



HYPERION DECIMUS

CRYPTO NEWSLETTER

POWERED BY WEEKLY CRYPTO BRIEF

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BITCOIN-RELATED



NYDIG: Bitcoin rebounded this week, rallying 5.0%, while US stock markets also posted strong gains – the S&P 500 rose 2.6% and the Nasdaq Composite rose 2.3%. Markets benefitted from monetary policy on Wednesday with the FOMC leaving interest rates unchanged and signaling a more dovish stance.

Analysts at Bernstein said the current cycle is “still in its early stages” and has “multiple legs to run further,” amid a more crypto-friendly US regulatory backdrop. In a note to clients, their analysts stated: “We expect Bitcoin to touch a \$200,000 cycle peak towards 2025-end. If 2025 markets remain jittery on macro and Trump disruption risk, we may see a delay in achieving our Bitcoin cycle highs and we may see a potential elongated Bitcoin bull cycle into 2026.”

Speaking at the Digital Assets Summit today in New York, Bo Hines, Executive Director on Digital Assets for President Trump, made it clear that the US is determined to accumulate Bitcoin at an unprecedented scale. Hine stated: “I think it’s high time that our President started accumulating assets for the American people, which is what President Trump is doing rather than taking it away.” He went on to reveal that discussions at the summit centered around “ways of acquiring more Bitcoin in budget-neutral ways.”

US Rep. Byron Donalds introduced a bill to cement President Trump's Strategic Bitcoin Reserve into law. If the bill is passed, it would ensure that the Strategic Bitcoin Reserve and the US Digital Asset Stockpile could not be eliminated via executive actions by future administrations. The bill will require at least 60 votes in the Senate and a House majority to pass.

In North Carolina, the State Senate passed SB327, a bill that authorizes the State Treasurer to allocate up to 10% of its public funds into Bitcoin.

In Minnesota, state Senator Jeremy Miller introduced the Minnesota Bitcoin Act, which reflected a shift in his stance on cryptocurrency. Initially skeptical, Miller has expressed his evolving belief in the potential of Bitcoin and other cryptocurrencies, particularly after engaging with constituents and conducting further research.

South Korea's central bank ruled out adding Bitcoin to its foreign reserves, citing high volatility and IMF guidelines, despite global interest in state-backed BTC holdings.

Bilal Bin Saqib, CEO of the Pakistan Crypto Council, told Bloomberg on March 20 that Pakistan has unveiled plans to legalize Bitcoin (and crypto) and implement a regulatory framework to attract foreign investment and boost adoption.

Strategy resumed its Bitcoin buying with another purchase of 130 BTC (worth ~\$10.7 million). The buy represents the smallest acquisition by the company since it first started buying BTC in 2020. The company now holds 499,226 BTC, worth over \$41 billion. (Strategy is also set to issue 5 million shares of Strife (STRF), a Series A perpetual preferred stock. This new series will have a fixed 10% annual cash dividend vs. the 8% initially offered on Strategy's original preferred issuance. If the dividend is unpaid, the interest will compound at an additional 1% per year. It upped the offering to \$723 million shortly after its initial announcement.)

Japanese investment firm Metaplanet purchased another 150 Bitcoin (worth \$12.5 million) and taking its holdings to 3,200 BTC worth around \$265 million.

Publicly traded HK Asia Holdings bought 10 Bitcoin worth \$858,500 for its balance sheet.

Gibraltar-based private bank Xapo said it's now accepting members' Bitcoin as collateral for loans. The new service allows customers to access up to \$1 million in Bitcoin-backed debt, except for those located in the UK and Australia.

Bitcoin developers are rallying around a soft fork proposal featuring BIP 119 (CTV) and BIP 348 (CSFS) that could improve self-custody, fee efficiency, and contract-based applications, although widespread miner and stakeholder support is still required.

INDUSTRY ADVANCES

"Mr. Wonderful," Kevin O'Leary argues the crypto industry is entering a "new phase" under the Trump administration. In an interview with Lara Trump, he said: "The reason they're not comfortable with it right now is they've watched the cowboy era of crypto, but all the crypto cowboys are in jail or out of business. So now we're in a new phase. There's a new tone with the government. Trump has put it forward. They're going to provide regulations to allow this to become integrated with the financial institutions of America. It's going to become a payment system, an investment vehicle. It's going to become part of all the sectors of our economy. We have 11 sectors. Eventually, I believe crypto will be the 12th."

The Depository Trust & Clearing Corporation (DTCC), the primary clearing house for US securities transactions, announced a commitment to promoting permissioned securities tokens.

The launch of Solana futures on CME saw just \$12.3 million in trading volume on its first day, significantly lower than Bitcoin and Ethereum futures debuts, leading K33 analysts to suggest that a future Solana ETF would have a limited effect on SOL's price. (FalconX executed the first-ever block trade of CME Group's newly launched Solana futures product with StoneX.)

Digital asset derivatives exchange Bitnomial will launch the first-ever CFTC-regulated, physically settled XRP futures in the US on March 20, following the SEC's decision to end its legal battle with Ripple, which confirmed XRP's status outside securities laws for secondary sales. (Bitnomial also dropped its lawsuit against the SEC.)

Robinhood launched a new prediction markets hub, with assistance from CFTC-regulated prediction markets firm Kalshi. The prediction markets hub is directly integrated into the Robinhood app and is available to the trading platform's customer base across the US. Users will pay a fee of \$0.02 per contract, split equally between Kalshi and Robinhood.

Binance launches Binance Alpha 2.0, which integrates on-chain token purchasing directly within the Binance Exchange, connecting CEX and DEX trading. This upgrade removes bridging and wallet-connection hassles, letting users seamlessly buy and manage tokens through Binance's interface and existing accounts.

Solana memecoin launchpad Pump.fun launched its own native DEX, eliminating the need for tokens to migrate to Raydium for secondary trading after completing their bonding curve. The new DEX is named PumpSwap.

The Solana DEX and automated market maker Raydium is launching a token launchpad that will initially resemble a direct fork of pump.fun, Blockworks has learned exclusively. The release of the platform, which is named LaunchLab, comes less than a month after news broke that the wildly popular Solana memecoin launchpad pump.fun was developing an AMM of its own, essentially severing an unofficial partnership it had struck with Raydium.

Dogecoin's iconic Shiba Inu meme logo will have a premier placement on the IndyCar vehicle of driver Devlin DeFrancesco in this year's Indianapolis 500 race in May.

Cosmos' Interchain Foundation integrated Evmos into its core software stack as "Cosmos EVM," making Ethereum's smart contract capabilities natively available across its 200-chain ecosystem, while improving interoperability through the Inter-Blockchain Communication protocol.

Parul University (in India) signed a Memorandum of Understanding with IDS (Intuitive Data Solutions) to establish a state-of-the-art Centre of Excellence in Blockchain Technology.



The SEC clarified its stance on specific proof-of-work mining activities. In a statement released on March 20, by the agency's division of corporation finance, SEC staff said that proof-of-work mining does not involve the offer and sale of securities. It also addressed mining pools where they join pools to combine their processing power and share rewards. (See the statement, [here](#).)

