



HYPERION DECIMUS

CRYPTO NEWSLETTER

POWERED BY WEEKLY CRYPTO BRIEF

6th April 2025

BITCOIN-RELATED



NYDIG: Bitcoin sank 11.7% in Q1 as uncertainty about the new administration's economic policy weighed on markets. With the signature policy tool tariffs, whose on-and-off again nature caused havoc on markets this quarter, and the economic impact of DOGE-driven cost savings initiatives, volatility was on the rise. Bitcoin also likely suffered from a “buy the rumor, sell the news mentality” during the quarter. [From April 3-4, the two days after the reciprocal tariffs were announced by Trump, major equity indexes plunged: DJIA (-9.3%), S&P 500 (-10.5%), Nasdaq (-11.4%), and Russell 2000 (-10.7%). While Bitcoin (+1.5%), which is exempt from tariffs, was positive.]

A lawmaker in California, assembly member Juan Carrillo Valencia, introduced “Bitcoin rights” protections in digital asset bill AB-1052, a piece of legislation that aims to introduce a range of digital asset protections.

A bill introduced to the Rhode Island Senate would enable the state's residents to spend or sell \$10,000 in Bitcoin without incurring state capital gains taxes.

Lawmakers in Minnesota and Alabama introduced companion bills that would allow their states to invest in Bitcoin. In Minnesota's case, the bill, if passed, will also permit tax payments and retirement contributions from state employees in crypto.

On April 1, HB 4258 – which authorizes the state's comptroller to invest up to \$250 million in Bitcoin – was referred to the state's Delivery of Government Efficiency Committee, which is Texas' version of the US federal government's DOGE.

Strategy acquired another 22,048 BTC for \$1.92 billion between March 24 and March 30, according to an 8-K filing.

Japanese investment firm Metaplanet issued more debt to buy Bitcoin. The company said on March 31 that it had issued a two billion yen (\$13.3 million) zero-coupon ordinary bond to fund more Bitcoin buys. CEO Simon Gerovich said the company was “buying the dip.”

GameStop closed its \$1.3 billion convertible note offering, including full exercise of the \$200 million greenshoe option. Proceeds totaling about \$1.5 billion are expected to be used at least in part to purchase Bitcoin. Soon thereafter, Metaplanet bought 696 BTC (worth ~\$67 million).

By 2030, around a quarter of S&P 500 companies are expected to hold Bitcoin on their balance sheets as treasury managers increasingly view crypto adoption as a career safeguard, according to M&A advisory firm Architect Partners.

Tether acquired 8,888 BTC (worth ~\$735 million) in Q1 2025, following its reserve strategy. The company is now the sixth-largest holder of Bitcoin in a single wallet.

The Smarter Web Company announced plans to go public on the AQUIS Stock Exchange in April 2025 through a reverse takeover of a business originally incorporated in 1907 – preparing to go public with a Bitcoin treasury strategy.

In his annual letter to investors, BlackRock CEO Larry Fink warned that the US dollar could lose its world reserve currency status to digital assets like Bitcoin if the country doesn't get its debt under control and deficits keep ballooning. (Read more, [here](#).)

The Human Rights Foundation granted 1 billion Satoshis to 20+ global projects advancing Bitcoin development, privacy, and financial freedom.

The Babylon Foundation, the entity behind Bitcoin staking protocol Babylon, announced a 600 million BABY token airdrop as part of its upcoming token generation event.

INDUSTRY ADVANCES



Fidelity launched a no-fee crypto IRA that allows US adults to invest in Bitcoin, Ether, and Litecoin.

PayPal has expanded its crypto offering in the US to support buying, selling, holding and transferring Solana and Chainlink's native cryptocurrencies for the first time.

Interactive Brokers announced the addition of four popular cryptocurrency tokens to its trading platform: SOL, ADA, XRP, and DOGE. These new tokens join BTC, ETH, LTC, and BCH.

Mastercard is developing a blockchain-powered payment network to facilitate fiat-to-crypto transactions for banks and consumers.

South Korea exchange Upbit said it would list decentralized storage cryptocurrency Filecoin.

Binance introduced a new feature allowing users to trade directly from its centralized exchange to decentralized exchanges using their Binance wallets, streamlining the process and reducing technical barriers to crypto adoption.

BNB Chain officially announced its upcoming Lorentz upgrade. The Lorentz upgrade will reduce the block time to 1.5 seconds, resulting in faster transaction speeds and improved overall network efficiency. (BNB Chain plans to launch a second upgrade named Maxwell in June 2025. This upgrade will further accelerate block production by lowering block time to 0.75 seconds, making it one of the fastest L1 networks in the industry.)

Ethereum developers set May 7 as the target date for the long-awaited Pectra upgrade, beginning the countdown for the blockchain's biggest changes since March 2024.

Privacy Pools, a new semi-permissionless privacy protocol launched by 0xbow.io on Ethereum with support from Vitalik Buterin, enables private transactions while ensuring regulatory compliance by screening for illicit activity using dynamic “Association Sets.”

Solana-based memecoin platform Pump.fun resumed livestreaming for 5% of users after suspending the feature in November 2024.

PumpSwap, the new DEX launched by Pump.fun, has already processed \$2.52 billion in trading volume just 10 days after its launch.

EY has upgraded its enterprise Ethereum L2 blockchain Nightfall to a zero-knowledge rollup design for faster, simpler, and more private transactions, citing improved client confidence following eased US sanctions on privacy tools.

Base introduced Batches, a global program that offers buildathons, incubation, and demo day pitch events. It's giving builders worldwide a chance to earn up to \$1 million for developing innovative onchain applications.

MINING



MARA Holdings plans to sell up to \$2 billion in stock to buy more Bitcoin, mirroring Michael Saylor's strategy, as it strengthens its position as the second-largest corporate BTC holder.

Riot Platforms mined 533 BTC in March 2025, up 13% from February and 25% YoY, marking its highest monthly output since the halving.

Cango is selling its legacy auto-financing division operations in China to an entity linked to Bitmain Chairman Micree Zhan for \$352 million as part of a full shift into Bitcoin mining, gaining 32 EH/s in the process.

Chun Wang, co-founder of the Bitcoin mining pool F2Pool, became the first known Bitcoiner to launch into Earth's orbit aboard SpaceX's Fram2 mission on March 31. The four-person all-civilian crew will conduct 22 research experiments over the next few days, aiming to “advance humanity's capabilities for long-duration space exploration.”

ETPS (EXCHANGE-TRADED PRODUCTS), FUNDS & INDEXES



BlackRock was approved by the UK's top financial markets regulator as a crypto asset firm. That means that the investment giant, which has about \$12 trillion of AUM, can operate its new European Bitcoin ETP as a UK entity.

Grayscale launched two new outcome-oriented Bitcoin ETFs: Grayscale Bitcoin Covered Call ETF (BTCC) and Grayscale Bitcoin Premium Income ETF (BPI).

