



HYPERION DECIMUS

CRYPTO NEWSLETTER

POWERED BY WEEKLY CRYPTO BRIEF

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BITCOIN-RELATED



NYDIG: Bitcoin dropped 7.6% this week, largely due to tariff-induced volatility over the previous weekend. While the broader risk markets also reacted negatively to the tariff news, Bitcoin and the wider crypto sector experienced a sharper decline, primarily driven by liquidations of perpetual swaps trading on offshore exchanges. Between Friday and Monday, Bitcoin alone saw \$572 million in liquidations, as both long and short positions were forced to close.

South Korea's Bitcoin “kimchi premium” surged to a 3-year high of 12% on Feb. 3, as local prices remained steady amid a broader global crypto sell-off. (The kimchi premium represents the price gap where Bitcoin trades at a higher value on South Korean exchanges – closed off to foreign investors – compared to global markets.)

South Dakota State Rep. Logan Manhart said: “South Dakota has one of the shortest legislative sessions in the country. It’s likely South Dakota will be the first state in the nation to pass a Bitcoin reserve bill.”

Iowa State Rep. Taylor Collins introduced a bill to invest public money into Bitcoin and digital assets.

TJ Roberts, a Republican member of the Kentucky State House of Representatives, introduced House Bill 376, which calls for the state to begin investing in digital assets and precious metals. (While the bill doesn’t mention Bitcoin or any other crypto, it limits digital assets that can be bought by the state to those with market caps of at least \$750 billion, making Bitcoin Kentucky’s de facto option.)

Democratic State Delegate Caylin Young introduced the Strategic Bitcoin Reserve Act of Maryland on Feb. 7.

According to a CoinDesk, in the surge of crypto legislative or financial efforts at the state level, 21 states are investing or looking into investing – generally in Bitcoin, and sometimes also in less volatile stablecoins that are designed to match the value of the US dollar.

El Salvador continued adding Bitcoin to its reserves despite agreeing to scale back its crypto ambitions under a recent \$1.4 billion loan deal with the IMF. While the government typically buys one Bitcoin per day, it acquired two on Feb. 1. Since the start of 2025, the country has purchased 52 Bitcoin, bringing its total holdings to over 6,055 Bitcoin – valued at ~\$600 million.

MicroStrategy raised \$563.4 million through its STRK preferred stock offering, significantly exceeding its initial goal, with plans to funnel proceeds into further Bitcoin acquisitions. (The company also changed its name to “Strategy” in a move to simplify its brand and reflect the focus of the company, it announced on Feb 5. Strategy’s new logo includes the famous Bitcoin “B”, signaling the company’s Bitcoin Treasury Strategy, and the name's new primary color is orange.)

MicroStrategy’s plan to flywheel Bitcoin higher by buying up available supply has created 78 publicly traded copycat companies, according to data from crypto security firm Coinkite.

Nasdaq-listed healthcare tech firm Semler Scientific acquired an additional 871 Bitcoin for ~\$88.5 million at an average price of \$101,616 per Bitcoin between Jan. 11 and Feb. 3, according to an 8-K filing.

Neptune Digital Assets, a publicly traded Canadian blockchain company, acquired an additional 20 Bitcoin for ~\$2 million, bringing its total holdings to 376 BTC (\$37.4 million). (It also bought 1 million DOGE tokens, valued at ~\$270,000, through a “strategic derivative purchase,” according to a disclosure on Feb. 4.)

Standard Chartered Head of Digital Assets Research Geoffrey Kendrick predicts Bitcoin will reach \$500,000 before President Trump leaves office, driven by improved investor access and a decline in volatility.

President Trump's use of the International Emergency Economic Powers Act (IEEPA) to impose universal tariffs on Mexico, Canada and China raises concerns over US dollar dominance, according to CoinShares Head of Research James Butterfill. Butterfill suggested the tariffs could accelerate global de-dollarization, boosting Bitcoin's appeal as a hedge against economic instability.

Anthony Pompliano: Anthony Scaramucci’s Skybridge Capital saw its flagship fund outperform almost every hedge fund on Wall Street last year, including Tiger Global, Citadel, Coatue, and Pershing Square. How did he do it? By having Bitcoin in the portfolio, Skybridge produced a 43% return in 2024. This is worth paying attention to because as more hedge fund managers and capital allocators see the results from fund managers embracing crypto, the more these fund managers will be incentivized to allocate to the asset class.

Fold, a Bitcoin rewards card provider, announced an expansion of its collaboration with Visa to bring innovative Bitcoin rewards card programs to the market.

Stablecoin issuer Tether previewed an AI Bitcoin wallet assistant, alongside a number of new AI applications it is building. According to a video shared by Tether CEO Paolo Arduino, the tasks users will be able to assign to the AI agent will include answering questions about their BTC wallet address and giving details of the wallet’s balance. Users will also be able to check the wallet’s recipients and send BTC directly to those addresses through the interface.

INDUSTRY ADVANCES

Coinbase became the largest crypto exchange to operate in the UK after securing a spot on the register of the Financial Conduct Authority, allowing it to offer crypto services in the country for the first time. Keith Grose, Coinbase's UK CEO, said: "It opens up new channels and opens up the ability to launch new products and services. We're excited to talk about things like staking, the future of stablecoins in the UK, and being [virtual asset service provider] registered is part of that for us."

Kraken secured an EU MiFID license to expand crypto derivatives trading.

Tiger 21 founder and Chairman Michael Sonnenfeldt said the network of high-net-worth investors holds about \$6 billion in digital currencies. He added: "We have about 1% to 3% of \$200 billion in assets, so about \$6 billion in assets, in digital currencies. The areas of digital currencies remain really exciting. We have some members that are all in. It's become a gold substitute." (Tiger 21 is a global network of ultra-rich investors.)

Blockchain Deposit Insurance Consultant Group announced the launch of an international cryptocurrency insurance unit under the name Blockchain Deposit Insurance Corp. (BDIC). The newly formed entity will provide digital wallet insurance for select cryptocurrencies and establish its headquarters in Bermuda, with affiliate offices worldwide. BDIC plans to apply for Lloyd's coverholder status in the coming months, which would enable it to develop insurance policies in collaboration with Lloyd's syndicate members.

Sol Strategies boosted its Solana holdings with a 190,000 SOL buy with it and its subsidiaries holding an aggregate of 189,968 SOL, as of Jan. 31. The company also completed the \$2.5 million second tranche of a private placement of convertible debentures, the gross proceeds of which were satisfied by the payment of 6,564.47 SOL. (Asset manager VanEck predicts Solana's price could reach \$520 with a \$250 billion market cap by the end of 2025.)

Tokenized real-world assets hit an all-time high market capitalization of \$17.1 billion on Feb. 1. (Boston Consulting Group predicts the sector could grow to \$600 billion by 2030, with the legal and technological frameworks falling into place.)

Ondo Finance, a leading tokenized real-world asset issuer, has unveiled a new offering to accelerate the onboarding of traditional assets to blockchain technology. It introduced Ondo Global Markets (Ondo GM), a platform dedicated to providing on-chain access to stocks, bonds, and ETFs.

UBS completed a proof-of-concept using ZKsync's Layer-2 technology to explore scaling its Key4 Gold offering, which allows Swiss clients to invest in fractional gold with real-time pricing and secure storage.

The nation's first free phone plan on a 5G network was revealed by Helium Mobile. The network provider is owned and operated by individuals, meaning it can give back to its users in ways that corporations may not be able to. The new "Zero Plan" costs nothing and gives users 3GB of data, 300 texts, and 100 minutes to use each month, for free. Since high demand is expected, there is a waitlist for

this new service, which is now open to join. It also introduced a \$15 tier for 10GB, and unlimited data for \$30, while existing \$20 subscribers keep their rate.

Telangana, an Indian province situated in the south of the country, is planning a “blockchain city,” employing ~1,800 people in the field of drone technology and robotics.

Etihad Credit Insurance, the UAE Federal export credit company, joined the KYC Blockchain Platform, marking a first for the insurance sector. Led by the Dubai Department of Economy and Tourism, the initiative aims to improve ease of doing business, company KYC compliance, and customer data quality.

MINING



Bitcoin's mining difficulty adjusted downward (became slightly easier) for the first time since September 2024 because of cold weather in the US, which drove up energy prices and reduced mining profitability.

Singapore-based Bitcoin miner Bitdeer acquired a 101 MW gas power plant in the Canadian province of Alberta for \$21.7 million, planning to build a vertically integrated Bitcoin mining site with potential expansion up to 1 GW.

Russia's energy ministry plans a mandatory registry for crypto mining equipment, aiming to track miners nationwide.

ETPS (EXCHANGE-TRADED PRODUCTS), FUNDS & INDEXES



BlackRock., the world's largest asset manager with over \$11.5 trillion in AUM, is preparing to launch a spot Bitcoin ETP in Europe. The fund is expected to be based in Switzerland and BlackRock could begin marketing it as early as this month.

