoins for payments

Stablecoins found product-market fit in the past year – not surprising since they are the cheapest way to send a dollar, enabling fast global payments. Stablecoins also provide more accessible platforms for entrepreneurs building new payments products: no gatekeepers, minimum balances, or proprietary SDKs. But large enterprises have not yet woken up to the substantial cost savings – and new margins – available to them by switching to these payment rails.

While we’re seeing some enterprise interest in stablecoins (and early adoption in peer-to-peer payments), I expect to see a bigger experimentation wave in 2025. Small-/medium-sized businesses with strong brands, captive audiences, and painful payment costs – like restaurants, coffee shops, corner stores – will be the first to switch from credit cards. They don’t benefit from credit card fraud protection (given in-person transactions), and are also the most hurt by transaction fees (30 cents per coffee is a lot of lost margin!).

We should also expect larger enterprises to adopt stablecoins as well. If stablecoins indeed speedrun banking history, then enterprises will attempt to disintermediate payment providers – adding 2% directly to their bottom line. Enterprises will also start seeking new solutions to problems credit card companies currently solve, like fraud protection and identity. – Sam Broner

2. Countries explore putting government bonds on-chain

Putting government bonds on-chain would create a government-backed, interest-bearing, digital asset – without the surveillance concerns of a CBDC. These products could unlock new demand sources for collateral usage in DeFi (decentralized finance) lending and derivatives protocols, adding further integrity and soundness to those ecosystems.

So as pro-innovation governments around the world further explore the benefits and efficiencies of public, permissionless, and irrevocable blockchains this year, some countries may trial issuing government bonds on-chain. The UK, for instance, is already exploring digital securities through a sandbox at their financial regulatory body, the FCA; its HM Treasury/ Exchequer has also signaled its interest in issuing digital gifts.

In the US – given that the SEC is set to require clearing treasuries through legacy, burdensome, and costly infrastructure next year – expect more conversations around how blockchains could increase transparency, efficiency, and participation in bonds trading. – Brian Quintenz

3. We’ll see greater adoption of the ‘DUNA’, a new industry standard for blockchain networks in the US

In 2024, Wyoming passed a new law recognizing DAOs as legal entities. The DUNA or “decentralized unincorporated nonprofit association” was purpose-built to enable decentralized governance of blockchain networks, and is the only viable structure for US-based projects. By incorporating a DUNA into a decentralized legal entity structure, crypto projects and other decentralized communities can empower their DAOs with legal legitimacy – enabling greater economic activity, as well as insulating token holders from liability and also managing tax and compliance needs.

DAOs – the communities that govern the affairs of an open blockchain network — are a necessary tool for ensuring that networks remain open, do not discriminate, and do not unfairly extract value. The DUNA

can unleash the potential of DAOs, and several projects are already working on implementing it. With the US poised to foster and accelerate progress for its crypto ecosystem in 2025, I expect the DUNA will become a standard for US projects. We also expect other states to adopt similar structures (Wyoming led the way; they were also the first state to adopt the now-ubiquitous LLC)... especially as other decentralized applications beyond crypto (like for physical infrastructure/ energy grids) take off. – Miles Jennings

4. Builders will reuse, not just reinvent, infrastructure

This past year, teams continued to reinvent the wheel across the blockchain stack – with yet another bespoke validator set, consensus protocol implementation, execution engine, programming language, RPC API. The outcomes were sometimes slightly better in specialized functionality, but often lacked in broader or baseline functionality. Take for instance a specialized programming language for SNARKs: While an ideal implementation may let an ideal developer produce more performant SNARKs, in practice it could fall short of general purpose languages (at least currently) on compiler optimizations, developer tooling, online learning materials, AI programming support... and may even lead to less performant SNARKs.

That's why I expect more teams to leverage the contributions of others, reusing more off-the-shelf blockchain infrastructure components in 2025 – from consensus protocols and existing staked capital to proof systems. Not only will this approach help builders save lots of time and effort, it will allow them to relentlessly focus on differentiating the value of their product/ service.

