



HYPERION DECIMUS

CRYPTO NEWSLETTER

POWERED BY WEEKLY CRYPTO BRIEF

4th May 2025

BITCOIN-RELATED



NYDIG: Bitcoin climbed 3.2% this week, participating in a broader relief rally across asset classes.

Equities saw strong gains, with the S&P 500 up 2.2% and the Nasdaq Composite up 3.2%. Gold, meanwhile, continues its pullback after its recent surge, down 3.3% on the week, but is still up 22.0% YTD. Oil declined 5.7% amid renewed concerns about slowing economic growth and signs of expanding supply.

Standard Chartered Global Head of Digital Assets Research Geoffrey Kendrick said the time to buy Bitcoin is “now,” predicting a rally to \$120,000 in Q2, while maintaining his \$200,000 year-end target. Kendrick sees strong whale accumulation, US investor rotation into Bitcoin after President Trump's tariff reprieve, and safe-haven reallocation from gold into Bitcoin ETFs as bullish signals.

Quantitative trading firm Presto predicts that the Bitcoin price could hit \$210,000 this year.

Arthur Hayes told TOKEN2049 attendees in a keynote speech in Dubai on April 30, “It's time to go long everything,” reiterating his \$1 million Bitcoin price prediction by 2028.

Switzerland’s central bank ruled out adding Bitcoin to its reserves, citing liquidity and volatility risks, even though research showed a small allocation since 2015 could have nearly doubled portfolio returns with only minimal additional volatility.

El Salvador, led by Bitcoin-backing president Nayib Bukele, is still buying Bitcoin even after the country signed a \$1.4 billion loan agreement with the IMF that required it to halt its Bitcoin accumulation. Over the last month, El Salvador added 32 BTC to its almost 6,200 Bitcoin pile, nearly \$600 million, according to the country's “Bitcoin office.”

Arizona lawmakers on April 28 passed the Strategic Bitcoin Reserve Act, which will allow up to 10% of public funds to be invested in Bitcoin, positioning the state to become the first with such a mandate if Governor Katie Hobbs signs it into law.

The city of Roswell, New Mexico set up a strategic Bitcoin reserve.

Strategy bought 15,355 BTC at a cost of around \$1.42 billion, for its corporate treasury. The purchase brings Strategy's holdings to 553,555 BTC. The company announced a new \$21 billion at-the-market common stock equity offering and is now targeting a total capital raise of \$84 billion through 2027 via equity offerings and fixed-income securities to further accumulate Bitcoin. (Strategy also posted a Q1 loss of \$4.2 billion, driven by BTC price declines.)

Tokyo-based Metaplanet issued 3.6 billion yen (~\$25 million) in bonds to fund additional purchases of bitcoin after the Japanese hotel firm's holdings surpassed 5,000 BTC. It also announced plans to create a US subsidiary to raise \$250 million to boost its Bitcoin buying.

Healthcare technology company Semler Scientific acquired 165 additional Bitcoins for \$15.7 million, bringing its total holdings to 3,467 BTC with a market value of over \$330 million.

Japanese clothing company ANAP Holdings bought 35 Bitcoin worth \$3.3 million.

Bitcoin financial services company, Fold, rang the Nasdaq opening bell on May 2.

Morgan Stanley is planning to introduce Bitcoin trading on its E*Trade platform in 2026.

Coinbase Asset Management is introducing a new fund to provide a consistent yield on Bitcoin holdings. The Coinbase Bitcoin Yield Fund will be open to non-US institutional investors starting May 1, and will target a 4% to 8% annualized net return in Bitcoin. The fund will employ a "cash-and-carry" trade that leverages the discrepancy between the price of Bitcoin and that of Bitcoin perps to generate returns.

Coinbase increased the maximum limit for its Bitcoin-backed USDC loans to \$1 million, a 10x jump from the previous cap of \$100,000.