While there was no real evidence, rumors circulated on social media of a covert Bitcoin mining operation at the US Department of Defense. (Sparked by a claim from a worker at BTC ATM company Byte Federal and amplified by Jason Lowery, screenshots of posts from notable investors like Michael Saylor, Matthew Pines, and David Bailey alluded to vague, upcoming, "big" federal developments.)

Bitcoin miner Bitfarms completed its acquisition of Stronghold Digital Mining. The Canadian mining company said that the acquisition would help it focus on artificial intelligence by using the new site to optimize its data warehouses and sell space to AI firms. (Bitfarms also closed the sale of its 200 MW facility in Paraguay to HIVE Digital for \$56 million.)

DMND (“Demand Pool”) launched the first-ever Stratum V2 mining pool. By allowing miners to construct their own block templates and implementing an auditable payout system, DMND aims to decentralize mining and maximize profitability.

A solo Bitcoin miner hit the jackpot on March 21, mining a block without a pool of supporting miners and bagging a \$266,000 reward in the process.

ETPS (EXCHANGE-TRADED PRODUCTS), FUNDS & INDEXES

AdvisorPro looked at the 13F filings of more than 4,700 RIAs and found that the number of digital asset thematic ETF investors grew by more than 2,300 advisors, or 294%, in 2024 from a year earlier. Specifically, there were 3,292 RIAs who invested in digital asset thematic ETFs in Q4 2024, compared with 810 the year before. Crypto ETFs are spearheading the trend as four out of the top 10 thematic ETFs that grew in the RIA space were crypto-related.

Global crypto investment products saw a further \$1.7 billion in net outflows for the week ending March 14, as their worst-ever negative streak hit \$6.4 billion. US investors continued to lead the exodus, accounting for \$1.16 billion of last week's withdrawals and 93% of all outflows during the record five-week run.

Spot Bitcoin ETFs, after coming under selling pressure along with crypto prices and stock markets in recent weeks, recorded \$275 million in daily net inflows on March 17, their largest inflows since early February, according to data from SoSoValue.

BlackRock’s digital assets head emphasized the potential of staking for Ethereum ETFs to boost investor interest, while NYSE Arca filed to allow Bitwise’s Ether ETF to earn staking yield, following similar proposals from Grayscale, 21Shares, and Fidelity.

21Shares announced the liquidation of two actively managed ETFs tied to Bitcoin and Ether futures – the ARK 21Shares Active On-Chain Bitcoin Strategy ETF and ARK 21Shares Active On-Chain Ethereum Strategy ETF. The last day of trading for both funds will be March 27.

Upstart investment firm Volatility Shares launched two Solana futures ETFs on March 20: SOLZ, which gives investors exposure to SOL futures contracts, and a 2x leverage product called SOLT.

Canary Capital filed with the SEC on March 17 for what could be the first Sui ETF. The firm also filed to list an ETF holding Pengu (PENGU), the governance token of the Pudgy Penguins NFT project.

Hashdex is looking to add LTC, XRP, ADA, LINK, AVAX, UNI and SOL to its US-based crypto ETF. The amendment would diversify the fund beyond its current Bitcoin-heavy portfolio. (A similar Hashdex ETF in Bermuda already tracks a broader basket of cryptocurrencies.)

Leverage Shares by Themes launched a new ETF tied to Coinbase (COIN) stock. The Leverage Shares 2X Long Coinbase Daily ETF (COIG) is designed to deliver twice the daily return of Coinbase's stock price.

VanEck announced its investment in Manifest, a platform bringing American real estate to DeFi. Manifest, which is "launching soon" according to its website, offers a "tokenized ETF" USH (US Housing) backed by home equity investments (HEIs).

Circle intends to bring its newly acquired Hashnote Tokenized Money Market Fund (TMMF), under its existing Digital Assets Business Act (DABA) License.

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

Crypto VC firm Haun Ventures is reportedly looking to raise \$1 billion for two new crypto-related investment funds within the next three months. Haun supposedly expects the two new funds will be "oversubscribed."

TON Foundation announced that VC firms such as Sequoia Capital, Ribbit, Benchmark, and Kingsway have invested over \$400 million in Toncoin. Other investors included Vy Capital, Draper Associates, and Libertus Capital, alongside CoinFund, Hypersphere, and SkyBridge.

The Uniswap community approved two significant governance proposals granting the Uniswap Foundation \$165.5 million in new funding to drive the growth of the recently launched Unichain L2 and Uniswap v4 protocols. The proposals earmarked \$95.4 million for grants to developers, core contributors, and validators, \$25.1 million for operational expenses and \$45 million for liquidity incentives.

Data storage protocol Walrus Foundation raised \$140 million in a sale of the blockchain's cryptocurrency, whose ticker is WAL. The largest investor was Standard Crypto. Other top investors included Andreessen Horowitz's crypto arm, Electric Capital, and Franklin Templeton Digital Assets.

Crypto payments firm RedotPay secured \$40 million in a Series-A round, led by Lightspeed as demand for digital asset payment solutions grows, with the platform already boasting more than 3 million users globally.

Blockchain infrastructure firm Crossmint raised \$23.6 million in a funding round, led by Ribbit Capital, with participation from Franklin Templeton and others, to expand its tools for AI-driven commerce and simplify on-chain integrations for companies like Adidas and Red Bull.

Web3 workflow protocol developer Halliday raised \$20 million in a Series A round, led by a16z crypto.

Crypto wallet infrastructure firm Privy raised \$15 million in a round, led by Ribbit Capital.

August, an on-chain prime brokerage and execution platform, raised \$10 million in a Series A funding round, led by Foresight Ventures.

PoP Planet, building an AI-powered Web3 user profiling platform, transforming anonymous wallets into contextual, intent-driven profiles, raised \$6 million in pre-funding, led by ibcgroupio.

IPOS, M&A, PARTNERSHIPS & DEALS

Per Forbes, three executives of US President Donald Trump's Trump Media & Technology Group (TMTG) have launched a SPAC with the aim of raising almost \$180 million to acquire a crypto company.

Kraken agreed to acquire CFTC-registered US retail futures trading platform NinjaTrader for \$1.5 billion – marking the largest-ever deal between crypto and traditional finance. (Kraken announced plans to deploy Beeks Exchange Cloud in its European data center, launching a new colocation service designed for fairness, accessibility, and high-speed execution.)

Coinbase is in advanced discussions with leading global crypto derivatives exchange Deribit, according to Bloomberg. Earlier this year, Deribit's value was reported to be in the \$4 billion to \$5 billion range.

Australian crypto exchange Swyftx acquired New Zealand's Easy Crypto, expanding its footprint to 1.1 million customers and solidifying its dominance in the ANZ market.

EOS Network announced a rebrand to Vaulta as part of a strategic shift towards Web3 banking.

Crypto onramp MoonPay secured a \$200 million revolving credit line from investment firm Galaxy to handle memecoin frenzies and extreme liquidity demands.

