



HYPERION DECIMUS

CRYPTO NEWSLETTER

POWERED BY WEEKLY CRYPTO BRIEF

22nd December 2024

BITCOIN-RELATED



Bitcoin's market cap recently reached 14% of gold's, marking a new all-time high in relative valuation, according to data from Galaxy Research.

An Ohio House of Representatives member introduced a bill to establish a Bitcoin fund in the state's treasury, marking the third US state to do so in just over a month. Republican leader Derek Merrin on Dec. 17 introduced HB 703, tentatively titled the Ohio Bitcoin Reserve Act, which would give the state treasurer authority to purchase Bitcoin as part of "proper asset allocation," though it would not require it.

Satoshi Action Fund chief executive Dennis Porter, who recently helped to get a Bitcoin reserve introduced in the state of Texas, teased another state-level bill. Porter said: "We had Pennsylvania, and we had Texas. And now we have another state coming on board. And they sent me the draft. So, I know it's real." He added that he expects around 10 states to introduce Bitcoin reserve bills.

A Japanese lawmaker is pushing his government to consider launching a national Bitcoin reserve. A formal request was submitted on Dec. 11 to the National Diet, by member Satoshi Hamada, according to the Japanese legislature's website.

German former Finance Minister Christian Lindner criticized Chancellor Olaf Scholz in the Bundestag for not adopting Bitcoin in Germany's financial strategy, citing the crypto-friendly policies of the US as an example of innovation.

Sarah Knafo, a French lawmaker who's part of a far-right political group Reconquête! wants the bloc to copy US President-elect Donald Trump's campaign promise by creating a Bitcoin strategic reserve. Speaking in Brussels, she declared: "It is time to protect our people from inflation and the poor economic choices of our states."

El Salvador will allow Bitget to offer Bitcoin-related services like fiat exchanges and custody solutions while the exchange seeks further approval to support other digital assets. This comes as El Salvador negotiates with the IMF to amend its Bitcoin law and expands its global crypto strategy through international partnerships.

MicroStrategy acquired another 15,350 BTC for \$1.5 billion, raising its total holdings to 439,000 BTC worth over \$46 billion. The latest acquisitions were made between Dec. 9 and Dec. 15 at an average price of \$100,386 per Bitcoin, according to an 8-K filing with the SEC.

Small-cap medical device maker Semler Scientific bought another 211 Bitcoin worth \$21.5 million. (Shares of SMLR also became available for options trading.)

Japanese investment firm Metaplanet, which will turn its first operating profit since 2017, said it plans to move beyond just accumulating Bitcoin as part of its treasury management strategy. In a Dec. 18 investor disclosure, Metaplanet said it would establish “Bitcoin accumulation and management” as a formal business line, which will see it employ loans, equity, convertible bonds and other financial instruments to purchase and hold Bitcoin. (Metaplanet also raised another \$60.6 million through two bond issuance tranches to buy more Bitcoin.)

The Human Rights Foundation donated 7 BTC worth \$706,000 to fund 20 worldwide Bitcoin development and projects.

University of Southern California football player Matai Tagoa’i will get paid part of his NIL earnings in Bitcoin through Strike – becoming one of the first college athletes to embrace Bitcoin for NIL agreements.

sBTC on Stacks is available and designed to let your Bitcoin work overtime. Head of product at Andre Serrano says: “The nice thing about this is that you are eligible for this yield both by holding it as well as deploying it in DeFi.” sBTC also stays liquid, so you don’t need to stake or lock it up to earn rewards. The one caveat: Withdrawals back to the Bitcoin network will only be enabled in March 2025. So, for the most trust-minimized way to bridge back, you have to wait. (Read more about it, [here](#).)

Chaincode Labs, a privately funded Bitcoin research and development center in New York City, awarded its inaugural Bitcoin Scholarship to 17-year-old Ishaana Misra, the youngest contributor to Bitcoin Core in the technology’s 15-year history. Misra was selected from 232 applicants globally for the scholarship, covering one year’s academic expenses.

INDUSTRY ADVANCES

Upscale French luxury department store Printemps announced it was teaming up with crypto exchange Binance and French financial tech company Lyzi to accept specific cryptocurrencies in its stores in France, becoming the first European department store to do so.

Luxury lighter and pen maker S.T. Dupont said it aims to accept cryptocurrency payments in two Paris stores before the holidays.

TON blockchain VC firm and builder The Open Platform officially launched TON Space, a self-custodial wallet that claims to have already been used by over 100 million Telegram users during its now-concluded beta phase.

Banking giant Deutsche Bank is building out a Layer-2 rollup network on Ethereum with Matter Labs’ ZKsync technology. The chain will be “a public and permissioned L2.”

Hong Kong-based regulated digital asset financial services provider HashKey Group launched its Layer-2 HashKey Chain on mainnet. HashKey Chain joins others like Coinbase's Base and Kraken's Ink as part of the Superchain network of interoperable Ethereum L2s built using Optimism's OP Stack.

Crypto exchange Kraken launched an Ethereum Layer-2 scaling solution named Ink on its mainnet. Ink runs on Optimism's Superchain technology stack and is progressing towards stage 1 decentralization with permissionless fault proofs. Since Ink was deployed on Kraken's testnet in Oct., more than 8.17 million transactions have been processed and 90,600 tokens have been deployed.

Layer-1 blockchain Avalanche launched what it describes as its biggest network upgrade – Avalanche9000. The team behind the blockchain said the upgrade was live on the mainnet, and it expects the new infrastructure to reduce the cost of deploying a Layer 1 by 99.99%.

Sonic Labs officially launched its Sonic mainnet, a next-generation EVM-compatible Layer-1 blockchain built to empower developers with robust features and compelling incentives. Reportedly, Sonic has the capability to handle up to 10,000 transactions per second and near-instant finality. It features a native decentralized bridge that seamlessly connects to Ethereum.

The Monad Foundation was established on Dec. 16, aimed at promoting the development and adoption of the Ethereum-compatible Monad blockchain, with its creation hinting at an imminent mainnet and token launch. (After announcing the Monad Foundation, Monad Labs rebranded to Category Labs.)

Axiom, developer Max Gillet and the Ethereum Foundation's Privacy & Scaling Explorations (PSE) team are announcing OpenVM, an open-source zkVM framework for instant proving.

Pyth Network, the public decentralized data infrastructure that empowers the next generation of financial applications, announced the expansion of its low-latency price feeds to deliver reliable real-time market data on West Texas Intermediate and Brent Crude Oil futures contracts & aggregated spot price through a non-expiring Contract for Difference on 80+ blockchains. This is the first time real-time pricing data for these assets are available on-chain creating new opportunities for developers to create novel DeFi applications like perpetual futures for some of the most liquid real-world assets in TradFi.

The annual golf exhibition now known as "The Showdown," which took place in Las Vegas and saw the PGA's Rory McIlroy and Scottie Scheffler defeat LIV's Bryson DeChambeau and Brooks Koepka), paid \$10 million in prize money in the form of cryptocurrency. Title sponsor Crypto.com said in a news release that the event was "the first ever major golf tournament with a multimillion-dollar purse to be paid in CRO cryptocurrency." (CRO stands for Cronos, which is the primary cryptocurrency of Singapore-based crypto exchange Crypto.com.)

The Telecom Regulatory Authority of India successfully operationalized a blockchain-based Distributed Ledger Technology framework to ensure the traceability of all commercial SMS. The new framework mandates all businesses, banks, and government agencies, to declare and register their message transmission paths. Using DLT, the system provides end-to-end traceability for every SMS from origin to delivery, ensuring data security and minimizing delays.

MINING



Bitcoin mining companies MARA and Hut 8 announced substantial Bitcoin purchases on Dec. 19.

MARA expanded upon a previously announced Bitcoin purchase from last week, boosting the tally to 15,574 Bitcoin at a total price of about \$1.53 billion (adding another 3,800 BTC at a price around \$400 million). Hut 8 said that it added 990 Bitcoin at a price of about \$100 million.

Decentralized Bitcoin mining protocol Prosper acquired 7,000+ ASIC miners from BITMAIN. The

acquisitions and funding aim to expand Prosper's institutional-grade Bitcoin hashrate capacity and enhance decentralized access to mining.

Cango, a Chinese automotive services company that trades on the NYSE, has quietly become one

of the largest public Bitcoin miners in the world. According to a Cango press release from Nov. 15, Cango purchased 32 EH/s of Antminer ASICs (~4% of the Bitcoin network hashrate) from Bitmain for \$256 million in cash, and it has another 18 EH/s under contract with a company owned by Bitmain's former CFO, Max Hua. If the 18 EH/s deal closes, Cango would operate 50 EH/s, putting it on par with MARA in terms of self-mining hashrate.

British Columbia upheld its province-wide Bitcoin mining ban, extending it to Dec. 2025 despite

Vancouver's exploration of becoming a Bitcoin-friendly city, for energy clean initiatives.

ETPS (EXCHANGE-TRADED PRODUCTS), FUNDS & INDEXES



ETF.com: Since their debut in Jan., US-listed crypto ETFs have seen \$38 billion of inflows, with more

than half of that coming in just the past three months. ETFs that hold spot Bitcoin or Ether have nearly \$129 billion in AUM, equal to nearly 5% of the market cap of those two cryptocurrencies. Spot Bitcoin funds, which launched on Jan. 11, hold around \$115 billion worth of Bitcoin, while spot Ether ETFs, which launched on July 23, hold close to \$14 billion worth of Ether. That means that spot Bitcoin ETFs represent ~5.5% of Bitcoin's market cap, while spot Ether ETFs represent ~2.7% of Ether's market cap.

As of Dec. 17, Bitcoin ETFs (including leveraged products such as futures-based ETFs) reached AUM

worth \$129.25 billion, edging out Gold ETF AUM at \$128.88 billion, according to Vetle Lunde, analyst at K33 Research.

Ki Young Ju: BlackRock's gold ETF took 20 years to reach \$33 billion AUM, while their Bitcoin ETF

nearly doubled gold's AUM in less than a year.