Following Calamos' footsteps, Innovator ETFs launched the Uncapped Bitcoin 20 Floor ETF (QBF) on Feb. 6. QBF offers a 65-75% participation rate, a 20% max loss, and a 3-month outcome period.

US spot Ethereum ETFs hit a record \$1.5 billion in trading volume on Feb. 3 amid the market turmoil following President Trump's weekend trade tariff announcements. (Ether was one of the hardest-hit assets following Trump's tariff announcements, witnessing a sharp 36% drop on Feb. 3, before recovering.)

Cboe BZX proposed allowing options trading in spot Ethereum ETFs, mirroring Bitcoin ETF options that launched last November.

Trump Media and Technology Group took steps toward launching ETFs, including applying for trademarks for three ETFs under its new Truth.Fi brand, including a “Truth.Fi Bitcoin Plus ETF.” TMTG chief executive Devin Nunes stated: “We aim to give investors a means to invest in American energy,

manufacturing, and other firms that provide a competitive alternative to the woke funds and debanking problems that you find throughout the market. We're exploring a range of ways to differentiate our products, including strategies related to Bitcoin."

Rareview Capital, in collaboration with Tuttle Capital Management, announced the launch of the Rareview 2X Bull Cryptocurrency & Precious Metals ETF. The Fund is trading under the symbol "BEGS," which stands for Bitcoin, Ethereum, Gold, and Silver.

The Cboe BZX Exchange filed 19b-4 forms with the SEC on Feb. 6 to list and trade spot XRP ETFs for Bitwise, 21Shares, and Canary Capital.

The SEC advanced Grayscale's Solana ETF proposal, asking the public for comments in a notice that acknowledges a 19b-4 filing from NYSE Arca, which proposes to list and trade the Grayscale Solana Trust.

Institution-focused digital asset technology and trading firm BlockFills is collaborating with CoinDesk Indices to launch options tied to the CoinDesk 20 Index. The availability of options means traders can speculate on volatility and time in addition to price direction, bringing professional liquidity to the index.

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

Steve Yun, former president and current board member of TON Foundation, launched TVM Ventures, a \$100 million fund focused on TON-based DeFi and PayFi startups, backed by his own capital and an undisclosed Toncoin miner.

OG Foundation launched a \$88.8 million fund to support decentralized AI applications, attracting backing from Hack VC, Delphi Ventures, and OKX Ventures.

Bitcoin Ordinals project Taproot Wizards raised \$30 million in a post-seed round, led by Standard Crypto. The fresh capital will be used to advance the OP_CAT ecosystem that is hoping to bring smart contract functionality to Bitcoin.

VitalVEDA, building Web3 AI-Powered Fitness solution, raised \$20 million, led by Rollman Management Digital.

DeFi Technologies signed a binding LOI with CoreFi Strategy and Orinswift Ventures, securing a \$20 million CORE token commitment from the Core Foundation to drive Bitcoin finance.

GOAT Gaming, an AI-powered network of games on Telegram, raised \$15 million in total funding, led by TON_Ventures.

Developer platform Reservoir raised \$14 million in funding, led by Union Square Ventures, to expand beyond NFTs, enabling seamless token trading across multiple blockchains.

Autonomous AI agent platform Olas garnered \$13.8 million to launch Pearl, an "app store" for AI agents, allowing users to own and customize onchain AI for tasks such as DeFi trading and social media automation.

Beamable secured \$13.5 million in Series-A funding, led by VC firm Bitkraft to expand its decentralized gaming infrastructure, reducing reliance on centralized cloud providers with a tokenized network.

CEDAR Money, which offers simple, fast and high-volume business payments by leveraging stablecoins, raised \$9.9 million in a seed round, led by QED Investors.

IPOS, M&A, PARTNERSHIPS & DEALS



Executives at crypto trading platform Bullish are weighing an IPO that could happen as soon as this year, according to a Bloomberg report. (In 2021, Bullish tried to go public through a SPAC but ditched the plan when the Covid-era SPAC bubble burst.)

Twin brothers Tyler and Cameron Winklevoss are reportedly considering taking their crypto exchange Gemini public via an IPO. Per Bloomberg, the Gemini IPO could happen this year.

Stripe closed its \$1.1 billion purchase of Bridge Network. Bridge focuses on making it easier for businesses to accept stablecoin payments without having to directly deal in digital tokens.

Coinbase acquired Spindl, an onchain advertising platform founded by tech entrepreneur Antonio Garcia-Martinez, and will integrate it into Base, its Ethereum Layer 2.

Digital asset settlement network THORChain approved a proposal to convert \$200 million of debt into equity, issuing new token TCY that will grant creditors 10% of the network's revenue indefinitely. The move is part of a 90-day restructuring plan following the suspension of key services due to financial instability.

Alchemy and Syndicate are teaming up to scale Ethereum by integrating Alchemy's rollup developer platform with Syndicate's onchain sequencing network, enabling seamless, community-owned rollups.

Texture Capital Holdings and its subsidiaries, a prominent player in the tokenization and trading of real-world assets, announced that it integrated with the Canton Network, a privacy-enabled, public blockchain network designed specifically for institutional assets.

DEFI



Trump family-backed DeFi project World Liberty Financial plans to create a “strategic reserve” with its token purchases, according to co-founder Chase Herro. moved over 90% of its \$363 million treasury to Coinbase Prime, including nearly all of its \$175 million ETH holdings and significant positions in WBTC, AAVE, ENA, and LINK. Donald Trump Jr. and Eric Trump said it's not selling crypto. (The project also acquired ONDO and more ETH.)

DeFi protocol Goldfinch launched “Prime,” a new onchain investment pool that offers exposure to private credit funds like Apollo and Ares, which collectively manage over \$1 trillion in assets.

DeFi protocol Fluid DEX hit a record \$1.34 billion in weekly trading volume, becoming the third-largest Ethereum-based exchange, while its lending arm surpassed \$850 million.

Plume Network announced a collaboration with Fireblocks, aiming to enhance its offerings for institutions looking to explore secure, scalable, and transparent DeFi opportunities.

CBDCS & STABLECOINS



Crypto and stablecoin infrastructure platform Zero Hash is integrating Ripple’s RLUSD stablecoin. The integration lets Zero Hash customers access RLUSD on the XRP Ledger and Ethereum networks.

NFTS, BLOCKCHAIN GAMING & METaverse



Berachain set its mainnet launch and BERA token airdrop for Feb. 6, with NFT holders expected to receive a significant share.

Ethereum Layer-2 MegaETH announced a novel ICO using a soulbound NFT mint, allocating at least 5% of its token supply to 10,000 non-transferable NFTs, backed by Vitalik Buterin and other crypto figures.

Telegram tap-to-earn game TapSwap announced it will launch its upcoming TAPS token on BNB Chain instead of The Open Network (TON), as originally planned.

B3, a Layer-3 gaming network built on top of Base, announced that it will drop its recently revealed B3 token with an accompanying airdrop on Feb. 10.

JOB MOVEMENT



Hong Kong’s Securities and Futures Commission proposed expanding its crypto regulatory team, requesting eight additional staff dedicated to virtual asset oversight, enforcement, and market surveillance in its \$332.4 million budget for the 2025-26 fiscal year.

CFTC’s acting chair, Caroline Pham, removed the agency’s head of human resources, who was leading an internal investigation into staff complaints against Pham for creating a hostile work environment. Pham replaced HR head Marti Tracy with CFTC’s chief diversity officer, Tanisha Cole Edmonds.

Deribit appointed of Jean-David Péquignot as Chief Commercial Officer (CCO), effective immediately. Péquignot previously worked at OSL, Barclays, Westpac, and Deutsche Bank.

Sol Strategies announced CIO Moe Adham resigned effective Jan. 30, due to his family's relocation to Tokyo.

REGULATIONS, RULINGS & COMMENTARY



President Trump signed an executive order on Feb. 3 calling for the creation of an American sovereign wealth fund. Following Trump's announcement that he's now ordered the US government to create a sovereign wealth fund within the next 12 months, Bitcoin advocates leapt with enthusiasm – a hoping that it's an active step towards a Bitcoin Strategic Reserve. Notably, Sen. Cynthia Lummis (R-WY) posted on X: "This is a Big deal."

President Trump instructed his administration's artificial intelligence and crypto "czar," David Sacks, to evaluate the feasibility of creating a national Bitcoin reserve. Sacks called Bitcoin an "excellent store of value," during a recent CNBC interview.

President Trump appointed newly confirmed Treasury Secretary Scott Bessent as the interim director of the Consumer Financial Protection Bureau, signaling a shift in regulatory approach, particularly regarding crypto policies. The crypto-friendly hedge fund manager will oversee the agency, which has recently proposed rules to regulate digital payments and protect consumers from fraud, while facing political pressure to reduce its regulatory scope.

Senators Hagerty, Scott, Gillibrand, and Lummis introduced the GENIUS Act, a bill that establishes a clear regulatory framework for stablecoins.