Arbitrum's main developers, Offchain Labs and the Arbitrum Foundation, introduced "Onchain Labs" to provide go-to-market support for experimental and volatile projects, aiming to accelerate application development within the ecosystem.

WiSeKey announced a strategic partnership between its subsidiary SEALCOIN and WeCanGroup to enhance secure device-to-device transactions and identity verification. The collaboration integrates SEALCOIN's blockchain-based IoT ecosystem with WeCanGroup's compliance framework, introducing a new Know Your Object (KYO) solution – aiming to revolutionize how banking, government, and defense sectors interact with connected devices.

DEFI

Real world assets notched a combined \$10.216 billion in TVL on decentralized platforms, as digitizing traditional financial instruments becomes increasingly popular in Web3. The total is spread across 79 DeFi platforms, with the top three RWA protocols accounting for 36% of that TVL, according to DeFiLlama. The top three RWA protocols (Maker RWA, BlackRock BUIDL and Ethena USDtb) hold \$1.298 billion, \$1.232 billion and \$1.182 billion in TVL, respectively.

Trump-backed DeFi project World Liberty Financial has begun accumulating AVAX on-chain, purchasing around \$500K worth after bridging nearly \$2M in USDC to Avalanche.

Coinbase launched “Verified Pools,” a new initiative aimed at enhancing transparency and security in DeFi liquidity pools. Verified Pools operates on Coinbase's L2 network Base, and uses Uniswap v4 for customized smart contract functionality, with onchain risk manager Gauntlet optimizing pool configurations. Coinbase claims Verified Pools will make onchain trading simpler for retail investors, who will be able to retain control of their assets.

Aave founder Stani Kulechov confirmed that Horizon will not launch a new token, following a DAO backlash over potential AAVE dilution.

Ethena Labs and Securitize announced an upcoming Ethereum virtual machine-compatible blockchain designed to support DeFi and tokenized assets.

Upcoming Ethereum L2 MegaETH launched its public testnet, claiming its throughput is 50 times faster than competitors such as Base. The self-proclaimed “real-time blockchain” aims to be the most performant in DeFi, touting 10 millisecond block times, 20,000 transactions per second (TPS), and throughput of 1.7 giga gas (Ggas) per second.

ETH staking protocol EigenLayer strengthened its role in Ethereum’s security stack as Mantle Network adopted EigenDA for data availability while ZKsync integrated both EigenDA and EigenLayer’s actively validated services.

DeFi protocol Spark could inject up to \$3.6 billion into tokenized treasuries through its Spark Liquidity Layer, significantly expanding the industry’s market cap after selecting three winners – BlackRock’s BUIDL, Superstate’s USTB, and Centrifuge’s JTRSY – to receive an initial \$1 billion allocation.

CBDOS & STABLECOINS



BNY Mellon is expanding its partnership with Circle to enable clients to send funds directly to Circle for buying and selling its stablecoins, further bridging traditional and digital finance.

USDT issuer Tether said that it is in talks with a Big Four accounting firm to get independently audited, according to a report on Friday by Reuters. Thus far, the company – which is now based in El Salvador – has struggled to get a top accounting firm to independently audit what backs its stablecoin. (Tether said it would rank as the seventh largest foreign net buyer of US Treasury securities in 2024, surpassing countries like Canada, Mexico, and Germany.)

Ethena Labs' USDe, the fourth-largest stablecoin by market cap, can no longer be offered for sale by the firm’s German subsidiary Ethena GmbH after BaFin – the country’s financial supervisory authority – identified “serious deficiencies” in the licensing approval process.

NFTS, BLOCKCHAIN GAMING & METaverse



SEC Crypto Task Force lead Hester Peirce said that crypto projects like Stoner Cats – which used NFTs as a fundraising mechanism to fund their work – should be exempt from securities regulations and may soon receive that clarity from the powerful regulator.

LG Art Lab, the company's NFT marketplace for TVs, is shutting down on June 17.

Atari is teaming up with B3 to bring several classic titles to the blockchain, starting with Pong.

Gaming brand Razer is teaming up with World (formerly Worldcoin) to help remove AI bots from online games, allowing human gamers to become the central focus of a gaming industry with increasing AI connections.

JOB MOVEMENT



A16z Crypto named Miles Jennings as head of policy amid Washington's growing focus on crypto, as the VC fund's former policy lead, Brian Quintenz, will be leaving as he faces Senate confirmation to become the next CFTC chair.

Dan Chen, director of FTX-linked Deltec, became CFO at Gemini.

Japanese investment firm Metaplanet said that it appointed Eric Trump to its newly formed strategic advisory board as it ramps up Bitcoin adoption.

Digital Chamber founder and CEO Perianne Boring will step down next month and become chair of its board. The lobby organization's president, Cody Carbone, will take over as CEO.

Altruist, the modern custodian built for RIAs, appointed Sumanth Sukumar (a former executive at Coinbase and Uber) as its Chief Technology Officer.

REGULATIONS, RULINGS & COMMENTARY



Trump administration officials crafted a proposal to rebrand USAID and leverage blockchain technology as part of a more transparent procurement process, according to a document purportedly circulating the State Department obtained by Politico.

SEC chair nominee Paul Atkins and Comptroller of the Currency nominee Jonathan Gould will appear before the Senate Banking Committee on March 27.

Acting SEC Chair Mark Uyeda directed staff to reconsider a proposed rule that would tighten cryptocurrency custody requirements for RIAs. (The rule, initially proposed under the Biden administration, would require advisers to keep crypto with a qualified custodian, such as a bank or broker-dealer, and for those custodians to abide by certain requirements. Uyeda's move signals a continued shift for the agency under the new Trump administration.)

The US Office of the Comptroller of the Currency removed “reputational risk” from bank examinations, responding to concerns that regulators had used the metric to pressure banks into distancing themselves from crypto firms, a move aligning with the broader shift toward easing restrictions on digital assets.

Ethereum software firm Consensys pushed back against a proposed rule from the Consumer Financial Protection Bureau (CFPB) that could drastically change how unhosted blockchain wallets such as MetaMask are regulated.

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

Bybit CEO Ben Zhou reported that 86% of the \$1.5 billion stolen in the crypto exchange's February hack, about 440,091 ETH, has been converted into 12,836 BTC and distributed across 9,117 wallets. The hacker, believed to be the North Korean Lazarus Group, has started to use Bitcoin mixers like CryptoMixer, Tornado Cash, Railgun, and Wasabi to launder the stolen crypto before funneling the funds to various peer-to-peer vendors.

Crypto users are reporting an uptick in phishing scams impersonating Coinbase and Gemini, with fraudulent emails urging users to transition to self-custody wallets using pre-generated recovery phrases controlled by scammers.

Gotbit founder Aleksei Andriunin has reached a plea agreement with US authorities to forfeit \$23 million in crypto assets in connection with market manipulation charges.

Hollywood writer and director Carl Erik Rinsch was arrested and charged with allegedly swindling \$11 million from Netflix for a planned sci-fi series that never aired, partly using it for crypto trading.