Spar supermarkets in Switzerland are gearing up to introduce Bitcoin payments nationwide following a successful pilot with DFX Swiss. The move aims to make cryptocurrency a common part of daily transactions, with plans to expand beyond the initial test locations.

Digital currency exchange Mercado Bitcoin teamed up with interoperability platform Wormhole to enable cross-chain access for 340+ tokenized products, including fixed-income assets and carbon credits, across 30+ blockchains.

El Salvador is launching a financial literacy program for children aged seven to thirteen, introducing concepts like Bitcoin. The initiative, "What Is Money?" will roll out in 50 public schools in La Libertad, with colorful educational materials designed for young minds.

Entertainment startup Lebul acquired exclusive rights to produce a docuseries, podcast, and social content about James Howells' \$800 million lost Bitcoin fortune, buried in a Welsh landfill since 2013.

INDUSTRY ADVANCES

SoFi, a fintech bank, ceased offering crypto services in 2023 due to stringent banking regulations. However, the company plans to reintroduce crypto services, citing favorable regulatory changes driven by US President Trump's deregulation push, within six months.

JPMorgan's Kinexys blockchain platform expanded in the Middle East and North Africa, partnering with eight of the region's leading banks, including Qatar National Bank and Saudi National Bank, to power cross-border payments, treasury functions, and transaction efficiency.

Bunq, a neobank based in the Netherlands, now allows users in six European countries to invest in 300+ cryptocurrencies through a Kraken-powered service.

Kraken now offers US securities through Alpaca – an API-first brokerage platform and self-clearing broker-dealer.

Bitnomial announced the self-certification of the first perpetual futures contracts ever listed on a US exchange. Trading begins on April 28, 2025, with the launch of BTC/USD perpetual futures, available initially to institutional participants. Retail access will follow through the upcoming launch of Botanical, Bitnomial's new trading platform offering perpetual futures, traditional term futures, and options to both institutional and retail users. Additional contracts for XRP/USD, ETH/USD, SOL/USD, other tokens, and physical commodities will follow.

MetaMask announced the launch of a self-custody crypto payments card in partnership with Mastercard, Baanx, and CompoSecure. The metal payment card will let users spend crypto directly from their MetaMask wallets anywhere Mastercard is accepted, without the need for pre-loading, conversions, or intermediaries. At launch, spendable tokens include USDC, aUSDC, USDT, WETH, EURE, and GBPe on the Linea network. Users will also earn 1% USDC cash back on USDC purchases made with the card.

Binance announced Fund Accounts, the first digital asset exchange technological solution for fund managers to facilitate pooling of their investors' assets to streamline fund management operations and enhance trading efficiency.

The Trump Organization's \$1 billion Dubai tower will accept cryptocurrency for property sales upon completion, part of its expansion into digital assets through a Gulf partnership.

Nasdaq-listed logistics solutions firm Fr8Tech plans to create a \$20 million corporate treasury dedicated to buying Official Trump memecoins.

Ethereum Improvement Proposal 9698, introduced by Ethereum researcher Dankrad Feist, aims to automate the growth of Ethereum's gas limit over the next four years. This proposal would gradually increase the gas limit (100-fold) to enhance network scalability and efficiency, reducing the need for sudden upgrades.

Ethereum core developers officially decided to remove the Ethereum virtual machine object format (EOF) upgrade from the upcoming Fusaka hard fork, which is scheduled for late this year. The decision was confirmed by Ethereum core developer Tim Beiko on Monday's inter-op testing call. Beiko cited technical uncertainties and concerns about potential delays to the Fusaka rollout as the main reasons for excluding EOF at this stage.

A group of Ethereum developers has proposed a new L2 rollup that prioritizes some of Ethereum's key principles, without a token or what they describe as a "governance cult."

Base, an L2 network by Coinbase, has transitioned to a "stage 1" rollup, aiming for full decentralization with a security council of ten independent entities. This move allows permissionless verification of transactions on Base without central entity reliance.