The infrastructure is finally here to build primetime-ready Web3 products and services. And as with other industries, these will be built by the teams that can navigate complex supply chains successfully, rather than the teams who scoff at anything “not invented here”. – Joachim Neu

5. The crypto industry finally gets its own appstores, and discovery

When crypto apps get blocked by centralized platforms like Apple's App Store or Google Play, it limits their top-of-funnel user acquisition. But we're now seeing newer app stores and marketplaces provide this kind of distribution and discovery, and without gating. For instance, Worldcoin's World App marketplace – which not only stores proof-of-personhood but allows access to “mini apps” – enabled 100,000s of users for several apps within just a few days. Another example is the fee-free dApp Store for Solana mobile phone users. Both of these examples also show how hardware, not just software – phones, orbs – may be the key advantage for crypto app stores... just like Apple devices were for early app ecosystems.

Meanwhile, there are other stores with 1000s of decentralized applications and Web3 developer tools across popular blockchain ecosystems (e.g., Alchemy); as well as blockchains acting as both publisher and distributor for gaming (c.f. Ronin). However, it's not all fun and games: If a product has existing distribution – like on messaging apps – it's hard to port that over on-chain (exception: Telegram/TON network). The same is true of apps with significant Web2 distribution. But we may see more of this porting happening in 2025. – Maggie Hsu

6. Crypto owners become crypto users

In 2024, crypto saw major developments as a political movement, with key policymakers and politicians speaking positively about it. We also continued to see it develop as a financial movement (see for example how Bitcoin and Ethereum ETPs broadened investor access). In 2025, crypto should further develop as a computing movement. But where do those next users come from?

I believe now is the time to re-engage the currently “passive” crypto holders and convert them into more active users, because only 5-10% of people owning crypto are actively using crypto. We can bring the 617 million people who already own crypto on-chain – especially as blockchain infrastructure continues to improve, resulting in lower transaction fees for users. This means new applications will start to emerge for existing and new users. Meanwhile, the early applications we’ve already seen – across categories like stablecoins, DeFi, NFTs, gaming, social, DePIN, DAOs, and prediction markets — are starting to become more accessible to mainstream users as well, as the community focuses much more on user experience and other improvements. – Daren Matsuoka

7. ‘Hiding the wires’ helps usher in Web3’s killer app

The industry’s technical superpowers are what make blockchains so special, yet have also hindered mainstream adoption to date. For creators and fans, blockchains unlock connectivity, ownership, and monetization... But industry-insider jargon (“NFTs,” “zkRollups”, etc.) – and complex design – puts up barriers for those who benefit most from the technologies. I’ve seen this firsthand in countless conversations with media, music, and fashion executives interested in Web3.

Mass adoption for many consumer technologies has followed this path: began with the technology; some iconic company/ designer abstracts away the complexity; the move helps unlock some breakthrough app. Think about where email started – SMTP protocols hidden behind the “send” button; or credit cards, where most users today don’t think about the payment rails. Similarly, Spotify revolutionized music not by flaunting file formats – but by delivering song playlists to our fingertips. As Nassim Taleb observed, “Over-engineering breeds fragility. Simplicity scales.”

That’s why I think our industry will adopt this ethos in 2025: “hide the wires.” The best decentralized apps are already focusing on more intuitive interfaces, to become as easy as tapping a screen or swiping a card. In 2025, we’ll see more companies design simply and communicate clearly; successful products don’t explain; they solve. – Chris Lyons

Multicoin Capital: Frontier Ideas For 2025...

DePIN Robotics, Zero-Employee Companies (Kyle Samani)

DePIN Robotics – It is already rumored that the incoming Trump administration is going to try to push autonomous driving (AD) regulations from the states to the national level, creating a unified standard for AD companies to strive for. As GPU clusters exceed 100,000 H100s, transformer-based autonomous driving is going to become real-world ready. In the wake of that, I expect an explosion in robotics-based DePINs. Many of these startups have already raised money from non-crypto VCs, but have not really started to commercialize. I'm optimistic that a number of them will adopt DePIN models to diversify risk off of the development company's balance sheet and onto the robotics professionals and prosumers around the world. Many of the early adopters of these robotics products are going to capture data that's paramount for developing autonomous robots. There is one company that I'm aware of in this sector today – Frodobots – and I'm expecting many more. Our portfolio company Hivemapper, while not explicitly a robotics company, is exploring a lot of similar ideas.

Zero-Employee Companies – The foundation of a Zero-Employee Company is AI. With OpenAI's o3 and other more advanced chain-of-thought reasoning models, models are getting to the point where they can think, plan, execute, and self-correct along the way. This provides the foundation for AI agents to perform all of the tasks in a business. In order for a Zero-Employee Company to function, it will need human guidance as inevitably the AI will make mistakes and probably exceed its context window. Over time, I expect the degree of human guidance to decrease as AIs continue to improve self-correction and expand context windows. I believe the governance for these Zero-Employee Companies will likely occur via a DAO, and I expect crypto capital markets will fund ambitious attempts at Zero-Employee Companies.

