



HYPERION DECIMUS

CRYPTO NEWSLETTER

POWERED BY WEEKLY CRYPTO BRIEF

26th January 2025

BITCOIN-RELATED



NYDIG: Bitcoin hit a new all-time high this week, surpassing \$109K for the first time, as optimism surrounding potential changes under the Trump administration rose into the inauguration. While Bitcoin gained 3% over the week, the market experienced significant volatility as traders reacted to political developments.

On Jan. 21, Bitcoin options trading on the CME showed the strongest bullish sentiment since Donald Trump's Nov. 5 election victory. Traders scrambled to buy calls, driving the skew higher to 4.4%, the most since early Nov. (Skew is the difference in implied volatility between calls and puts, with positive values representing bullish sentiment.)

Italian parliament member Marcello Coppo said banking foundations should dip their toes into Bitcoin by allocating a small portion of their income to the digital asset. However, he doesn't foresee Italy establishing a strategic Bitcoin reserve anytime soon.

El Salvador announced on Jan. 20 that it added 11 Bitcoin to its Strategic Bitcoin Reserve shortly after promising to limit its adoption. The announcement follows El Salvador promising the IMF that it would scale back its BTC adoption in exchange for a \$1.4 billion loan back in Dec. 2024.

MicroStrategy acquired 11,000 BTC for ~\$1.1 billion at ~\$101,191 per Bitcoin. As of 1/20/2025, the company holds 461,000 \$BTC acquired for ~\$29.3 billion at ~\$63,610 per Bitcoin. (Shareholders voted in favor of amendments to increase the number of authorized Class A common stock and preferred stock to help support its Bitcoin acquisition strategy. The company also issued a redemption notice for its 2027 convertible senior note tranche, valued at \$1.05 billion and will settle all conversion requests.)

Semler Scientific announced pricing of an upsized offering of \$85 million in convertible senior notes (4.25% due 2030) to buy more Bitcoin.

Video platform Rumble on Jan. 20 announced its first Bitcoin buy, less than two months after revealing a strategy to put the cryptocurrency on its balance sheet. It isn't clear how much Bitcoin that Rumble bought, but the company said in Nov. that it would allocate up to \$20 million of its cash reserves into the asset.

KULR, a maker of advanced energy-management systems, said it spent \$8 million on Bitcoin to take its total holdings to 510 tokens.

Real estate tech company Fathom Holdings announced that it will allocate up to half of its excess cash reserves to Bitcoin after the firm's board approved the move. It added that it would start buying Bitcoin – perhaps via Bitcoin ETFs – in the next two weeks.

Publicly traded precious metals miner Critical Metals announced the adoption of a corporate Bitcoin strategy. The company will be raising \$500 million through convertible notes in order to acquire BTC.

UTXO Management, in partnership with Sora Ventures and others, acquired a majority stake in Hong Kong-listed HK Asia Holdings Limited, unveiling plans to rebrand as Moon Inc. and lead strategic investments in Bitcoin, Web 3.0, and financial innovation.

A shareholder proposal submitted by Ethan Peck urged Meta to allocate a portion of its \$72 billion in cash and short-term cash equivalents to Bitcoin as a hedge against currency devaluation. (Peck is an employee of The National Center for Public Policy Research – a Washington DC-based think-tank promoting free market policies – which submitted Bitcoin treasury shareholder proposals to Microsoft and Amazon in 2024.)

During a televised interview with Bloomberg at the WEF in Davos, BlackRock CEO Larry Fink suggested that widespread adoption of a 2% to 5% Bitcoin portfolio allocation could push its price to as high as \$700,000. Fink also disclosed he's had discussions with sovereign wealth funds about buying Bitcoin.

Popular digital wallet MetaMask is expanding beyond Ethereum – starting with Bitcoin – according to Christian Montoya, Consensus product lead for MetaMask Multichain.

INDUSTRY ADVANCES



Bank of America CEO Brian Moynihan said on Jan. 21 that US banks would be open to using cryptocurrency for payments if regulators permit it. He added: "If the rules come in and make it a real thing that you can actually do business with, you'll find that the banking system will come in hard on the transactional side of it."

Morgan Stanley's CEO and Chairman Ted Pick said in a CNBC interview that there was a lot of liquidity in the space following Donald Trump's meme coin launch last week. He added that the bank would work with regulators to see how they could offer crypto safely.

The Coinbase app surged to 21st in the US App Store rankings, reflecting renewed interest in crypto ahead of President Donald Trump's inauguration.

Crypto.com launched services for institutional and advanced traders in the US on Jan. 21, resurrecting its institutional-grade crypto exchange that it suspended in 2023 just one day following the inauguration of President Trump.

A CME Group page went live on Beta.cmegroup (a staging website of the derivatives marketplace's main website) on Jan. 22 saying that XRP and SOL futures contracts would start trading next month. The page was later taken down, as a CME spokesperson said the beta version had been made public in error, and that no official decisions had yet been made about launching futures contracts for either token.

Total trading volume in Deribit's product suite, which comprises crypto options, perpetual futures, volatility futures, and spot market, rose 95% from \$608 billion in 2023 to \$1.185 trillion in 2024.

Bitstamp, the longest running crypto exchange, plans to roll out regulated crypto derivatives trading in Europe.

Solana's validators experienced a record influx of over 100,000 SOL, worth nearly \$25.8 million, in fees and tips due to intense trading activity of the TRUMP and MELANIA tokens.

Mark Cuban said he's considering launching his own memecoin with the same terms and release schedule as Trump's but with all proceeds used to pay down the US national debt.

InfinityPools launched on Base, introducing a novel approach to leverage trading that eliminates liquidations by borrowing concentrated AMM liquidity to create built-in downside protection. InfinityPools allows for theoretically unlimited leverage by treating concentrated liquidity positions as implicit put options at the liquidation price, allowing traders to maintain positions regardless of price movements while paying ongoing interest.

Wisdomise AI introduced the Auto Trader, an AI-powered automation tool built on TON. This solution is designed to assist crypto traders and retail investors by streamlining trading operations and simplifying the implementation of trading strategies.

Real estate firm Propy is selling a tokenized condominium in Hawaii on Jan. 29 – offering buyers the possibility of taking out a loan and using Bitcoin and/or Ether as collateral. (Read more, [here.](#))

Knowledge Catalyst (a leader in digital trust solutions) and Atma Jaya Catholic University of Indonesia unveiled a platform for validating academic certificates, or “Ijazah.” This innovative solution, powered by blockchain technology, ensures secure, tamper-proof verification while simplifying processes for students, alums, and institutions.

MINING



In a Jan. 21 research report, Canaccord Genuity said Bitcoin mining is likely to remain profitable this year with the economics of production holding steady. The broker said mining fundamentals are strong, “with cost-to-mine sitting somewhere in the ~\$26,000-\$28,000 range per Bitcoin for most leading players.”

Publicly traded US crypto mining companies doubled their Bitcoin holdings last year, taking the total to 92,473 valued at \$8.6 billion as of end-Dec. The biggest amount, almost half of the total, is held by MARA Holdings with 44,893 BTC.

ETPS (EXCHANGE-TRADED PRODUCTS), FUNDS & INDEXES

BlackRock's iShares Bitcoin Trust ETF could receive a significant update, per a Jan. 24 19b-4 form filing from Nasdaq, which proposed a rule change to the ETF that would enable in-kind BTC redemptions rather than just for cash.