VanEck registered a Delaware trust for a potential BNB ETF, making it the first US firm to propose an ETF linked to Binance's BNB cryptocurrency, amid a broader wave of altcoin ETF filings.

Bitwise launched a suite of option income ETFs, IMST, ICOI, and IMRA, to generate monthly income for investors while capturing the upside potential of three crypto equities: Strategy (MSTR), Coinbase (COIN), and MARA Holdings (MARA), respectively.

Grayscale filed with the SEC to convert its Digital Large Cap Fund, which holds a diversified portfolio of cryptos including Bitcoin, Ether, Solana, XRP, and Cardano, into an ETF.

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

GoMining launched a \$100 million Bitcoin mining fund for institutional investors, offering direct exposure to mined Bitcoin through a reinvestment strategy aimed at boosting hashrate and efficiency, amid growing institutional interest in cryptocurrencies.

DoubleZero Protocol, backed by a \$28 million raise, launched a validator-only token sale via CoinList to fund its high-speed fiber optic blockchain infrastructure ahead of a planned mainnet launch in late 2025.

Codex, a blockchain startup focused on enterprise stablecoin solutions, raised \$15.8 million in seed funding – led by Dragonfly Capital, with participation from major crypto firms including Coinbase, Circle, and Wintermute.

Abound, which is building a cross-border financial solutions for NRIs, raised \$14 million in a seed funding round, led by Near Foundation.

Ultra, a Web3 gaming platform, raised \$12 million in a funding round led – by Luxembourg-based multi-family office NOIA Capital.

Warlock, disintermediating the MEV landscape, raised \$8 million in a seed round, led by Polychain.

Cambrian, a startup building infrastructure for AI agents with financial intelligence, raised \$5.9 million in a seed round – led by a16z's Crypto Startup Accelerator.

IPOS, M&A, PARTNERSHIPS & DEALS

Circle enlisted the help of two of the largest US investment banks, JPMorgan Chase and Citi, ahead of its planned IPO filing. Circle is reportedly seeking a \$4 billion to \$5 billion valuation. On April 1, Circle filed an S-1, with plans to list its stock on the NYSE under the ticker CRCL – pending SEC approval.

President Donald Trump's sons Eric and Don Jr. announced they're merging their American Data Centers company with publicly traded Bitcoin and crypto infrastructure company Hut 8 in an all-stock deal to create a company called “American Bitcoin” that will build its own Bitcoin reserve. The new company plans to raise capital and possibly go public. The entity will focus on Bitcoin mining, while Hut 8 shifts toward data center infrastructure.

Republic, the New York City-based financial services firm, entered into a deal to acquire Canadian crypto trading firm INX Digital Company for up to \$60 million. The transaction is expected to close within eight months.

Archax, the UK FCA regulated digital and traditional asset exchange, broker and custodian, announced the acquisition of Globacap Private Markets, a US SEC and FINRA regulated broker-dealer and alternative trading system, to be renamed Archax Markets US.

XNET, a Solana-based project building a decentralized network of Wi-Fi hotspots, partnered with US telecom giant AT&T. The collaboration will enable AT&T to offload mobile data traffic onto XNET's network, the team told Lightspeed exclusively.

Zoop – a company run by the founder of OnlyFans, the subscription app preferred by adult content creators – partnered with the Hbar Foundation, which manages the hedera cryptocurrency network's treasury, to bid for ByteDance's TikTok app.

Busan City, a financial center and a free zone for blockchain regulation, will invest 20 billion won to support fintech companies. The Busan Metropolitan Government announced that it will implement the “2025 FinTech Industry Promotion Plan” to support promising local fintech companies.

Beyond Medical Technologies announced a non-brokered private placement of up to \$1,172,600 CAD. The proceeds will be used to acquire up to 410 ETH tokens to support the Company's expanding on-chain infrastructure initiatives. The offering remains subject to approval by the Canadian Securities Exchange.

AhnLab's blockchain subsidiary, AnLab Blockchain Company (ABC), signed a contract with blockchain technology company GroundX to acquire businesses such as GroundX blockchain wallet service 'Clip'. With this contract, ABC will take over all of Ground X's clips and 'KAS' services, related technical infrastructure, and customer support systems.

DEFI



The Trump family solidified its control over World Liberty Financial (WLF), a DeFi platform, through a newly established holding company. DT Marks DeFi LLC, an entity linked to Trump and his family, now holds a 60% equity stake in WLF Holdco LLC, which oversees the development and governance of WLF. The Trump family is entitled to 75% of net revenues from WLF token sales and 60% of operational profits once the platform becomes fully functional. At this point in time, they are entitled to at least \$400 million in fees.

The Uniswap DAO approved a preliminary proposal to continue its Treasury Delegation Program, allocating up to 18 million UNI tokens, worth around \$113.4 million, to incentivize governance participation among selected delegates.

Ethereum restaking protocol EigenLayer will implement slashing for its protocol starting April 17, marking its transition to a “feature-complete iteration” of the platform. (The mechanism penalizes node operators or restakers who fail to meet performance standards or engage in misconduct, a critical security feature for proof-of-stake ecosystems.)

Matcha, the DEX aggregator developed by 0x, expanded to Solana – making it one of the first DEX aggregators to support trades on both SVM and EVM-compatible blockchains via a single app. Matcha also said it thinks most DEXs will support Solana by year-end.

HYPER, the native token of the Hyperlane interoperability protocol, is now live and available for claiming. It rewards message-sending, staking, and securing cross-chain interactions across 140 blockchains.

CBDCS & STABLECOINS



A US House committee approved a Republican-backed bill to block federal CBDCs, advancing it for a full House vote amid privacy concerns.

South Korea will launch a retail CBDC trial from April to June 2025, allowing 100,000 participants to make digital payments – including at 7-Eleven stores, which offer a 10% discount on CBDC purchases – as part of a broader Bank of Korea CBDC initiative.

The UAE’s central bank announced plans to roll out a “Digital Dirham” CBDC for retail use by Q4 2025. The digital currency will complement cash, with integration into the UAE’s payment systems – part of the country’s push to embrace fintech and blockchain at a national level.

Sumitomo Mitsui Financial Group, TIS Inc, Ava Labs, and Fireblocks are teaming up to explore the commercialization of stablecoins in Japan, aiming to use them for settlements of tokenized real-world assets.

Coinbase CEO Brian Armstrong is urging US lawmakers to enable stablecoin holders to earn onchain interest, arguing it would benefit consumers and the economy; current federal legislation prohibits such interest-bearing features.

Visa announced its plans to launch the Visa Tokenized Asset Platform (VTAP) on the Ethereum blockchain, aimed at enabling banks to issue and manage fiat-backed tokens. The platform is set to go live with pilot programs later this year, indicating a notable move towards institutional adoption of Ethereum.