Startups often succeed where big companies fail because they face unique constraints. I believe the Zero-Employee constraint will lead to some incredible breakthroughs across all business operations.

On-Chain Securities (Tushar Jain)

With the incoming Trump administration and the Republican sweep of Congress, the time has finally come for on-chain securities to take off in a meaningful way.

The near-instant finality of transactions on a blockchain like Solana eliminates the waiting periods typical in traditional finance. More rapid movement of capital increases capital efficiency and should lead to more efficient prices.

Blockchains ensure that all participants have access to a real-time, immutable record of transactions. This level of transparency and security is a stark contrast to the opaque and sometimes risky centralized databases of traditional finance. The transaction costs on blockchain networks are dramatically lower than those in traditional banking systems, just compare the cost of sending stablecoins on Solana (\$.001) to the cost of sending a wire (\$30). Solana's token extensions now allow for the type of precise granular controls needed for tokenized securities. Issuers can limit holders of their securities to whitelisted addresses, recall tokens if ordered to by a court, and comply with other securities law or transfer agent requirements or best practices.

There is no doubt that the near-instant finality, cheap transactions, and transparency of a blockchain offer better settlement than slow, expensive, and opaque tradfi rails. The only real hurdle has been a regulatory one, and a more innovation friendly SEC can open the doors for security tokenization.

I do not think public equities will be the first type of tokenized security that will be adopted by the mass market. It's more likely that less liquid and more opaque markets which benefit more from tokenization will go first. This could be startup equity, there is no reason to pay Carta or Angelist to manage your cap table when a blockchain can do it for effectively free. It could be fixed income instruments like what Figure has been working on for years. It could be LP interests in funds.

Buy Now, Pay Never, Spend Your Portfolio, Portfolio Margining (Spencer Applebaum)

Building on Tushar's idea, when all assets are programmable and tradable on chain, we're going to start seeing interesting new products emerge. A few examples:

Buy Now, Pay Never – Affirm and Klarna popularized the idea of buy now, pay later, and I'm sure you've seen the little widgets on Amazon and other merchant websites. On-chain users today can earn ~8% on SOL and ~15% on stablecoins. Instead of needing to pay up front for a subscription, what if users could deposit their tokens with a merchant (ranging from Web2 companies like Netflix to Web3 companies like Dune Analytics) and the merchant earns the staking/lending rewards over time? The users' tokens would be locked up for some amount of time to guarantee payment. We think there is a strong consumer psychology play here, whereby opportunity cost on yield seems much more palatable than paying up front.

Spend Your Portfolio – When all assets are tokenized and aggregated into one place (a Web3 wallet), it makes sense that users should be able to pay for medium-to-large ticket items with their portfolio. Imagine Alice has \$10K of BTC, \$10K of yield generating USDC, \$10K of TSLA stock, and \$10K of gold. She wants to purchase a \$4K sofa. Instead of having to convert her USDC to fiat, wait for bank transfers, send the payment, and then do the reverse process to rebalance her portfolio, what if she could atomically sell \$1K each of her four holdings on chain and then instantly pay the sofa merchant? She remains fully allocated to her existing portfolio and doesn't need to think about the process for rebalancing.

Portfolio Margining – In 3-5 years' time, with the advent of crypto prime brokers and unified Super Protocols, users should be able to cross-margin all of the assets they own. For example, Alice should be able to use her AAPL stock to go short BTC perps and borrow USDC on chain. Or should be able to collateralize her tokenized whiskey to buy tokenized debt on chain. We're starting to see this synthetically (e.g. Ostium bringing FX trading on chain), but when spot assets are tokenized, this becomes much cleaner.

Verifying Off-Chain State On-Chain (Shayon Sengupta)

Asset ledgers like Bitcoin and Solana are the zero-to-one moment for crypto. These systems are fundamentally about money – they facilitate the storage and transfer of value across global, permissionless rails. We're now seeing the cryptographic primitives that make these systems possible starting to cross-pollinate with non-ledger systems in a way that unlocks net new markets. Over the next 12 months, cryptography will anchor itself as the verification layer for data and compute in three novel ways: web proofs, privacy-preserving data processing, and identity/media provenance. I think of this as the convergence of money crypto and verification crypto – a coordination layer that will enable new economic primitives and incentive structures.