The SEC's acting chairman Mark Uyeda unveiled a list of the agency's newly-appointed executive staff on Feb. 4, including three members of the Crypto Task Force. Two of the task force's appointees come from within the SEC's ranks. Richard Gabbert, who formerly served as a counsel to crypto-friendly task force head Commissioner Hester Peirce will be its chief of staff. Taylor Asher, who was previously a senior policy advisor to Uyeda, will be the task force's chief policy advisor. And Landon Zinda, who will be a senior advisor for the task force – previously served as policy director for crypto think tank Coin Center. (Peirce said one of the priorities will be classifying some cryptocurrencies as "non-securities.")

The SEC is downsizing its crypto enforcement operation, according to a report by the New York Times. A special unit of 50 lawyers assigned to taking crypto enforcement actions are now being reassigned to other areas.

Acting CFTC Chair Caroline Pham said that the agency had restructured its enforcement division to focus on fraud prevention, signaling a shift away from "regulation by enforcement." Additionally, Pham will pursue a stablecoin-backed tokenization pilot program, including an upcoming summit with top digital asset firms.

The US Senate Banking Committee had its first crypto/debanking hearing on Feb. 5, with industry leaders arguing unclear regulations and alleged bias have driven businesses overseas.

The interim chief of the FDIC (Travis Hill) said his agency is overhauling its digital assets supervision and revealed more correspondence, in which FDIC officials steered banks away from crypto business. Hill has thrown open more of the agency's past documents and said the US banking regulator will be reconsidering its previous crypto guidance that deliberately kept banks an arm's length away from what had been seen as the unregulated volatility of crypto. Hill said that the FDIC will be “providing a pathway for institutions to engage in crypto- and blockchain-related activities while still adhering to safety and soundness principles.”

Elon Musk confirmed he wants to put the US Treasury on a blockchain. Musk posted: “Career Treasury officials are breaking the law every hour of every day by approving payments that are fraudulent or do not match the funding laws passed by Congress. This needs to stop now!” Replying to X influencer Mario Nawfal who asked: “Should the Treasury be put on the blockchain so this doesn’t happen.” Musk replied: “Yes!”

Coinbase urged US banking regulators to ease restrictions preventing banks from offering crypto custody and trading services, arguing that existing laws already permit such activities and calling for clearer guidance on outsourcing to firms like Coinbase.

BlackRock CEO Larry Fink urged US regulators and policymakers to create rules for tokenized securities, envisioning that bonds and stocks will be traded on blockchain rails in the future. Robinhood CEO Vlad Tenev also proposed rule changes to unlock tokenized private equities to retail investors, currently limited to accredited investors and wealthy individuals.

Czech President Petr Pavel signed a bill exempting crypto users from paying taxes on long term gains if held for more than three years, with retroactive application to assets purchased before 2025.

The Securities and Exchange Commission of Thailand is planning to launch a DLT-based trading platform for securities firms to trade digital tokens. The deputy secretary-general of the Thai SEC said that token investments were gaining traction and the regulator will allow securities companies to trade digital tokens to capitalize on their large investor bases.

India, which has a relatively high crypto capital gains tax of 30%, is rethinking its stance on crypto regulation and taxation, according to a senior official in Narendra Modi's government. Indian crypto holders could face up to 70% tax penalty on undisclosed gains under new regulations starting February 2025.

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

Ransomware payments fell 35% to \$813 million in 2024 from \$1.25 billion the year before, amid crypto exchange crackdowns – according to Chainalysis’ 2025 crypto crime report.

Coinbase users lost over \$65 million in two months (Dec. 2024 - Jan. 2025) to social engineering scams, largely because aggressive risk models fail to prevent sophisticated phishing attacks. Blockchain investigator ZachXBT said Coinbase users are losing more than \$300 million annually due to these scams.

A Canadian man, 22-year-old Andean Medjedovic, was indicted for allegedly exploiting vulnerabilities in two DeFi protocols to fraudulently obtain ~\$65 million from investors.

A Canadian man, 50-year-old Firoz Patel, was sentenced to 41 months in federal prison for attempting to launder 450 Bitcoin (now worth over \$43 million) after his 2020 conviction for running an unlicensed money-transmitting business.

Solana-based decentralized exchange Jupiter was compromised on Feb. 5, with users reportedly losing millions of dollars after trading a fraudulent token promoted by hackers. The hackers encouraged users to trade a scam memecoin named MEOW, then rugged the token when it reached a market cap of \$30 million.

Alexey Pertsev, the Tornado Cash developer found guilty of money laundering in 2024, was released from prison on Feb. 7, as he begins to prepare for an appeal. (The 31-year old Russian national was sentenced to 64 months in a Dutch prison last May after an indictment said Pertsev had “a habit of committing money laundering” and should have suspected illicit transactions on the platform.)

Pump.fun was served a cease and desist letter by Burwick Law and Wolf Popper LLP for allegedly facilitating the creation of 200+ tokens that infringe upon their intellectual property. The law firms demand the immediate removal of these unauthorized tokens, citing concerns over investor deception and market manipulation.

XRP Ledger resumed normal operations on Feb. 4 after a stoppage took place at block 93,927,173 where no new blocks were produced for around an hour. There was no loss of funds, some consensus mechanisms continued to function, and the network appeared to recover from the outage on its own.

MISCELLANEOUS

Entities behind President Donald Trump’s crypto coin (TRUMP) have accumulated close to \$100 million in trading fees in less than two weeks, according to estimates from three blockchain analysis firms. The memecoin was launched by Trump on Jan. 17 and quickly surged, reaching a peak of over \$14.5 billion in overall market value by Jan. 19, the day before his inauguration. It has since slumped by two-thirds. (According to an update by Coinbase Director Conor Grogan, Trump and his team may have generated over \$802 million since launching the TRUMP memecoin.)

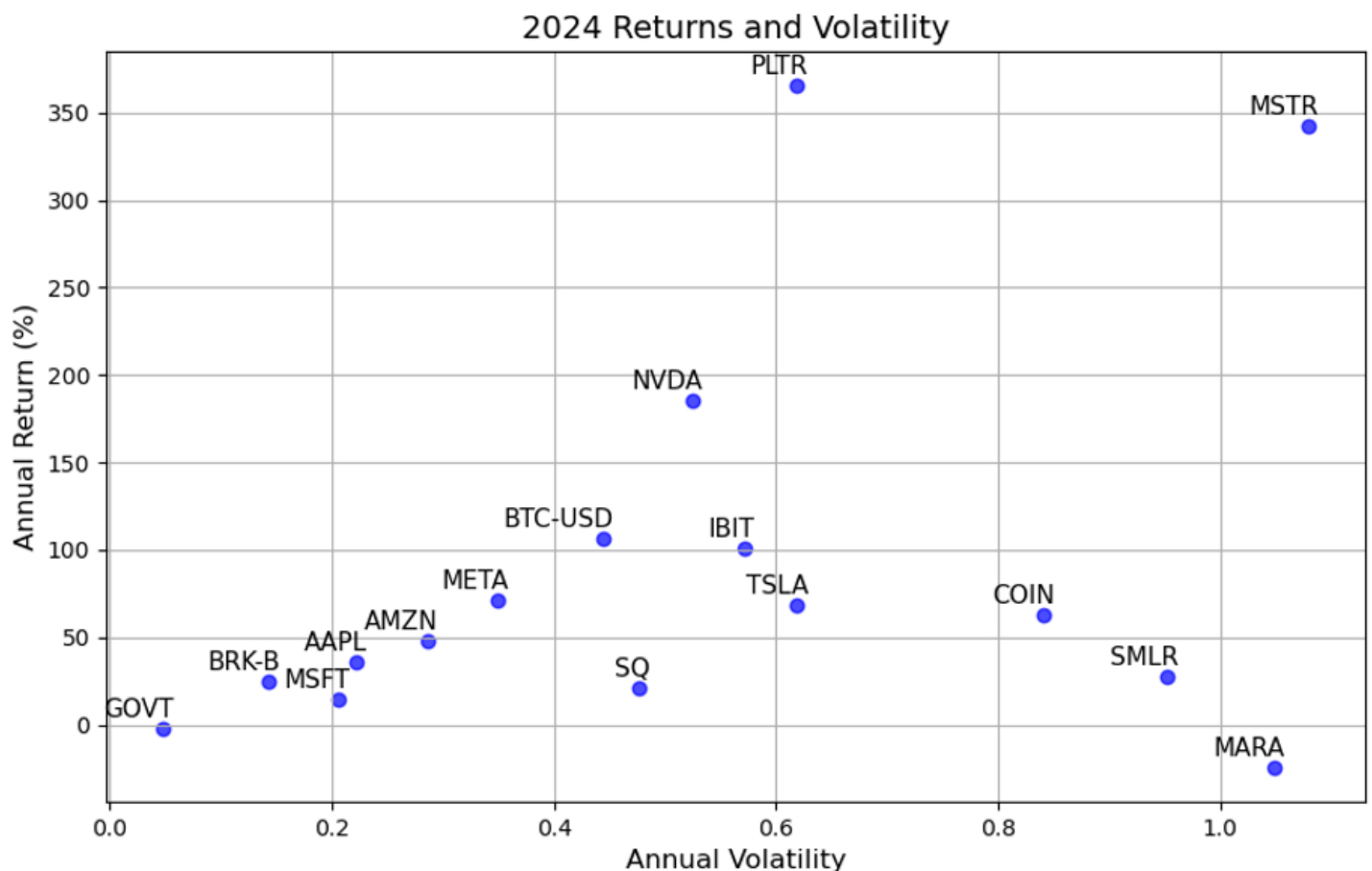
Ethereum’s supply has surged back to pre-Merge levels, with analysts blaming last year’s Dencun upgrade for reducing the amount of ETH burned through transaction fees, raising concerns about the “ultra-sound money” narrative and potential long-term security risks.