Calamos 100% Protected Bitcoin ETF was set to debut at a price of \$25 on Jan. 22. The product's so-called cap range, expected to be anywhere between 10% to 11.5%, will be struck at the end of the day. From that point on, the ETF will aim to offer 100% downside protection against Bitcoin's price, with a cap range struck again next year. (In two weeks, Calamos will launch additional ETFs with 80% and 90% downside protection against Bitcoin. These products will have an estimated cap range of 28% to 31% and 50% to 55%, respectively.)

Ethereum co-founder Joe Lubin revealed that issuers of Ether ETFs are optimistic about the SEC soon approving staked Ether ETFs under its new crypto-friendly leadership.

REX Shares and Osprey Funds filed for seven crypto ETFs, including Bitcoin, Ethereum, Solana, XRP, DOGE, BONK and TRUMP. (According to Eric Balchunas, the DOGE/TRUMP ETF filings are '40 Act filings and so – theoretically, if they aren't disapproved – they could hit the market in early April (75 days after filing) and beat the XRP, Solana, Litecoin ETFs out because those have to file 19b-4s which have a 240-day clock.)

Bitwise Asset Management filed an application for a Dogecoin ETF through a Delaware trust.

CoinDesk Indices, a CoinDesk subsidiary, introduced the CoinDesk 80 Index to address the increasing institutional demand for liquidity across diverse digital assets. The new offering is designed to track the performance of the next 80 digital assets beyond the CoinDesk20 Index.

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

"Switzerland's Crypto Valley" achieved a cumulative valuation of \$593 billion in 2024, a 55% YOY increase, and 50 projects in total. The ecosystem captured nearly a third of European blockchain funding with \$586 million invested across 56 deals. Centralized financial services dominated the investment landscape with 34% in funding, followed by blockchain networks and DeFi platforms at 29% and 15% respectively.

DeskTrading, a frontrunner in SMA technology, announced a rebranding initiative and the establishment of a \$200 million fund dedicated to the launch of a cutting-edge cryptocurrency trading platform XDesk Crypto. This platform will provide investors with advanced tools and resources and navigation ease.

Ethereum Layer-2 SOON (Solana Optimistic Network) raised \$22 million through an NFT sale to mark the launch of its mainnet and to invest in blockchain infrastructure.

Reown, Web3 infrastructure development firm, raised \$13 million in a Series B funding round – led by Union Square Ventures and 1kx.

Merit Systems, a startup focused on changing the economics of open-source software development, raised \$10 million in a seed funding round – co-led by Andreessen Horowitz’s crypto fund and Blockchain Capital.

Ethereum Layer-2 Corn raised \$8.3 million in a community funding round involving 675 investors and venture firms such as Polychain and GSR, aiming to integrate Bitcoin as a gas token on its network for deeper DeFi adoption.

The Fogo Foundation raised \$8 million in under two hours via the Echo platform, with 3,000+ angel investors participating. (Fogo is a new Solana Virtual Machine-based blockchain designed for high-speed, low-cost, parallel transaction processing, utilizing the Firedancer validator client to enable “institutional-grade” finance on-chain.)

Wingbits, a decentralized physical infrastructure (DePIN) startup focused on the aviation industry, raised \$5.6 million in funding.

GRVT, a ZKsync-based hybrid crypto exchange, raised \$5 million from Abu Dhabi-backed Further Ventures.

Crypto wallet Keplr secured \$5 million in seed funding, led by early-stage venture fund 1confirmation, with plans to expand its ecosystem integrations beyond Cosmos and EVM-compatible chains.

IPOS, M&A, PARTNERSHIPS & DEALS



Crypto firm Circle acquired Hashnote, the issuer of the \$1.3 billion tokenized money market fund USYC, in a push for yield-bearing collateral.

Crypto exchange Tokenize Xchange acquired Coinseeker for \$30 million, tapping its AI-powered analytics and blockchain insights to enhance Tokenize’s operations.

Agora, a blockchain governance startup, is set to acquire its competitor Boardroom. The company framed the acquisition as a strategic move to enhance governance within the broader Ethereum ecosystem.

Smart Valor, a crypto exchange and AI-led investment company based in Switzerland, is exploring a possible sale of all or part of its business.

Worldcoin, a crypto cofounded by OpenAI CEO Sam Altman, saw renewed interest after an announcement that OpenAI will work with Oracle and SoftBank to create an organization called Stargate that will invest up to \$500 billion in US AI infrastructure and build data centers in Texas – a popular location for Bitcoin mining due to its cheap energy costs.

Blockstream, a leader in Bitcoin infrastructure technology, officially launched Blockstream Asset Management, the company’s new asset management division. The launch coincides with the unveiling of

two Bitcoin-based investment funds set to open in Q1 2025 – the Blockstream Income Fund and the Blockstream Alpha Fund.

Messaging platform Telegram made things official with TON, again. On Jan. 21, Telegram and The Open Network Foundation announced an exclusivity deal that will require Telegram mini apps (including games) with crypto integrations to use TON, with Telegram also providing various benefits to projects that utilize the network.



Trump-backed DeFi project World Liberty Financial plans to acquire Tron's TRX tokens for its treasury. World Liberty Financial also added Wrapped Bitcoin worth \$47 million and ETH worth \$47 million. The project added that it purchased and registered four new Ethereum domain names linked to the Trump family through the Ethereum Name Service. It also said it would open up an additional block of 5% of token supply.

Justin Sun, the founder of TRON, announced that he has committed an additional \$45 million to the Trump family's World Liberty Financial. This new infusion brings his total investment in the platform to \$75 million, solidifying his role as its largest investor.

The Ethereum Foundation initiated an operation to send 50,000 ETH, worth ~\$162 billion, to a new multi-signature wallet, according to Hsiao-Wei Wang, a member of the foundation's leadership team. Wang said the foundation intends to use the new wallet to participate in the DeFi ecosystem, and that it had already sent out a test transaction on decentralized lending platform Aave.

Uniswap Labs announced that v4 deployment will begin, introducing a "singleton" liquidity architecture for faster transactions and lower gas fees, alongside modular "hooks" and a flash accounting system for enhanced efficiency, with full deployment expected by next week.

Decentralized perpetual exchange Hyperliquid recorded a \$22 billion 24-hour trading volume, surpassing its previous record, driven by volatile trading in Donald Trump-linked memecoins.

Decentralized borrowing protocol Liquity launched Liquidity V2 with market-driven borrowing rates and an ETH-backed stablecoin, BOLD, aiming to offer sustainable yields while leveraging "forkonomics" deals to expand across multiple Ethereum virtual machine chains.

Staking protocol Lido's co-founder, Konstantin Lomashuk, downplayed rumors about a "second foundation" for Ethereum, clarifying that no such entity has yet been established.

Decentralized liquidity protocol THORChain suspended THORFi services amid financial struggles, triggering a 30% drop in Rune's value as the platform undergoes a 90-day restructuring process to address unserviceable debt and liquidity concerns.

CBDOS & STABLECOINS



ECB board member Piero Cipollone emphasized the need for a digital euro to counter Trump's executive order promoting dollar-backed stablecoins globally, which could threaten traditional banks in the Eurozone. A digital euro would function as a wallet system guaranteed by the ECB and operated by private entities, but its launch depends on legislative approval.

Solana's stablecoin supply surged 57% (surpassing \$10 billion for the first time) since Donald Trump dropped his memecoin, TRUMP, adding \$3.5 billion in three days.

Coinbase will delist Tether-issued stablecoin USDT from its US trading platform if it falls out of compliance with new legislation, according to CEO Brian Armstrong.