US spot Bitcoin ETFs experienced a record \$680 million worth of net outflows on Dec. 19, breaking a

15-day, \$6.7 billion streak of positive flows. The prior daily outflow record was \$563.7 million, set on May 1, when Bitcoin tumbled to a low of around \$56,000.

Crypto investment products recorded their 10th consecutive week of inflows (week ending Dec. 13), totaling \$3.2 billion, with Bitcoin leading at \$2 billion and Ethereum ETPs achieving \$1 billion in their seventh consecutive week of gains.

Analysts at firms including Bernstein and CryptoQuant suggest the incoming Trump administration could ease regulations, enabling Ethereum staking in spot ETF products and attracting institutional investors through clearer frameworks. Potential staking yields of 4-5% amid declining interest rates and increased blockchain activity could drive significant inflows into Ethereum ETFs, making Ether more appealing for long-term holding, they said.

The SEC approved the first hybrid Bitcoin-Ethereum ETFs by Hashdex and Franklin Templeton, marking a regulatory milestone as the funds prepare for January launches with an initial 80:20 BTC-ETH allocation.

BlackRock acquired municipal debt through a transaction that exclusively utilizes blockchain technology – marking the first instance of municipal bonds being purchased, settled, and held entirely on a blockchain platform. The transaction was facilitated through an application on JPMorgan's private, permissioned blockchain platform (Digital Debt Service) and made through its ETF, the iShares Short Maturity Municipal Bond Active ETF (MEAR).

Bitwise launched a Solana staking ETP in Europe with the ticker BSOL. Solana staking firm Marinade will be Bitwise's staking provider.

Osprey Funds announced the public quotation of the Osprey BNB Chain Trust on OTC Markets under ticker symbol OBNB. The Trust is the first publicly trading US fund offering exposure to the BNB token and given current US exchange restrictions accessing BNB, it is one of the only ways to access BNB with USD.

Grayscale announced the reopening of its private placement investment product Grayscale Horizen Trust (for eligible accredited investors). The Trust offers investors the opportunity to gain exposure to ZEN, the token underpinning the Horizen blockchain, which is currently undergoing an upgrade aimed at optimizing the platform to support zero-knowledge applications.

Cathie Wood-led investment firm ARK Invest sold 13,780 Coinbase shares worth \$3.9 million on Dec. 19, as it rebalanced its Fintech Innovation fund weightings amid a sharp drop in COIN's price. Coinbase's stock price fell 10.2% that day after Fed Chair Jerome Powell's hawkish speech cut the 2025 rate reduction outlook and rattled markets. ARKF maintains a 9.9% Coinbase weighting, making it the fund's second-largest holding behind Spotify.

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

The Beam Foundation disclosed plans for an upcoming venture fund in Abu Dhabi targeting blockchain gaming projects. The fund will launch in the first half of 2025, seeking to raise \$150 million in capital backed by local investors.

Big Time Studios announced a \$150 million Open Loot Fund to propel Web3 gaming on the Open Loot platform. The fund provides financial backing, marketing expertise, and development support to enable studios to create high-quality crypto games.

Stablecoin payments infrastructure firm BVNK is expanding to the US after raising \$50 million in a Series B round – led by Haun Ventures, with participation from Coinbase Ventures, Scribble Ventures, DRW VC, Avenir, and Tiger Global.

Avara's Lens secured \$31 million in funding to develop its SocialFi-focused Layer-2 blockchain, set to launch on Ethereum in early 2025.

Blockchain startup Plume closed \$20 million in Series A funding, advancing plans to tokenize real world assets and launch its Ethereum virtual machine-compatible L1 blockchain early next year.

Fraction AI secured \$6 million in pre-seed funding, co-led by Spartan and Symbolic Capital, to develop a decentralized data labeling platform combining human insights with AI for training advanced machine learning models.

IPOS, M&A, PARTNERSHIPS & DEALS



Crypto wallet maker Exodus Movement secured SEC approval to list on the NYSE American exchange on Dec. 18.

Blockchain analytics firm Chainalysis announced its acquisition of Hexagate, a Web3 security provider, in response to the growing threat of crypto hacks and exploits.

Deribit, a derivatives exchange for digital assets, announced it added support for the Pax Gold (PAXG), a token created by Paxos that is backed 1:1 by a fine troy ounce of LMBA good delivery gold vaulted in London.

Kairon Labs, a crypto market maker and liquidity provider, partnered with Solidus Labs, a specialist in crypto-native compliance and risk management solutions, to strengthen its compliance program and ensure readiness for the EU's upcoming MiCA.

Eliza Labs, the team behind the popular Eliza framework and ai16z agent, partnered with Stanford's Future of Digital Currency Initiative through a grant exceeding \$250,000 to research trust mechanisms and governance for AI agents.

Chaminade University partnered with software company Constellation Network to expand a “datapreneurship” internship program aimed at empowering students to innovate in the emerging digital economy. Participants will build their skills as data scientists/entrepreneurs, leveraging Constellation Network’s blockchain technologies to tackle real-world challenges.

Ethereum Name Service partnered with Linea to develop Namechain, a zkEVM-powered Layer-2 network for decentralized cross-chain name resolution, ensuring compatibility with Ethereum’s smart contracts and tools.

Blockchain For Impact and the All India Institute of Medical Sciences in Delhi partnered to advance biomedical research and innovation in the field of public health. BFI will fund a study that looks at genetic and epigenetic variables to find possible indicators of recurrent urinary tract infections (rUTIs) as part of this collaboration.

Northern Trust signed a three-year Memorandum of Understanding with the National University of Singapore to advance green finance innovation and blockchain technology adoption.



World Liberty Financial, the fledgling DeFi project supported by President-elect Donald Trump, announced a “long-term collaboration” with synthetic dollar project developer Ethena Labs, starting with the implementation of sUSDe as a collateral token on the WLFI protocol.

Aave contributor Marc Zeller proposed phasing out its decentralized lending services on Polygon's PoS chain due to perceived risks from Polygon's recent proposal to use over \$1 billion in bridge stablecoins for yield generation. The proposal suggests adjusting Aave's risk parameters, including setting a 0% LTV ratio and raising the reserve factor to 85%, effectively discouraging further deposits or preventing users from borrowing against their collateral.

Polygon community members rejected a recent preliminary proposal to deploy \$1.3 billion in stablecoins from the PoS Chain bridge for yield generation, citing security and user consent concerns.

Liquid staking protocol Lido is shutting down its Polygon PoS staking services following a community-approved vote due to limited user adoption, low rewards, and resource-heavy maintenance.

Binance’s liquid staking token, BNSOL, surpassed \$1 billion in TVL within three months of its launch, driven by integration with more than 20 DeFi protocols and Web3 projects.

Ethereum-based decentralized staking protocol Ether.Fi proposed a new buyback strategy aimed at enhancing the utility and market strength of its ETHFI token.

DeFi protocol Synthetix is relaunching its exchange with support for multi-collateral perpetuals on the Base network. Users can now trade using cbBTC, cbETH, wstETH, and wETH as collateral, in addition to US dollars.

Sanctum, the Solana startup focused on growing the network’s liquid staking ecosystem, launched a new primitive today called creator coins. Creator coins are essentially Solana liquid staking tokens that Sanctum issues while giving the yield to creators. Fans can earn loyalty points for holding creator coins, and creators can use those points to dole out perks.

CBDcs & STABLECOINS



Tether invested in European stablecoin issuer StablR, aiming to boost adoption in Europe ahead of the EU's MiCA regulation taking full effect on Dec. 30.

Ripple rolled out its RLUSD stablecoin on Dec. 17, backed by US dollar assets, alongside the addition of former central bankers to its advisory board to guide the firm's growth strategy.

Synthetic dollar project Ethena launched USDtb, a new stablecoin backed by BlackRock's tokenized BUIDL fund, offering a more traditional reserve-backed model compared to its experimental USDe token, which is pegged to the US dollar through a derivative-based trading strategy.

Stablecoin issuer Usual teamed up with M^0 to launch UsualM, leveraging US Treasury-backed reserves and multi-chain capabilities to redefine digital dollar utilities.

NFTS, BLOCKCHAIN GAMING & METAVERSE



NFT project Pudgy Penguins launched its PENGU token, with eligible participants given just 88 days to claim before their allocations are burned and effectively removed from the supply. The token launched on the Solana network, with plans to integrate with Ethereum and Igloo's Layer-2 Abstract Chain in the future. (Solana's network registered a total transaction tally of 66.9 million, the highest since its inception in 2020.)

Scott Martin, co-founder of the Doodles NFT collection, teased an impending token launch by the project in the near future.

Binance and Cristiano Ronaldo introduced "ForeverSkills," their fifth set of digital collectibles celebrating the soccer legend's iconic skills.

The makers of tap-to-earn Telegram game TapSwap announced that its long-awaited TAPS token launch and airdrop will take place in late Jan., following months of speculation. The token will launch on The Open Network (TON).

Avalanche-based first-person shooter Shatterline launched its first in-game season with up to \$40,000 in prizes.

The developer behind wholesome Telegram game Farm Frens and the upcoming Everseed tower defense game set its token launch and airdrop on Ethereum L2 network Base for next month.

JOB MOVEMENT



Crypto investment firm CoinFund expanded its workforce, nearly doubling the number of investment team members excluding its managing partners and increasing its overall headcount by 28% this year.

CoinDesk has been under internal strife following the resignation of Editorial Chair Matt Murray amid pressure from Tron founder Justin Sun and its new owner, Bullish, to remove an article about Sun's \$6.2M banana-eating stunt, raising concerns about journalistic independence.

An early member of Diem, Mo Shaikh, announced a surprise exit from his role as CEO of Aptos, a project he co-founded with fellow Diem contributor Avery Ching in 2021. Ching will assume the CEO role, while Shaikh will stay on as a strategic advisor.

The Sui Foundation appointed Christian Thompson as its new managing director to lead the blockchain's next growth phase. Thompson's previous roles at Mysten Labs and Meta.