Ethereum increased its gas limit to over 31 million, with more than 50% of validators signaling to approve the change without requiring a hard fork. The gas limit adjustment, which controls the maximum amount of gas all transactions can consume within a single block, occurred automatically once the validator support threshold was reached.

Coinbase International Exchange announced the listing of perpetual futures contracts for Pudgy Penguins (PENGU), Popcat (POPCAT), and Helium (HNT).

CHARTS, TABLES, QUOTES, COMMENTARY & OTHER IMAGES

Ray Korok (Associate Professor – Texas A&M's Mays Business School) looked at the performance of Bitcoin against tech stocks in return and volatility. Bitcoin had an annual 2024 return of 114%. That return and volatility are both much higher than the asset classes of bonds, real estate, gold, and the entire equity market. However, the risk-adjusted winner of 2024 was Palantir, which captured a return of 353% and a slightly higher volatility than BTC. MicroStrategy came in a close second, finishing out at a return of 338%, but at a much higher volatility. And even Nvidia offered a higher risk and return, with an annual return in 2024 of 187%. The major tech companies (Apple, Microsoft, Amazon, and Meta) all offered lower risk, lower return to Bitcoin. You can see that Bitcoin generally sits on the capital market line of risk and return, with MicroStrategy on one end and government bonds on the other.



Matt Hougan's (Bitwise) Weekly CIO Memo: "Tariffs Will Ultimately Be Good for Bitcoin – If You Understand History and Think Long Term, the Market Pullback Over the Weekend Looks More Like an Opportunity Than a Threat."

Crypto markets pulled back sharply over the weekend, with Bitcoin falling ~5% and many other assets falling much more. As I write this Monday morning in London (where I'm attending a conference), Ethereum is down 17%, Solana is down 8%, and XRP is down 18%.

The immediate cause of the pullback was concerns about a global trade war. Over the weekend, President Trump implemented 25% tariffs on most imports from Canada and Mexico and 10% tariffs on China, and the three countries announced plans to respond in kind. The move sent the US dollar up more than 1% against other major currencies, and caused both equity futures and crypto prices to dip sharply.

Of course, this being crypto, the trouble didn't stop there.

In crypto, sharp market moves – particularly during low-liquidity weekends – often feed on themselves due the widespread use of leverage. A negative news event causes a pullback in prices, which causes leveraged traders to liquidate positions by selling, which drives prices ever lower, forcing more liquidations. The process continues until the leverage is exhausted.

Sure enough, the 24-hour period spanning Sunday night into Monday morning was the largest liquidation event in crypto's history, with perhaps as much as \$10 billion in leveraged positions blown out.

Bitwise investors tend to be long-term investors, so these short-term, leverage-driven pullbacks are seen by most as opportunities rather than threats – as long as the news event is truly short-term in nature.

So, is it? That's the \$1 trillion question.

My colleague Jeff Park, who leads Bitwise's Alpha team, is one of the sharpest minds on the intersection of macro and crypto. His view is that Trump's economic game plan, including the implementation of tariffs, is actually a long-term positive catalyst for Bitcoin.

I asked Jeff to share his views below.

The upshot: Heads Bitcoin wins, tails fiat loses. Either way, we go higher.

To understand the impact of tariffs on Bitcoin over the long term, it helps to keep two things in mind: 1) The curse of the "Triffin Dilemma," and 2) President Trump's long-term goals.

First, the "Triffin Dilemma." Named after a Belgian-American economist who introduced the concept in the 1960s, the Triffin Dilemma refers to the fact that serving as the world's reserve currency comes with pros and cons.

On the negative side, the dollar is structurally overvalued, because other countries need to hold it as a reserve – regardless of the price – and the US has to run a persistent trade deficit to supply the world with dollars. On the positive side, the US government can persistently borrow more cheaply than it "should" because there are persistent buyers of its debt.

Trump wants to get rid of the negatives, but keep the positive.

How does he plan to achieve this? Tariffs.

Tariffs are often a temporary negotiation tool put in place to achieve a goal – and that seems to be the case here. We think the ultimate goal is a multilateral agreement to weaken the dollar without boosting long-term interest rates. One way this could work would be to force countries to reduce their dollar reserves while simultaneously extending the duration of their Treasury debt. This would suppress long-term interest rates while supporting the US manufacturing base.

But how do you get countries to agree to this? You have to force them to the negotiating table.

The US has done this before. In 1985, West Germany, France, the UK, and Japan signed the famous Plaza Accord, which called for an orderly devaluation of the dollar against its foreign peers. The deal provided a significant boost to US manufacturers, which were struggling to compete on the global stage thanks to the dollar's strength. (Why did these other countries sign? One reason is – you guessed it – fear of tariffs.)

If Trump can bully his way into the position, there's no asset better positioned than Bitcoin. Lower rates will spark the risk appetite of US investors, sending prices high. Abroad, countries will face weakened economies, and will turn to classic economic stimulus to compensate, leading again to higher Bitcoin prices.

And what if he fails? What if, instead, we get a sustained tariff war? Our high-conviction view is the resulting economic weakness will lead to money printing on a scale larger than we've ever seen. And historically, such stimulus has been extraordinarily good for Bitcoin.

MicroStrategy took a breather from its aggressive Bitcoin buying spree. From Oct. 31 to Dec. 1, Saylor's team bought nearly a third of the BTC it holds today. In all, MicroStrategy bought about 1% of the Bitcoin supply in three months, and now owns 471,107 BTC – more than 2% of the total number of Bitcoin that will ever exist.

Oct. 31-Nov. 10: 27,200 BTC for \$2 billion (avg. \$74,463 per BTC)

Nov. 11-17: 51,780 BTC for \$4.6 billion (\$88,627)

Nov. 18-24: 55,500 BTC for \$5.4 billion (\$97,862)

Nov. 25-Dec. 1: 15,400 BTC for \$1.5 billion (\$95,976)

Dec. 2-8: 21,550 BTC for \$2.1 billion (\$98,783)

Dec. 9-15: 15,350 BTC for \$1.5 billion (\$100,386)

Dec. 16-22: 5,262 BTC for \$561 million (\$106,662)

Dec. 23-29: 2,138 BTC for \$209 million (\$97,837)

Dec. 30-Jan. 5: 1,070 BTC for \$101 million (\$94,004)

Jan. 6-12: 2,530 BTC for \$243 million (\$95,972)

Jan. 13-20: 11,000 BTC for \$1.1 billion (\$101,191)

Jan. 21-26: 10,107 BTC for \$1.1 billion (\$105,596)

Jan. 27-Feb. 2: 0 BTC

Total BTC acquired since Oct. 31: 218,887 BTC

Total spent on BTC: \$20.4 billion (average ~\$93,200 per BTC)

Key takeaways from Coin Metrics’ “State of The Network” weekly report from 2/4/25. (Read the full report, [here](#).)

- TRUMP drove a surge in trading, with trusted exchange volumes reaching \$20.5B and retail onboarding pushing active wallets to 6.5M (+25%).
- Stablecoin supply grew to \$12B, with USDC making up 81%, boosting liquidity in Solana’s ecosystem.
- Total fees reached \$30.6M, as network congestion increased average fees while median fees remained stable, providing a key stress test for Solana’s infrastructure and applications.

Summary and conclusion from Glassnode’s “The Week On-Chain” from 2/4/25. (Read the full report, [here](#).)

Bitcoin continues to establish itself as a global macro asset. Its constant availability for trading allows investors to express their market opinions at any time of the day, whilst its deep liquidity enables investors to execute trades at significant sizes.

Addressing the criticisms regarding Bitcoin's role as a store of value and medium of exchange, the network has attracted over \$850 billion in net capital inflows, whilst processing nearly \$9 billion in economic volume daily. This data largely dispels challenges about these claims.

Recent regulatory changes in the digital asset ecosystem have spurred an evolution in the composition of investors, leading to a greater presence of sophisticated institutional investors in the Bitcoin market. This more patient, resilient, and less price-sensitive investor base has contributed to a reduction in the magnitude of drawdowns and a decrease in volatility over time.