NFTS, BLOCKCHAIN GAMING & METAVERSE



"Crypto Czar" David Sacks classified NFTs and memecoins as collectibles, likening them to memorabilia with cultural and commemorative value.

Retro game publisher Atari is releasing 500 limited-edition physical patch packs through DYLI, a new blockchain-powered collectibles marketplace built atop Abstract Chain, a soon-to-launch Ethereum Layer-2 scaling network. Each pack will include one of seven new Atari patches or two vintage designs from the 1980s. The packs are priced at \$15 each, with select packs set to contain bonus items such as stickers and gift cards, with one pack featuring a special item signed by Atari founder Nolan Bushnell.

DePIN project Puffpaw is pioneering an innovative "vape-to-earn" model that aims to wean smokers off harmful nicotine through tokenized incentives – and it's bringing its product to mainstream users with the launch of its new NFT collection and vapes.

The blockchain gaming sector reached 7.4 million daily Unique Active Wallets in 2024, marking 421% growth from a year ago, according to DappRadar.

GameGPT announced the official launch of its Genesis AI NFT Collection – an innovative blend of digital NFT ownership and advanced AI Agent capability. With this launch, GameGPT aims to redefine how video games are created: providing gamers, creators, and blockchain enthusiasts with next-generation tools for immersive digital experiences.

The developers of virtual horse racing game Photo Finish Live teamed up with crypto casino and sportsbook BlockBet, enabling users of the site to wager with the game's CROWN token. CROWN, a token on the Solana blockchain, joins Solana, Bitcoin, Ethereum, Bonk, and others as supported assets for wagering.

JOB MOVEMENT



Vitalik Buterin announced that “large changes” to the Ethereum Foundation’s leadership are coming, focusing on technical expertise, communication, and decentralization, while rejecting calls for aggressive regulatory lobbying to maintain Ethereum’s neutrality. Buterin changed his social media profile picture to an NFT from the Milady Maker collection – sparking optimism that he might be stepping into a more active leadership role.

Eric Conner, a core developer at Ethereum, left the ecosystem community after a nearly 11-year affiliation citing network co-founder Vitalik Buterin's dismissal of a leadership shake-up proposal.)

Andreessen Horowitz (a16z) will close its London office in an effort to scale back its UK expansion.

Changpeng “CZ” Zhao is set to take on an “active role” at YZi Labs, rebranded from Binance Labs, with a shift in focus to investments beyond crypto, including biotech and AI.

Giuliano Di Vitantonio was appointed as CEO of Teranode. (The Teranode Group recently announced its official launch as a global organization that brings together businesses with extensive expertise in the blockchain industry.)

REGULATIONS, RULINGS & COMMENTARY



President Trump declared crypto a national priority, signing a crypto executive order on Jan. 23 – setting the stage for a friendlier regulatory environment for digital assets, aiming to establish a “digital asset stockpile” and move the industry forward under a more welcoming framework. The executive order outlines a commitment to protecting economic liberty, ensuring fair access to financial services, and prohibiting the introduction of CBDCs, but didn’t mention “Bitcoin,” specifically. (Trump also told the WEF that America is “the world capital of AI and crypto.”)

Trump granted Ross Ulbricht, founder of the Silk Road online marketplace, a “full and unconditional pardon” on Jan. 20 – citing support from the Libertarian movement and criticizing the government’s handling of Ulbricht’s case. (Ulbricht was convicted in 2015 on charges including conspiracy to traffic narcotics and money laundering in connection with the Silk Road. Ulbricht received more than \$270,000 in crypto donations a day after his pardon.)

Trump launched a TRUMP memecoin (briefly becoming one of the top 20 cryptocurrencies by market cap), followed by returning first lady Melania Trump launching her own MELANIA memecoin. The whole episode sparked an angry reaction on Crypto Twitter, with one pseudonymous X user summing up the frustration: “Call me crazy but I'd rather my president not be a serial shitcoin peddler.” Conversely, analysts at Bernstein called it a “paradigm shift,” indicating a new era of government engagement with digital assets.

House Democrats flagged ethical concerns about President Trump's crypto ventures, citing potential conflicts of interest tied to his executive orders and projects such as World Liberty Financial and the TRUMP token. Senator Elizabeth Warren, a ranking member of the House Banking Committee, is asking federal agencies to investigate whether President Donald Trump's recent launch of a meme coin violated ethical or regulatory standards.

The US Senate Banking Committee officially set its roster for the new digital assets committee, putting Senator Cynthia Lummis at the top.

The US House Committee on Oversight and Government Reform is investigating alleged debanking in the crypto industry. The committee, led by Rep. James Comer (R-KY), seeks to determine whether debanking originates from financial institutions or government actions. The agency reached out to CEOs of firms like Coinbase, Kraken, and Uniswap Labs for input.

US Sen. Ted Cruz (R-TX) and Rep. Mike Carey (R-OH) introduced a joint resolution of disapproval to overturn the IRS Gross Proceeds Reporting by Brokers That Regularly Provide Services Effectuating Digital Asset Sales rule. That rule defined DeFi participants as "brokers." It undermines America's digital asset industry by forcing DeFi participants to comply with burdensome information reporting requirements. The rule was finalized on Dec. 30, 2024.

SEC Commissioner Mark Uyeda (widely regarded as being more crypto-friendly than his predecessor) will temporarily lead the cryptocurrency industry's main regulator as acting chair. The appointment comes immediately after SEC Chairman Gary Gensler stepped down on Jan. 20, as expected, alongside President Trump's inauguration.

SEC Commissioner Hester Peirce (aka "Crypto Mom") was appointed to lead a new "crypto task force" at the regulatory agency, focused on creating a "comprehensive and clear regulatory framework for crypto assets."

The SEC canceled SAB 121, an agency rule introduced under former SEC Chair Gary Gensler that the crypto industry had been fighting to overturn. The core issue with SAB 121 was that it required digital assets under custody to be disclosed as both assets and liabilities on balance sheets, making crypto custody prohibitively expensive for banks.

Caroline Pham became acting CFTC chair. A representative for Pham confirmed that she was selected by Trump for the position before being elected by her colleagues. Trump has 210 days to choose a permanent chair and have them confirmed by the Senate, according to the Federal Vacancies Act. (Pham appointed Harry Jung as Acting Chief of Staff to oversee crypto engagement, with Jung bringing regulatory experience from Citigroup and Morgan Stanley.)

Long-time Dogecoin enthusiast Elon Musk is now in sole charge of DOGE operations, with former co-lead, biotech entrepreneur and crypto advocate Vivek Ramaswamy resigned as co-lead to focus on running for governor of Ohio. (The Department of Government Efficiency (DOGE) prominently displayed the Dogecoin logo on its official US government website on Jan. 21, alongside a dollar sign and the slogan "the people voted for major reform." (The DOGE agency later removed the meme imagery.)

Senator Cynthia Lummis discussed creating a Strategic Bitcoin Reserve with Eric Trump at the Capitol on Jan. 20.

Utah introduced a bill allowing up to 10% of public funds to be invested in digital assets, provided cryptos maintain a \$500 billion market cap or meet strict stablecoin criteria, while also safeguarding self-custody rights and imposing security protocols for private key storage.

Hong Kong's central bank recently launched a new initiative (called the Supervisory Incubator for Distributed Ledger Technology) to support local banks as they launch blockchain products, with tokenization as one of the key focus areas. The Hong Kong Monetary Authority described the new incubator as a “new supervisory arrangement” that will allow local banks to “maximize the potential benefits of DLT adoption by effectively managing the associated risks.”