World, the company behind the controversial Worldcoin cryptocurrency that was cofounded by OpenAI chief executive Sam Altman, launched in the US after steering clear of the country due to its hostile regulatory environment that's turned friendly under US President Donald Trump. Those in the US cities of Atlanta, Austin, Los Angeles, Miami, Nashville, and San Francisco will be able to pick up some Worldcoin when they verify themselves using one of World's futuristic, silver, metallic eye scanners and create a World ID.

Solana's Jupiter Exchange launched AlphaScan, an advanced tool on its Jupiter Pro platform for tracking new token launches. AlphaScan aggregates data from multiple launchpads and DEX liquidity pools, allowing traders better insight and execution on emerging tokens.

Ubisoft is spinning up a Decentralized Verification Network (DVN), using LayerZero's tech, to verify crypto assets that are being moved or bridged from one blockchain to another.

LayerZero Labs unveiled vApps (Verifiable Applications), a new Rust-based framework for building blockchain apps with Web3-level security and transparency. vApps run on a high-performance zkVM, offering developers near-Web2 speed and scalability alongside trustless verifiability – an approach to bring Internet-scale throughput to decentralized applications.

Infinex unveiled Infinex Connect, a new SDK that transforms its wallet into a centralized hub for managing dApps across multiple blockchains. This innovation allows users to interact with various dApps directly within the Infinex wallet, eliminating the need to switch between different interfaces and apps.

Aztec Network released a public testnet for its Ethereum-based L2, enabling developers to build decentralized applications with programmable privacy, while maintaining transparency.

Kakarot, a StarkWare- and Vitalik-backed zero-knowledge Ethereum virtual machine, aims to start publishing real-time STARK proofs of Ethereum L1 blocks by the end of the year, using a fully independent stack, positioning itself as Ethereum's first credible ZK-proof alternative to the dominant RISC-V approach.

IKE Tech filed the first-ever PMTA for a standalone blockchain-based age-gating system for vaping devices. The system features continuous verification requirements, blockchain-based tokenization for security, and is compatible with all ENDS devices. The technology showed a low 0.8% user error rate and successfully verified demographic data across all test cases.

The Islamic Development Bank Institute announced that the US Patent and Trademark Office granted a patent for its innovative Smart Voucher System – a blockchain-based solution to allow regulatory authorities to authorize selected service providers such as privatized enterprises, schools, and hospitals to provide goods or services to eligible beneficiaries.

MINING



In a recent interview with Bitcoin Magazine, US Secretary of Commerce on Bitcoin Mining Howard Lutnik had high praise for Bitcoin Mining in the US. Lutnik cited the ingenuity of miners when it comes to

accessing low-cost power – utilizing a variety of energy sources, from hydro to natural gas, and more. He also said his department’s investment accelerator program will help Bitcoin miners to accelerate production. (Watch it, [here](#).)

Phoenix Group announced it has added 52 MWs of Bitcoin mining capacity in Ethiopia, increasing its total in the country to 132 MWs. With this development, Phoenix Group now operates more than 500 MWs globally.

DMG Blockchain Solutions, a vertically integrated blockchain and data center technology company, announced it signed a purchase and sale agreement for 2 MWs of AI Data Center infrastructure for a confidential consideration with the same undisclosed counterparty with which it has an MOU signed in February 2025 to purchase 10 MWs of AI infrastructure.

The Arkansas town of Vilonia rejected a Bitcoin mining proposal for the second time in a year, with residents citing concerns over noise, internet strain, and energy use, despite promises of \$14 million in economic benefits from Interstate Holdings Blockchain and the Arkansas Blockchain Council.

ETPS (EXCHANGE-TRADED PRODUCTS), FUNDS & INDEXES

Spot BTC ETFs recorded a staggering \$3.06 billion in net inflows for the week of April 21 to April 25, marks the second-largest weekly performance by the ETFs ever since they were approved by the SEC in January 2024.