Blockworks updated key metrics...

Total Crypto Market Cap	\$3.25 T
Bitcoin Market Cap	\$1.90 T
Ethereum Market Cap	\$314.36 B
ETH/BTC Ratio	0.03
Ethereum Gas Price	1.05 gwei
DeFi TVL	\$187.08 B
Fear and Greed Index	44 (Fear)

The Digital Assets Council of Financial Professionals (DACFP) and Franklin Templeton released their findings from their latest Advisor Pulse Survey. (The survey was conducted between October and December 2024, with 266 financial professionals participating. See detailed survey findings, [here](#).)

- 24% of financial advisors report that more than half their clients now own digital assets, marking a 25% increase from the previous quarter.
- 20% of advisors now recommend crypto to all their clients – nearly double the percentage reported in Q3 2024. Additionally, 65% of advisors have recommended crypto to 10% or more of their clients, with 35% recommending it to at least half of their clients.
- Among advisors who recommend crypto, the most common allocation remains 2% of assets, recommended by almost a third of advisors (30%). Another 20% recommend a 5% allocation, while advisors recommending larger allocations of 10%-14% increased by 3% since Q3.
- For advisors not yet recommending crypto, 46% plan to do so, with 33% indicating they will begin within six months. Of those planning to start, 90% intend to recommend allocations of 1% to 5%.

ARK Invest published “Big Ideas 2025.” Bitcoin, Stablecoins, and Scaling Blockchains made the list of 11. (See the 148-page report, [here](#).)



Gemini and Glassnode released their 2025 Digital Asset Trends Report – a deep-dive into the capital flow trends shaping crypto in 2025. (Download a copy, [here](#).)



Highlights from Travis Kling's (CIO – Ikigai Asset Management) monthly commentary...

Opening Remarks

2025 kicked off with a banger of a month as Trump was sworn in and unleashed a torrent of executive orders leading to tangible action across a host of key areas from illegal immigration to D.O.G.E. As expected, crypto was right in the middle of it – namely with an Executive Order signed January 23rd related to crypto that lays out a bunch of different priorities and planned actions for our industry...

Executive Order: Strengthening American Leadership in Digital Financial Technology (January 23, 2025)

This order establishes policies to promote U.S. leadership in digital assets while protecting economic liberty. Key provisions include:

1. Supporting responsible growth of digital assets and blockchain technology by protecting individual rights to access public blockchain networks, promoting dollar-backed stablecoins, ensuring fair banking access, providing regulatory clarity, and prohibiting Central Bank Digital Currencies (CBDCs).
2. Defines digital assets as digital representations of value recorded on distributed ledgers, and blockchain as publicly available technology creating verified transaction ledgers using cryptography.
3. Revokes Executive Order 14067 and Treasury's 2022 Digital Assets Framework.
4. Establishes President's Working Group on Digital Asset Markets, chaired by Special Advisor for AI and Crypto, including cabinet members and agency heads. The group must:
 - Review existing regulations within 60 days
 - Propose new regulatory framework within 180 days
 - Consider creating national digital asset stockpile
5. Explicitly prohibits federal agencies from developing or implementing CBDCs.

The order includes standard provisions regarding severability and implementation within existing legal frameworks.

Source: Claude. As of 1/30/25.

Despite this being undoubtedly one of the most bullish events in crypto history, price action was muted around this announcement, essentially unchanged. How could this be?



Couldn't have said it better myself! In fact, I think you could argue the actual announcement was a bit bearish relative to expectations, at least for BTC specifically. A lot of the EO, most of it, was in line with expectations. Perhaps the most significant surprise was the usage of the term "digital asset stockpile" instead of Bitcoin Strategic Reserve, and the fact that no stockpile or reserve was actually established at all - only assigning the working group the task of "evaluating the creation of the stockpile in the next 180 days." The market was expecting just BTC, and the market was expecting more firm language than "a working group taking six months to evaluate". The word "Bitcoin" wasn't even in the EO. Regardless, the results were approximately what the market was expecting, so as of time of writing, BTC price is about the same price as it was right before and right after the EO.

The 180-day timeframe helps us start to set expectations on timing as it relates to regulatory and legislative action for crypto in 2025. That's not to say nothing can happen between now and then - I don't think that's true. The SEC has established a crypto task force and is currently evaluating pending actions against crypto projects. You could see movement on this front in < 6 months and I think you will. We saw filings on other spot crypto ETFs in January and should have CME futures for SOL and XRP trading mid-Feb. Although it's too early to say for sure, we could have multiple spot crypto ETFs approved in 1H-25.

I don't have a high conviction view on what will come of the evaluation of a digital asset stockpile. My base case is the working group will announce that the government will never sell any of the crypto it has already seized or will seize in the future. Their current portfolio looks like this...

US Government Held Cryptos worth >\$1m		
COIN	UNITS	DOLLAR VALUE
BTC	198,109	\$20bn
ETH	54,753	\$176m
USDT	122,131	\$122m
WBTC	750	\$79m
BNB	40,285	\$27m
AUSDC	13,360,000	\$13m
USDC	11,048,000	\$11m
WETH	3,080	\$10m
DAI	8,660,000	\$9m
UNI	300,645	\$4m
TRX	15,180,000	\$4m
LINK	100,180	\$3m
RNDR	274,458	\$2m
SAND	3,325,000	\$2m
BAND	1,079,000	\$1m
AAVE	3,332	\$1m
FTT	545,095	\$1m
Source; Arkham, Galaxy Research		

Shown above, it's notable that the US government does hold numerous digital assets other than BTC, but BTC is certainly the lion's share of the value there. Does it matter if the US government keeps its BTC plus all its other crypto versus just keeping its BTC? IDK TBH. It probably matters for the vibe (a topic I'll get into shortly), but I don't think it matters much for price – BTC or otherwise. What would matter a LOT for price is if the working group run by David Sacks decided to actually buy a bunch of BTC or BTC and other digital assets. But I don't think they'll do that. I would put it at a 20% probability. The working group will likely punt it to Congress.

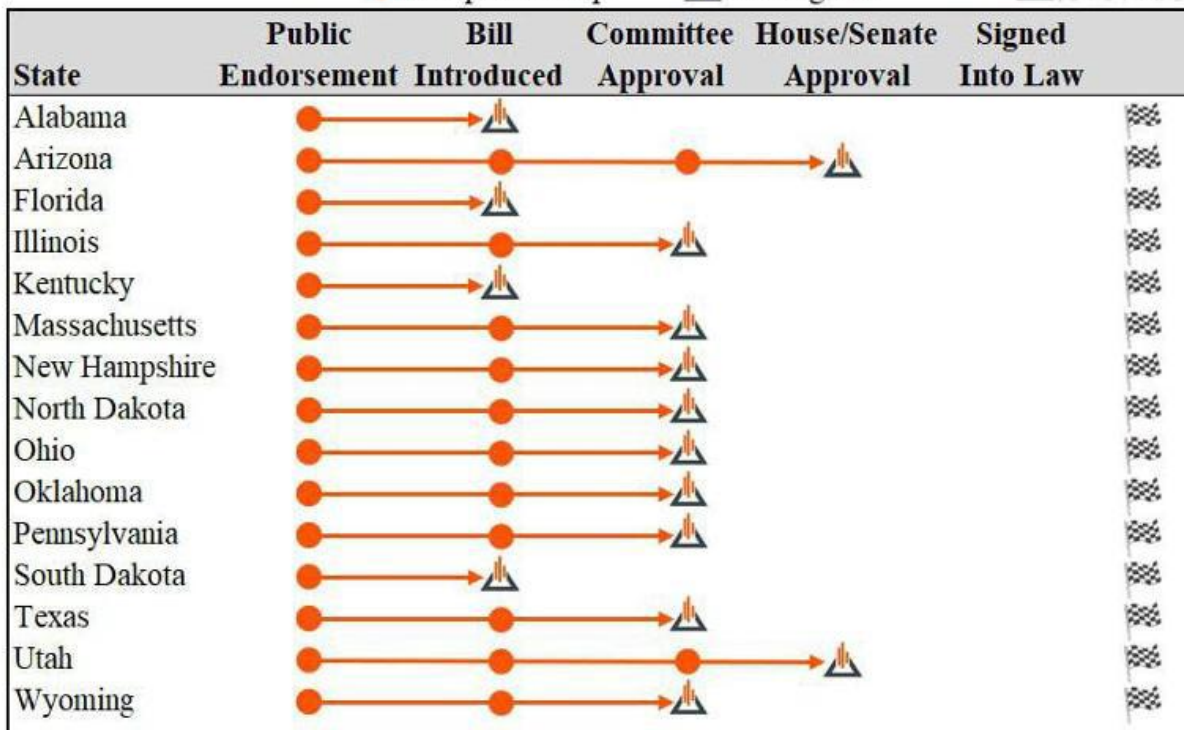
Which brings us to the Lummis bill. She certainly made plenty of noise on Twitter this month, although it ended up being pretty confusing/a letdown. Lummis will be working her BSR bill through committee and potentially to a vote on the floor in 2025. Not sure how to weight the likelihood that bill makes it to the president's desk – 30% or less I think. There has been real movement on BSR's at the state level...