Hong Kong's Legislative Council held its first meeting to discuss a proposed “Stablecoins Bill,” which would require issuers to get licenses from the Hong Kong Monetary Authority and maintain robust reserve mechanisms.

Malaysia called for the creation of an Interpol-style Asean Cybercrime Task Force to facilitate real-time intelligence exchange and regional cooperation in combating digital threats effectively. Deputy Prime Minister Datuk Seri Ahmad Zahid Hamidi said the rapid expansion of the digital economy demands adaptive security frameworks, warning that cybercriminals are exploiting AI, automation, and the dark web to launch sophisticated attacks. Zahid also called for establishing a national blockchain-based identity verification system, which is crucial to safeguarding online transactions and mitigating identity fraud.

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

Indian crypto exchange WazirX won Singapore High Court approval to restructure after a \$230 million hack, enabling a meeting with users to finalize fund distribution, with repayment expected within 10 business days if the plan is approved.

Cuba's Ministry of Foreign Affairs' X account was locked following allegations of orchestrating rug pulls involving Solana-based memecoins that collectively involved more than \$158 million in trading volume, sparking speculation about potential hacking or deliberate misconduct.

Nasdaq's official X account was hacked to promote a fake STONKS memecoin, leading to a brief \$80 million market cap surge before the token crashed following the suspension of the fraudulent account.

A gang of British fraudsters in jail for stealing crypto were given an ultimatum: Pay back \$30 million in three months or risk another 14 years behind bars. Back in 2017, James Parker discovered a glitch in an Australian exchange CoinSpot that allowed him to withdraw vast amounts of money – initially without detection. Parker died before he could be prosecuted, but three friends who were let in on the bug proceeded to make millions of dollars between them.

Singapore-based crypto exchange Phemex has fallen victim to a reported hack, with over \$29 million worth of digital assets reportedly drained so far, while some of the tokens and stablecoins have already been swapped to avoid freezing.

Indian national Anurag Pramod Murarka has been sentenced to 121 months in prison in the US for operating a global money laundering operation that funneled over \$20 million in criminal proceeds. Murarka was convicted of facilitating the laundering of criminal proceeds through a sophisticated operation involving crypto and a hawala system.

Jump Trading sued ex-Firedancer engineer Liam Heeger for allegedly breaching non-compete agreements, claiming he secretly raised \$3 million for rival Unto Labs, which Heeger denied, stating the startup focused on “something entirely new.”

South Korean crypto exchanges Upbit and Bithumb will compensate investors \$2.5 million following service outages caused by a surge in user activity during the Dec. 3 martial law declaration, which temporarily dropped Bitcoin's price by 32%.

A UAE-based self-styled crypto market maker admitted to orchestrating an elaborate wash trading scheme that fooled US investors by generating millions in fake trading volume. CLS Global is expected to plead guilty to market manipulation and wire fraud charges after an FBI sting operation. Under the plea agreement, CLS Global would pay penalties and forfeited assets of over \$428,000. The company will also face a total exclusion from US crypto markets.

The FDIC faces new allegations in a Coinbase-backed lawsuit, with claims of omitted crypto pause letters and accusations of thwarting Freedom of Information Act compliance, raising tensions over so-called “Operation Chokepoint 2.0,” an alleged crackdown on digital assets under the Biden administration.

Coinbase petitioned an appeals court to rule on whether or not the crypto trading activity on its platform should be subject to securities laws. In a court filing, Coinbase lawyers urged the Second Circuit Court of Appeals to hear its case, arguing that it “presents the single best opportunity to decide the fundamental legal question of how to treat the secondary trading of digital assets.”

The SEC filed a lawsuit against Nova Labs, the firm behind the open-source Helium Network. The regulator alleges that the company sold unregistered investment products, including those that mine cryptocurrency and a program that allowed users to trade their personal data for crypto assets.

A US District Court reversed sanctions on Tornado Cash, declaring that the Treasury Department overstepped its authority, reigniting debates over software classification under US sanctions laws.

Researchers have found a malicious “Click-Fix” tactic mimicking verification systems that have used Ross Ulbricht-related news to lure victims and infect devices with malware.

A co-founder of crypto hardware wallet firm Ledger, David Balland, was released from captivity in France, a day after what’s being described as a kidnapping with crypto ransom demands.

Coinbase users reported significant delays to Solana transactions on Jan. 20. One user reported that a Solana transaction was stuck in limbo for more than 15 hours. Coinbase Protocol Specialist Andrew Allen said the network isn’t to blame: “Yeah, it’s on us to improve. Not Solana’s fault. Solana usage has pushed our infra[structure] past its limits, and the team is well aware and actively working on it.”

MISCELLANEOUS



A Solana address associated with well-known blockchain sleuth ZachXBT cashed out \$3.9 million from a memecoin of the same name dropped to his wallet by an unknown deployer.

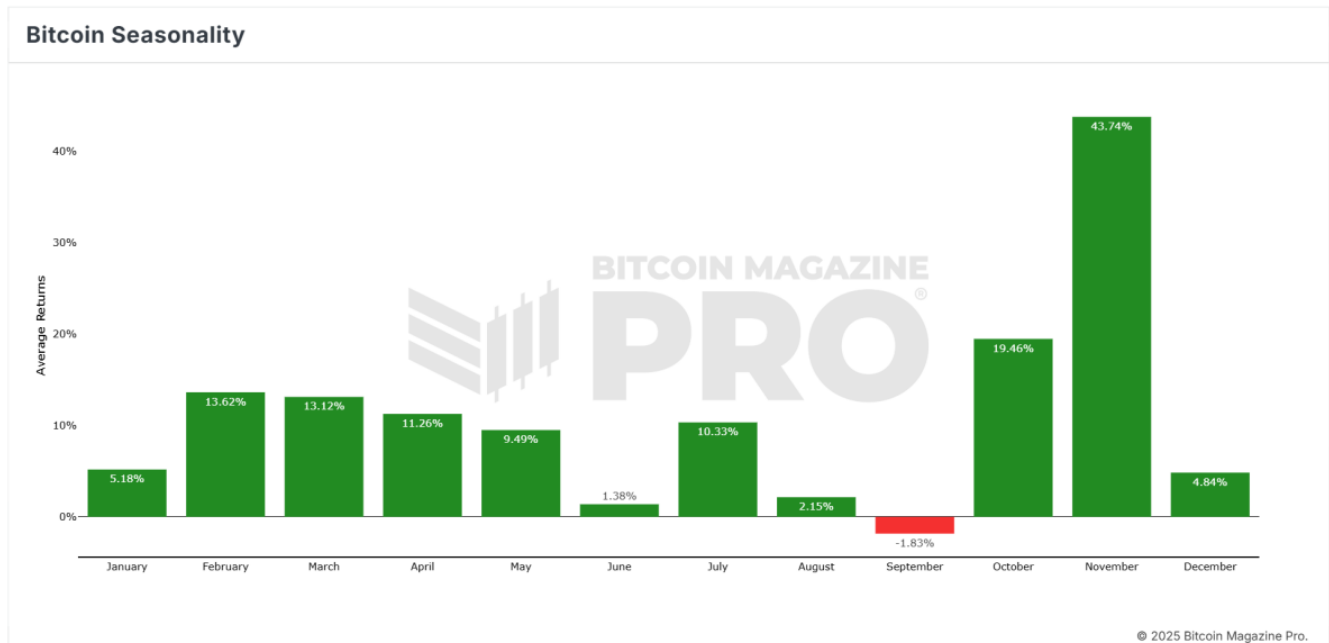
Linea removed 516,960 sybil addresses from its upcoming airdrop after collaborating with Nansen to detect automated and coordinated wallet activities, ensuring its token distribution prioritizes legitimate recipients among the 780,243 remaining eligible wallets.