Sony Electronics Singapore now accepts USDC payments via Crypto.com, highlighting Singapore’s growing role as a crypto-friendly hub embracing stablecoin adoption and Web3 innovation.

Ripple's RLUSD stablecoin launched on crypto exchange Kraken, expanding its availability with a market cap nearing \$250 million since debuting in December.

First Digital's FDUSD stablecoin depegged by ~9% immediately afterward, briefly wiping out millions of dollars in market cap before largely recovering – after Tron founder Justin Sun has warned users to withdraw funds from stablecoin issuer First Digital Trust, claiming the firm is insolvent and unable to fulfill redemptions. While First Digital threatened a lawsuit against Sun, saying his allegations were “effectively insolvent” and a “smear campaign.”

NFTS, BLOCKCHAIN GAMING & METaverse



Real Vision: In Q1 2025, NFT sales fell by 63% YoY, but standout collections like Doodles, Milady Maker, and Pudgy Penguins bucked the trend with significant gains. Pudgy Penguins topped sales at \$72 million, a 13% increase from the previous year, while Doodles climbed to \$32 million, boosted by a partnership with McDonald's. Milady Maker saw the largest growth rate among top collections at 58%, fueled by endorsements and social media presence.

Ethereum NFT marketplace X2Y2 is shutting down its trading platform at the end of April, as the development team pivots to the intersection of artificial intelligence (AI) and crypto.

Ragnarok Landverse: Genesis, the Web3-enhanced version of the legendary MMORPG Ragnarok Online, officially launching its Grand Launch on March 29. This highly anticipated release promises to blend classic Ragnarok nostalgia with blockchain technology, offering players true digital ownership of in-game assets.

JOB MOVEMENT



Crypto exchange Gemini is expanding to a new Miami office as regulatory pressure from the SEC appears to ease.

Kristin Smith announced she's stepping down as CEO of the Blockchain Association on May 16. The firm's Board of Directors is launching a search for a successor. Smith will take a role as president of the Solana Policy Institute.

One of Washington's top crypto lobbyists is establishing the country's first nonprofit focused on the interests of Solana. Miller Whitehouse-Levine, who previously headed the DeFi Education Fund, announced he started the Solana Policy Institute and will serve as its inaugural CEO.

REGULATIONS, RULINGS & COMMENTARY



The Bitcoin Policy Institute proposed Bitcoin-enhanced US Treasury Bonds, or “BitBonds,” as a solution to help implement President Trump's budget-neutral Strategic Bitcoin Reserve plans. According to the policy brief, BitBonds would allocate 90% of proceeds to government funding and 10% to purchasing Bitcoin for the reserve. Investors would benefit from a fixed 1% annual interest payment in US dollars and potential Bitcoin appreciation at maturity, while the government would also retain a portion of any Bitcoin gains. In the think tank's estimates, BitBonds could generate up to \$700 billion in savings over 10 years by reducing Treasury bond interest rates, helping to address the US government's \$9.3 trillion debt refinancing challenge and rapidly expanding the Strategic Bitcoin Reserve.

Elon Musk clarified the US government does not intend to use Dogecoin, dismissing speculation linked to the naming of the federal efficiency unit that he leads.

The US Senate Banking Committee advanced President Donald Trump’s nomination of American businessman – and crypto-friendly – Paul Atkins to chair the SEC in a 13-11 party-line vote on April 3.

Senator Elizabeth Warren and Rep. Maxine Waters urged the SEC to preserve records related to Trump-backed crypto firm World Liberty Financial, citing concerns over potential conflicts of interest and undue influence on crypto regulation.

The SEC issued new guidance for stablecoins on April 4, advising in a statement that certain types of dollar-pegged tokens are not considered securities in the Commission's view. However, the SEC notably declined to offer a perspective on yield-bearing and algorithmic stablecoins, leaving the door open for interpretation on the agency’s behalf later.

Lawmakers on the House financial services committee advanced a stablecoin bill to the full House of Representatives following a 13-hour markup session that saw the Democrats hit Republicans with a barrage of amendments, none of which were adopted. The Stablecoin Transparency and Accountability for a Better Ledger Economy (Stable Act) that's paired with the Senate's Genius Act, passed the committee with a bipartisan 32 in favor and 17 opposed.

Senator Ted Cruz introduced the FLARE Act to incentivize Bitcoin miners in Texas to use flared gas for energy, aiming to reduce emissions, boost local mining, and restrict benefits to foreign adversaries.

Alabama Senator Tommy Tuberville is reintroducing his “Financial Freedom Act” to allow Americans to include cryptocurrency in their retirement plans, aiming to reduce regulatory restrictions and support President Trump’s pro-crypto stance.

Two crypto-backed Republican candidates, Jimmy Patronis and Randy Fine, won special elections in Florida with significant support from the Fairshake PAC, boosting GOP control in the House and likely strengthening pro-crypto legislation efforts in Congress.

Japan’s financial regulator plans to reclassify cryptocurrencies as financial products under revised laws by 2026, potentially subjecting them to insider trading regulations and requiring companies to register with the Financial Services Agency, as part of broader pro-crypto reforms.

Vanuatu, a country in the southwestern Pacific Ocean with a population of around 300,000, has enacted stringent new laws regulating digital assets, granting its financial regulator broad powers to license and oversee crypto firms in an effort to prevent fraud and bolster financial inclusion.

Binance paused spot trading pairs for Tether's USDT in the European Economic Area (EEA) to comply with MiCA regulations. EEA users can still custody USDT and trade it via perpetual contracts. This move aligns with local regulatory requirements.

Former Binance CEO Changpeng “CZ” Zhao will advise the Kyrgyz Republic on blockchain and crypto regulation after signing a cooperation deal with the country’s investment agency.

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

Over \$2 billion was lost to cryptocurrency hacks in Q1 2025 – primarily due to a \$1.4 billion Bybit breach linked to North Korean hackers – with most losses stemming from access control failures and increasingly professionalized scam networks.

The US Treasury sanctioned eight crypto wallet addresses linked to Russia’s Garantex exchange and Yemen’s Houthi group for moving nearly \$1 billion in funds tied to terrorism and money laundering.

Former New York Governor Andrew Cuomo provided strategic advice to crypto exchange OKX during a federal investigation into its operations, which ultimately led to a \$505 million settlement with US authorities – according to Bloomberg.

Coinbase revealed that one of its employees may have illegally accessed the records of various users and broken internal company policy in the process. (There’s been a slew of crypto phishing scams recently, and crypto sleuth ZachXBT claimed that over \$46 million worth of Coinbase user funds may have been lost to phishing scams last month.)

Iran officials allegedly stole \$21 million in crypto while 'investigating' corruption. For instance, Cryptoland CEO Sina Estavi was tricked into paying \$10,000 to “buy back” stolen tokens from what he believed was a third party.