REGULATIONS, RULINGS & COMMENTARY



The Bitcoin Policy Institute think tank drafted an executive order for the signature of US president-elect Donald Trump proposing the establishment of a "Strategic Bitcoin Reserve" within the US Exchange Stabilization Fund. The draft calls for allocating \$21 billion from the stabilization fund to acquiring Bitcoin. The proposed order would also require that all government Bitcoin holdings be consolidated, and would prohibit sales, swaps, or auctions of Bitcoins by any federal agency.

Trump met with Crypto.com CEO Kris Marszalek on Dec. 16. Reportedly, they discussed appointments related to the crypto industry, the Bitcoin reserve, and the overall optimism for the US crypto market.

Trump's pick to run NASA, Jared Isaacman, is a 41-year-old space enthusiast, who just months ago commanded the world's first all-civilian mission to reach orbit. Isaacman has guided his payments company Shift4 into the crypto market, including a betting big on stablecoins and launching a Pay with Crypto offering for the 200,000 merchants on its platform, making it possible to spend crypto at hotels, restaurants, and stadiums.

At his post-interest rate decision press conference, Fed Chair Jerome Powell said; "We're not allowed to own Bitcoin" – in response to a journalist's question asking if Powell sees value in the US government building a Bitcoin reserve, as Trump has indicated he's looking to do. Powell added: "The Federal Reserve Act says what we can own and we're not looking for a law change. That's the kind of thing for Congress to consider, but we are not looking for a law change at the Fed."

At a Washington DC policy event the incoming Republican chair of the US Senate Banking Committee (Senator Tim Scott) and his counterpart on the House Financial Services Committee

(Representative French Hill) said that both chambers of Congress and the administration of President-elect Donald Trump will all be pulling to get passage of crypto market-structure legislation – with the two starting points being the Financial Innovation and Technology for the 21st Century Act (FIT21) and a stablecoin bill.

The Senate Banking Committee decided to abandon its effort to re-confirm anti-crypto SEC

commissioner Caroline Crenshaw after 107,000 emails from 52,000 Stand with Crypto advocates were sent to lawmakers opposing her confirmation.

The European Securities and Markets Authority, the EU's financial markets regulator and

supervisor, is publishing the last package of final reports containing regulatory technical standards and guidelines ahead of the full entry into application of the Markets in Crypto Assets Regulation (MiCA).

(Learn more, [here](#).)

After four years of negotiations, El Salvador agreed to a \$1.4 billion loan agreement with the

International Monetary Fund but will have to give up some of its Bitcoin ambitions as part of the deal. El Salvador will make Bitcoin acceptance voluntary for the private sector, only accept taxes in US dollars, and will sell off or wind down the Chivo digital wallet program.

Hong Kong accelerated its crypto licensing regime, approving four new exchanges – HKbitEX,

Accumulus, DFX Labs, and EX.IO – as part of an effort to make itself a global crypto hub.

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

Craig Wright, who falsely claimed to be Satoshi Nakamoto (Bitcoin's pseudonymous creator), was

found to be in contempt of court. He was handed a 12-month jail sentence after starting a legal claim for 900 billion pounds (\$1.1 trillion) over IP rights related to the Bitcoin system. The sentence is suspended for two years and Wright insisted he would appeal the verdict.

Digital asset custodian Bit Global filed a \$1 billion lawsuit against Coinbase for delisting WBTC,

alleging anti-competitive practices. A federal judge ruled that Coinbase could proceed with delisting WBTC, rejecting Bit Global's request for a temporary restraining order.

Europol seizes \$26 million in crypto from nine drug traffickers but could not disclose more details.

Cantor Fitzgerald, a Tether-linked broker, paid a \$6.75 million SEC penalty after being charged with

misleading special purpose acquisition vehicle investors. It neither admitted nor denied the allegations and claimed no investor was harmed.

HZachXBT said that attackers linked to the 2022 LastPass breach stole another \$5.4 million in

crypto from over 40 wallets, later updated to \$12.4 million from over 100 victim addresses.

Kim Nam-kuk, a member of South Korea's National Assembly, could be sentenced to six months in

prison for allegedly not reporting all his crypto holdings to the government. Kim allegedly reported his total assets at 1.2 billion Korean won – roughly \$834,356 at the time of publication – in 2021 despite owning 9.9 billion in digital assets, and also concealed 990 million won worth of crypto holdings in 2022. He allegedly cashed out \$4 million in crypto holdings.

A man pretending to be an Uber driver was arrested after allegedly stealing \$300,000 worth of cryptocurrency from two passengers in Scottsdale, Arizona. With the passengers inside, he asked the alleged victims if he could borrow their phone, claiming his was broken. Phone in hand, Hussein reportedly emptied the victim's Coinbase accounts, transferring the funds to an address he controlled. When one of the passengers became suspicious of his activities on their phone, he allegedly told them to "chill or something bad would happen."

Mohammed Azharuddin Chhipa, a 35-year-old man from Springfield, Virginia, was convicted by a federal jury of making \$185,000 worth of cryptocurrency donations to a terrorist organization, the Islamic State of Iraq and al-Sham (ISIS).

Nigeria's anti-graft agency said it arrested 792 suspects in a raid on a building believed to be a hub for fraudsters who lured victims with offers of romance, then pressed them to hand over cash for phony cryptocurrency investments. The suspects, including 148 Chinese and 40 Filipino nationals, were detained on Dec. 10.

The US Treasury Department sanctioned two individuals and one entity for laundering cryptocurrencies for the North Korean Democratic People's Republic of Korea (DPRK). Two Chinese nationals, Lu Huaying and Zhang Jian, helped the crypto money laundering as part of a more extensive illicit network headed by a sanctioned DPRK banking representative named Sim Hyon Sop, according to the Treasury's Office of Foreign Assets Control.

The FBI warned that the North Korea-linked Lazarus Group has begun impersonating venture capitalists to get time and access with crypto executives in order to install malicious code.

German regulators ordered Worldcoin to implement GDPR-compliant data deletion protocols by Jan. 19, highlighting ongoing concerns over the project's handling of biometric data.

Crypto exchange Coinbase says it received 10,707 information requests from law enforcement agencies between October 2023 and September 2024, an 18% decrease year on year.

The SEC issued a Wells Notice to crypto investment firm Unicoi, alleging violations including fraud and unregistered securities sales.

NFT collection CyberKongz received a Wells Notice from the SEC, signaling potential enforcement action due to concerns over token integration with blockchain gaming mechanics.

The Australian Securities and Investments Commission initiated legal proceedings against Binance Australia Derivatives, accusing the platform of misclassifying retail investors and denying them essential consumer protections.

Jailed hacker Ilya "Dutch" Lichtenstein released a video recorded from prison in which he claims neither his wife, Heather "Razzlekhan" Morgan nor his father, Eugene Lichtenstein, were involved in the 2016 Bitfinex hack. Lichtenstein, who pleaded guilty last year to charges related to the crime, said: "I planned and executed the Bitfinex heist entirely by myself. And I am the one who bears full responsibility for everything that has happened."

Legal firm Burwick Law filed a US federal lawsuit on behalf of investors against the creators of the influencer-pushed Hawk Tuah (HAWK) memecoin, which fell on its face in the hours following its launch. The team behind the HAWK memecoin is being sued for alleged securities law violations, claiming the token acted as an unregistered security.

MISCELLANEOUS



With the broader crypto market seeing a sharp decline due to the Fed projecting less interest rate cuts in 2025 than expected, CoinGlass reported that 238,892 traders had liquidated a total of \$837 million in a 24-hour period from Dec. 19-20. Bitcoin accounted for most of that, with \$215 million of liquidations, while Ethereum liquidations topped \$181 million.

Crypto custody firm Copper withdrew its UK registration application with the country's FCA and is shifting its focus to international hubs like Switzerland, Hong Kong and Abu Dhabi.

According to a Coinbase filing in response to a lawsuit over its decision, the exchange said it delisted Wrapped Bitcoin (wBTC) “due to the unacceptable risk” that the top Bitcoin stand-in on Ethereum would fall into the hands of Justin Sun.” Sun, who is accused of fraud and market manipulation in the US, became associated with wBTC via a partnership announced in August.

The market cap of a new crypto memecoin called “Fartcoin” (yes, you read that correctly) crossed above \$1 billion.