Jupiter announced it would airdrop around \$600 million in JUP tokens on Jan. 22, as part of its annual “Jupuary” event, distributing 700 million tokens.

Obol Collective, an infrastructure project known for distributed validator technology, is nearing the launch of its first airdrop, through which it will distribute 37.5 million tokens, or 7.5% of the total supply, to several parties in its ecosystem.

CHARTS, TABLES, QUOTES, COMMENTARY & OTHER IMAGES

Bitcoin Seasonality: February has historically shown an average return of 13.62%, ranking it as one of the stronger months for Bitcoin performance.



TFTC on Jan. 21: Strategic Bitcoin Reserve legislation is gaining momentum. 11 states, including Florida, Wyoming, and Massachusetts, have introduced bills to secure Bitcoin as part of their state reserves.



Anthony Pompliano 1: Wall Street is Officially Ready for Bitcoin...

Wall Street is embracing Bitcoin in a way that was previously thought to be impossible. Over the last 48 hours we have heard a flurry of positive comments from numerous CEOs and leaders.

First, Bridgewater's Ray Dalio said on CNBC that he thought non-government money, including Bitcoin, reduced risk in a portfolio. He stated that he owned Bitcoin and thought it was interesting.

Second, Bank of America CEO Brian Moynihan shared a belief that banks "will come in hard" to crypto if they get the regulatory approvals necessary to reduce their risk. Moynihan specifically talked about the benefits of stablecoins, along with the benefits of crypto rails for payments.

Third, Goldman Sachs CEO David Solomon said this morning that he does not believe Bitcoin is a threat to the US dollar. He sees the digital currency more akin to an interesting speculative tool.

Fourth, the SEC recently announced a new crypto task force led by Hester Pierce. The group's goal is to create common sense, clear rules for the crypto industry. This is a substantial 180-degree difference from the previous regulatory approach under the past administration.

Lastly, Blackrock CEO Larry Fink said this morning "if you are frightened of debasement of your currency...you can have an internationally based instrument called Bitcoin....I'm a big believer." Pretty big statement coming from a powerful and influential leader on Wall Street.

My conclusion from hearing these various interviews and announcements is that Bitcoin has finally arrived on Wall Street. The ETF launches were the initial crack in the dam, but now we are watching full-blown adoption of Bitcoin by the traditional market.

If we fast forward a few years, I fully expect banks to be custodians of crypto assets, crypto tokens will be stuffed in every traditional finance wrapper, and investors will be normalized to investing in tokens just like they invest in stocks today.

As the new and old world collide, we will end up with a hybrid. The best parts of the old world will survive. The bad parts of the old world will disappear. This is how technology innovation works. And it will be a win-win for market participants regardless of which world they started out in.

Macro investors. Bank CEOs. Regulators. Asset managers. They all agree – Bitcoin is here to stay.

While it was once cool to be a detractor on Bitcoin, that position has quickly become an unpopular one that makes someone look uninformed and ill-prepared for the future.

Anthony Pompliano 2: The White House is Ready for Bitcoin & Crypto...

President Trump signed an executive order on Bitcoin and cryptocurrency on Jan. 23. This is the most comprehensive plan that we have seen for the industry. Fox Business' Eleanor Terrett summarized the order well:

- The Executive Order establishes the Presidential Working Group on Digital Asset Markets to strengthen US leadership in digital finance.

- The Working Group will be tasked with developing a Federal regulatory framework governing digital assets, including stablecoins, and evaluating the creation of a strategic national digital assets stockpile.
- The Working Group will be chaired by the White House AI & Crypto Czar David Sacks and include the Secretary of the Treasury, the Chairman of the Securities and Exchange Commission, and the heads of other relevant departments and agencies.
- The White House AI & Crypto Czar will engage leading experts in digital assets and digital markets to ensure that the actions of the Working Group are informed by expertise beyond the Federal Government.
- The Executive Order directs departments and agencies with identifying and making recommendations to the Working Group on any regulations and other agency actions affecting the digital assets sector that should be rescinded or modified.
- The Executive Order prohibits agencies from undertaking any action to establish, issue, or promote central bank digital currencies (CBDCs).
- The Executive Order revokes the previous Administration's Digital Assets Executive Order and the Treasury Department's Framework for International Engagement on Digital Assets which suppressed innovation and undermined US economic liberty and global leadership in digital finance.

These developments are very important because it signals the administration's seriousness about Bitcoin and digital assets. There are three specific aspects that transpired yesterday worth calling out:

1. The President clearly articulates that David Sacks and his team will spend time studying, and potentially implementing, a strategic reserve of crypto assets. I personally think a Bitcoin-only reserve makes the most sense, but it sounds like the administration will evaluate all options first.
2. The executive order explicitly bans the CBDC efforts. This is a crucial decision. We do not want the government to have the ability to use digital stablecoins to surveil their citizens, nor do we want them to implement personalized monetary policy or social credit scores. Consider this a win for the good guys.
3. The SEC repealed SAB 121 yesterday. Although it was not part of the President's order, this repeal will allow banks to easily custody Bitcoin and other digital assets. Each bank CEO is salivating over the opportunity to capture more customers, more deposits, and more revenue.

When I first became excited about Bitcoin, one of the big critiques was the government would eventually shut the digital currency down. They would figure out a way to ban ownership, confiscate the coins, or kill the network. I know many people who did not buy Bitcoin because they feared this outcome.

Fast forward a decade and now the government is embracing the asset. They aren't going to shut it down. Instead, they are protecting it. They are encouraging innovation around it. And they may even buy it for their own balance sheet.

This is how technology innovation works. An idea's time has come. Bitcoin is good for everyone. What a fun and exciting thing to watch unfold.

Eric Balchunas: The spot Bitcoin ETFs quietly on fire to start year, with \$4.2b in flows which is 6% of all ETF flows. Now at +\$40b net since launch with aum at \$121b and return of 127%. For context, they just passed ESG ETFs in assets (\$117b) and have about same as gold spot.

Ticker		1D Flow (M USD)	1W Flow (M USD)	1M Flow (M USD)	3M Flow (M USD)	YTD Flow ↓ (M USD)	1Y Flow (M USD)	3Y Flow (M USD)
Sum		+188.65	+2,316.21	+3,597.41	+18,193.94	+4,179.20	+38,538.07	+39,535.86
1 IBIT	US	+154.64	+1,536.70	+2,211.73	+16,043.56	+2,324.47	+37,723.45	+39,572.90
2 FBTC	US	+9.16	+342.40	+976.40	+2,662.89	+1,131.21	+11,376.35	+12,975.42
3 ARKB	US	+8.35	+101.03	+304.46	+174.07	+342.75	+2,282.62	+2,791.60
4 BTC	US	+11.90	+170.12	+254.24	+670.77	+274.64	+1,094.66	+1,094.66
5 BITB	US	+42.15	+198.14	+201.44	+180.52	+259.94	+1,913.59	+2,431.87
6 HODL	US	.00	+11.91	+71.15	+161.38	+68.45	+809.02	+857.31
7 BTCW	US	.00	+4.47	+14.70	+26.41	+14.70	+237.98	+243.88
8 BTCL	US	+12.38	+18.66	-.40	-80.98	+13.75	+66.96	+329.95
9 EZBC	US	.00	+6.18	+4.20	+28.12	+4.20	+414.34	+471.44
10 BRRR	US	.00	+3.72	-20.13	-22.77	+.85	+423.94	+519.41
11 DEFI	US	.00	.00	.00	+1.10	.00	-15.41	-.48
12 GBTC	US	-49.94	-77.11	-420.38	-1,651.12	-255.76	-17,789.44	-21,752.11

Conclusion from Coin Metrics' "State of The Network" weekly report from 1/21/25. (Read the full report, [here](#).)