Decentralized stablecoin protocol Usual teamed up with blockchain security company Sherlock to offer a \$16 million bug bounty program. The program is described as crypto's “largest bug bounty prize in history.”

The hacker who stole \$9.6 million from zkLend now claims to have lost most of the stolen funds – 2,930 ETH (\$5.5 million) – to a phishing site impersonating Tornado Cash, calling the mistake “devastating” and asking zkLend to pursue the scammers instead.

A South Korean man was sentenced to three years in prison for defrauding a crypto investor of 2.93 billion won (approximately \$2.04 million). He had posed as a wealthy investment expert and lured his victim, met through an online chatroom, by promising to guarantee the principal and provide annual returns of 30 to 50%.

The founder of SiR.trading, a DeFi protocol recently hacked for \$355,000 due to a vulnerability tied to Ethereum's Dencun upgrade, has pleaded with the attacker to return 70% of the stolen funds to help save the project, offering \$100,000 as a reward.

A prediction market on Polymarket was manipulated in an attack during a UMA oracle dispute.

Attackers exploited unmonitored periods and timed their moves with UMA's voting deadlines to falsely claim that a mineral deal between the US and Ukraine had been agreed upon since February. The tactic resulted in an unwarranted market resolution that netted around \$200k for the conspirators and triggered cascading issues across related markets.

Bankrupt crypto exchange FTX will start paying back its major creditors on May 30, according to a report from Bloomberg.

The initial payments will be made to major creditors, including institutional investors and businesses with significant claims. The list of its creditors includes retail investors with sizable portfolios as well as institutions. Smaller creditors with claims under \$50,000 have already started receiving distributions.

Joshua Armbrust pleaded guilty for his role in an illegal "cryptojacking" scheme – using his former employer's accounts (St. Paul, Minnesota company Digital River) to mine Ethereum in 2020-2021, resulting in a \$45,000 loss.

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Crypto exchange Backpack has begun the first phase of the claims process for former FTX EU

users, requiring account setup and KYC verification, though no timeline for fund distributions has been set and confusion remains over who is responsible for repayments.

The United States Department of the Treasury's Office of Financial Assets Control, or OFAC,

updated its Specially Designated Nationals and Blocked Persons (SDN) list to include eight Tron wallet addresses linked to a network of Houthi financial facilitators.

A US court temporarily barred Singapore-based Genius Group from expanding its Bitcoin holdings

due to a legal dispute over its merger with Fatbrain AI.

Illinois and Kentucky dropped their lawsuits against Coinbase. South Carolina and Vermont also

recently ended litigation against the crypto exchange, following the SEC's lead.

The SEC and Gemini filed a joint motion requesting a 60-day stay in their ongoing lawsuit to explore

a potential resolution. The joint motion does not specify whether the resolution might involve a settlement or case dismissal. (The legal dispute in question dates back to January 2023 and centers on the SEC's allegations that Gemini's Earn program, a crypto lending product, involved the unregistered sale of securities.)

Elon Musk's X urged the US Supreme Court to block the IRS from accessing Coinbase user data

without a warrant. The social media platform, along with seven other researchers and advocacy groups, argues that the IRS violated privacy rights with the use of so-called "suspicionless" subpoenas to obtain three years of transaction records from 14,000+ Coinbase users.

Australia's financial crimes watchdog, the Australian Transaction Reports and Analysis Centre

(AUSTRAC), placed crypto ATM operators "on notice," warning many such machines may be helping criminals launder money or defraud victims.

A key Bitcoin developer mailing list was temporarily banned by Google on April 2 due to suspected spam reports, possibly from a targeted bot attack, disrupting discussions on protocol changes before being reinstated the next day.

Thousands of low-cost Android smartphones sold online come preloaded with powerful Triada malware that gives attackers full device control, allowing them to steal crypto and sensitive data, according to cybersecurity firm Kaspersky.

North Korean-linked tech workers are increasingly infiltrating non-US blockchain and crypto firms – particularly in Europe – using fake identities to generate revenue for the regime amid heightened US scrutiny, posing risks of espionage, data theft, and extortion.

Threat Fabric has identified a sophisticated new Android malware called Crocodilus that uses fake overlays and remote access to steal crypto wallet seed phrases and take full control of infected devices, primarily targeting users in Turkey and Spain.

MISCELLANEOUS



Cryptocurrency billionaires have bagged 15 spots on the Forbes “World’s Billionaire List.” (See the full list, [here](#).)

A crypto trader turned a \$2,184 investment in the memecoin Pepe into over \$10 million in profit, highlighting the speculative yet highly lucrative nature of memecoins despite their volatility and lack of fundamental value.

CHARTS, TABLES, QUOTES, COMMENTARY & OTHER IMAGES

NYDIG on Bitcoin's Q1 performance and the effect of Trump tariffs...

Ranking Quarterly Returns

The first quarter wasn't very good by Bitcoin standards – Q1 2025 ranked 12th out of the 15 first quarters since 2011. The good thing is that a weak first quarter doesn't say much about the rest of the year. In the prior 6 first quarters with a negative return, for the full year, Bitcoin was up half the time and down the other half. What determined if Bitcoin was up or down was where we were in the cycle. The years with annual declines following negative Q1 performance were all the end of the cycle, the big drawdown following a cyclical high – 2014, 2018, and 2022. Every other year ended up inciting the all-important question, "Is the cycle over?"

Ranked Q1 Bitcoin Returns

Rank	Year	Quarter				Year
		1Q	2Q	3Q	4Q	
1	2013	626.2%	-6.9%	41.0%	479.8%	5428.7%
2	2011	161.5%	1952.1%	-70.1%	-5.0%	1426.7%
3	2021	100.8%	-40.7%	25.2%	5.4%	57.2%
4	2024	67.0%	-12.8%	2.5%	47.2%	119.6%
5	2023	22.3%	12.5%	3.4%	12.7%	156.9%
6	2017	10.8%	130.4%	75.5%	220.8%	1336.4%
7	2019	9.4%	174.4%	-26.3%	-13.7%	90.9%
8	2012	7.0%	34.9%	84.9%	8.3%	189.1%
9	2022	-0.6%	-58.6%	3.1%	-15.0%	-63.9%
10	2016	-3.8%	61.1%	61.1%	58.9%	124.3%
11	2020	-9.4%	41.1%	17.2%	172.5%	308.5%
12	2025	-11.7%				-11.7%
13	2015	-23.9%	7.5%	-10.0%	82.4%	34.2%
14	2014	-37.9%	41.0%	-39.0%	-17.9%	-56.1%
15	2018	-50.1%	-7.8%	3.3%	-43.3%	-73.0%
Mean		65.8%	194.0%	13.8%	70.9%	648.5%
Median		3.2%	37.9%	10.3%	10.5%	121.9%
Win Rate		50.0%	66.7%	66.7%	64.3%	78.6%