Ethereum real-world asset platform Zoth suffered an attack that resulted in the loss of \$8.85 million. Security experts believe the hack, the second suffered by the company in a month, came about as the result of a private key leak.

South Korean prosecutors are seeking a 10-year sentence for the man who stabbed Haru Invest CEO Lee Hyung-soo during his court hearing last year on multiple fraud-related charges. The attacker, identified only by his surname Kang, reportedly lost 100 BTC (\$8.4 million) to the crypto custody firm. (Haru Invest allegedly defrauded a total of \$962 million from 16,000 investors in and outside of South Korea before declaring bankruptcy in November.)

An attacker breached the dashboard of AIXBT, an AI-powered crypto bot, and prompted it to transfer 55.5 ETH, worth ~\$106,200, from its wallet.

The FBI accused rapper Eminem's former sound engineer, Joseph Strange, of selling unreleased music for \$50,000 in Bitcoin.

The United States Treasury announced that it has delisted Ethereum coin mixing service Tornado Cash from its list of parties sanctioned by the Office of Foreign Assets Control, or OFAC, reversing course after first blacklisting the service in 2022.

Blockchain analytics firm Chainalysis uncovered direct financial connections between Mexican drug cartels and Chinese fentanyl precursor suppliers through crypto transactions. Chainalysis researchers stated in their report, after analyzing the transactions, that crypto has become "increasingly interwoven into the illicit drug trade."

According to an X post from Ripple CEO Brad Garlinghouse, the SEC is dropping its appeal against Ripple Labs. (The legal battle, which began in December 2020 during Trump's first term, was launched under former SEC Chairman Jay Clayton. It became a landmark case regarding how digital assets align with US securities laws.)

The estate of crypto exchange FTX has settled lawsuits against the parents of its founder, Sam Bankman-Fried. The lawsuits have been dismissed without prejudice.

Microsoft warned of a new malware strain, StilachiRAT, capable of stealing and decrypting data from 20 popular crypto wallets, including MetaMask and Coinbase Wallet, while also noting that the identity of the attackers remains unknown.

A federal judge denied Franklin Templeton's attempt to reopen key defenses in a long-running lawsuit over blockchain technology. The dispute stems from Franklin Templeton's 2019 acquisition of Onsa, a blockchain-based fintech firm specializing in financial products. The case, brought by Blockchain Innovation, centers on allegations that Franklin Templeton misappropriated Onsa's proprietary technology and breached contractual obligations following the acquisition.

South Korean prosecutors have launched an investigation into crypto exchange Bithumb, looking into embezzlement allegations.

Burwick Law filed a class action lawsuit in the New York Supreme Court alleging that Kelsier, KIP, Meteora, and others manipulated the launch of the LIBRA token to mislead investors. The complaint claims insiders artificially inflated prices, withheld 85% of the supply, and later withdrew funds, causing a market collapse that harmed retail buyers.

Toncoin (TON), the native token of Telegram-associated The Open Network, surged after a report that Telegram founder Pavel Durov was granted permission to leave France after months of legal proceedings.

The X accounts of Web3 platform Kaito and its founder, Yu Hu, were hacked and used to spread false claims of token supply issues.

Hayden Davis, the controversial figure behind the LIBRA token, was linked to another memecoin that crashed 99% within a day of its launch earlier this month. Blockchain data firm Bubblemaps traced a memecoin named WOLF to Davis across 17 addresses and five cross-chain transfers.

Four teenagers were charged after an OnlyFans streamer, Amouranth, was ordered to hand over her crypto at gunpoint.

Blockchain security firm SlowMist detected that the EOS network was being targeted by address poisoning attacks. (Address poisoning attacks exploit users' habits of copying recent transaction addresses from their wallets. Attackers create addresses that closely mimic legitimate ones, often with similar beginning or ending characters.)

Crypto exchange OKX temporarily halted its DEX aggregator in response to security concerns and recent “attacks” targeting its platform.

MISCELLANEOUS



Ripple, Mt. Gox, and Stellar founder Jed McCaleb is betting \$1 Billion that he can replace the aging International Space Station with Vast Space (the California-based aerospace company he founded in 2021).

The increasingly notorious “Hyperliquid whale” closed a \$520 million 40x leveraged Bitcoin short position on the platform, netting a ~\$9.4 million profit. (Blockchain sleuth ZachXBT identified the infamous whale a UK-based individual named William Parker as the person behind the account. ZachXBT said: “Last year [William Parker] was arrested for stealing ~\$1M from two casinos in 2023 and was sentenced in Finland. Prior to this WP was known as Alistair Packover (William Peckover) before later changing his name.”)

Bakkt revealed that Bank of America and Webull, which accounted for significant portions of its revenue, will not renew their commercial agreements, adding to concerns as the company also delayed its earnings call for a second time (with the stock plunging near 30%).

The operators of sanctioned Russian crypto exchange Garantex reportedly launched a new trading platform called Grinex, effectively continuing their operation despite a coordinated international effort to shut it down earlier this month.

The total value of ERC20 tokens on Ethereum surpassed that of ETH itself, accounting for 51% of the network’s \$500 billion in secured value, with stablecoins such as USDT and USDC leading the charge, raising concerns over Ethereum’s ability to capture its ecosystem’s growth.

Solana deleted a controversial anti-“woke” ad posted on X just nine hours after sharing it. The now-deleted – but heavily reposted – commercial featured a human embodiment of America speaking to a therapist who diagnoses him with “rational thinking syndrome” and suggests he should focus on pronouns rather than action verbs such as “innovating” and “doing.”

A governance proposal by Cronos, a Layer 1 blockchain from crypto exchange Crypto.com, to reissue 70 billion CRO tokens previously burned in 2021, was approved on March 17, returning the total supply from 30 billion to its original cap of 100 billion. The newly issued tokens will be placed in a “strategic reserve wallet,” subject to a multi-year vesting schedule.

CHARTS, TABLES, QUOTES, COMMENTARY & OTHER IMAGES

Matt Houghan's (Bitwise) Weekly CIO Memo: "Dip Then Rip – Explaining Why Bitcoin Reacts to Moments of Crisis the Way It Does."

One of the most frustrating things about owning Bitcoin is that, in moments of crisis, it doesn't behave how you'd want.

People buy Bitcoin as a hedge asset, but when markets get volatile, Bitcoin tends to pull back in the short term.

We saw this most recently last week, where rising concerns around tariffs sparked a sell-off in equity markets ... and in Bitcoin.

My colleague Juan Leon wrote the definitive piece on this. Juan looked at all instances over the past decade when the S&P 500 had fallen by more than 2% in a day. He showed that, on average, Bitcoin actually fell more than the S&P 500 during these pullbacks – sinking roughly 2.6%.

Ugh.

But Juan's research showed something else: If you had stayed invested – or bought more after the pullback – you would have done very well. On average, in the year following these sharp pullbacks, Bitcoin rose a shocking 190%, dramatically outperforming every other asset.