CHARTS, TABLES, QUOTES, COMMENTARY & OTHER IMAGES

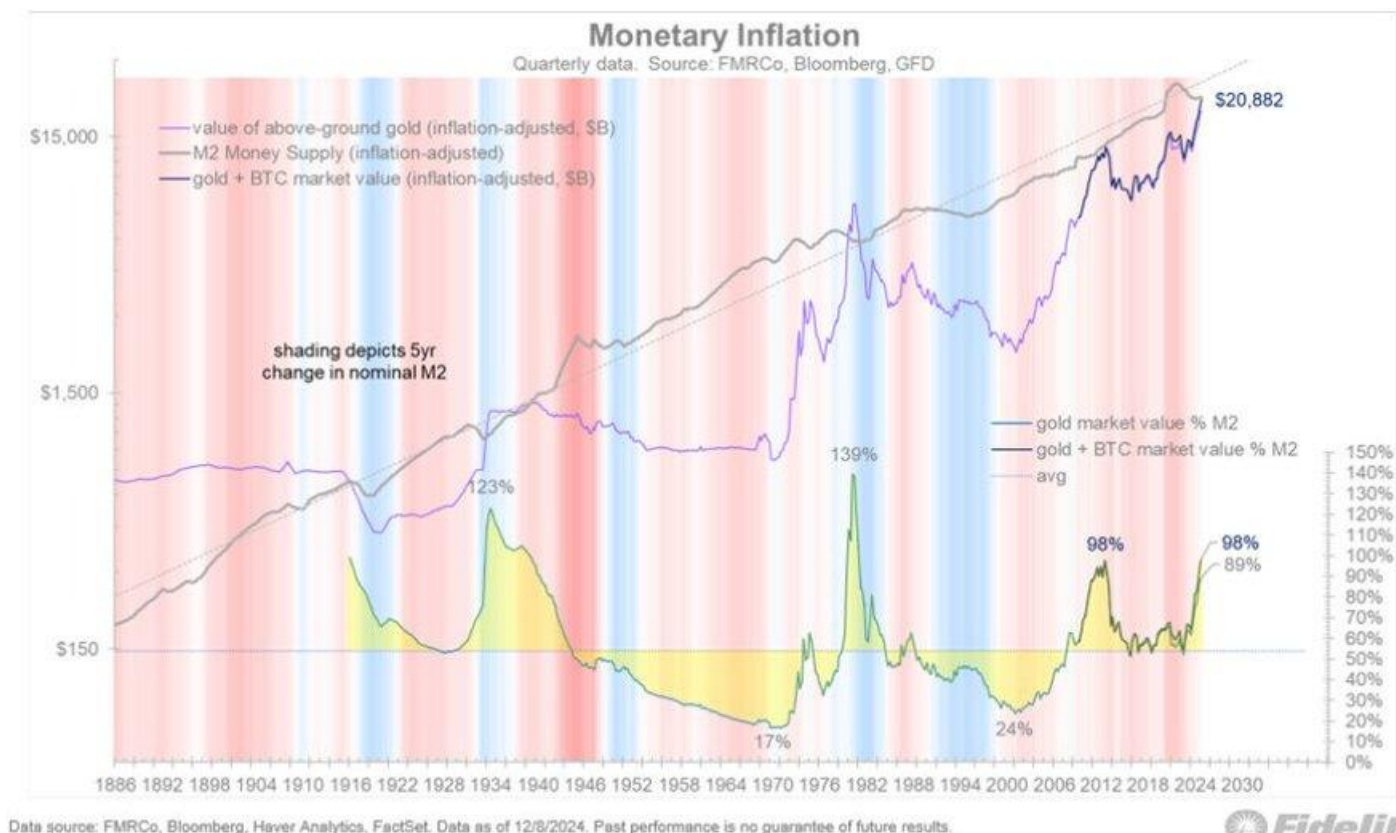
Fidelity's Jurrien Timmer (Dec. 13): As prices have gone higher, an interesting dynamic has developed...

We all know about the \$100k milestone that Bitcoin reached last week, but gold and Bitcoin (which I view as different players on the same team) have reached a major milestone together. Combined they are now worth around \$20 trillion, which is almost as much as the US money supply (M2).

The chart below shows real M2 against the inflation-adjusted market cap of Bitcoin and “above-ground” gold. During periods of excessive monetary inflation, gold’s value has tended to “catch up” to the money supply. It happened in the 1930s, 1970s, 2000s, and now in the 2020s. This is what stores of value do: they keep up with (and sometimes briefly exceed) the quantity and price of money.

While the \$100,000 “round number” price point is understandably getting a lot of attention, that’s just the price. For me, there are ways to put a value on both gold and Bitcoin, even though they don’t produce cashflows. Price and value are not the same thing: price is what you pay, and value is what you get.

Bitcoin at \$100k can be high or low, depending on your point of view, but a combined market value of \$20 trillion is a number rooted in monetary fundamentals. Whether Bitcoin and gold will keep advancing from here will depend on many factors, but surely the growth of the money supply will be one of them.



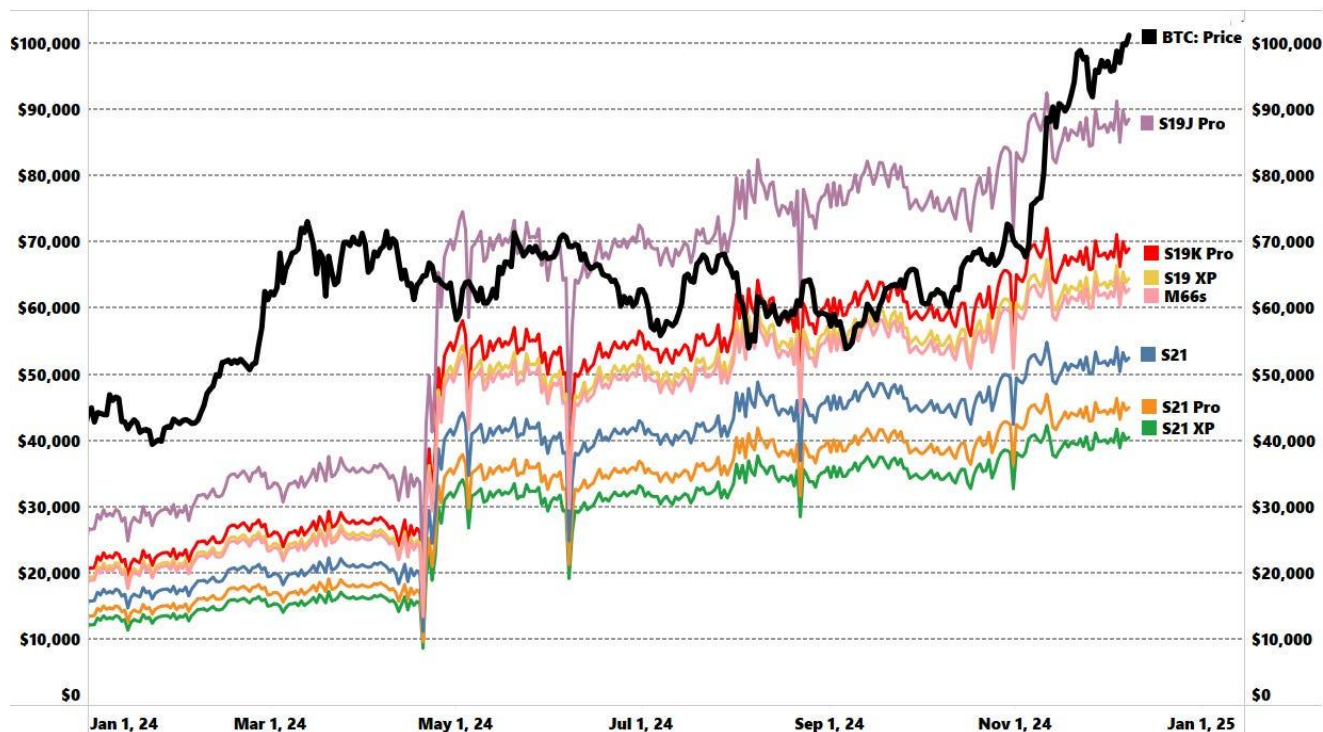
Blockware Intelligence: “Cost to Mine 1 Bitcoin” chart: This machine measures the BTC “Breakeven” price of different Bitcoin miners based on an electricity rate of \$0.078/kWh. Another way to think about it is that these lines represent the price that miners are ‘dollar cost averaging’ at.



BLOCKWARE

BTC Price, Cost to Mine by Machine Type

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

Bitcoin Falls Below \$100,000 – is the party over?: Not in the least. Drawdowns of this magnitude are typical for Bitcoin bull markets. While ‘up-only’ is a popular mantra, that’s not actually how bull markets play out. In 2017, BTC increased by ~1,792% from January to its peak in December. During that time period, there were TEN drawdowns of 10% or more, and FIVE drawdowns of 20% or more!

Short-Term Holder Realized Price: The ‘Floor’ is Rising: The cost-basis of short-term holders (BTC addresses whose coins have moved within the past ~six months), has been on a meteoric rise over the past two months. The “cost-basis” for this cohort of holders is now ~\$85,000. This is a helpful metric to track when examining the potential range of pull backs because it provides a rough estimate as to the “breakeven” price of traders. During bull markets, these cohorts will buy at their cost-basis, providing support to the market. It’s yet to be determined if this behavior will change now due to many new market participants purchasing Bitcoin through ETFs – rather than buying coins directly from exchanges and moving them to self-custody. Moreover, the investor-base of Bitcoin is slowly shifting to a more sophisticated capital allocator: “investors” rather than “traders.” Or in other words, institutions that are net-buyers of assets during all types of markets, rather than speculative traders who are quick to hit the sell button during drawdowns. Despite this not being a perfectly accurate measure of cost-basis, it still provides a good rough estimate. This metric was ‘support’ during the 2017 bull market. We’ll keep an eye on this throughout 2025 to see if this holds true – but for now, we’ll assume that a dip below \$85,000 is off the table.

Short-Term Holder MVRV Ratio: The “market value to realized value” ratio of short-term holders is an off-handed way of looking at the same thing as above – this measures the net unrealized profit/loss of short-term holders. Here’s a rough outline of cyclicalities to pay attention to: BTC Price Rises... Short-term holders “take profits”... Sell pressure causes BTC price to fall... Short-term holders re-accumulate during sideways/chop... BTC Price Rises. Short-term holders are satisfied with lower returns than long term holders. IE. a long-term holder typically waits for at least a 10x before distributing large quantities of supply into the market. Short-term holders (inherently) are far less patient, typically realizing profits anywhere from 20 to 40%. With the more ‘sophisticated’ / more risk averse / institutional investors entering the market this time around, this could become even more of the case. 40% gains are pennies for Bitcoiners – but that’s a jackpot for someone coming from traditional financial markets. It’s possible that this bull market features short-term jumps in the ballpark of 25 to 50%, followed by periods of sideways consolidation. If you zoom out back to the start of this run in early 2023, this is exactly what’s happened. Our base case is consolidation until the inauguration of President Trump on January 20, 2025 – followed by a move up or down in response to his follow through (or lack thereof) on a strategic Bitcoin reserve (and also the speed with which legislation and/or an executive order takes place). We believe follow through is highly likely. And even if it doesn’t take place, other nation-states are buying Bitcoin preemptively to secure their stockpile prior to that inevitable day.

Energy Gravity: At a typical hosting rate today, the average miner requires ~\$65,000 worth of energy to produce 1 BTC.

Summary and conclusion from Glassnode’s “The Week On-Chain” from 12/18/24. (Read the full report, [here](#).)