Source: NYDIG

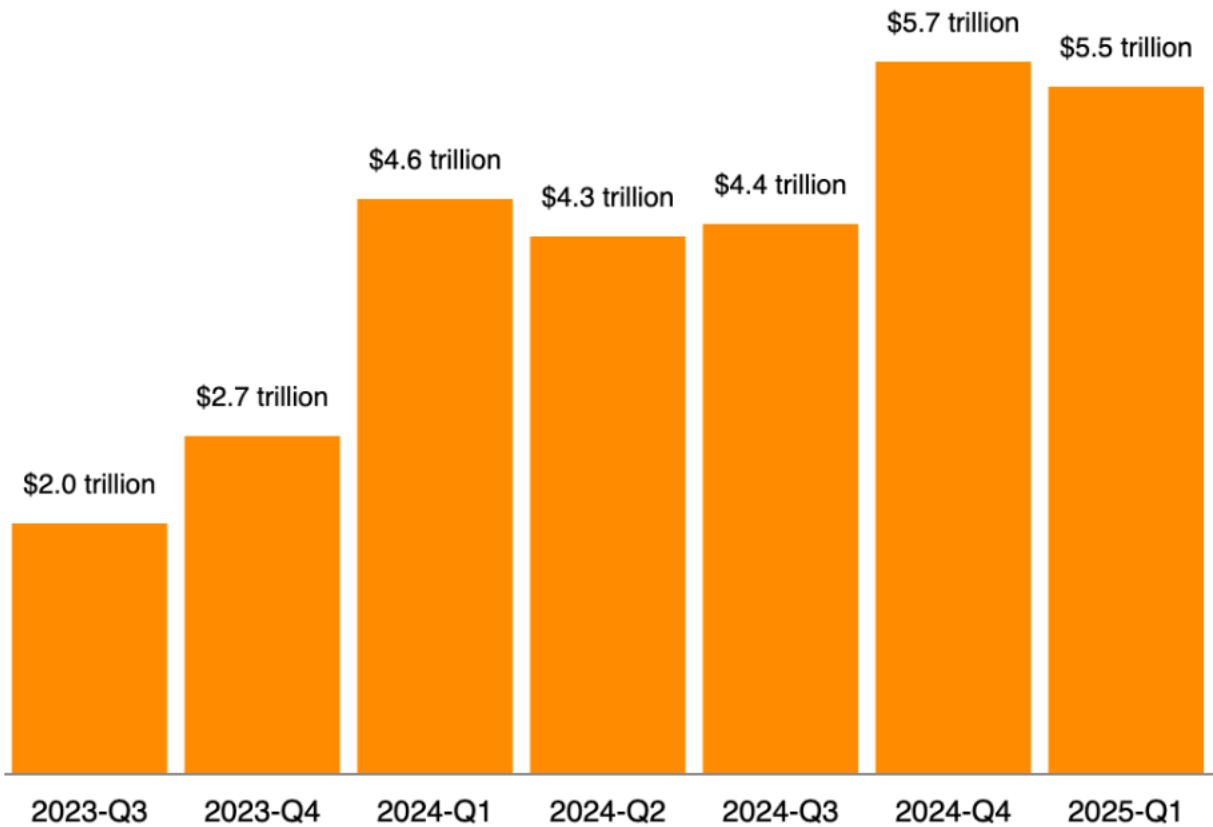
Markets Continue to be Roiled by Trump Tariffs

The geopolitical order and economic backdrop have been upended by Trump's signature financial policy, tariffs. The S&P 500 has fallen 14% since Trump took office, while Bitcoin has tumbled more than 22%. While Bitcoin has struggled to adapt to these new economic realities, it is a highly liquid asset available to traders 24/7, it seems to have found its footing at these price levels. Perhaps investors are coming around to Bitcoin's properties, a globally fungible asset not beholden to any

sovereign entity. It is exempt from tariffs, and as a politically neutral asset, it should be exempt from the global machinations at play right now. Non-sovereign stores of value, like Bitcoin, should do well against that backdrop.

Bitcoin Magazine: FUN FACT – Bitcoin processed OVER \$5.5 TRILLION worth of transactions in Q1 2025.

Bitcoin Quarterly Transaction Volume



Conclusion from Coin Metrics’ “State of The Network” weekly report from 4/1/25. (Read the full report, [here](#).)

While this quarter was plagued by macroeconomic uncertainties, structural catalysts like regulatory clarity and institutional adoption continue to advance. Bitcoin and stablecoins were major beneficiaries, extending their dominance as foundational anchors of the crypto ecosystem. Simultaneously, incremental network upgrades like Ethereum’s Pectra upgrade and Solana’s recent SIMDs proposals, despite being at different stages of growth, promise to strengthen on-chain infrastructure, improving utility for builders, users, and network stakeholders. Though near-term volatility may persist, the medium-term outlook remains constructive, as a shift in macro conditions could bring renewed liquidity and risk appetite back to crypto markets.

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

The Bitcoin market continues to digest the correction after the \$109k ATH, with signs of increasing losses held, and locked in by investors. Although the price has stabilized above an area of demand around \$76k–\$80k, several on-chain momentum indicators suggest these may be relief rallies within a broader downtrend rather than the beginning of a sustainable reversal.

Analysis of XRP network trends also offers a proxy view for the magnitude of the risk appetite of retail investors. The asset has seen a dramatic uptick in address activity, capital inflows, and realized cap growth over the last 6 months. However, this enthusiasm appears to have reached a saturation point as profit-taking wanes and losses have started to accelerate. The XRP market is showing signs of a top-heavy structure, with many investors caught on a relatively high-cost basis.

Altogether, this data reinforces a case where Bitcoin's correction is meaningful in scale but has not yet reached the severity of previous bear markets. For more speculative assets like XRP, demand may have already peaked, suggesting caution may be warranted until signs of a robust recovery start to emerge.

Blockworks updated key metrics...

Total Crypto Market Cap	\$2.76 T
Bitcoin Market Cap	\$1.65 T
Ethereum Market Cap	\$217.57 B
ETH/BTC Ratio	0.02
Ethereum Gas Price	0.38 gwei
DeFi TVL	\$163.49 B
Fear and Greed Index	30 (Fear)
Federal Reserve Balance Sheet	\$6.72 T

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

Opening Remarks

March very much felt like a continuation of February. Last month at the beginning of this letter I said-

“Macro was a bit messy as well, with Trump tariff fears rippling through the market a couple different times in February, combined with fears of significantly reduced government spending, and its impact on GDP. We even threw in a little weak economic data and lofty stock valuations for good measure. It’s unclear how much of the tariff stuff is just Trump posturing for negotiating leverage, because he announced tariff dates and then pushed them back a couple times. But the overall multifaceted uncertainty has macro broadly somewhat spooked.”