The first opportunity here is zkTLS and the markets it enables. zkTLS refers to the construction of zero-knowledge proofs over TLS signatures in webpages to verify arbitrary units of data on the internet in a completely uncensorable, tamper-proof manner (for example, your credit score on equifax or your Strava activity history). Teams are already deploying zk proofs over web sessions to build applications that are uncensorable and resistant to fraud. Our investments in p2p.me and ZkMe are early examples. p2p.me is

a cash onramp/offramp in India that leverages web proofs to sidestep broken market structures in the region. ZkMe is a sovereign verification system for KYC credentials that allows applications to validate the identities of their users in a privacy preserving manner. This same primitive can be extended to dozens of new markets—ticketing, reservations, and other systems where fraud is the primary bottleneck to liquidity.

Second, fully homomorphic encryption (FHE) is about to enter its prime. Post-training and finetuning over private or confidential environments will become more critical as AI systems hit diminishing returns on training over public datasets. This creates an entirely new design space for coordinating otherwise inaccessible datasets as inputs into models — particularly as large swaths of valuable enterprise and consumer data continue to move off-prem into cloud systems. Token-based incentives at this layer are going to be crucial, and unlocks in this domain will take SOTA foundation models to the next level.

Third, identity verification and media provenance systems are going to become a fixture in consumer applications in a post-AI-abundance world. When the cost of generating content approaches zero, the flood of synthetic media will make proving authenticity—of both content and identity—a strong requirement. Early systems like Worldcoin, Humanity Protocol, and Humancode use cryptographic proofs over biometrics or state-issued credentials to establish personhood, and use token incentives as the primary call to action to mobilize participants at scale. Similarly, standards like C2PA are tackling media provenance by stamping content at the hardware layer to separate media captured authentically from that which is generated by AI, but their widespread adoption at the application layer will likely require some form of token based coordination given inertia in consumer habits. These tools will be critical in addressing the information hazards of an AI-saturated consumer internet.

Trading Goes Multiplayer, Full-Stack Media Companies (Eli Qian)

Trading Goes Multiplayer – Sharing financial wins and losses, and speculating as a group, is a deeply-human, highly-viral behavior. People love to talk about how much money they made (or lost!) on everything from stocks to sports betting to memecoins. Yet, most popular trading platforms across crypto, stocks, and sports betting are designed for a solitary experience. Robinhood, FanDuel, BONKBot – none of these are multiplayer-first experiences. Despite this, the demand for social trading is undeniable. Users today create their own makeshift social experiences through online forums and group chats. A significant portion of content on Crypto Twitter revolves around these discussions.

One of crypto’s greatest strengths is permissionless liquidity. It opens the door for anyone to build multiplayer trading tools for cryptoassets. In 2025, I’m excited to see builders leverage the inherent virality of social trading to create multiplayer experiences. Such a product would allow users to share trades, compete on P&L, and enter positions together with a single click or tap. The design space is vast, spanning Telegram bots, Twitter Blinks, Discord mini-apps, and more. While 2023 and 2024 witnessed the rise of singleplayer tools like BONKBot and BullX, 2025 will be the year trading goes multiplayer.

Full-Stack Media Companies – There have been many attempts at using tokens to enhance media and content, but few have lived up to their full potential. However, we are beginning to see the rise of media companies that control the production of content end-to-end including the token, distribution, and human capital. These “full-stack” media companies have the ability to take crypto primitives much further than before. Think: athlete tokens, creator coins, livestreaming with prediction markets, etc..

One example is Karate Combat. Rather than create a product around existing UFC fighters, Karate Combat is building a new fighting league from scratch granting them more control over the ruleset, distribution, and athletes. While a token for a UFC fighter will have limited utility, Karate Combat can give token holders the ability to vote on fighter’s training regimen, match outfit, or really anything else—

something only possible because Karate Combat controls both the design of the token and the contracts of the fighters.

The livestreams, sports leagues, podcasts, and reality game shows of the future will have deep vertical integration across content, distribution, tokens, and human capital. I'm excited to invest in, and consume, the next generation of token-enhanced media.

The Rise of Alpha Hunters (Vishal Kankani)

A few things have decisively happened in 2024. And they point to something interesting that will emerge in 2025.

First, for ~\$0, practically anyone can permissionlessly launch a new token. This resulted in a staggering number of token launches in 2024. Most of these launches are memecoins, with half-lives measured in hours.