I call this pattern "Dip Then Rip," and historically it's one of the most consistent patterns in crypto.

In this week's memo, I want to explain why this happens.

How Wall Street Values Assets

Essentially all of Wall Street rotates around the idea of "net present value."

As investors know, net present value involves calculating the value of an asset today based on your estimate of what it will do in the future.

The most common application, of course, is discounted cashflow analysis (DCA): If you have a company that you think will earn \$1 a year for each of the next 20 years, what is it worth today?

It's obviously not worth \$20; why would you give up \$20 today just to get \$20 back over 20 years? Instead, you calculate the value today by "discounting" its future cash flows.

The big question when running a DCA is how much you should discount those cash flows. Typically, analysts take the "risk-free rate" – the current interest rate of short-term US Treasuries – and then add to it based on the level of uncertainty in the stock and the market. So, for instance, the risk-free rate today is 4.37%. If the company is very safe, you might round up and apply a discount rate of 5%. If it's riskier, you might go to 10% or 20% or more.

Because the math compounds over years, small changes in the discount factor can make a big difference in the imputed value today (the net present value). Using our \$20 example, if you discount those cash flows at a 5% annual rate, the company is worth \$12.46 today. If you discount those cash flows at a 10% rate, the company is worth just \$8.51.

The more risk, the bigger the discount – and the lower the price today.

How Does This Apply to Bitcoin?

Bitcoin doesn't have cash flow, but in my view the same idea applies.

At Bitwise, for instance, we think Bitcoin will be worth \$1 million in 2029. So, you might ask, what do we think it's worth today?

It depends on the discount factor – that is, the risk you assign it. If you discount back at 50% a year, the net present value is \$218,604. If you use a 75% discount rate, the net present value is \$122,633.

Note that two factors contribute to the net present value of Bitcoin: 1) the estimate of its long-term value (e.g. \$1 million by 2029), and 2) the discount factor.

Understanding the Tariff Response

Let's now use this framework to understand the market's reaction to the tariff-driven pullback.

News that creates economic uncertainty has two impacts on Bitcoin. Consider what NYDIG – one of the smartest firms in crypto – said when they wrote about the recent tariff-related sell-off:

“What does Bitcoin have to do with tariff wars? Nothing, other than it's a highly liquid, globally available asset that trades 24/7. If anything, Bitcoin stands to benefit from the rise in global entropy, the political and economic disorder created by the administration.”

Note that they are saying two things here:

- Short term, tariffs are a challenge to Bitcoin and other liquid assets because they inject uncertainty into the market. Translation: They increase the discount factor – the perceived “riskiness” of the asset.
- Long term, tariffs play into Bitcoin's hands, because Bitcoin is a hedge against political and economic disorder. Translation: They increase the long-term price target for Bitcoin.

Let's put this back into our discount mode and think about the math.

You might imagine that tariffs – by creating economic entropy – boost our long-term price target for Bitcoin from \$1 million to \$1.1 million. At the same time, they increase the discount factor we use to calculate Bitcoin's net present value from, say, 75% to 85%. Mathematically, this would cause the net present value of Bitcoin to fall from \$122,633 to \$109,521 – despite the 10% rise in our 2029 price target.

So even though we're more bullish than ever on Bitcoin, our short-term price target falls. That explains the pullback. But if the market stabilizes and it turns out the world's not ending and the discount factor goes back from 85% to 75%, Bitcoin will recover from the pullback and then some.

Dip then rip.

Why I Find This Framework Useful

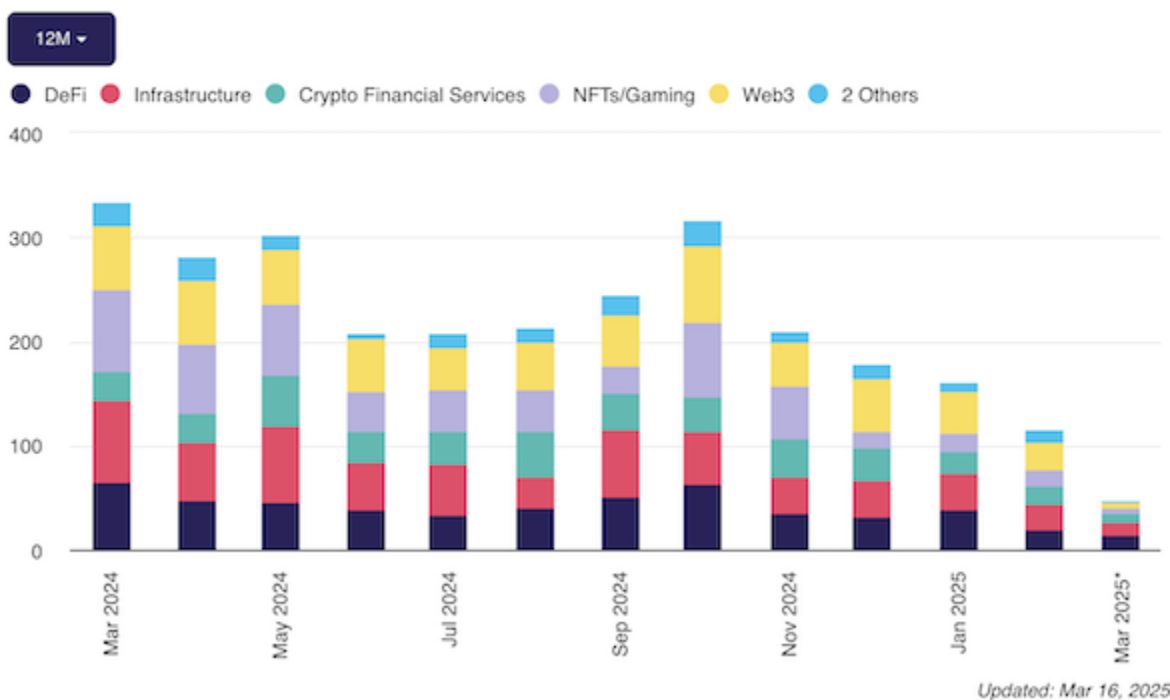
To be clear: I'm not suggesting everyone in the market is actually doing this math. Instead, I'm saying that the invisible hand of the market is walking through these calculations, feeling its way to new price targets.

Understanding this is important for long-term investors because it helps you keep your eyes on the prize: the long-term return.

If you're a long-term investor, these short-term spikes in the discount factor are a chance to get in at a discount. From where I sit, I've never been more bullish.

The Block Pro Research: The monthly count of crypto venture deals has contracted significantly, with only 116 private deals tracked in February 2025, marking one of the lowest points in recent years. This represents a substantial decline from the 300+ deals recorded in October 2024 – a 60% drop within a 5-month period. This slowdown aligns with broader market conditions, as general risk appetite has waned across financial markets. Despite the reduced deal flow, total investment value has remained relatively stable at ~ \$1B in February 2025, consistent with monthly totals since October 2022. March, however, saw an outlier with already over \$2.3B invested.