Well, macro went from “a bit messy” to pretty ugly in March for essentially the same reason mentioned above – Trump uncertainty. The uncertainty still feels pretty nondescript, not acutely focused on a particular issue. If I were to hazard a guess about the specifics, it would be this–

The market is worried that Trump is more concerned with the 10Y yield than the SPX in the near term. And Trump is fine pushing the economy into recession because that would come with rate cuts. The tariffs will cause inflation while also slowing economic growth and the Fed will be stuck. D.O.G.E. is effectively austerity, of a similar vein as the PIIGS after the GFC and austerity is bad for economic growth which is bad for asset prices. Valuations were already high and the run in stocks was already extended, so everything needs to puke.

And puke the market did. NASDAQ was -8%. Worst month since Dec 2022. SPX -6%. Worst month since Sept 22. VIX hit 29 at the peak of the stress in March. Interestingly, DXY was actually DOWN 3%, worst month since Nov 2022. DXY was down in a risk-off environment because of the expectation that the US government will spend less and the US economy will grow slower than previously expected.

This whole situation was exacerbated by significant blowups in parts of large tradfi hedge funds, a “factor-geddon” if you will. What is a factor-geddon you might ask?

what is a "factor-geddon" in financial markets?



15 web pages

"Factor-geddon" is not a widely established or formally defined term in financial markets based on available information, but it appears to be a colloquial or hyperbolic expression that combines "factor" (from factor investing) with "Armageddon" to suggest a dramatic or catastrophic event related to factor-based investment strategies. Factor investing involves targeting specific drivers of returns—such as value, momentum, size, quality, or low volatility—to achieve excess returns or manage risk. A "factor-geddon" likely refers to a scenario where these factors, or the strategies relying on them, experience a severe breakdown, underperformance, or market disruption.

The term might be used to describe a situation where multiple factors simultaneously fail to deliver expected returns, possibly due to overcrowding (too many investors chasing the same factors), a shift in market regimes (e.g., from growth to value dominance), or an external shock that upends the historical patterns factors depend on. For example, periods of extreme market volatility or economic upheaval—like the 2008 financial crisis or sudden shifts in monetary policy—could lead to a "factor-geddon" if factor-based portfolios suffer outsized losses or correlations between factors spike unexpectedly.

Without a specific, documented definition in financial literature as of March 30, 2025, this interpretation is inferred from the context of factor investing and the dramatic connotation of "Armageddon." If you encountered the term in a specific article, discussion, or X post, feel free to provide more context, and I can refine the explanation further!

Thank you Grok! So yeah, we got that in March in real size. It would appear that the worst of factor-geddon is behind us, assuming VIX doesn't make a higher high.

Given all of the above, BTC actually hung in fine, down 2% in March. Alts fared much worse. Sound familiar?

Market Update – Liquid Crypto Asset Investing

As mentioned earlier, BTC actually traded pretty well in March considering the level of macro stress. BTC down 2% in March with QQQ -8% and SPX -6% is solid performance I'd say. Since the election, BTC is +22%, Gold is +14%, QQQ is -5% and SPX -2%. So while BTC at \$82k does feel a bit disappointing relative to all the positive news we've had, when you frame it in the overall macro context, it's done fine.

The same cannot be said for ETH, SOL and nearly every other Alt-



You see Total3 (Aggr Mkt Cap – BTC – ETH) has outperformed BTC by 6% - this performance was pulled up by XRP, ADA, TRX and stablecoins. ETH and SOL are both down 25% since the election, underperforming BTC by > 45%.

For this section this month, I had half a mind to just link to the same section of last month's letter. Really not much has changed, except Alt prices are lower and macro stress has picked up. I was unsure about the near-term direction of macro a month ago and I'm unsure about it today.

There is a single source of hopium that Crypto Twitter is huddled up around- the 108-day lagged chart of M2 vs BTC. It's been getting a lot of airtime, because it looks like this-



The TLDR here is that BTC moves with a lag to global liquidity. So you can look at what's been happening with M2 and directionally approximate what BTC is going to do a bit later on. This would have BTC bottoming in April and heading to new ATH's in a straight line over the summer.

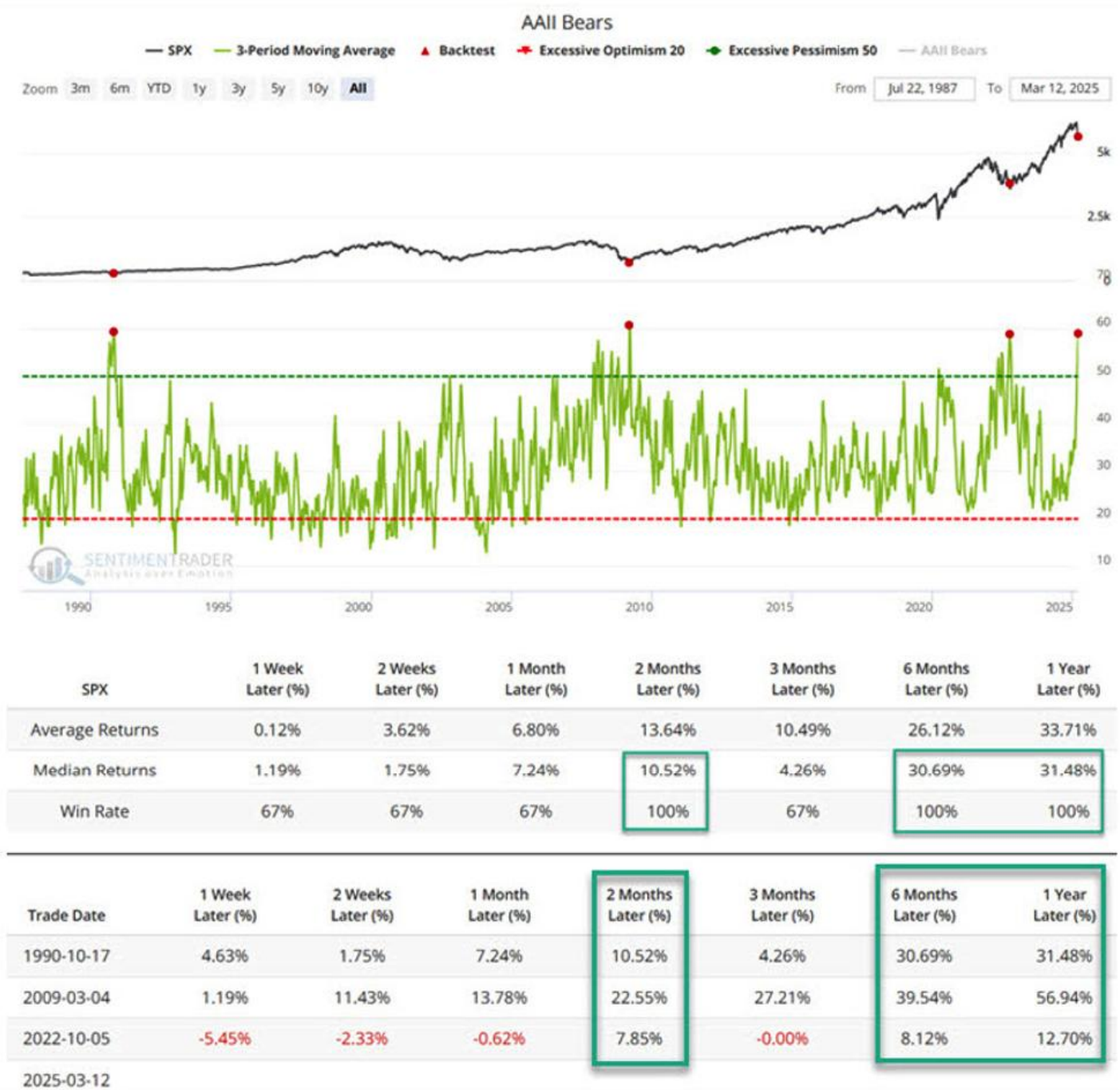
I def agree global liquidity matters for BTC and crypto broadly. But as previously mentioned, there's a ton of macro uncertainty right now around the Trump administration, and that seems to have a grip on asset prices. Is there a path where that uncertainty alleviates over the next 2-6 weeks for one reason or another? Yes there is. Would I expect risk to in turn trade better? Yes I would. So yes, there is certainly a path where BTC bottoms in April and heads to new ATH, but I think that path is more dependent on the market getting more comfortable around the Trump uncertainty. If Trump uncertainty stays high, causing macro to stay stressed, my guess is this correlation breaks because BTC will keep chopping or even break down. If Trump uncertainty alleviates, risk in general will probably get lifted and this chart will magically come to fruition. In either case, I think the causality will be around Trump uncertainty, not a (relatively minor) expansion of global M2.