Spot Bitcoin ETFs have reshaped the crypto investment landscape, attracting institutional and retail capital while driving structural demand for BTC. Over the past year, they've proven their potential to legitimize and expand access to digital assets. Ethereum ETFs, while off to a slower start, have begun gaining momentum, reflecting a growing appetite for such products. As the market matures, new opportunities—such as staked ETH and SOL ETFs or multi-asset ETFs for other crypto assets – could further enhance accessibility and cement the role of ETFs in bridging traditional finance with digital assets. The next wave of ETF inflows could unlock greater growth, driving momentum for crypto adoption.

Summary and conclusion from Glassnode's "The Week On-Chain" from 1/21/24. (Read the full report, [here](#).)

Bitcoin has experienced intense intraday whipsaws in price, surging to a new ATH of \$109k before crashing and subsequently stabilizing above \$100k. This heightened degree of market indecision is compounded by the challenging and uncertain macro backdrop heading into, and across the US Presidential inauguration.

In this article, we evaluated and analyzed the conditions preceding the explosive yet wavering price action. We present a framework to identify signposts for impending volatility by utilizing the confluence of diminishing on-chain volume and capital flows, alongside a tightening price range.

Blockworks updated key metrics...

Total Crypto Market Cap	\$3.72 T
Bitcoin Market Cap	\$2.07 T
Ethereum Market Cap	\$398.06 B
ETH/BTC Ratio	0.03
Ethereum Gas Price	7.12 gwei
DeFi TVL	\$225.10 B
Fear and Greed Index	75 (Greed)

Arca: TRUMP Coin Has People Losing Their Minds...

The TRUMP Token Takes Crypto for A Wild Ride

If you were fortunate enough to sleep through this weekend, you may have missed the launch of the TRUMP coin. If not, you witnessed one of the most truly bizarre and polarizing events in crypto's young history, and possibly in capital markets history.

First, a quick recap: In conjunction with the "Crypto Ball" on Friday, which was part of the Inauguration weekend festivities, Trump launched a memecoin on the Solana blockchain. Many thought Trump was hacked and that this could not be real... but it was. The TRUMP token, which consists of only 20% float (80% owned by Trump and affiliates), immediately began trading up, reaching as high as a \$75 billion market cap in a matter of hours. From the initial launch, the token was up roughly 30,000%. To put this into perspective, the gains for early buyers outpaced the S&P 500's return since 1971, or 54 years of S&P 500 returns. Even though Trump himself has a 3-year lockup before he can sell any tokens, his net worth is estimated to rise 400% to ~\$28 billion, up from \$5.6 billion in Nov. 2024.



Source: Twitter / X

The trading volumes on this token were enormous, and it sent the Solana (SOL) token much higher as well (up almost 40% over the weekend at one point). Part of the SOL rally may be attributable to actual bullishness on SOL after the incoming President decided to use the Solana blockchain, and part of this was because you needed to swap into SOL in order to buy the TRUMP token, and weekend liquidity is so bad that SOL skyrocketed higher. Moonshot was featured on the Trump website as the best way to buy the TRUMP token, and powered one of the most significant onboarding events in crypto history, onboarding over 400,000 new users to blockchain.

Of course, when something goes up that fast, it inevitably falls, and that's exactly what happened on Sunday when Melania launched her own memecoin. This sucked liquidity away from TRUMP token and into MELANIA token, ultimately clogging the Solana blockchain sending SOL back down 20%, and sent crypto Twitter into an absolute tailspin, with many arguing that Trump just killed crypto with these exploitative launches.



Let's make sense of this roller coaster of emotions

Ok... that was a lot. Even as I write it, it sounds made up. But alas, it was real. So, let's try to make sense of all of this.

To start, it helps to understand that crypto market participants were already on pins and needles heading into this weekend's inauguration. President-elect Donald Trump included some crypto-related regulatory reforms in his list of 100 potential "day-one" executive orders. A Reuters article recently suggested that the new SEC leadership will "kick start a crypto overhaul," potentially putting some enforcement cases on hold. And there is a lot of speculation that Trump will begin speaking about a Bitcoin Strategic Reserve during his inauguration. So, when you combine this angst with this TRUMP token drop, emotional reactions are to be expected.

But let's not forget that Trump was the president once before. And if you recall, from 2016-2020, Trump (as President), moved equity, commodity, debt and currency markets nearly every week with random Tweets and off-the-cuff comments. He was the first President to use Twitter and social media, and markets did not know how to handle this. But it rarely affected crypto markets because Trump didn't care about crypto back then, so most crypto investors either don't remember this or weren't even in crypto during this period. So, what we saw this weekend is just a preview of what we will see for the next four years – unpredictable volatility.

This weekend, in particular, the market lost its damn mind over the TRUMP coin and completely missed the plot. While the TRUMP coin itself is just another example of Trump doing Trump things, there is an obvious case for why this will be incredibly long-term bullish for the industry (and it has nothing to do with the TRUMP coin itself).

The pushback for 3+ years from potential token issuers and potential investors in the US has been “regulatory concerns.” This is completely eradicated when the President is both a token issuer and a token investor. If you’re still using this as a crutch, your negative bias is clouding reality.

What is preventing you from either increasing your investment in crypto assets or making your first allocation?

	2021	2022	2023
Regulatory concerns	60%	65%	64%
Too volatile	53%	60%	47%
No idea how to value crypto assets	34%	44%	42%
Lack of easily accessible investment vehicles like ETFs or mutual funds	32%	32%	42%
Custody concerns / fear of hacks	31%	38%	31%
Lack of understanding	28%	25%	24%
Crypto assets are associated with criminal activity	13%	18%	21%
Don't feel confident talking to clients about crypto	18%	16%	16%
Cryptocurrencies are a scam	5%	15%	14%
Crypto assets are in a bubble	16%	17%	12%
Reputational risk with colleagues	7%	10%	7%
Other	5%	9%	14%

Note: Numbers may not add to 100% due to rounding and/or survey design.

Source: Bitwise

Now, just because the President issued a memecoin doesn’t mean the entire world will only focus solely on memecoins. Trump validated the technology yet introduced only one use case of the technology. Potential issuers and investors can see beyond this limited use case. Two things can be true at the same time:

1. Many businesses/projects launched via blockchain technology are in current (or future) useful sectors of the economy (finance, gaming, AI, telecom, data, etc.).
2. Memecoins are fun but achieve a different goal (gambling and monetization of brands).

Not everything built with similar technology has to be lumped together.

The internet boom started with “dot-coms” – companies that only existed because the invention of the internet and web browsers enabled their existence. But most of these companies failed. The Internet

only grew when non-internet native companies began using the Internet, too. Now, every company is a “dot-com.” Walmart, Domino’s Pizza, JPMorgan, etc. – all “dot.coms”. But of course, no one calls them dot-coms anymore because it’s no longer a unique qualifier. You are out of business if you are not a dot-com in 2025.