State-by-State Race for a Bitcoin (BTC) Strategic Reserve

● Completed Step

▲ In-Progress

TEPHRA
DIGITAL



Note: The included states have public endorsements from state officials regarding a Bitcoin (BTC) strategic reserve through state legislation. A full orange dot indicates the completion of a step, while a Tephra volcano symbol represents an in-progress step. Additionally, Michigan and Wisconsin already have Bitcoin (BTC) exposure through state-run funds, despite lacking a public endorsement for establishing a Bitcoin (BTC) strategic reserve through state legislation. Data is as of 1/29/2025.

Source: LegiScan.

At least some of these states I would guess get a BSR executed in some relatively small amount of size. And not to take anything away from that, it will end up as an impressive accomplishment. But that's pretty different than the US Treasury TWAPing 200,000 BTC a year for five years, as the Lummis bill lays out. I don't think that will happen, at least not in the next couple years. But it might!

Overall, all of the excitement in crypto over Trump's inauguration and public support was significantly overshadowed by the launching of the TRUMP memecoin and then two days later, the MELANIA memecoin. This happened the weekend before Trump was sworn in. This event managed to annoy/piss off about 99.99% of crypto participants, which is impressive. Undoubtedly, 99.999% of non-crypto observers were also some mix of embarrassed, frustrated and pissed off by it. The below tweet sums it up nicely...



Call a spade a spade - the memecoin launches and subsequent immediate collapses weigh heavy on the hearts (and wallets!) of many in crypto. It just sucks.

The bright spot can be found in putting on a longer-term hat. Put yourself in the shoes of a normie TradFi allocator. Perhaps on the investment committee of a large pension. From that perspective, the Executive Order was a hugely positive step towards the investability of crypto and sets the stage for having the asset class properly regulated so that deep pockets like yours can get exposure to the asset class. From that perspective, January was hugely positive, the epic Trump memecoin grift notwithstanding.

Closing Remarks

I've really had a large dose of Trump, his administration and politics in general over the last month. Saw a lot of announcements leading up to inauguration; then the TRUMP/MELANIA debacle; then the whole inauguration process; Elon's "heil Hitler"; the 36 (36!) Executive Orders; Trump's speech to WEF (you should watch it, seriously); the crypto EO; all the deportation stuff; all the D.O.G.E. stuff; the congressional hearings for Bessent, Hegseth, RFK Jr, Kash, Tulsi; the new Press Secretary; the tariff tweets; the list goes on.

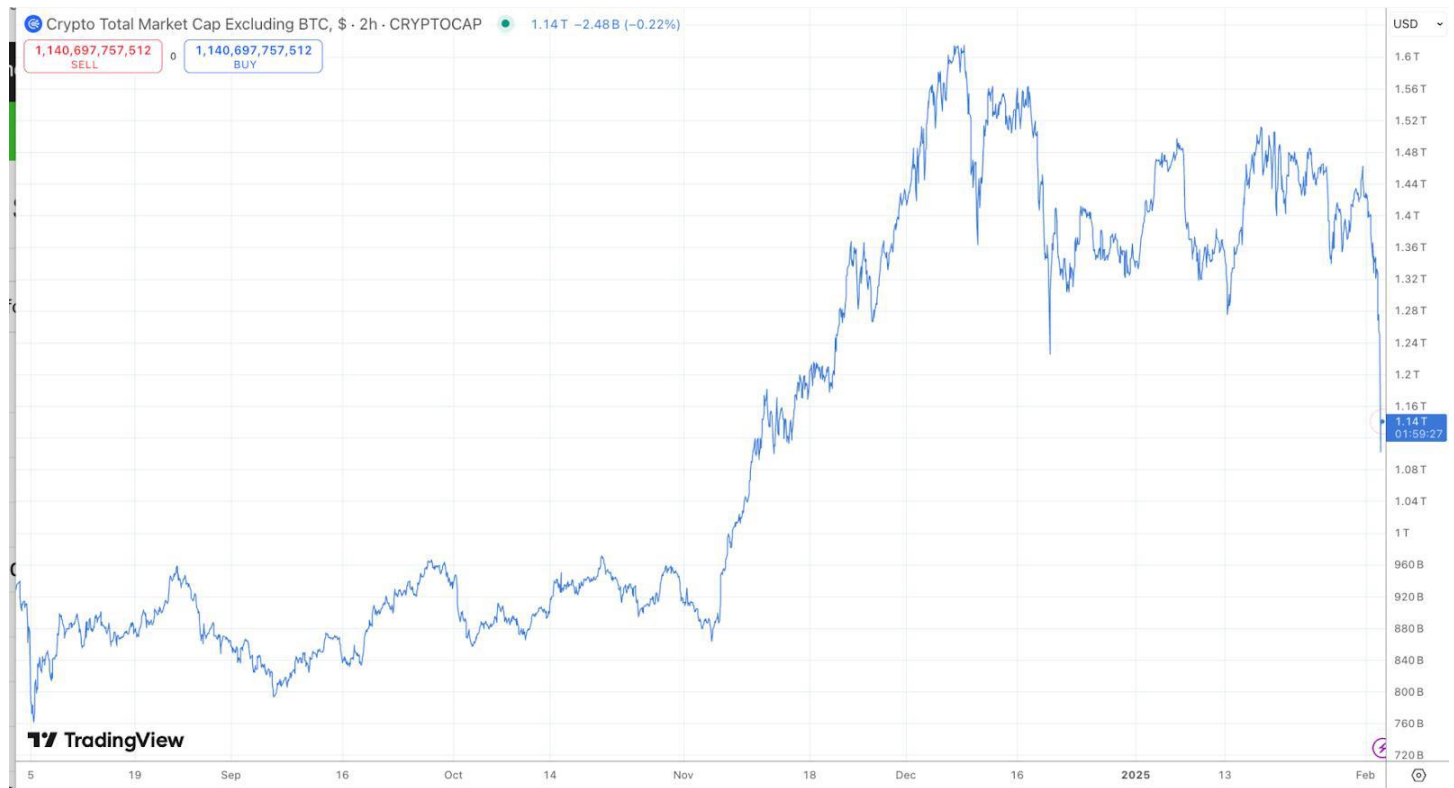
It was a very full month. It was pretty exhausting but also exciting. As you can tell, I'm really disappointed in Trump's memecoin grift, but I can't help but be enormously hopeful about the direction this country is headed with its new leadership. It's not an exaggeration to say Trump's administration came out like a cannonball – the movement in the first 10 days has been incredibly impressive. I strongly believe we are at the dawn of a new day and there is tremendous potential to get the United States of America, which is the greatest civilization in human history, onto a path that can lead to many more decades of great success. "Potential" does not mean it's a sure thing – betting on being disappointed by politics has been a really good bet. But I am very hopeful.

We need American leadership today as much as ever, as we sit in the waiting room for Artificial Superintelligence. Do you feel how quickly AI is moving? The pace of the progress there? DeepSeek this month was another example of that – by all accounts it was a step change in AI modeling throughput capacity. We are barreling towards AI completely revolutionizing many aspects of our lives – it's not decades anymore. It's years. Maybe a few years. If you have a young child today, it's a fair assumption that their young adult life will be almost unrecognizable to yours in many respects. Most groundbreaking technologies come with risks, but the risk around AI feels especially significant because the power of AI is so obvious. I'm glad America is at the forefront of this... and crypto!

Arca: No, Tariffs Did NOT Cause a Crypto Selloff...