Is risk going to keep puking harder? Here's QQQ with the 200DMA in yellow-



You can see the recent clear break of support (purple), which has held since March 2023. It sort of looks like spring 2022 (purple). I think it makes sense to me why markets like the NASDAQ would be skittish right now. You're not even 15% off the top after doubling in two years. It's a chart that could easily consolidate for six months or longer.

This was a chart that caught my eye-



From this tweet. The TLDR is that investors have rapidly turned very bearish and when you look back at historical analogs, those were good buying opportunities. That analysis resonates with me some. I sort of feel like the market is overreacting and asset prices will be fine, even if they have to chop sideways for a number of months. I don't have strong conviction, but I tend to lean to the side that you probably want to be ready to buy risk around here and a bit lower, because there's a good chance that will provide great entries on a couple year timeframe. So that is my bias.

Closing Remarks

I do recognize I might just have that bias because I believe in the likelihood the Trump administration is going to affect success on the many mandates upon which it is currently focusing. At the end of the day, it is a Trump bet. And it is a Trump bet that involves the idea of tough medicine.

Tough medicine is always an interesting idea, wherever it comes up in life. Near-term pain, long-term gain. Delayed gratification. Do the hard thing now, so everything is better down the road. Fascinating concept that hits at the core of what makes humans so special – we have the ability to hypothesize highly complex future outcome variations and then change our present actions accordingly.

If you're reading this, there's a pretty high likelihood you have benefitted greatly from having exposure to asset prices. Whether it's been real estate, stocks, crypto, private equity, venture capital, operating businesses – many of us have benefitted greatly from the increase in asset prices.

If you're reading this, you also probably own Bitcoin or are at least Bitcoin-curious. So as a Bitcoiner, this tough medicine concept has been front and center for the Bitcoin investment case. The entire ethos of Bitcoin is that government spending is reckless – “chancellor on brink of second bailout for banks”. And therefore, inflation will destroy your purchasing power, and the dollar is rekt, and all other fiat currencies are more rekt. So buy Bitcoin.

I wrote this in April 2019 for The Block –

And Trump is actually trying to (pardon my language but it's the right descriptor) unf**k that whole situation. He's trying to unf**k a bunch of other ones that also matter a lot, but he's ACTUALLY willing to step in and do the hard thing and not kick the can and try and fix it now. Honestly I wouldn't have believed any politician would do it, including Trump. Seriously, I didn't think he had it in him. Too much vanity and too easy to kick the can.

I've been talking about politicians kicking the can in this monthly letter for SIX YEARS. And Trump is actually saying – “no, we're not going to kick the can we're going to try and fix it”. That is remarkable. It takes courage. The magnitude of the unf**king that Trump is attempting is awe-inspiring. I don't know if he's gonna pull it all off. He might fail. But the attempt is noble and I'm hopeful.

Like I said, if you're reading this, asset prices have probably been kind to you. Don't be the guy that's throwing a hissy fit about the NASDAQ pulling back 15% after tripling in two years because Trump and Elon are busy legit saving America.

As Gen Z would say, let em cook.

Arca: Is Anyone Still Excited About Blockchain?

It feels pretty dark in the crypto industry right now. It is not necessarily more or less than in other periods of declining price action over the past 10 years, but it is definitely a bit different. Perhaps the misery lies in the fact that crypto is still in a binary state (what we call the crypto investing paradox), and everyone (including ourselves) assumed that this industry would have made more progress towards advancing out of the doldrums given the excitement and positive change from Washington. Or perhaps it's because crypto participants have always been on the defensive, and that's just exhausting.

We took some time polling other funds, OTC desks, exchanges, and other professionals working in crypto about what they are most excited about.

We asked hundreds of close friends of Arca the following questions:

"Name 5 things that could happen in our space that would be interesting and valuable to end users."

"What could happen that would be a big net win for the industry?"

"How do we reject modernity (financial nihilism) and embrace tradition (cypherpunk, decentralized, collaborative products)?"

Below are a few of our favorite responses.

- AI Agent Swarms – This includes:
 - Data verification
 - Inference verification
 - Permissioned context sharing amongst agents but not amongst users (data clean rooms) ability to transact on behalf of the user

Blockchains can solve a lot of these problems. Agentic/robotic/AI economies will emerge and they will have more participants and more transactions than the current meat space economies. So, if data marketplaces are already extremely valuable, then they are likely to become more valuable over time. Data ownership again falls into the lap of blockchain.

Financial applications will also benefit from AI – for instance, using swarms to transact, leading to permissionless execution for end users' financial goals.

- Memberships: Memberships to just about anything can be owned as NFTs. Think Mercedes Club, classic car clubs, gyms, restaurants akin to Flyfishclub, etc. Holders have a right to lease their membership, rent a classic car for a weekend, eat at a more exclusive part of a restaurant, etc.
- Health care on chain – Beyond tokenizing health records (which would be great), there are supply chain applications for areas of medical devices, medical materials (vaccines), and medications. Again, these aren't issues we regularly face, but there is a lot of fraud with all of these items AND issues tracking their origins that can have lasting impacts on healthcare outcomes.
- Unlocking emerging markets – Outside the US, markets are often inefficient, and small to medium-sized businesses are often unable to get loans and other financing. DeFi products that

don't discriminate based on location, gender, appearance, or any factors other than the safety of the collateral and the creditworthiness of the borrower can open up non-US markets. Developing robust decentralized identity solutions that allow individuals to own and control their personal data and reputation across platforms would enable seamless access to services without relying on centralized authorities or credit scores, enhancing privacy and security.