Grayscale's Bitcoin Trust ETF (GBTC) generates more revenue than all other 11 spot Bitcoin ETFs combined, despite charging fees that are 6x higher than its largest competitors. With \$268.5 million in annual revenue and \$17.9 billion in AUM, GBTC maintains dominance even after losing holdings.

According to a new SEC filing on May 2, Brown University revealed a large position in BlackRock’ spot Bitcoin ETF, IBIT. The position showed Brown held \$4,915,050 in IBIT as of Q1-end, which saw the school become the third US university to publicly announce a Bitcoin purchase, according to VanEck’s Matthew Siegel.

South Korea’s ruling People Power Party is promising to legalize spot crypto ETFs, abolish a “one exchange, one bank” rule, and form a new virtual asset committee as part of its digital asset reform agenda ahead of a June 3 snap election.

Nasdaq filed a 19b-4 proposal to list and trade shares of 21Shares' Dogecoin ETF.

21Shares applied for a Sui ETF, according to a filing with the SEC on April 30.

In filings made on the SEC’s website on April 29, the agency said it would wait until mid-June to decide next steps for the Bitwise Dogecoin ETF and the Franklin XRP Fund.

Grayscale launched the Grayscale Bitcoin Adopters ETF (BCOR), which invests in firms that have adopted the strategy of holding Bitcoin as a treasury reserve asset.

Defiance ETFs launched the Defiance Leveraged Long + Income MSTR ETF (MST), which combines leveraged exposure to Strategy MSTR) aiming for a unique weekly income payout feature. This ETF is the

first of its kind, designed to offer retail investors both amplified growth potential and consistent cash flow through an options-driven strategy.

Grayscale announced the first monthly distributions from Grayscale Bitcoin Covered Call ETF (BTCC): 4.44% and Grayscale Bitcoin Premium Income ETF (BPI): 1.26% – with annualized distribution rates of 53.28% and 15.12%, respectively.

BlackRock filed to launch tokenized shares of its \$150.1 billion Treasury Trust Fund exclusively via BNY Mellon, marking its first move toward distributed ledger-based ownership in a product not directly tied to crypto.

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

Libre and the TON Foundation introduced a \$500 million tokenized fund on The Open Network, enabling investors to access Telegram's corporate debt through the blockchain. This move marks one of DeFi's largest institutional RWA initiatives.

Dao5 secured a \$222 million fund to back blockchain infrastructure aimed at institutional and government use. It plans to convert the fund into a DAO later this year as it scales toward public sector blockchain adoption.

Ether.fi Ventures officially launched etherfi_VC Fund I – a \$40 million crypto-native venture fund backing the next generation of founders building open, unstoppable systems.

Camp Network raised \$30 million in a Series A funding round co-led by 1kx and Blockchain Capital to scale its L1 blockchain that registers IP onchain and compensates creators whose content is used to train AI models, using a custom “proof of provenance” protocol.

Miden, a zero-knowledge rollup project originally developed under Polygon Labs, raised \$25 million in seed funding to launch Edge – a privacy-first blockchain powered by zero-knowledge-proof technology.

Camp Network raised \$25 million to help firms collect AI copyright royalties using blockchain.

Digital asset investment firm Re7 Capital launched a \$10 million fund to support up to 30 early-stage SocialFi startups.

Terminal 3 announced an \$8 million seed round to scale enterprise identity and data security solutions that empower businesses to protect their users' privacy.

Stablecoin company Zar raised \$7 million in round led by Dragonfly Capital, Andreessen Horowitz, and VanEck Ventures.

Inco, solving blockchain's confidentiality problem, raised \$5 million in a strategic funding round – a led by a16zcrypto.

IPOS, M&A, PARTNERSHIPS & DEALS



eToro may make its US market debut as early as next week, as easing volatility clears the path for one of the most anticipated fintech IPOs paused by Trump's tariff-driven market jitters. The company plans to list its shares on the Nasdaq Global Select Market under the ticker ETOR.