Monthly Venture Deals Count by Category



Conclusion from Coin Metrics' "State of The Network" weekly report from 3/18/25. (Read the full report, [here](#).)

Given the current environment, where do we stand relative to prior "cycles"? Among other metrics, Bitcoin's MVRV ratio, measuring the ratio of Bitcoin's market value to its realized value (aggregate value of the price at which coins last moved on-chain), can serve as a useful indicator of cycle positioning. Historically a high ratio (>3.5) has signaled an overheated market, whereas a low ratio (1) indicates attractive accumulation zones.

Currently, Bitcoin's MVRV ratio sits at 1.9, peaking near 2.65 earlier this year. This places it above the bear market lows but below the euphoria of past cycle peaks, suggesting that we're in a mid-cycle reset. While historical trends provide a useful framework, structural shifts such as ETF driven demand, evolving investor profiles and regulatory clarity, all of which didn't exist previously, could reshape how this cycle unfolds and how we interpret it relative to past ones.

Looking ahead, the medium- to long-term outlook remains positive. Expectations of a supportive administration and SEC are coming to fruition. Regulatory clarity in areas like custody and bank participation, stablecoins and tokenization of real world assets (RWAs), among many others, could unlock a significant wave of adoption. While the macroeconomic landscape remains uncertain, the foundation is in place, and as structural shifts take hold, the onset of rate cuts and renewed liquidity could help drive the next phase of market growth.

Conclusion from Glassnode's "The Week On-Chain" from 3/18/25. (Read the full report, [here](#).)

A decline in speculation activity across digital assets is now apparent, with investors taking an increasingly risk-adverse stance. This is evidenced by the contraction in liquidity occurring across both on-chain and futures markets. Additionally, the options market continues to price a higher premium for downside protection.

When we look at the investor response to volatility, we see two divergent stories. First, Short-Term Holders are taking some of the largest losses of the cycle, reflecting a degree of fear. Long-Term Holders on the other hand, have slowed their spending, seeming to move away from sell-side distribution, and perhaps back towards patient accumulation and holding.

Blockworks updated key metrics...

Total Crypto Market Cap	\$285.81 T
Bitcoin Market Cap	\$1.66 T
Ethereum Market Cap	\$239.71 B
ETH/BTC Ratio	0.02
Ethereum Gas Price	0.40 gwei
DeFi TVL	\$168.26 B
Fear and Greed Index	32 (Fear)

Coinbase and EY-Parthenon surveyed 352 institutional investors in mid-January. (See key highlights below. View the full 34-page report, [here](#).)

- 83% expect to increase their allocations to digital assets in 2025, with 59% planning to allocate over 5% of AUM to digital assets or related products.
- "Regulatory clarity" was the top reason for increasing their allocation of digital assets or digital asset-related products.
- 60% prefer to gain exposure to crypto through registered vehicles like ETFs.
- 74% "hold one or more altcoins" outside of holdings in Bitcoin and Ether.
- While only 24% currently engage with DeFi, that figure is set to triple to 75% in just two years.

Arca: The Future of Value Investing in Crypto...

Mondays have been rough for markets this year, and last Monday, the US equity market lost \$1.7 trillion of value. For reference, the entire liquid crypto market is only \$2.7 trillion. It's a good reminder that even when crypto markets are going down, no one really cares when stocks are also going down because so much more is at stake in equities, fixed income, and real estate. Crypto is just a sliver of the investing universe that goes up/down mainly in a quiet, ignored vacuum.

But it doesn't have to be this way. In my opinion, crypto remains largely irrelevant to most investors because the industry is marketing crypto to the most irrelevant investors.

Meaning the majority of investors buy corporate stocks, corporate bonds, and real estate. It is estimated that over \$600 trillion is invested in these 3 asset classes. Only a TINY minority buy commodities and currencies. So why are the major companies in crypto so focused on catering to the tiny sliver of CTAs, macro funds, and fast-money momentum traders that care about this tiny, irrelevant part of the capital markets?

It's illogical, to say the least.

It's challenging to pinpoint exact figures for all investment types, but the global stock market is estimated at around \$95 trillion, the global debt market at approximately \$277 trillion, and real estate's market size roughly \$281 trillion, while commodities are worth around \$12.4 trillion for mined gold and \$103.8 trillion for oil reserves. 

Here's a breakdown of the major asset classes and their estimated values:

1. Global Stock Market:

- The value of the stock market is estimated to be around \$95 trillion. 

2. Global Debt Market:

- The global debt market is valued at approximately \$277 trillion. 

3. Real Estate:

- The market size of real estate is roughly \$281 trillion. 

Generative AI is experimental. For financial advice, consult a professional.

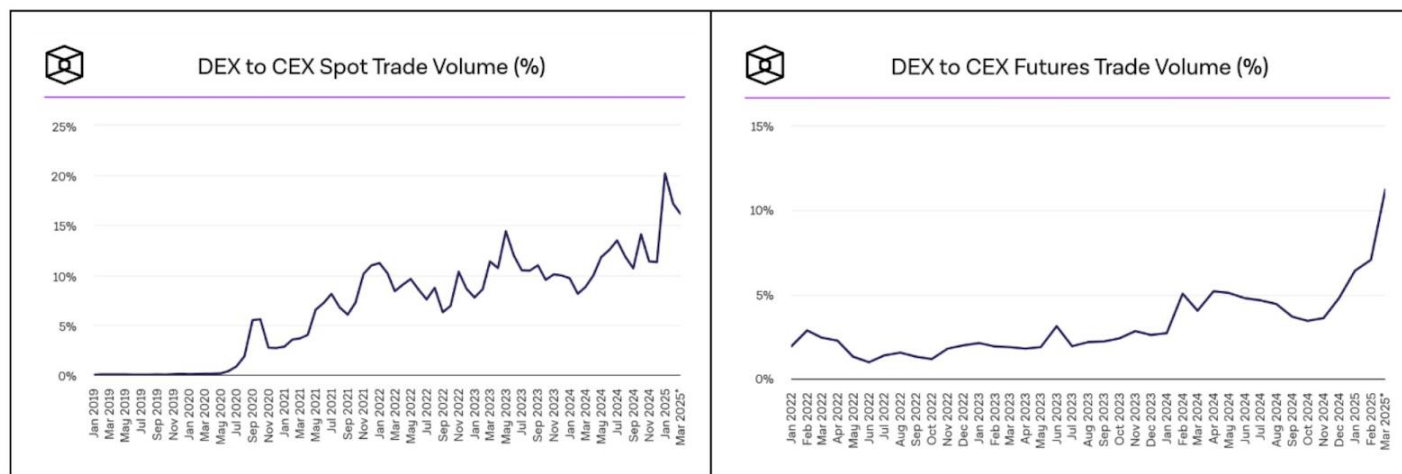
Source: Google estimates for the size of the global investable market

Maybe it made sense 10+ years ago when Bitcoin was the only game in town, and there was no choice but to focus on the gold/currency market and use relative value to try to attract some investors into Bitcoin. But blockchain has evolved so much in the last 7 years. There are many cash-flow-producing protocols (and let's face it, they are really more like companies than decentralized protocols) that any normal investor would understand much better than Bitcoin or smart contract

protocols. More education is needed on these revenue companies with tokens because most investors invest in companies.