TRUMP token signaled to every company, municipality, university and individual brand that crypto and blockchain can now be used as a capital formation and customer bootstrapping mechanism. We’ve been writing and speaking about this inevitability for nearly a decade, and it’s about to come true. Soon:

- NYC will have a token that gives tokenholders discounts on buses and subways, fast pass at LGA and JFK, and maybe even a dividend if the city has a surplus
- Harvard will have a token that boosters and donors will get when they donate, and purchasers can use for tuition or trade it for Yale token.
- Netflix will have a token that gives you 20% of top line revenues, grants you discounts on your membership, and gives you a day or two advanced screening of new movies and shows.

All of this will happen in this new crypto-friendly environment ushered in by the president of the United States. Shareholders don’t care about customers, and customers don’t care if the company succeeds because there is no alignment between shareholders and customers. Crypto can change this. It gives customers part quasi-equity ownership and part customer rewards all in one tradable, liquid vehicle.

We have now officially left the “dot-crypto” phase of blockchain. All of the existing crypto use cases are from crypto-native companies, but going forward, the whole world will devise creative ways to issue and utilize tokens. We even predicted the TRUMP token 3 years ago. This is not shocking at all. Crypto allows him to monetize his enormous brand and follow in previously impossible ways. Once this shift from “dot-crypto” happens, many of the current useless tokens and projects will die, but the biggest and best will thrive with millions of new investors, issuers, and users. You must pitch token ideas to clients if you’re an investment banker. There is no excuse anymore not to be thinking outside the box regarding capital formation and fundraising. The President himself just did it. Calling all investment bankers! Stop being lazy and recognize what a goldmine your clients are sitting on if they choose to monetize it.

Now, the immediate price action and reaction this weekend suggest that crypto is now a joke, and the only winner will be the blockchain that issues joke tokens (SOL). But that’s short-sighted and a circumstance of weekend illiquidity more than anything. And those calling this the “top of the cycle” have lost their damn minds. PTSD is real, and so many crypto traders have been irreversibly damaged by 2022 that they can’t even fathom what is about to come in a crypto-friendly environment. I know because I’ve been there. Anecdotally, it took me 3 years after the 2008 financial crisis to go all-in-long equities again. The psychological damage from bear markets is real. Crypto people don’t even realize how damaged they are from 2022. Almost all of them are too conservative now. They’ve forgotten how to make life-changing money. And all they can think about is, “When is the music going to stop?”

It isn’t going to stop. In fact, the President of the United States of America just signed up to DJ for the next 4 years and beyond.

So, in conclusion, while I don't care much for meme coins or the TRUMP token myself, I do care a lot about future blockchain use cases. And the President of the USA just green-lit all future possibilities. Memecoins are cute; but they are not all that blockchain offers.

The reality is Trump is, and always has been, an incredibly polarizing human being. More likely, the TRUMP coin did not change anyone's views. As Trump usually does, he simply reinforced people's preconceived views. If you loved SOL, you can now say that Trump loves SOL. If you love ETH, you can say that Trump's World Liberty Financial project is built on Ethereum, and he is buying ETH-based assets. If you love Bitcoin, you can say that Trump will measure his Presidency by the price of Bitcoin. If you hate crypto, you can say that Trump reinforces that crypto is a joke.

The reality is, I don't think anyone is even mad about the crypto component of TRUMP token and the instantaneous gains it created for a select few. I think people are more mad that the TRUMP token simply points out the current state of society, and the monetization of popularity. And these examples go far beyond crypto. The Hawk Tuah girl turned 15-minutes of Fame into a Top 5 podcast. Only Fans girls can rake in more money on a weekend than a well-trained actress can earn in her entire career. The attention economy and influencer world that we live in is demeaning to hard-working folks, and crypto is simply the best tool available currently to monetize this.

For example, some crypto participants felt helpless that all their hard work growing this industry has been reduced to a Presidential memecoin. Here's a good summary of the collective feelings of many participants in this industry. One crypto investor said, "This is a big signal that building a company doesn't matter. Why waste your time? Imagine slaving for 6-12 months trying to raise a seed round and building a business when some 16-year-old playing Fortnite bought \$50 of TRUMP and made \$1 million? The societal degradation and apathy towards meritocracy and capitalism could be really hurt here." Another crypto investor said, "I really thought we'd get a good regulatory framework to allow tokens from real companies to provide real value and bring back fundamental investing via viable products and services, and this just feels like the antithesis of that."

This has nothing to do with crypto. This is a reflection of society.

But Trump did not kill crypto. When Trump launched his own steaks, he didn't ruin steakhouses. When Trump launched his own college, he didn't ruin colleges. When Trump bankrupted multiple casinos, he didn't ruin gambling. Trump is simply an expert at exploiting loopholes for his benefit. Remember during the 2016 election when Hillary Clinton thought she nailed Trump with a "gotcha" about him using loopholes to pay taxes? His response was perfect. He will continue to use the loopholes if they exist, and it is Congress' job to get rid of the loopholes if you don't want him and others, to exploit them.

The digital assets asset class is about to get much bigger, much crazier, much more sophisticated and much dumber at the same time. However, the asset class is not a joke just because a few dumb examples exploit this asset class. If that were true:

- Equities would also be a joke because of Gamestop (GME), Bed Bath & Beyond (BBY) and numerous SPACs.
- Fixed income would be a joke because of Caesar's holdco debt, CDS-squared, Argentina bonds, and Austrian 100-year bonds.

- Real estate would be a joke because of the Las Vegas boom in 2008, timeshares, and uninsured homes in the Palisades.
- Currencies would be a joke because of Wampum and the Euro.

You don't measure an asset class by its worst components. You measure it by the totality of what it offers.

This industry, and the loud-mouthed naysayers, cannot keep freaking out every time a single use case destroys an image of what the crypto asset class can and should be. And the TRUMP token, love it or hate it, is ultimately irrelevant by itself. What matters is that we just ushered in a new era of token launches. And you will soon see why tokens are the greatest capital formation and customer bootstrapping mechanism ever created.

Delphi Digital's Top 10 Predictions for 2025...

1) BTC has more room to run

- BTC continues to be in line with Delphi's cycle playbook that predicted that BTC would reach new highs Q4 2024.
- So far, each new ATH for BTC coincided with a monthly RSI breakout >70. Previous bull markets didn't stop until the monthly RSI broke above 90.
- Based on the monthly price regression channel, BTC is still below 1-2 standard deviation moves that signal tops.
- Institutional interest and easing regulatory climate could be the driver for this bull run.

2) Solana is just getting started

- Solana will continue outperforming Ethereum due to two simple reasons, Superior UX & better content. No token approvals or wrapping tokens. On Solana it just works.
- SVM is the fastest growing alt-vm eco which helps bolster network effects. Also, Anza, Firedancer, & improved wallet infra will continue to improve on the user experience.
- @aeyakovenko vision of increasing bandwidth reducing latency could help Solana maintain its edge despite more competition.

3) NFTs rise from the dead

- We believe that NFTs will stage a comeback through a mixture of extreme sentiment not matching fundamentals.
- While tokens are easier to trade, NFTs allow for uniqueness to be coded on-chain. There is potential for heterogeneous assets like fine art, wine, etc. to be tokenized as NFTs.
- NFTs have also had some major wealth creation events. @pudgypenguins, @MiladyCult and the @Azuki airdrop could spark a movement from other NFT projects to follow suit.
- NFTs are also more retail friendly. Not everyone likes to trade. NFTs are a friendly alternative to showcase culture and status.