Anthony Pompliano filed for a \$200 million SPAC IPO named ProCap Acquisition Corp. The SPAC aims to target high-growth companies in the fintech and digital assets sectors.

DeFi Development Company (formerly Janover) filed a \$1 billion shelf registration with the SEC, planning to sell various securities over time to expand its Solana-based strategy of acquiring and staking SOL tokens as productive crypto assets. (A shelf offering allows a company to register for a new securities issuance to offer equity and debt sales over time.)

According to Bloomberg, Ripple proposed a buyout of stablecoin issuer Circle (\$4-5 billion) but the offer was rejected. Ripple reportedly remains interested in the acquisition.

Tether Investments – the investment arm of leading stablecoin issuer Tether – acquired additional shares in Juventus Football Club. With its latest investment, Tether brought its total participation in Juventus to over 10.12% of the issued share capital, representing 6.18% of the voting rights. The investment follows the firm's initial acquisition of 8.2% of the issued shares.

Tether finalized a controlling 70% stake in Latin American agribusiness Adecoagro, expanding beyond crypto into food, bioenergy, and renewable assets across three countries as part of its broader plan to tokenize real-world infrastructure via its Hadron platform.

DeFi Technologies, a fintech company that's pioneering the convergence of TradFi with DeFi, along with its subsidiary Stillman Digital, a technology and digital asset liquidity provider, announced its integration with Talos, a institutional technology provider for digital assets.

DEFI



Crypto lender Nexo will return to the US market after a two-year hiatus caused by regulatory challenges. Co-founder Antoni Trenchev attributed the move to a more favorable environment for innovation under the Trump administration. Nexo, having paid a \$45 million settlement without admitting wrongdoing, now manages \$11 billion in assets and will offer its full range of services to US clients, including high-yield savings and credit lines.

Jupiter launched Ultra v2, a next-gen DeFi swap engine designed to make trading smoother, smarter, and safer with innovations like MEV protection, scam detection, gasless swaps, and dynamic execution. Powered by the new Juno routing system, Ultra v2 intelligently finds the best trade routes across over 50 AMMs and 500,000+ token markets.

DeFi protocol Infrared Finance introduced an Infrared Points rewards program to incentivize its community. Users earn points by staking and providing liquidity in the protocol's vaults – a scheme designed to reward early participants ahead of a potential token launch later this year.

DEX aggregator 1inch has launched on Solana in its first major move outside the Ethereum Virtual Machine-compatible ecosystem.

Solana DEX Orca has begun programmatic buybacks of its native ORCA token. Going forward, 20% of fees from Orca's Whirlpools (concentrated liquidity pools) will be used to buy back ORCA on the open market, reducing supply and rewarding long-term token holders ahead of upcoming staking features.

DeFi platform Sky's core governance design team proposed a governance overhaul that would finalize its transition from MKR to SKY by mid-May, granting SKY full voting rights, enabling USDS staking rewards, and initiating a penalty schedule to accelerate token migration.

CBDs & STABLECOINS



a16zcrypto published “A Guide to Stablecoins: What, Why, and How.” (View it, [here](#).)

Tether reported a profit in excess of \$1 billion in Q1 2025 – a figure that, while substantial, marks a significant downturn from reported profits from Q1 2024. Its Q1 2025 attestation showed that its total exposure to US Treasuries reached a record high, approaching \$120 billion – more than the entire holdings of countries including the UAE and Germany.

Trump family-backed crypto venture World Liberty Financial's new stablecoin, USD1, will be used to settle MGX's \$2 billion investment in Binance, marking a high-profile debut for the firm project as it angles to challenge dominant players such as USDC and USDT. (The founders met with Binance founder “CZ” to discuss “growing global adoption, setting new standards, and pushing crypto to the next level.”)