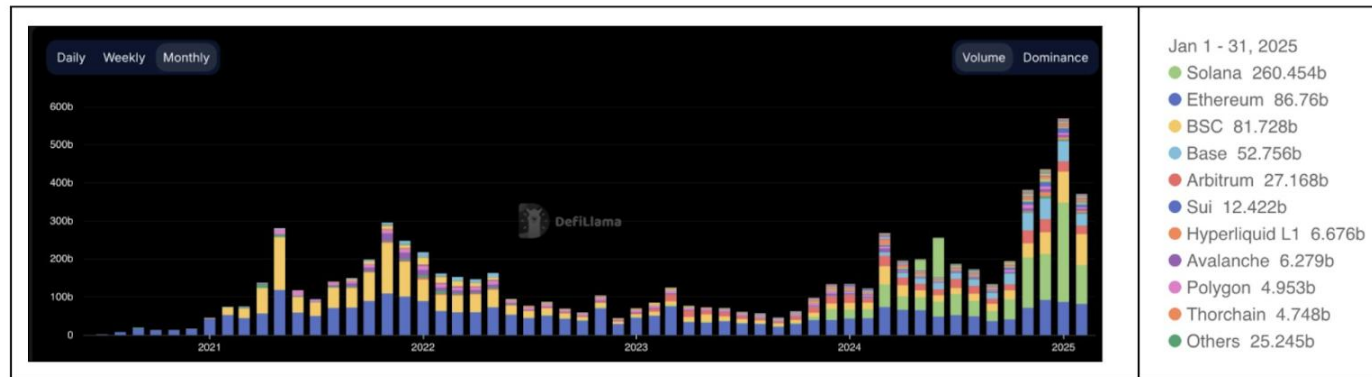
And that's where investor education should focus.

As we discussed a few weeks ago, many DeFi tokens trade at 2x P/E ratios while also executing buybacks that return value to token holders in the form of a supply sink of 1-5% of supply per year while also growing at over 1000% year-over-year. These would literally be the hottest investments on the planet if anyone knew they existed. These companies' tokens are much cheaper than the stocks of many centralized competitors (like COIN and HOOD). Take a look at some of these charts on DeFi growth. All investors can easily understand these, regardless of whether they understand blockchain and crypto. Would DeFi be down -50-70% in the face of this growth if any real fundamental investors were paying attention?



Source: The Block

Portfolio Attribution | February Was The 4th Best Month for DEXs



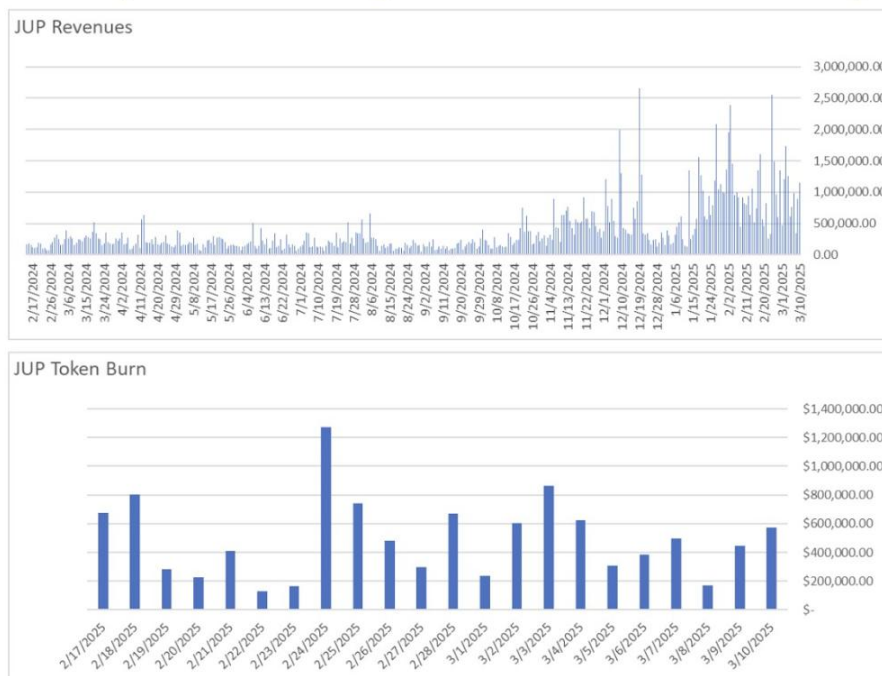
Source: DeFiLlama

Portfolio Attribution | Hyperliquid: Strong Revenue Growth as Price Declines



Source: Artemis

Portfolio Attribution | Jupiter: Growing Revenues and Token Buybacks



Source: Arca Internal Calculations and Artemis

Any stock, bond or real estate investor who saw these DeFi businesses would be tempted to invest in coins like Hyperliquid (HYPE), Jupiter (JUP), Aerodrome (AERO), Raydium (RAY), and many more. But most investors don't even know that these tokens exist because so much damn attention is on Bitcoin, smart contract protocols, and memecoins. If we start educating and nurturing real value investors on growing, liquid investments based on VALUE, rather than TAM, we have a much better chance of making this industry more relevant.

DeFi is not the only sector in crypto where there is unmistakable value. But it is the most obvious area right now, and the easiest for traditional investors to digest. If we want crypto to grow, we have to stop

explaining complex things to fast money traders and start explaining simple value to the majority of buy-and-hold investors.

Arca is not alone in this fight. For example, Defiance Capital has been trying to educate on DeFi tokens for years. Their latest blog post is very well articulated and so insanely obvious. Almost every (non-venture) fund looks at investing in this way, with a focus on real businesses with cash flows (or the potential to generate future cash flows). But I highly doubt most non-crypto-focused investors have read this because we continue to be floored that some of the fastest-growing areas of crypto are being completely ignored.

In 2025, DeFi is down just as much YTD as memecoins. Meanwhile, amidst the equity market carnage, there is of course, much more healthy dispersion and differentiation. Not only are European and Asian equities outperforming US equities, but even within US equities, rotations are happening. Since July 10th last year, the tech sector is -11.7% with the Mag 7 -6.6%. The S&P 500 is pretty much flat (-0.3%) but financials (+14.3%), utilities (+11.9%) and consumer staples (+8.5%) are higher.

I'm still holding out hope that one day, digital assets will differentiate, too. But it won't happen as long as Bitcoin and memecoins remain on the forefront and VCs and quants dominate the investing landscape.

Blockworks featured quotes from all three days of their Digital Asset Summit...