The Groundhog's Day Massacre

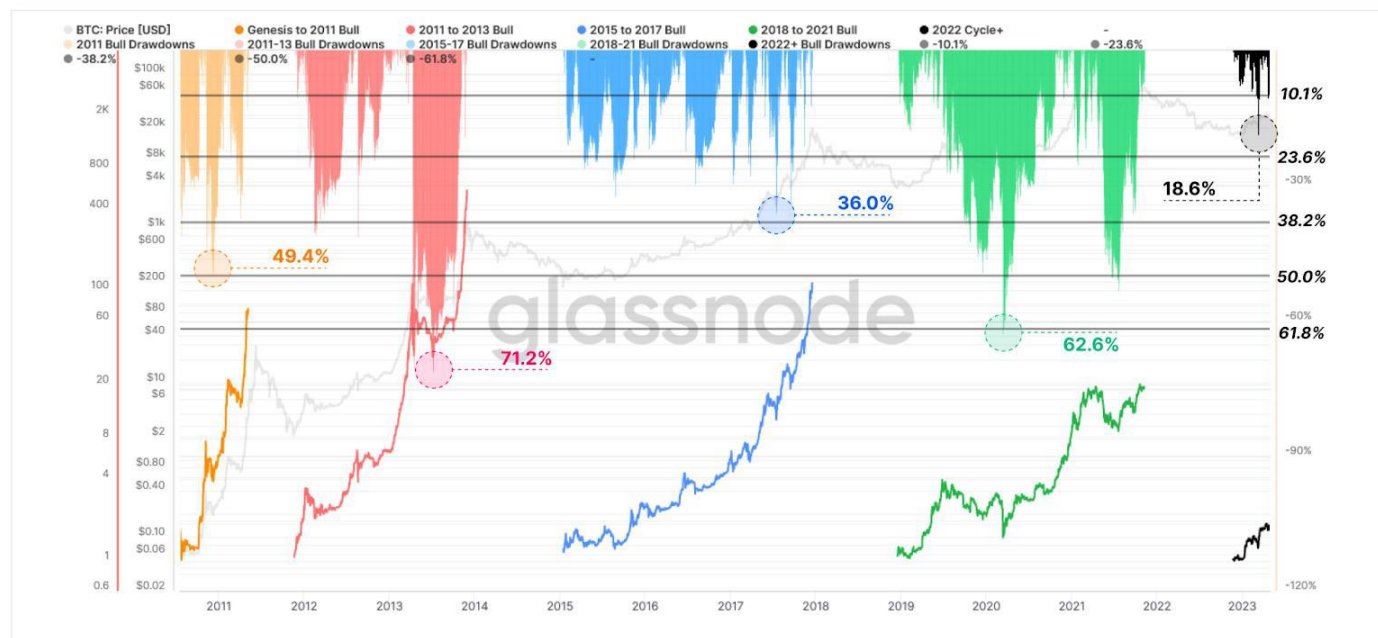
Crypto saw its shadow on Sunday, though it is difficult to know if that means 6 more weeks of winter, or the end of the brutal 6-week bear market that has been foolishly masqueraded by many as a bull market. Since the FOMC meeting in mid-December, Bitcoin (BTC), Solana (SOL) and Ripple (XRP) are now down -11% each, Ethereum (ETH) is -35%, and generically most other tokens are down 25-80%. The majority of tokens in our coverage universe have fully erased any gains seen post the election. The total crypto market cap, excluding Bitcoin (i.e., the horrifically named “altcoins”) shows how fast this has retraced in recent days.



Source: TradingView

This past weekend had to have been top 10 in terms of disastrous price action. On the one hand, that highlights how bad of a weekend this was. On the other hand, it reminds you how often this actually happens. Drawdowns of 30%+ or more are quite frequent in digital assets.

Bitcoin: Bull Market Correction Drawdowns



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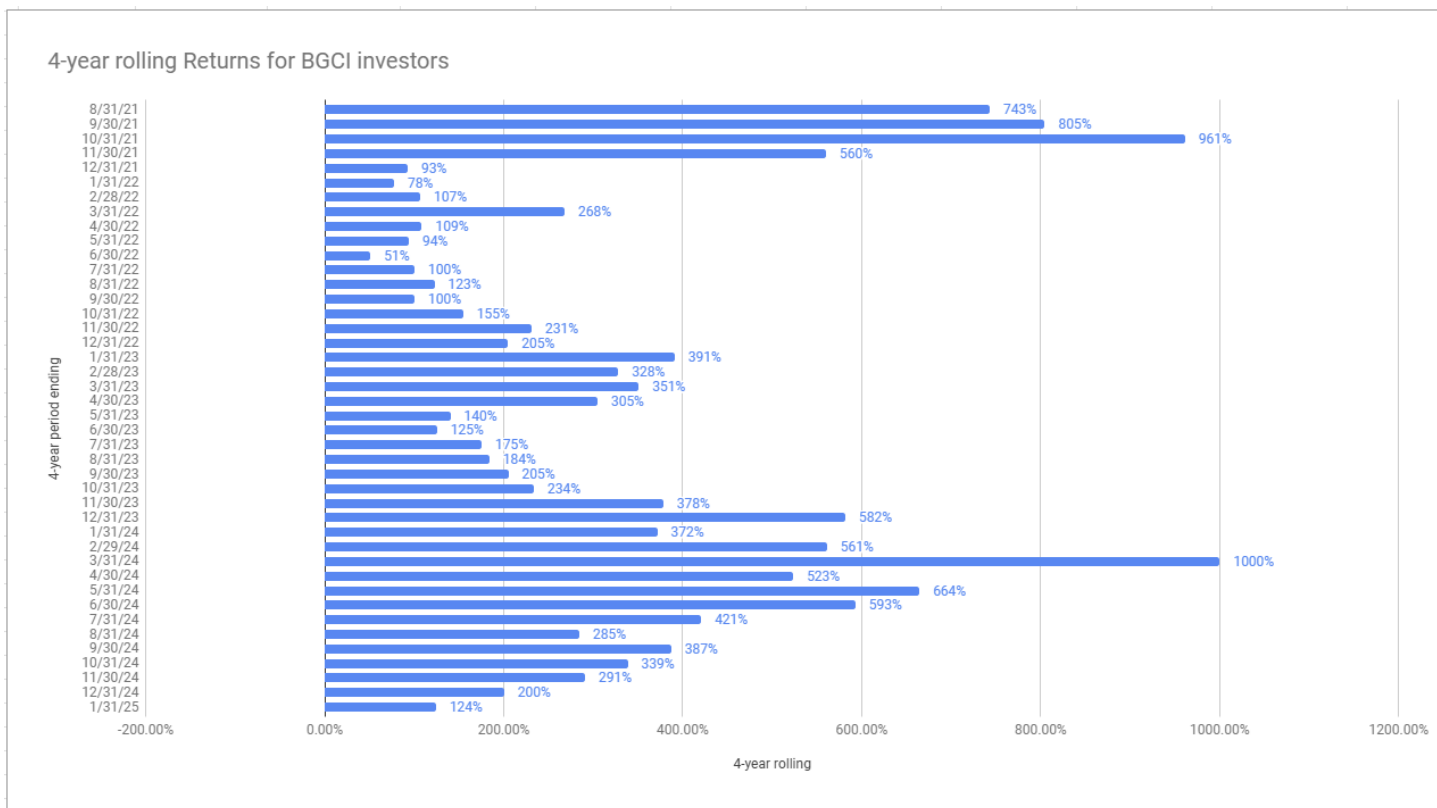
Source: Glassnode

It is even more comforting to know that, despite the drawdowns and volatility, every 4-year rolling return of digital assets (as measured by the Bloomberg Galaxy Crypto Index) has been positive. The graph below shows 4-year rolling returns over the past 8 years. Similar to the equity market, you can't have upside volatility without downside volatility. However, in equities, investors have come to terms with this and expect future returns to be positive, whereas due to the newness of crypto, and the insane amount of misinformation, crypto investors can't seem to come to terms with the fact that this is potentially one of the best long-term investment classes.

The BGCI had annual returns as follows over the past 7 years:

- 2019: +7.06%
- 2020: +276.74%
- 2021: +153.39%
- 2022: -70.19%
- 2023: +139.56%
- 2024: +65.95%

As such, crypto has the best-performing asset class for 4 of the last 5 years by a wide margin, but investors tend to anchor themselves on how bad 2022 was. Objectively, though, it looks quite similar to the volatility in annual equity returns.



Source: Arca Internal Calculations and Bloomberg

Back this weekend, over \$2 billion of futures positions were officially liquidated over the weekend (though it could be as much as 5x that in reality), mainly on Sunday, which is the largest liquidation event in crypto's history, in dollar terms. But as we've shown in previous weeks, that has been the norm since the November election. The total market capitalization of the industry has grown, as has the number of tokens, while the number of market makers and secondary liquidity has shrunk. That's a recipe for disaster for leverage.



Source: CoinGlass

This past weekend's downward price action will be attributed to the trade wars, which started Friday afternoon with Trump's announcement of the steep and imminent tariffs on Canada, Mexico and China to a lesser extent. I'll refrain from thoughts on the impacts of the tariffs on global markets, partly because I don't know, and partly because I doubt it will be relevant. President Trump is a dealmaker, and right or wrong, he believes the US has the upper hand since nearly 80% of both Canada's and Mexico's exports

go to the US, while just north of 15% of US exports go to Canada and Mexico. Canada and Mexico cannot sustain this burden financially, as both are extremely dependent on the

US to keep their economies rolling. Goldman Sachs was the first to announce that they believe the panic will fade quickly and that any market reaction will likely be an overreaction. Again, we'll see.

In everything I wrote above, the only thing relevant to digital assets was "Friday afternoon." All other markets were closed over the weekend as headline after headline emerged. So crypto bore the brunt of any derisking.

Now, the history books will say that tariffs caused a crypto crash.

Tariffs did NOT cause a crypto crash.

Market dynamics caused a crypto crash, and tariffs were a convenient headline to send crypto where it was likely headed anyway.