Supply-side forces are becoming increasingly prominent as Long-Term Holders continue to actively distribute coins on a large scale, resulting in an impressive \$2.1 billion in realized profit. However, a strong demand side is also evident, largely counteracting the significant selling pressure from existing holders.

In addition, the proportion of network wealth held by new investors has risen sharply, supporting the notion of a robust demand profile. Nevertheless, this indicates a shift in wealth distribution away from mature investors, which typically occurs during the later stages of Bull Markets.

Conclusion from Coin Metrics’ “State of The Network” weekly report from 12/17/24. (Read the full report, [here](#).)

The impact of the 2024 halving event, which reduced miner rewards by 50%, has had a significant effect on the profitability and operations of Bitcoin miners globally. While the drop in BTC-denominated revenue per terahash of mining power was immediate, the recent surge in Bitcoin’s price has helped offset some of the negative impact, allowing miners to maintain a degree of profitability. However, the industry continues to face challenges in adapting to the network’s programmed supply adjustments.

As the Bitcoin ecosystem continues to evolve, the mining industry will need to demonstrate resilience, adaptability, and a keen eye for optimizing operations to stay ahead of the curve.

Blockworks updated key metrics...

Total Crypto Market Cap	\$3.62 T
Bitcoin Market Cap	\$1.98 T
Ethereum Market Cap	\$435.04 B
ETH/BTC Ratio	0.04
Ethereum Gas Price	28.31 gwei
DeFi TVL	\$247.66 B
Fear and Greed Index	75 (Greed)

Matt Hougan's (Bitwise) Weekly CIO Memo: "Ethereum: The Comeback Kid of 2025 – Ethereum Stands to Benefit From Several Big Trends in 2025. One of the Biggest: the \$100 Trillion Market for Real-World Assets."

Two key stories dominated crypto headlines in 2024: Bitcoin's meteoric rise, fueled by the launch of Bitcoin ETFs and record-breaking inflows, and Solana's emergence as a retail darling, driven by memecoin speculation.

This left Ethereum – the world's second-largest crypto asset – largely overlooked. Sure, its 66% year-to-date return is good in an absolute sense, but it pales in comparison to Solana's 106% and Bitcoin's 130%.

But something interesting has been happening recently: Over the past 10 days, investors have started warming up to Ethereum again.

You can see this most clearly in spot Ethereum ETFs, which have pulled in a whopping \$2 billion in net flows over that time frame. By comparison, the same ETFs experienced net inflows of only \$250 million over the preceding four months.

So, what's going on here?

The realization struck me as I was reviewing Bitwise's recently published 2025 Predictions. Amidst various price predictions, we called out several "real-world" mega-trends that we think will shape the industry in the year ahead, from the continued rise of stablecoins to the proliferation of AI agents transacting in crypto.

But one of the biggest and most overlooked opportunities centers on tokenization: the process of bringing the massive market for real-world assets (RWAs) onto a blockchain.

And that market today is dominated by Ethereum.

"It's Not Just a Tomorrow Story"

Tokenization refers to the process of digitizing traditional financial assets, such as Treasury bills or real estate, as tokens that can be exchanged on a blockchain. Tokenization promises to make buying, selling, and settling financial assets faster, cheaper, and more natively digital. Many think it could disrupt the fundamental underpinnings of how financial markets work.

And it's not just a tomorrow story. Tokenized assets are growing fast right now, with firms like BlackRock, UBS, and others bringing tokenized real-world assets online, across government securities, commodities, real estate, private equity and more. BlackRock, for instance, has a \$578 million tokenized Treasury fund, and it's looking to do more. We think tokenized fund assets will triple next year, with Ethereum as the driving force behind it.

Why Ethereum?

To adapt an old saying: You don't get fired for building on Ethereum.

Ethereum is the most battle-tested, secure, and decentralized of the smart-contract platforms. It's been around since 2015 and has established itself as a leader in decentralized applications, smart contracts, and tokenization. It currently holds a commanding 81% market share in tokenized assets, and its long track record and large, distributed validator network gives asset managers confidence in its security and reliability as they migrate assets on-chain.

And here's the thing: It's difficult to overstate just how big the RWA market is. Real-world assets are worth roughly \$100 trillion globally. It will take time – perhaps decades – for much of that to move to tokenized rails. But if it does, fees from RWA-linked assets could exceed \$100 billion per year. That's more than 40x Ethereum's total year-to-date fees of \$2.4 billion. With the incoming pro-crypto SEC expected to provide the regulatory clarity needed to accelerate tokenization, investors who stake a claim on Ethereum now may find themselves handsomely rewarded in the period ahead.

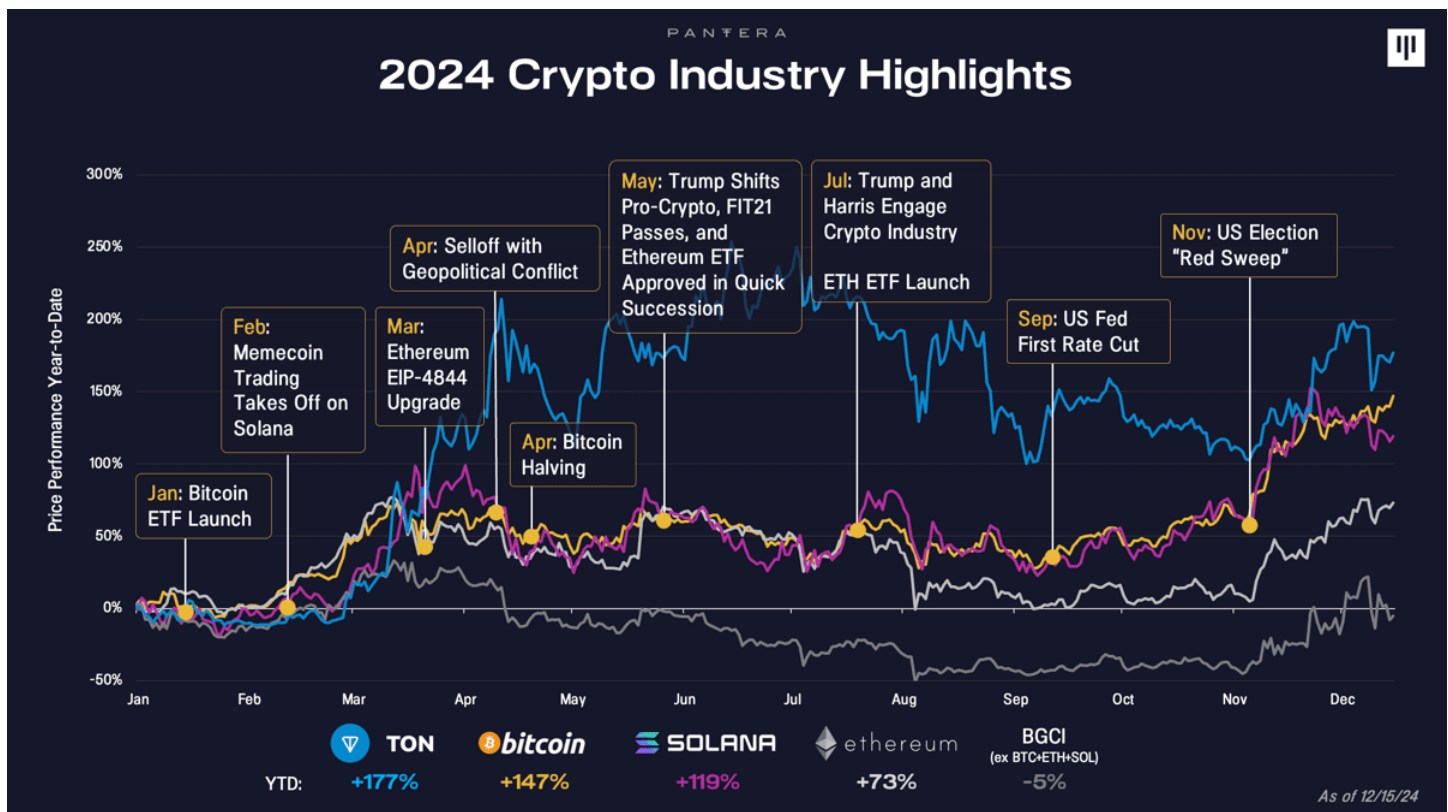
That's just one reason among many why we think 2025 is the year Ethereum gets its groove back.

Highlights from Pantera Capital's Monthly Blockchain Letter...

2024 Crypto Industry Recap

We believe this year has been one of the most constructive for the crypto industry, marked by significant progress in price action, market-structure milestones, and pivotal shifts in the regulatory and political landscape. From the passage of FIT21, and the election of the first pro-crypto president to the successful launch of ETFs, we are seeing a convergence of capital, innovation, regulation, and renewed optimism.

Below is a timeline of this year's key events.



Following a strong 2023, prices continued to rally in anticipation of a number of positive catalysts expected in the first half of 2024:

- The highly-anticipated launch of Bitcoin ETFs in Jan. is most notable. ETF flows started to kick in shortly after launch, leading to strong price action through February and March.
- In February, on-chain activity surged on the back of a new wave of retail participation, primarily attributable to memecoin trading activity on Solana.
- In the following month, Ethereum's major upgrade, EIP-4844, meaningfully lowered the cost of transactions for Ethereum L2s.

The markets then saw some challenges as risk assets pulled back across the board in April. Headwinds in the form of changing macro expectations surfaced as hotter inflation numbers presented the possibility of higher-for-longer rates. In addition, geopolitical fears were rising out of the conflict between

Israel and Iran. The third Bitcoin halving occurred later in April, but it did not deliver much short-term excitement amidst these headwinds.

In May, we started to see the first signs of the political pivot on crypto. It started with Trump pivoting pro-crypto in a speech on May 8th. In rapid succession, there were a few positive legislative developments, including the passage of FIT21 in the House and the surprise approval of Ethereum ETFs.