4) DeFi becomes DeAI

- DeAI will fundamentally change how we interact with DeFi. Replacing frontends, agents will help users transact, swap, search for yields, and simplify the way we interact with natural language processing.
- Most capital allocation decisions will be automated by Agents in the future. @griffaindotcom is a first mover for this but other DeAI projects are also gaining traction like @HeyAnonai.

5) AI Agents become tier one crypto VCs

- The future is unlikely to be PVP human trading but will be intermediated by agents. Agents are able to monitor markets 24/7 and process more data.
- Trading will turn into a race for computing power and unique datasets.
- At least three agent frameworks will become decacorns in 2025.

6) High-Throughput Chains Will Drive Innovation

- High throughput chains will open up new opportunities and experimentation for 2025.
- The main projects we are keeping a close eye on are @HyperliquidX, @SuiNetwork, & @monad_xyz but there are other chains like @berachain worth watching out for.
- @megaeth_labs is also a project to watch for but we believe MegaETH will be competing with L2s for market share not L1s.

7) DePin stages a comeback

- One large DePIN project manages to be self-sufficient causing an upward rerating of the entire sector and reflexive upswing in “fundamentals” for the rest.
- While there is tough competition, DePin has the potential to disrupt wireless services (@helium), network infrastructure (@doublezero), mapping (@Hivemapper), healthcare, and grid operations.

8) This will be a transformative year for zkVM

- zkVMs will improve interoperability between rollups which could allow for seamless interactions between chains.
- zkVMs will expand the developer market greatly because developers will be able to develop zk apps with other languages like Rust.

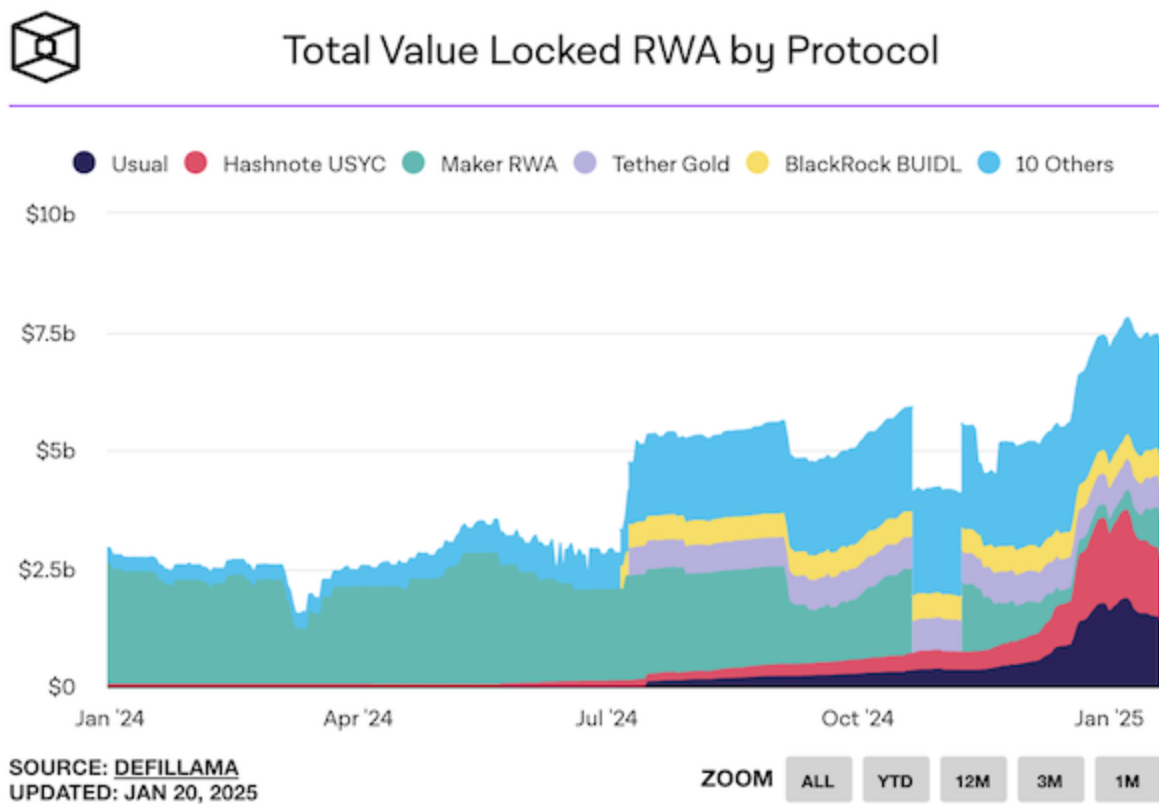
9) AI will open up new opportunities for GameFi

- AI-Powered Development Tools could improve production capacity for game developers.
- AI NPCs are in development with projects like InWorldAI aiming to be AI NPC service providers for games.
- Open-source initiative like @virtuals_io Game Framework & Eliza's integration to Unreal & Unity could be game changers for AI gaming .

10) Consumer DeFi is the next frontier

- 2025 is the year crypto natives can fully commit to on-chain finance.
- zkTLS will allow for sensitive web2 data to be brought on chain while maintaining privacy. This opens up many possibilities like personalized agents, trust scores, etc.
- Revenue sharing stablecoins will expand as incentives are aligned between issuers and distributors.

The Block Pro Research: Total value locked (TVL) across real-world-asset (RWA) protocols has reached \$7.3 billion, marking a more than 200% increase from a year ago, with government securities protocols capturing an expanding share of the market.



DLNews: As part of the nomination process, Trump’s potential cabinet members have to submit financial disclosures. Not every nominee has released one, but the disclosures show several top nominees, including two tapped to head the US intelligence community, are into crypto. Here’s a rundown...

Crypto bulls among Trump's cabinet nominees

The aggregated value of all crypto assets Trump's cabinet nominees have disclosed so far.

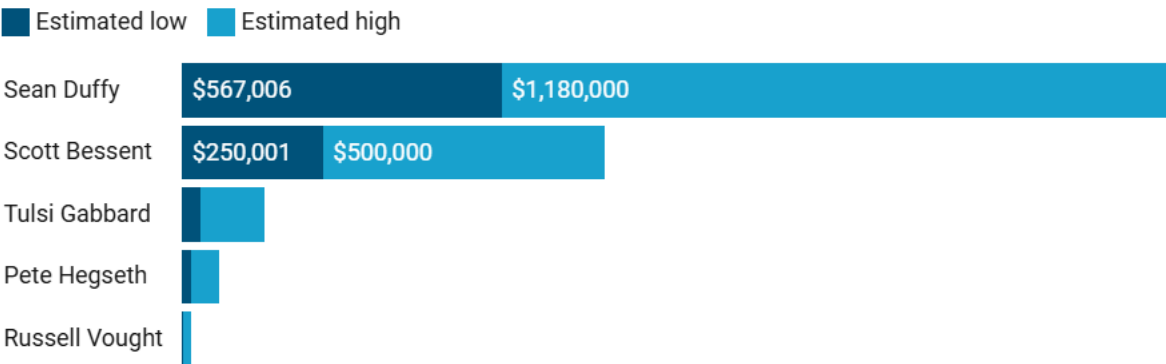


Chart: Ben Weiss • Source: US Office of Government Ethics • Created with [Datavrapper](#)

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

- In a recent X post, Kavuri disclosed that FTX creditors from countries such as Nigeria, Russia, Saudi Arabia, Ukraine, China, Iran, and Egypt are ineligible for payouts through the exchange’s current distribution providers – Bitgo and Kraken.