Mastercard is moving deeper into the digital asset economy by launching new global capabilities to support stablecoin payments across its merchant network. The company will launch a stablecoin payments stack that includes wallet integration, card issuance, and merchant settlement, enabling consumers to spend USDC and other stablecoins at over 150 million merchants. Merchants can opt to receive payments directly in stablecoins.

Visa and Bridge, a Stripe-acquired startup, launched a new product that allows developers to issue Visa cards backed by stablecoins. Users can spend crypto at any Visa-accepting merchant, with merchants receiving payments in local currencies. The rollout will begin in several Latin American countries.

Visa and crypto card firm Baanx launched a new payment card in the US that allows users to spend Circle's USDC directly from self-custodial wallets via smart contracts, while also revealing plans for a Mastercard card tied to MetaMask wallets.

Payments giant Stripe is gearing up to launch a new stablecoin-based product. While little is currently known about Stripe's stablecoin product, a Stripe crypto developer posted that it's for clients who are “based outside of the US, EU, or UK” and “interested in dollar access.”

Decentralized stablecoin protocol Ethena teamed up with the TON Foundation to integrate its \$4.7 billion synthetic stablecoins, USDe and sUSDe, into Telegram via a new tsUSDe token, offering users up to 10% additional yield through TON wallets such as Tonkeeper and TONHub as part of its broader 2025 expansion strategy.

Rain joined Visa's stablecoin settlement pilot, enabling 24/7, 365-day USDC-based settlement for its Visa-issued cards and fully tokenizing its credit card receivables for improved capital efficiency and transparency.

A new Kiln integration within Ledger Live will let Ledger hardware wallet users earn 5% to 9.9% annually on USDC, USDT, USDS and DAI stablecoins directly from self-custody, aiming to simplify access to DeFi while maintaining security.

NFTS, BLOCKCHAIN GAMING & METaverse



Soccer's global governing body FIFA plans to launch its own EVM-compatible blockchain that will host its fan-focused NFT collection, moving away from Algorand and Polygon.

Nike is being sued for ~\$5 million by buyers of Nike-themed NFTs who have claimed they suffered significant losses (and wouldn't have bought its NFTs if they'd known they were "unregistered securities") when the company pulled the plug on the project. RTFKT was bought by Nike in late 2021, to "deliver next generation collectibles that merge culture and gaming," however, it closed the business three years later.

Claynosaurz, known for NFTs on Solana, is expanding to Sui blockchain for new interactive digital experiences. The move includes launching collectibles, gaming, and an achievements system on Sui, while original NFTs remain on Solana.

Ronin network creator Sky Mavis and Ragnarok: Monster World developer 0x& ended their collaboration due a breach of agreement, with 0x& expanding the game to an additional chain last week. Game asset NFTs will remain tradable on the official Ronin Marketplace, but Sky Mavis said it will offer no further endorsement or promotion of the game.

One Championship released a new mobile game, One Fight Arena, featuring MMA athletes like Demetrious Johnson and Rodtang Jitmuangnon. The game, developed in collaboration with Notre Game, integrates the Sui blockchain for NFT upgrades and in-game rewards.

MapleStory's crypto spinoff, MapleStory N, is finally launching on May 15. The new game will be a 2D, sidescrolling MMORPG like the original game.

Playtron, a gaming startup, revealed plans to introduce a stablecoin on Sui for gaming purposes. The Game Dollar, set to launch in Q4, will be utilized for transactions and rewards within the Playtron GameOS ecosystem.

JOB MOVEMENT



Bitget released a report titled “Blockchain vs. AI: Untapped Potential in Talent Attraction and Growth” that suggests that blockchain technology remains a sleeping giant with the potential to reshape global job markets on a similar or even greater scale. The analysis reveals that while blockchain's current job market trails AI's explosive growth, the sector could create 1.5 million jobs by 2030 if adoption accelerates to match AI's trajectory. (View the full report, [here](#).)

The IRS lost two key directors working on crypto initiatives, Seth Wilks and Raj Mukherjee, after they accepted deferred resignation offers from the Department of Government Efficiency.