- Stablecoin growth and adoption: Stablecoins are interesting to the TradFi players partly because collateral movement and management will essentially be solved by 24/7 crypto rails. But that is just your decentralized and collaborative doorway. If banks want to make money mobile between them on-chain at all hours of the day, then that means money is also going to be properly programmable on-chain and accessible to the whole crypto ecosystem. Once JPM is moving your paycheck on-chain, who's to stop some project from launching a decentralized mortgage? And why would you need payday lenders if you can get paid micropayments by the hour?
- Stocks and other financial assets on-chain – The term “RWA” gets thrown around too much right now, but it only really refers to private credit and tokenized Treasuries thus far. The real growth in blockchain happens when we get stocks and bonds and real estate on-chain for investors who do not want to offboard old incumbent TradFi brokers. This includes:
 - Self-custodial stablecoin savings account (automated yield-bearing stablecoin) with Visa / MC and Apple Pay integration
 - Overcollateralized BTC-backed mortgages

A lot of society now recognizes that banks are quite limited in what they can offer, and many want a smoother, full-encompassing financial service while retaining almost all of the self-sovereignty of their capital. Many in the industry want a DeFi bank where people can quickly go back and forth between traditional rails and crypto rails, move their assets in and out, pay bills, pay a mortgage, build credit, take out a loan, pay for college, etc. Banks are just big intermediaries that get paid a ton of money to hold your cash while sharing little of the yield with you, but the workflows and integrations (and FDIC insurance) have trapped most consumers. DeFi can unlock all of the capital that is trapped in traditional banks.

Highlights from Pantera Capital's Webcast: Tokenization, the Next Frontier of Finance...

Pantera Partner Ryan Barney hosted a virtual panel to explore how tokenization and RWAs ("Real-World Assets") may reshape finance and capital markets – joined by two founders building leading companies in this sector.

Nathan Allman is the CEO and Co-Founder of Ondo. Ondo designs institutional-grade platforms, assets, and infrastructure to bring financial markets onchain. Ondo's tokenized treasury products have a combined market cap of \$1bn.

Mike Cagney is the CEO and Founder of Figure Markets and is a co-founder SoFi. Figure is building an exchange for everything – a decentralized custody marketplace for crypto, stocks, bonds, credit, and more. Figure has tokenized \$11bn of private credit.

Below are highlights of the conversation...

1. What is the power of "tokenization?"

Cagney: "For me, the benefit of tokenization, I use the word very liberally because I think what you want to do is build native digital assets. You don't necessarily want to tokenize an asset that exists somewhere else. The reason being is you want to be able to get true asset perfection from a lending standpoint."

Mike went on to describe two major macro forces that may play out over the next four years:

The rise of stablecoins and yield-bearing stablecoins as mainstream payment tools will lead to a significant migration of funds out of traditional bank accounts as users opt for assets they can self-custody, earn yield on, and use for everyday transactions; and

The resulting disruption to the credit markets, as banks lose deposit-based funding that traditionally supported lending. This creates a gap that blockchain-based systems — through native digital assets and programmable lending structures — are well positioned to fill.

Allman: "Taking a step back, when I think about tokenization, the most fundamental benefit, at least in the market today, is accessibility.

"Stablecoins have been the most widely adopted tokenized asset today, and their biggest appeal is providing access to the US dollar for folks in emerging markets that don't have low friction access today."

2. What was your 'aha' moment for tokenization and its transformative value?

Allman: "It came gradually for me really working at Goldman in particular, learning in parallel about all of the frictions of traditional plumbing... and just seeing how much of a Frankenstein the existing financial plumbing has become....

"There's just a lot of path dependency that's created a lot of friction in today's system...

"And then seeing in parallel, I think at the time it was 2020, like DeFi Summer, there's this Cambrian explosion of lending, trading, derivative structured products, et cetera, onchain.

“It was all in very speculative, digitally native assets, but the radical difference in friction to the status quo, being able to, with a single click, move your assets from one protocol to one protocol was to me a very magical experience.”

3. What doesn't make sense to tokenize? What are you staying away from?

Cagney: “This is why I don't get invited to the RWA conferences anymore because I have a lot of unpopular views here. I think tokenizing an office building in Topeka is a dumb idea because it doesn't create liquidity. There's this view that, 'Oh, I put something on the blockchain that's going to create liquidity.' For liquidity you need ubiquity, homogeneity, and market making, and if you don't have those things, you're not going to have liquidity.

“But even further than that, relying on oracles for physical activity to be translated to chain. And whether this is the ridiculous IBM commercials about tracking your strawberries and diamonds on blockchain, which was a dumb use case, or one of our peers who we admire a lot, but putting the [unclear] on blockchain. How do you know it's there? How do you know it hasn't been sold 10 times over? What is the benefit you're getting to chain?”

Allman: “We've certainly been banging the drum as well for a long time around the foolishness of a lot of these fairly naive approaches to tokenization that think it will magically solve the liquidity problem when you still have all this info asymmetry and pricing challenges and non-technology reasons why a lot of these assets are not more liquid.

“I think that cash equivalents are in a bit of a special case where there is demand for 24/7 liquidity. As we've seen with stablecoins, their money-like assets, and it's not too difficult to create that 24/7 liquidity. So I think that tokenizing those makes sense in certain contexts. But yeah, tokenizing some private credit fund to try to make it more liquid or accessible to onchain investors. Sure, I guess you're marginally making it easier for someone with a stablecoin to get exposure, but it's really not an interesting application of tokenization today.”

Grayscale Research published “March 2025: Institutional Chain Reaction.” (See summary points below. Download the full piece, [here](#).)

- Shifts in US policy on digital assets seems to have increased institutional conviction in the industry – resulting in a pickup in M&A activity, investments in stablecoins and asset tokenization, and other strategic investments in March.
- Crypto valuations were down slightly during the month and are lower year to date despite improving industry fundamentals. Although crypto is a unique alternative asset class, valuations are still affected by broad shifts in the macro outlook and/or investor risk appetite.
- The outlook for tariffs and other government policies is uncertain. However, a weaker economic outlook has been partly priced in, and we do not anticipate severe government spending cuts, a broader trade war, or recession. Grayscale Research therefore continues to see a favorable baseline outlook for crypto markets.
- For investors who have not previously allocated to crypto, the decline in valuations since the start of 2025 offers a compelling potential entry point, in our view, for building a longer-term position in the asset class.