But the reality is that progress comes in starts and stops, and there were fewer tangible catalysts to be excited about after May. That malaise continued and we saw a meaningful pullback across the asset class throughout the remainder of the summer. Ethereum ETFs began trading in July, but they launched into a weak market environment and fell short of being a positive catalyst for the market.

In September, the macro backdrop began to improve, catalyzed by the Fed's first rate cut. As anticipation of the election built-up and both political parties began publicly endorsing crypto, markets continued to rally off oversold levels from the summer.

On Nov. 5, the US election results came in and the markets kicked into high gear.

Post-Election Rally

The markets have been rallying since the “Red Sweep”, in anticipation of pro-industry initiatives with Republicans in control of the Presidency and both chambers of Congress. We believe the crypto industry and its supporters made a clear impact on the election. The incoming Congress is the most pro-crypto we have seen, with the majority of House Representatives and the majority of newly-elected Senators having a pro-crypto stance. For the popular vote, the margin of victory was less than the estimated number of crypto voters who identified as single-issue voters. In many ways, the digital assets industry can legitimately argue it was the swing vote and, just like the fulcrum security in a capital stack, it could have an outsized amount of influence going forward. An enthusiastically pro-crypto White House, combined with supportive majorities in both houses, should create the best possible environment for constructive crypto legislation.

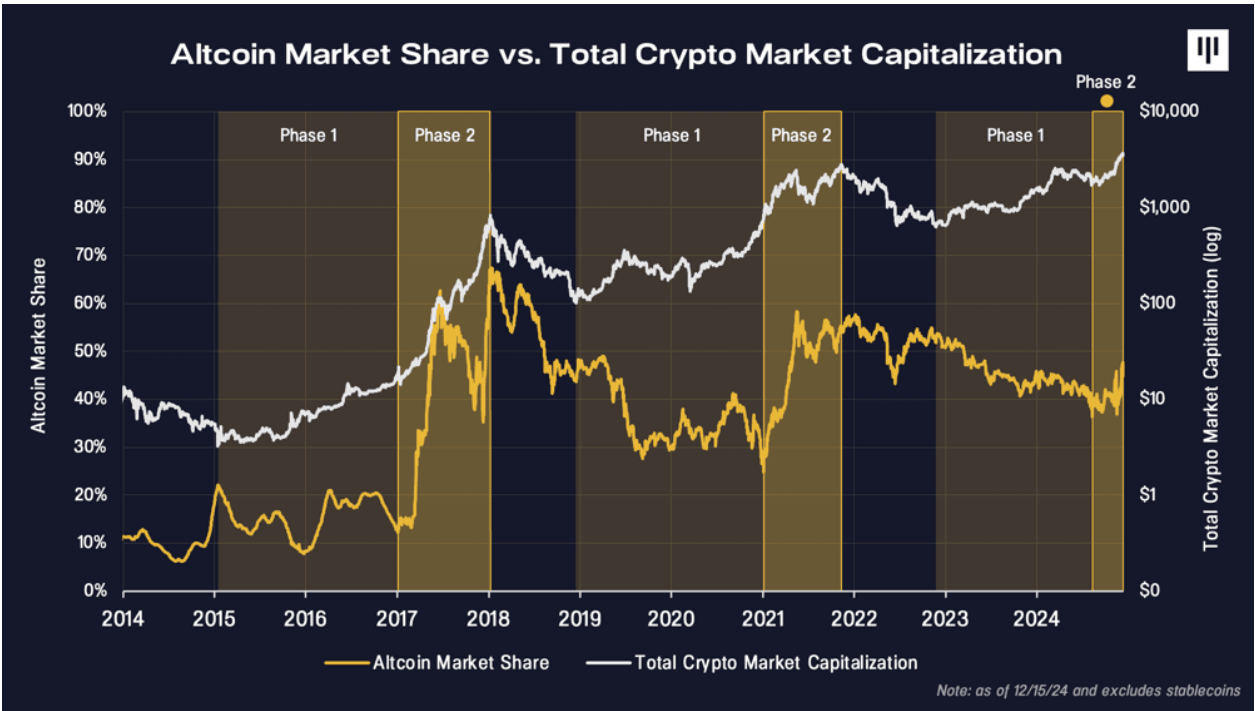
Bitcoin has long benefited from having clearly established how it is used, taxed, and regulated. Clarity has set it apart from the rest of the industry. The appetizing prospect now is that entrepreneurs seeking to utilize tokens and blockchains to build serious, value-added businesses may soon have the benefit of similar clarity, and we believe a wave of innovation should come as a result. While Bitcoin has taken up a large portion of the discussion since the election, other than the possibility of a US strategic Bitcoin stockpile, not much has changed for it. It is for the other productive projects that everything is likely to change meaningfully. In the long run, the passage of stablecoin and market structure legislation should have a much larger impact on altcoins than they will on Bitcoin.

Accordingly, there are the first signs of retail capital re-engaging with the broader crypto market. We see this in strong weekend volumes on Coinbase and the initial surge in “last cycle’s tokens”, or those that are still most recognized and easily accessible on retail distribution platforms. As a result, Bitcoin dominance declined on a monthly basis for the first time in nearly two years. We have increasing conviction that we are now much closer to “Phase 2” of the cycle, when the longer-tail tokens, which represent the innovative value-creating blockchain solutions, could begin to outperform.

Entering Phase 2

We’ve observed that bull cycles have two pronounced phases. Phase 1 is the early stage of the rally when Bitcoin has tended to outperform the rest of the market. Phase 2 is the later stage when longer-tail tokens, or "altcoins", have tended to outperform.

We believe the rest of the market is now getting in gear.



Something worth noting is that the magnitude of altcoin performance has been so large in Phase 2 that altcoins have outperformed Bitcoin across the full length of the two previous cycles – the share of total market capitalization growth was 65% and 55% for non-Bitcoin tokens. We are now seeing early signs that we are in that second phase of the upswing, which has been catalyzed by the US election.

Bitcoin vs. Altcoins Market Capitalization Growth Through Bull Cycles							
Cycle	Asset	Phase 1		Phase 2		Total Growth	Share of Total Growth
		Growth	Share of Growth	Growth	Share of Growth		
2015-2018	Bitcoin	6x	89%	18x	33%	106x	35%
	Altcoins	4x	11%	239x	67%	990x	65%
2018-2021	Bitcoin	11x	78%	2x	33%	23x	45%
	Altcoins	5x	22%	7x	67%	34x	55%
2022-2023	Bitcoin	4x	71%	2x	48%	4x	58%
	Altcoins	2x	29%	2x	52%	2x	42%

Note: as of 12/15/24 and excludes stablecoins

Going Forward

There are many reasons to be optimistic about the digital asset market. When I think about the story of the last few years:

- 2021 was a boom period in innovation and excitement and brought a lot of people into crypto for the first time.
- 2022 was then a natural bursting of that speculative excess, across all asset classes.
- 2023 became a year about headwinds buffeting the industry – whether that was leverage coming out of the system and capital outflows, consumer interest dissipating, or regulators feeling compelled to overreact to what had been an underreaction to the excesses of the prior year.
- 2024 was a year of headwinds becoming tailwinds. We started from healthier positioning and capital flows started to come in (largely from the Bitcoin ETFs). User activity has begun to pick up again, and more important, regulators are starting to ease and get pushback in the courts.

2025 is shaping up to be a year of all those tailwinds pushing the industry forward in an accelerated fashion:

- The election changes the paradigm for the blockchain industry. When you think about the reasons why prospective investors and innovators say no, the answer is often lack of regulatory clarity. That bear case may soon be behind us.
- Fundamentals will ultimately drive prices. Fundamentals, as measured by on-chain activity and new innovation, such as AI agents and DePIN, are improving in real time. Yet, the price recovery for longer-tail tokens is still in the early innings.
- Capital flows should improve as digital assets become more mainstream. Bitcoin ETFs should continue to grow distribution, and there may be more ETFs to follow (e.g., Solana). Institutional allocators and sovereign entities are reaching out to us because they can no longer ignore digital assets.

The risk/reward for new investment in the space has improved. Yes, asset prices have increased somewhat from the bottom, but risk reward and returns are a function of probabilities, and the probability of the upside case has meaningfully increased. While Bitcoin may be closer to mid innings, I believe we are still early innings for digital asset price performance at large.

Coinbase released its “2025 Crypto Market Outlook” – with deep dives that span the crypto universe, from altcoins to ETFs, staking to gaming, and more. (Download it, [here](#).)



VanEck's 10 Crypto Predictions for 2025...

#1: Crypto bull market hits a medium-term peak in Q1, sets new highs in Q4. We project Bitcoin to be valued at ~\$180,000, Ethereum above \$6,000, Solana to exceed \$500, and Sui to surpass \$10.

#2: The US will embrace Bitcoin with a strategic reserve and increased crypto adoption. With new SEC leadership, multiple new spot crypto ETPs will be approved. Ethereum ETPs will include staking, while both Ethereum and Bitcoin ETPs will allow in-kind transactions and redemptions.

#3: Value of tokenized securities exceeds \$50 billion. Tokenized securities grew 61% in 2024 to \$12 billion, but most of that value is on permissioned chains. We think 2025 will be a breakthrough year for tokenized securities to launch on open-source blockchains as entities.

#4: Stablecoins are poised to revolutionize payments, with daily settlement volumes projected to reach \$300 billion by the end of 2025 – tripling from the current ~\$100 billion per day. At this level, stablecoins would handle transactions equivalent to 5% of DTCC's daily volumes. Following 180% year-over-year growth in 2024, this surge will be driven by adoption in global commerce, remittances, and integration with major tech and payment networks.

#5: 1 million new AI agents will emerge. Think of AI agents as digital workers – autonomous software programs that execute tasks or make decisions on your behalf, like managing investments, moderating online communities, or even playing video games. These agents generated significant revenues in the last month of 2024, and their on-chain activity is projected to skyrocket as they expand beyond DeFi into social media, gaming, and consumer applications in 2025.