The Ethereum Foundation formalized the status of Hsiao-Wei Wang and Tomasz K. Stańczak as co-executive directors, elevated Aya Miyaguchi to president, and outlined a strategy focused on scaling, user experience upgrades, and developer onboarding, while reaffirming Vitalik Buterin's role as a technical advisor.

Marco Santori, an attorney and crypto veteran, is joining Pantera Capital as a General Partner.

Plume Network welcomed Salman Banaei as General Counsel.

Former Messari executive Maartje Bus was appointed as the new president of the crypto research and policy forum Medici Network.

Kraken confirmed that it had intentionally advanced a North Korean hacker through its job application process to analyze their social engineering tactics and identity obfuscation, exposing multiple linked identities tied to sanctioned actors.

REGULATIONS, RULINGS & COMMENTARY



President Trump's Executive Director Bo Hines talked about the US becoming “the Bitcoin superpower of the world” and how his team will come up with “extremely creative ways to accumulate” more Bitcoin. (Watch the full the full Bitcoin Magazine interview, [here](#).)

Senators Warren and Schiff called for an ethics investigation into President Trump's offer of a private dinner to top holders of his meme coin at his golf club. The promotion led to a surge in the TRUMP Solana token's price, followed by an 18% drop the next day.

Senate Majority Leader John Thune is pushing for a vote on the GENIUS Act, a bill regulating stablecoins tied to the US dollar, before Memorial Day.

Texas Republican Lance Gooden sent a letter to the head of the General Services Administration asking to consider putting digital assets ATMs in their own buildings to start embracing the technology and meeting the spirit of President Donald Trump's advocacy.

Coinbase urged the US Supreme Court to curtail the Internal Revenue Service's access to crypto user data in a case stemming from a 2016 records request, arguing that such "John Doe" summonses enabled mass surveillance by linking blockchain addresses to real-world identities without proper warrants.

UK Finance Minister Rachel Reeves on April 29 announced plans for a "comprehensive regulatory regime for crypto assets." The UK's Treasury published draft rules aimed at bringing crypto exchanges, dealers and agents into the regulatory fold. Reeves said the UK planned to deepen regulatory cooperation with the US to boost "responsible" adoption of digital assets. She added: "Under the new rules, crypto exchanges, dealers and agents will be brought into the regulatory perimeter – cracking down on bad actors while supporting legitimate innovation." (See the 27-page draft document, [here](#).)

The UK's Financial Conduct Authority is gathering feedback on crypto assets to establish clearer legislation for intermediaries, staking, lending, borrowing, and DeFi. This initiative aims to enhance market integrity and consumer protection in the growing crypto industry.

Britain is to restrict consumers' use of credit cards to buy crypto and their access to crypto lending products, a move aimed at improving protection as cryptoassets are regulated.

Concerns over crypto's impact on traditional finance were reiterated by Italy's central bank in its latest Financial Stability Report. The Bank of Italy highlighted the potential threat to financial stability posed by the increasing global integration of cryptocurrencies.

Malaysia launched its national Malaysian Blockchain Infrastructure (MBI), which is a core component of Malaysia's National Blockchain Roadmap. The foundation layer will simplify the creation of blockchain applications, and MBI is expected to cater to a broad range of use cases, such as supply chain traceability and digital identity.

Circle received in-principal regulatory approval from Abu Dhabi Global Market's Financial Services Regulatory Authority to expand its operations as a money services provider in the Middle East.

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

The US Treasury moved to blacklist illicit Cambodian marketplace operator Huione Group from the financial system, citing its \$24 billion role in the alleged laundering of cybercrime proceeds, which include helping North Korea's Lazarus Group and facilitating so-called "pig-butcher" fake romance crypto scams.

The US Department of Justice is seeking a 20-year prison sentence for Alex Mashinsky, the founder of Celsius Network, for his involvement in a \$7 billion fraud scheme. Prosecutors argued that Mashinsky's deliberate actions caused significant losses and that he refuses to take responsibility for his crimes.