“Ethereum would be a trillion-dollar market cap if it was still proof-of-work. Our biggest victory in crypto is proof-of-work.” – CoinShares Meltem Demirors

“For those of you based in the US, you must be feeling really optimistic.” – Binance CEO Richard Teng

On why the Biden administration was anti-crypto... “They didn’t understand the technology.” On why crypto should be brought on-shore... “They’re not hacking Coinbase.” – US Representative Ro Khanna

“The greatest way to lift people and countries out of poverty is through immutable property rights.” – ARK Invest founder Cathie Wood

“Crypto is a first-principles refresh of finance.” – Multicoin Capital co-founder Kyle Samani

“Bitcoin feels like great risk/reward in the low 80s. In the mid 70s you’re buying with both hands.” – Jonah van Bourg

We try not to be pessimistic, but that’s how you survive in this asset class.” – 1000x co-host Avi Felman

On how much Bitcoin the US government wants... “As much as we can get.” – Executive Director of the President's Council of Advisers on Digital Assets Bo Hines

On describing blockchains... A new kind of “fundraising rails” and why that’s important: It allows founders to “fundraise from a community [that] really cares about what you’re doing.” – Aave founder Stani Kulechov

On the financial system... “It’s like taxis before Uber.” – Pyth Network co-founder Mike Cahill

“Crypto is a world of double-edged swords.” – SKALE Labs co-founder Jack O'Holleran

On the Trump administration’s embrace of crypto... “The single most important change in crypto since Satoshi’s white paper.” – 1RT CEO Dan Tapiero

“It’s probably smart to be bearish on 99% of altcoins, but you’re looking for the outliers.” – Framework Ventures co-founder Vance Spencer

On crypto’s UI being free of tech debt... “It’s so blank slate that no one knows how to use it.” – Apollo Global Management partner Christine Moy

“True fundamental investing has become possible [in crypto] because there are now value producing protocols.” – Cosmo Jiang, Pantera

“Bitcoin will cause a blowup at a GSIB [global systematically important bank].” – Custodia Bank’s Caitlin Long

“Bitcoin is THE asset. It’s better than cheese...goats or cattle, or pieces of paper that we call currency... A lot of people focus on the asset, they forget the ideology... It’s a thing of natural beauty.” – Strategy’s Michael Saylor

Telling the conference that as the US weaponizes the dollar, it may push countries toward Bitcoin... “It becomes a big deal when people say, ‘Instead of holding dollar reserves, I’m going to hold Bitcoin reserves.’ That, we haven’t seen so far.” – Allianz chief economic advisor Mohamed El-Erian

President Trump reaffirmed his push for crypto-friendly legislation: Operation Chokepoint is over, stablecoins will extend the dollar’s dominance (urging Congress to pass stablecoin legislation), the US government’s Bitcoin will never, ever be sold (vowing again to make the US a “Bitcoin superpower”). It was the first time a sitting president of the US addressed a crypto conference. (Watch the complete Presidential address at the Digital Asset Summit, [here](#).) –

Grayscale Research published “Ethereum: The OG Smart Contract Blockchain.” (See summary points below. Download the full piece, [here](#).)

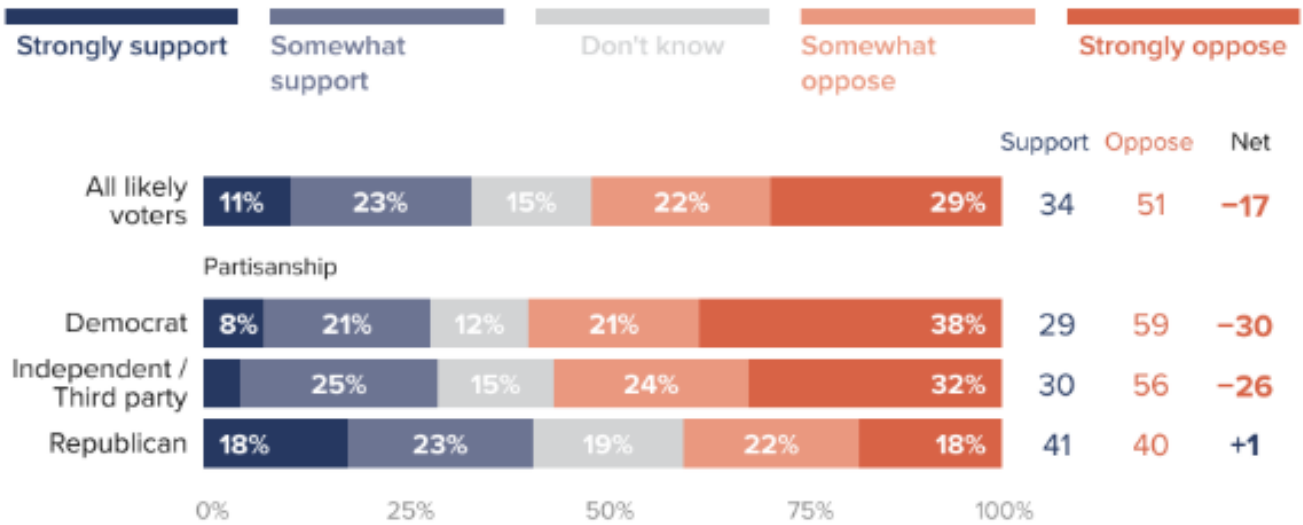
- Smart contract platforms are the core infrastructure for decentralized applications and blockchain-based finance. They are therefore central to the vision that public blockchains offer a new architecture for financial markets and digital commerce.
- Grayscale Research believes that adoption of smart contract-based applications will accelerate over the next 1-2 years, partly due to US regulatory changes and forthcoming legislation.
- Ethereum is the largest smart contract platform based on (i) market capitalization, (ii) the size of its application ecosystem and developer community, and (iii) the value of its on-chain assets. However, it has recently lagged certain competitors, including Solana, in terms of fees and other measures of on-chain activity.
- In our view, Ethereum’s differentiating features – including a culture that emphasizes decentralization, security, and neutrality – will help it continue to capture a significant share of users, developers, and transaction fees in the Smart Contract Platforms Crypto Sector, even if some newer blockchains also see adoption and capture market share. For this reason, Ether should be considered an essential ingredient in diversified crypto portfolios.
- The outlook for smart contract platform fees is highly uncertain, partly because we do not know how much pricing power platforms like Ethereum will be able to maintain over the longer term. However, in this report Grayscale Research demonstrates how Ethereum could potentially grow total fees to more than \$20bn (from an annualized \$1.7bn over the last six months) by executing on its scaling strategy and maintaining pricing power.

Noelle Acheson: A poll shows that as many Republicans strongly oppose as strongly support the Crypto Strategic Reserve – and independents (whose votes will be needed for the midterms) are overwhelmingly opposed. BUT it asks about spending public funds on a range of assets, not just BTC, which is not what's on the table, so I'm not sure how useful it is.

A Majority of Voters Oppose the Creation of a Crypto Strategic Reserve

The federal government is considering establishing a Crypto Strategic Reserve, which would use government spending to acquire and hold cryptocurrencies like Bitcoin and Ethereum as part of the national reserves, similar to how it holds gold or foreign currency as a financial asset.

Do you support or oppose this proposal?



March 8–10, 2025 survey of 1,169 U.S. likely voters

DATA FOR PROGRESS