Second, in 2024 market sentiment swung back to high-float, low-FDV fair-distribution-style token launches—reminiscent of the ICO era in 2017. In this type of market, CEXes struggle to keep pace with new listings, which we expect to happen in 2025 (because of their listing processes), creating an incentive for people to come onchain and drive more liquidity to DEXes. Consequently, DEXes will gain market share on CEXes in the year ahead. As the number of tokens and DEX activity explodes, active traders will need more robust tools and models to identify emergent tokens, analyze sentiment and on-chain metrics, identify exploits, mitigate risks (such as rugpulls), and execute trades efficiently—all in real time.

This brings us to the third thing that happened in 2024: AI Agents. So far we have seen AI Agents create content on social media to grab attention toward their respective tokens. I expect the next iteration of AI agents to be Alpha Hunters – i.e., those whose sole job is to hunt alpha and trade it autonomously in real time.

Frenzy of Institutionalization (Matt Shapiro)

We are just entering the start of the institutionalization phase of crypto, and it's going to happen at a dizzying pace.

The crypto industry has advanced tremendously over the last 5+ years through major technical advancements, product-market fit, and material UI/UX improvements, amongst others, but the institutional community has effectively stood still as it relates to crypto. The combination of regulatory and career risk created a unique inability for many financial institutions to productively enter the space or even offer their customers the most basic of crypto products. With a pro-crypto administration coming into power in the US and the record-setting success of the BTC ETFs, we are about to see 5-years of institutional complacency scrambling to catch up and find ways to support crypto as quickly as possible.

In 2024 there was \$35B of BTC buying demand that could not or would not simply onboard with Coinbase to buy crypto. With most asset managers and major wirehouses still not fully turned on, there are many more dollars that will be able to access crypto in 2025. We are going to see a plethora of ETF launches to satisfy and tap into this demand. This not only includes ETFs for new cryptoassets such as Solana (SOL), but also ETFs that own multiple crypto assets, and others which mix cryptoassets with traditional assets such as gold, equities, or credit. There will be levered ETFs, inverse ETFs, volatility dampening ETFs, staking ETFs, etc. Basically, every amalgamation you can possibly think of to bundle cryptoassets for institutional and retail investors will be explored.

We will see a race to offer basic financial products around crypto from major financial incumbents. Every financial institution should be exploring creating product lines to enable their clients to trade crypto products. Financial institutions should be looking to custody crypto-assets and extend credit against those assets, as they do with more traditional assets today. We will likely also see a major increase in stablecoin issuers. Any bank that takes deposits should be looking to issue stablecoins natively. A highlight from my chat with Cuy Sheffield from Visa at the 2024 Multicoins Summit was that every company will need a stablecoin strategy. Companies used to focus on “ecommerce.” Today, it's just commerce. Stablecoins are headed in the same direction.

These are all just the tip of the spear, and while not the most technically ambitious thing happening in crypto, the size and scope of the distribution and dollars at play is immense.

Continued fallout from the various crypto liquidity issues, regulatory problems, and 2022 ‘crypto winter’ in the space...

- Backpack Exchange, a crypto trading company founded by former employees of Sam Bankman-Fried's Alameda Research and FTX crypto companies, is acquiring FTX's bankrupt European arm, which held a MiFID II-license under the Cyprus Securities and Exchange Commission, for almost \$33 million. The deal is waiting court approval.
- The criminal trial of Terraform Labs founder Do Kwon was tentatively scheduled for late January of next year. Kwon, who pleaded not guilty, could face up to 130 years in prison if convicted of the nine charges related to the collapse of his failed TerraUST stablecoin.
- The US government estimates that the number of victims of Terra co-founder Do Kwon’s alleged fraud “potentially totals more than one million,” according to a recent filing to the US District Court for the Southern District of New York. US Attorney Daniel Gitner said the sheer number of victims makes it “impracticable” for the court to ensure it accords all of the victims their rights under law. The government intends to set up a website to inform potential victims of all public court proceedings.
- Gemini, the exchange run by the Winklevoss twins, agreed to pay a \$5 million fine to settle a lawsuit with the CFTC. The suit, which the CFTC brought in June 2022, alleged that Gemini had made “false and misleading statements” relating to the exchange’s bid to launch a Bitcoin futures contract. Under a proposed consent order, Gemini agreed to settle the case without admitting or denying the allegations.