It was interesting to watch BTC price action immediately when US Equity futures opened Sunday night. As equity futures opened down -1-4%, BTC actually rose. Clearly, macro traders and funds sold BTC over the weekend as a generic risk-off trade to prepare for the US and Asian market opens and then covered shorts or rebought BTC when they could derisk the more natural way on Sunday night. Bitcoin has so many personalities. It is incredibly highly correlated to many factors in short bursts and as a result, has near zero correlation to anything on a longer time horizon.

Why am I so confident that the tariffs themselves have no actual direct result on the price of digital assets? As written two weeks ago, this is simply what you get with a Trump presidency.

"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."

Might as well commit that passage to memory because I'll be cutting and pasting this a lot over the next 4 years. The unpredictability and constancy of President Trump perhaps call for less overall risk-taking, because of the increased randomness and volatility, but not necessarily a revised strategy where trading headlines will become profitable since they can also reverse just as quickly on another soundbyte and will be so constant.

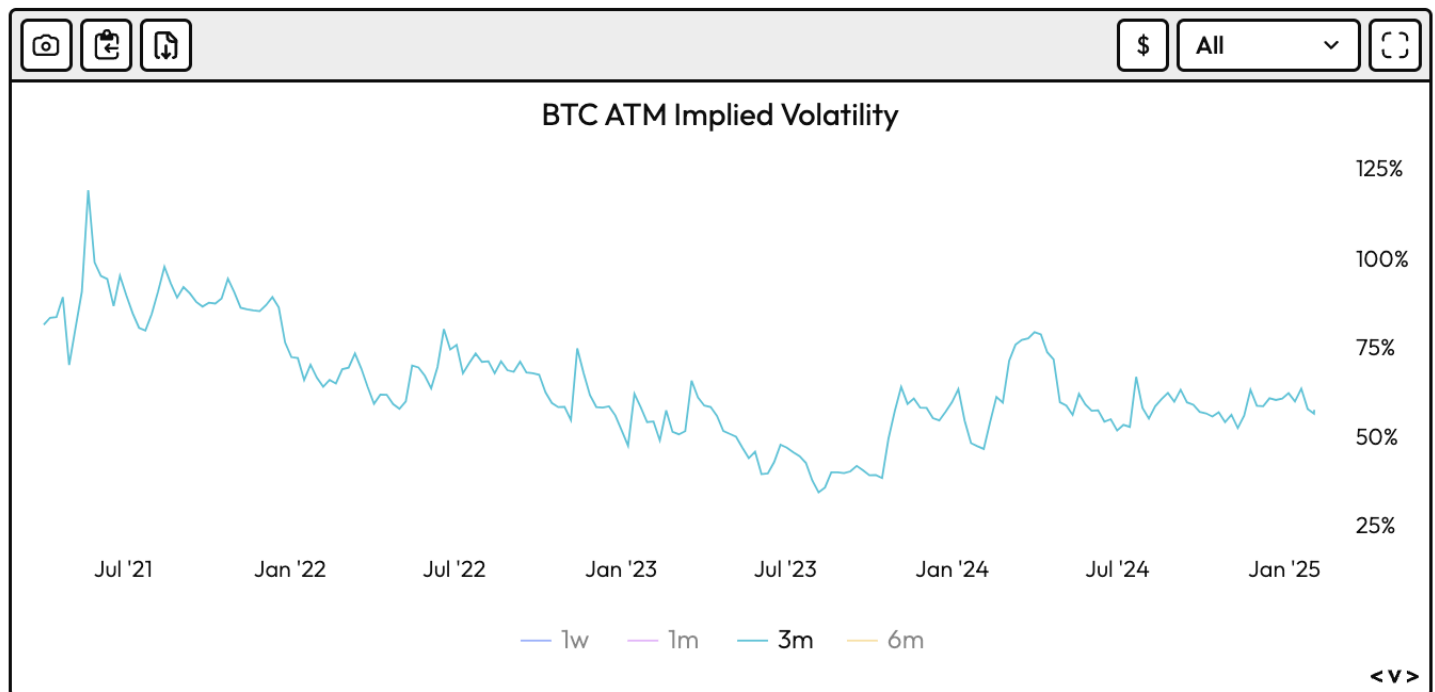
Moreover, the digital assets market was already on a weak footing for the past 6 weeks, with a variety of theses on why the market would tank or why the market would rip higher. There were theses based on too many coins, bad tech earnings, technical analysis, seasonality, end of cycle, market structure, and everything else under the sun... but I encourage anyone to find a well-written thesis on the relationship between crypto and tariffs written before Friday. There have been many reactions and predictions post the news, but I did not see any before the news. Even Arthur Hayes, who has a penchant for making extreme macro calls based on government financial interference, didn't even mention the word "tariff" once in his latest doomsday post (for the record, I found this actually to be bullish, not bearish, but either way, tariffs were not part of the short- or long-term thesis).

It is far more likely that the direction of digital assets was moving lower anyway, and poor weekend liquidity ahead of a nasty equity market open was just a convenient excuse to keep pushing the market till it broke.

Now, what happens when we inevitably get a headline that the tariffs are being rolled, Mexico and Canada conceded, and “Trump won” (and we will, without a doubt, get that headline at some point in the next few weeks regardless of whether or not it happens)? That I’m not sure. Equities, and the DXY, and the VIX and Treasury yields will likely retrace fully, just like they did a week ago following the overreaction to the DeepSeek news, and just like they do after every historical overreaction to Middle East fighting or debt ceiling breaches. And yes, crypto will likely see at least a little bit of a jolt as well. But not to the same effect because the tariff news ultimately had nothing to do with this selloff.

These steep selloffs are simply part of the crypto lore. Even as implied volatility has shrunk over the past five years, the fast futures-driven liquidation moves in both directions persist.

The market will likely recover over time, or perhaps even quickly, as there has been nothing but positive news for the past 3 months and that will eventually show up in prices. But when it happens, it will be for an entirely different reason.



Source: Velo

CCData released its “Exchange Review – January 2025” report. See key findings below. Download the full report, [here](#).)

- **CME Volumes Reach New All-time High:** Trading volumes on the largest institutional trading venue, CME, rose by 8.00% to \$285bn in January, marking a new all-time high for the exchange and the fourth consecutive monthly increase in trading volumes. The surge was driven by heightened activity in BTC futures, which rose by 12.2% to a record high of \$220bn. ETH futures trading on the exchange fell by 12.9% to \$41.3bn, the first decline in four months.

- Derivatives Market Share Experiences First Rise Since October: Monthly derivatives trading volume on centralised exchanges dropped by 18.8% to \$6.15tn, recording its first decline in four months. Despite this, the derivatives market share increased for the first time in three months, rising to 68.1% from 67.0% in December.
- CME Options Trading Surged 112% to Record \$6.18bn: Options trading volume on CME surged 112% to a record \$6.18bn, with BTC options accounting for 92.7% of the total. Overall, CME's market share among derivatives exchanges rose by 1.15% in January, reaching a new all-time high of 4.65%. The exchange also remains the second-largest derivatives venue by open interest, representing 22.0% of the total open interest on centralized exchanges.
- Binance Continues to Dominate Exchange Volumes: In January, spot and derivatives trading volumes on Binance fell by 20.3% and 19.2% to \$754bn and \$2.44tn, marking the first decline in four months. However, Binance's spot market share rose to 26.2% as other exchanges saw even steeper declines in trading volume. Binance remains the dominant exchange, with its combined spot and derivatives markets holding 35.4% market share.
- January Sees Rising Open Interest on Centralized Exchanges: Open interest on the centralized derivatives exchanges rose 8.35% to \$112bn in January, with traders likely utilizing derivatives instruments for hedging purposes amidst uncertain and volatile market conditions. Binance, CME and Bybit are the top three exchanges by open interest, accounting for 27.6%, 22.0% and 20.3% of the open interest on centralized exchanges.

Grayscale Research published “January 2025: Remake of US Crypto Policy Underway.” (See a summary below. Read the full piece, [here](#).)

- Crypto markets continued to climb in January, although valuations pulled back over the weekend on tariff news. January also featured a whirlwind of activity that will likely have implications for the digital assets industry for the rest of 2025 and beyond.
- The Trump administration issued a comprehensive executive order on crypto which committed to protecting key principles of the marketplace, including the right to self-custody digital assets. The order also said the administration would “promote the development and growth” of stablecoins. On the same day, the SEC issued updated policy guidance which should allow traditional financial institutions to custody crypto assets.
- Aside from the policy news, technological breakthroughs from Chinese AI lab DeepSeek brought to focus the need for decentralized AI models and related infrastructure.

Nate Geraci: “SEC now has a ‘crypto’ email address (and website)... Never thought I'd see the day.”



8:10 PM • Feb 4, 2025

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

- FTX Bahamas creditors with claims under \$50,000 will receive repayments by Feb. 18, with a 9% annual interest rate, while larger creditors can expect reimbursements later in the year