#6: Bitcoin Layer 2s will reach 100,000 BTC in total value locked, building on the explosive 600% growth in 2024 that brought TVL to 30,000 BTC.

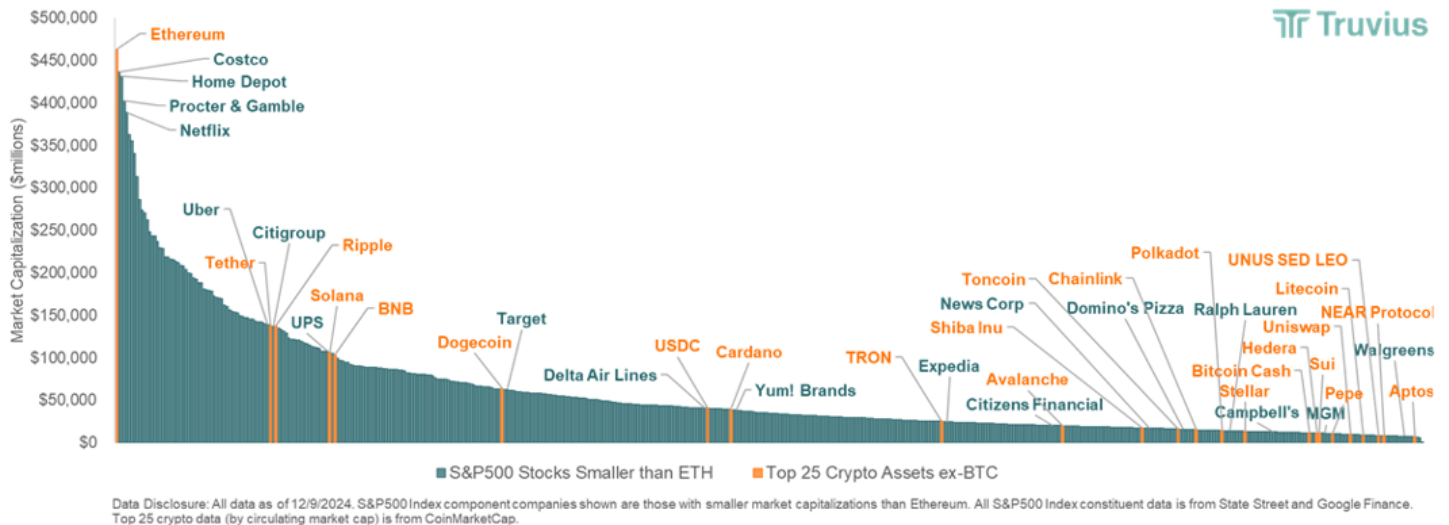
#7: Ethereum blob space generates \$1 billion in fees driven by explosive Layer-2 adoption, rollup optimizations, and high-fee use cases like tokenized assets and enterprise applications.

#8: DeFi hits all-time highs with \$4 trillion DEX volumes and \$200 billion total value locked, fueled by AI-related tokens, consumer-facing dApps, and tokenized assets driving liquidity and adoption.

#9: NFT trading volumes are projected to rebound to \$30 billion in 2025. Standout projects like Pudgy Penguins, transitioning into a consumer brand through collectible toys, and Miladys, gaining cultural prominence in sardonic internet culture, have defied the trend, leveraging strong community bonds.

Prediction #10: dApp tokens narrow the performance gap with L1 tokens. In 2024, Layer-1 blockchain tokens outperformed dApp tokens by 2x, but the launch of innovative dApps in AI and Decentralized Physical Infrastructure Networks (DePIN) is expected to drive a performance shift.

This chart compares the market caps of similarly sized constituents of the S&P 500 Index to those of prominent crypto assets ex-BTC, and shows similarities between these asset classes not only in terms of component size, but also in terms of sector diversification...



The Binance Global User Survey sampled 27,000+ customers across Asia, Australia, Europe, Africa, and Latin America (findings released on Dec. 18).

- 16% reported holding memecoins, making them the most-owned cryptocurrency among participants. Bitcoin followed closely, with 14.4% owning the original cryptocurrency, while BNB ranked third with 14.2%, surpassing Ethereum, which accounted for 11% of users' holdings. Other leading Layer-1 tokens collectively represented 10.4% of user wallets.
- 19.4% foresee increased regulatory oversight, while 16.1% predict growing involvement from traditional financial institutions and institutional investors. Another 16.5% anticipate broader implementation of blockchain technology in practical applications.
- 23.9% believe AI tokens will lead market growth by the end of 2025, while 19.1% anticipate memecoins will continue to dominate. DeFi and Layer-1 tokens followed at 12.4% and 12.3%, respectively.
- 45% said they entered the market in 2024. Of these, 24.5% joined within the past six months, and 20.6% got in within the past year. 41.9% have been active for one to five years.
- 44% reported dedicating less than 10% of their overall wealth to crypto, while 24.3% allocated between 10% and 25%. 31.1% engaging in daily trades and 22.9% trading weekly.

Eric Balchunas: The top 20 best performing meme coins of 2024. (Yes, Bloomberg's top ETF analyst is now posting about memecoins on X.)

Rank	Memecoin	Token	Price January 1st 2024*	Current Price (16 th Dec)	Percentage Increase or Decrease
1	Just a chill guy	CHILLGUY	0.00073027	0.3805	52,004.02
2	ANDY	ANDY ETH	0.0000006264	0.0003008	47,920.43
3	Degen	DEGEN	0.00003357	0.01424	42,318.83
4	Neiro	NEIRO	0.000004899	0.001747	35,560.34
5	Turbo	TURBO	0.0000369	0.01265	34,181.84
6	SPX6900	SPX	0.003374	0.7386	21,790.93
7	Brett (Based)	BRETT	0.001108	0.1693	15,179.78
8	Popcat	POPCAT	0.008363	1.27	15,085.94
9	Apu Apustaja	APU	0.00000843	0.000841	9,876.28
10	Mog Coin	MOG	0.0000000401	0.000003206	7,895.01
11	Snek	SNEK	0.0001365	0.007324	5265.57
12	Gigachad	GIGA	0.001355	0.06909	4998.89
13	Ponke	PONKE	0.01227558	0.5269	4192.26
14	BOBO	BOBO	0.00000003851	0.00000146	3691.22
15	Hege	HEGE	0.0009665	0.03478	3498.55
16	Non-Playable Coin	NPC	0.001107	0.03452	3018.34
17	Peanut the Squirrel	PNUT	0.0535	1.28	2292.52
18	WHY	WHY	0.000000008874	1.733E-07	1852.90
19	Pepe	PEPE	0.00000131	0.00002506	1812.98
20	dogwifhat	WIF	0.1528	2.72	1680.10

CCData released its “2025 H1 Outlook Report.” (See a summary below. [Download the full report, here.](#))

2024 was a milestone year for digital assets, with Bitcoin making its way onto both the political and financial stage. The largest digital asset broke \$100,000 mark for the first time as US spot Bitcoin ETFs redefined institutional engagement, with IBIT emerging as the fastest-growing ETF in history, surpassing \$50 billion AUM within just 228 days.

On the political front, the US elections proved to be a turning point. The election of a crypto-friendly administration, coupled with growing dissatisfaction over previous regulatory approaches, signaled a potential global regulatory reset. With Bitcoin now part of discussions on national strategic reserves and institutional adoption accelerating, the narrative for digital assets has arguably shifted beyond just speculation.

From record breaking volumes to memecoins, AI agents, institutional adoption, and more, join us as we reflect on the trends that captured the market's attention this year and look ahead to 2025 to see what comes next.

CCData released its “Stablecoins & CBDCs Report – December 2024.” (See key findings below. Download the full report, [here](#).)

- Trading Activity On Track For Yearly High: In Dec., trading volumes for stablecoin pairs on centralized exchanges reached \$1.48tn as of the 15th, continuing the strong momentum seen in Nov. Trading activity is on track to surpass the previous yearly high of \$2.40tn recorded last month. This surge is driven by heightened market interest in major digital assets, particularly Bitcoin, which achieved a new all-time high of \$107k.
- USDT Continues to Dominate Stablecoin Trading: Nov. saw a significant rise in Tether (USDT) dominance in stablecoin trading activity on centralized exchanges, with its market share increasing to 86.3% among the top stablecoins. FDUSD retained its position as the second most traded stablecoin, capturing 6.85% of the market share, underlining its growing importance in the ecosystem.
- Tether Market Cap Rises to Reach New All-time High: The market capitalization of Tether (USDT) rose by 4.51% in Dec., reaching \$140bn – a new all-time high for the stablecoin. This marks the sixteenth consecutive month of growth in USDT’s market capitalization. With a market dominance of 69.1%, USDT continues to be the preferred stablecoin across centralized exchanges, reflecting its strong adoption and trust within the crypto market.
- USDC Volumes Reach New All-time High: Circle’s USD Coin (USDC) saw its market capitalization grow by 6.7% in Dec., reaching \$42.4bn—its highest level since Dec. 2022. This growth aligns with a surge in trading volumes for USDC pairs on centralized exchanges, which hit \$219bn in Nov., marking a new all-time high. Dec.’s trading activity for USDC pairs is also on track to set another record, buoyed by positive market sentiment following Bitcoin’s historic rally past \$100k.
- USDT Dominates Stablecoin Trading on Binance: Binance recorded \$626bn in stablecoin trading volume as of Dec. 16th. Among the nine active stablecoins on the exchange, USDT pairs continued to dominate, commanding a 73.3% market share. FDUSD emerged as the second most traded stablecoin on the platform, accounting for 19.7% of trading volumes, while USDC pairs followed with 6.93%.

Arca: AI, DeFi, and HYPE Remain Hot

If you only look at broad crypto indices, it would appear as if the digital assets market has paused the past few weeks after a significant runup post-election. But most crypto indices do a poor job of accurately representing the entire asset class, as these indices are market-weighted and, therefore, predominantly composed of BTC, ETH, and SOL. Further, it's almost impossible for any passive strategy or broad-based index to keep up with the innovation and new token launches.

For example, the Hyperliquid (HYPE) token launched two weeks ago over Thanksgiving and is already a Top 30 asset with a nearly \$10 billion market cap after rising over 400% from launch (and +80% last week). Similarly, most of the AI sector (now composed of AI bots and platforms) is less than 2 months old. None of these will show up in any index, even though they have been the market leaders for the past few weeks (as we wrote about 2 weeks ago) and continued to soar in value last week.

Asset	Price USD	Reported Marketcap	24H USD	7D USD
 Virtual Protocol virtual	\$2.80	\$2.79B	+13.39%	+72.93%
 aixbt by Virtuals aixbt	\$0.291	\$291M	+4.56%	+65.44%
 ai16z ai16z	\$0.826	\$902M	+3.33%	+63.64%
 Dasha vvaifu	\$0.0825	\$81.41M	+9.84%	+32.87%
 Zerebro zerebro	\$0.400	\$396M	-9.29%	+5.59%
 Bittensor TAO	\$561.76	\$4.13B	+0.71%	-17.95%

Source: Messari

Similarly, while some of the hot DeFi tokens are old enough and big enough to be included in some indices (like ETH-based AAVE, +36% w-o-w), there are few, if any indices that carry Solana DeFi (i.e. RAY, +10% w-o-w), Base DeFi (i.e., AERO, -5% w-o-w) or any of the recent newcomers (i.e. HYPE and ENA, +26% w-o-w).

The overall crypto market cap barely budged last week due to large caps stalling, but make no mistake, there is still a roaring bull market happening in new sectors and themes.

What's Driving ETF flows?

Look – I'm tired of writing about the BTC and ETH ETFs, too, but they are just so hard to ignore. Here's a fun stat. Out of nearly 700 ETFs launched this year, over half of the top 30 by fund inflows are crypto-related.

- 9 BTC ETFs
- 4 ETH ETFs
- 3 MSTR ETFs

Ticker	Fund Name	YTD Flow
IBIT	iShares Bitcoin Trust ETF	35,489,978,365
FBTC	Fidelity Wise Origin Bitcoin Fund	12,377,740,134
ETHA	iShares Ethereum Trust ETF	3,189,931,653
PUSH	PGIM Ultra Short Municipal Bond ETF	3,048,876,500
ARKB	ARK 21Shares Bitcoin ETF	2,653,570,140
BITB	Bitwise Bitcoin ETF Trust	2,274,869,410
MSTY	YieldMax MSTR Option Income Strategy ETF	1,442,583,978
FETH	Fidelity Ethereum Fund ETF	1,371,445,293
RSSL	Global X Russell 2000 ETF	1,333,802,748
MSTX	Defiance Daily Target 2x Long MSTR ETF	1,199,934,360
EVLN	Eaton Vance Floating-Rate ETF	1,159,304,000
MSTU	T-Rex 2X Long MSTR Daily Target ETF	1,086,086,000
BTC	Grayscale Bitcoin Mini Trust ETF	1,013,138,215
BAFE	Brown Advisory Flexible Equity ETF	983,582,323
ETHU	2x Ether ETF	967,767,955
CCMG	CCM Global Equity ETF	845,278,673
HODL	VanEck Bitcoin ETF	788,058,106
EVTR	Eaton Vance Total Return Bond ETF	710,085,550
YMAX	YieldMax Universe Fund of Option Income ETFs	678,824,453
QQQI	NEOS Nasdaq 100 High Income ETF	670,878,515
AMJB	Alerian MLP Index ETN	668,409,950
BITU	ProShares Ultra Bitcoin ETF	626,223,748
GRNY	Fundstrat Granny Shots US Large Cap ETF	617,364,578
QDTE	Roundhill Innovation-100 ODTE Covered Call Strategy ETF	612,049,383
ETH	Grayscale Ethereum Mini Trust ETF	603,868,304
BRRR	Coinshares Valkyrie Bitcoin Fund	547,701,618
SEIE	SEI Select International Equity ETF	515,357,240
VTEC	Vanguard California Tax-Exempt Bond ETF	492,009,502
EZBC	Franklin Bitcoin ETF	461,318,200
FCTE	SMI 3Fourteen Full-Cycle Trend ETF	448,656,517

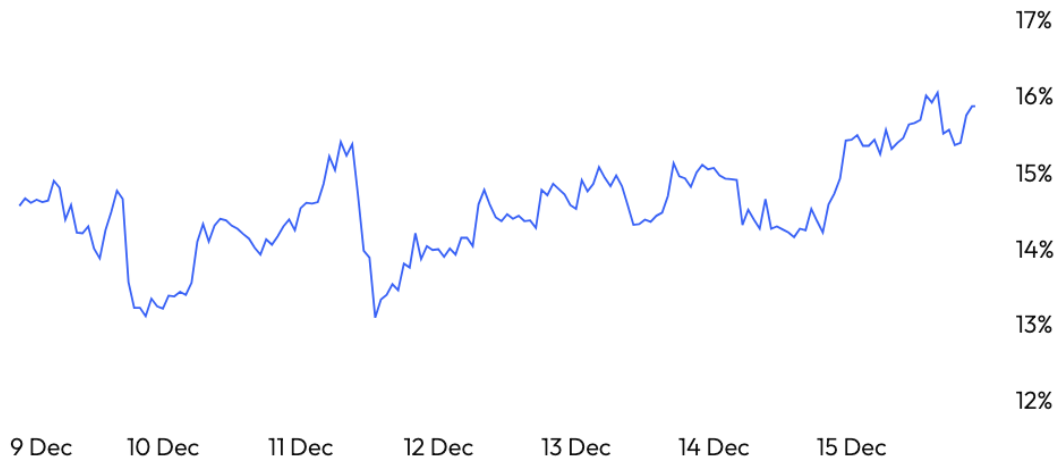
Source: The ETF Store

Say what you want about the validity or value of digital assets, but it's pretty undeniably clear that the market was starved for it.

And last week was no different. Bitcoin spot ETFs posted 9 straight days of inflows above \$200 million, with \$4.2 billion in total inflows. In the same 9-day span, Ethereum spot ETFs saw daily inflows >\$80 million and a total of \$1.7 billion in total inflows.

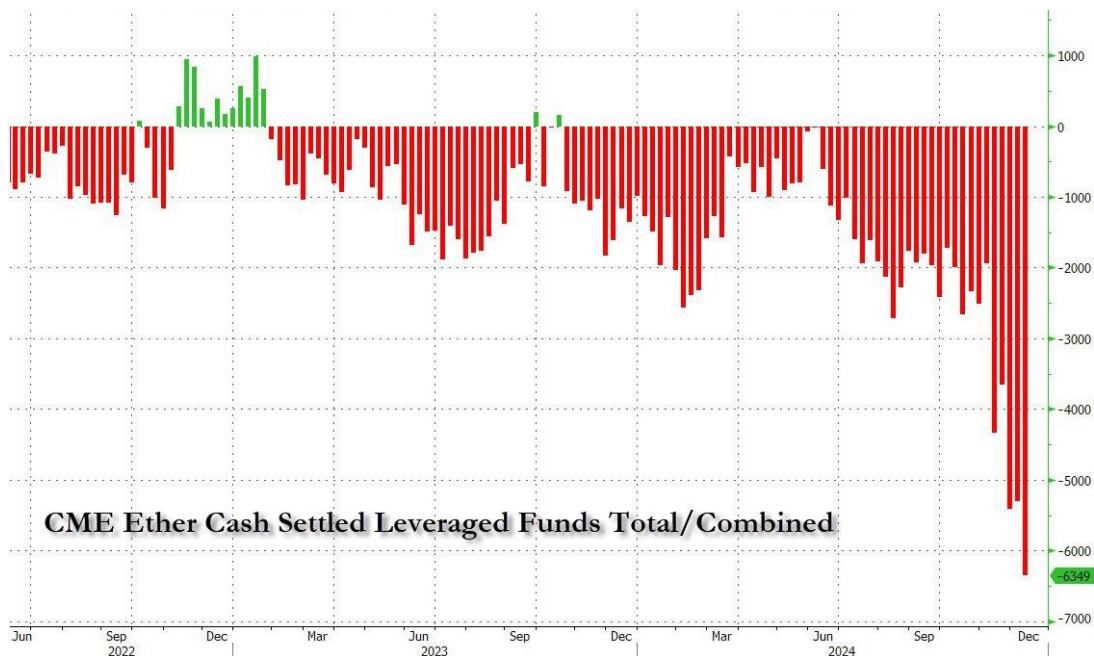
So why isn't the price going much higher? At least part of the reason is the basis trade, meaning a lot of these inflows will be offset by shorts in the futures market. The 3-month basis (if you short futures and go long spot) is offering 15%+ annualized returns currently, which would entice every credit fund manager on the planet, not to mention market neutral strategies, market makers, and even probably some long/short equity funds.

btc 3 Month Annualized Basis



Source: Velo.xyz

While it's impossible to accurately quantify how much of the inflows are being offset by futures shorts, it is evident that this is a big part of it. ETH futures on the CME are showing record shorts.



Source: Zerohedge

That said, this doesn't account for all of the inflows. It's clear that financial advisors and RIAs are just wetting their feet with regard to exposure to the asset class. Jay Jacobs, US Head of Thematic and Active ETFs at BlackRock, recently stated: "We're really just at the tip of the iceberg with Bitcoin and especially Ethereum. Just a tiny fraction of our clients own (IBIT and ETHA) so that's what we're focused on (vs. launching new altcoin ETFs)."

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

- Collapsed crypto exchange FTX expects to begin repaying creditors and customers in early 2025, announcing its latest timeline of repayments as the firm nears the conclusion of its Chapter 11 bankruptcy process. FTX's court-approved reorganization plan will become effective on Jan. 3, and the firm's bankruptcy team expects to make an initial distribution of repayments within 60 days of that date. Crypto exchanges Kraken and BitGo will facilitate recoveries to eligible creditors.