A suspicious transfer of around 3,520 BTC (\$330 million) was made late on April 27, according to onchain sleuth ZachXBT, who says the transaction may be the result of a theft. ZachXBT flagged the transaction moving funds from a potential victim's wallet to an address starting with "bc1qc." Shortly

afterward, the alleged thief quickly laundered the BTC through more than six exchanges, converting the funds into Monero (XMR) to try and obfuscate the activity.

Convicted fraudster and market manipulator Avraham “Avi” Eisenberg, who stole more than \$100 million from DEX Mango Markets in October 2022, was sentenced to 52 months in a US federal prison for possession of materials depicting the sexual abuse of children.

Movement Labs is investigating whether it was misled into signing a market-making agreement that granted an obscure middleman control over 66 million MOVE tokens, triggering a \$38 million selloff after the token’s debut. (Co-founder Rushi Manche was suspended from the firm, while Coinbase said it would suspend trading of Movement's MOVE token on May 15.)

Crypto exchange Bitget is planning to take legal action against a group of accounts associated with “abnormal trading activity” and “market manipulation” involving its VOXEL/USDT perpetual futures contracts earlier this month. The accounts, believed to be operated by a professional arbitrage or “scalping” group, allegedly made more than \$20 million from the incident.

Solana-based DeFi lending protocol Loopscale paused its lending operations after suffering a \$5.8 million exploit on April 26, just two weeks after its launch.

Ethereum-based fixed-rate lending protocol Term Finance suffered a \$1.5 million loss due to a misconfigured oracle on April 26, but by the next day it had clawed back 56% of the lost funds.

The FTX estate sued token issuers NFT Stars and Delysium in Delaware bankruptcy court, seeking the return of more than 83 million SIDUS, 831,000 SENATE, and 75 million AGI tokens tied to unfulfilled investment agreements signed by Alameda Ventures.

The SEC closed its investigation into PayPal's PYUSD stablecoin according to an April 29 filing, stating no enforcement action will be taken.

The US District Court permanently barred the Treasury from reimposing sanctions on Tornado Cash, ruling the actions as “unlawful,” preventing OFAC from reinstating the original sanctions.

Crypto heavyweights, including VCs and the DeFi Education Fund, urge prosecutors to drop charges against Tornado Cash co-founder Roman Storm. Storm's trial in New York has sparked concerns about chilling crypto innovation and setting dangerous legal precedents.

AUSTRAC is warning inactive crypto businesses to either voluntarily withdraw their registrations or face cancellation due to the risk of criminal exploitation. The financial watchdog plans to publish cancellations online and establish a public register for legitimate providers.

Fortnite maker Epic Games’ antitrust case against Apple benefited the crypto industry, when the iPhone maker loosened restrictions on developers’ ability to offer apps in the US that direct users to non-standard purchasing methods or NFTs.

Samourai Wallet founders may see charges dropped as prosecutors evaluate their case under new US Justice Department policy changes that restrict enforcement actions against crypto software providers, according to a joint court filing.

A new wave of scams is targeting Ledger hardware wallet users, with scammers sending physical letters that impersonate Ledger in an attempt to steal users' seed phrases. Scammers mail letters that appear official, using Ledger’s logo, address, and a reference number, to appear legitimate. The letters

claim there is a “critical security update” or a “mandatory validation process” required to keep a user’s wallet secure. Recipients are instructed to scan a QR code or visit a website and enter their wallet’s private seed phrase to validate their device.

An interface error on Coinbase incorrectly labeled failed password attempts as “2-step verification failed,” causing users to panic and spend hours checking for malware. The exchange has since fixed the error by updating the system to display the correct message.

MISCELLANEOUS



A recent survey by Nansen and Reown revealed that 62% of crypto users now manage two or more wallets, with 48% needing multiple wallets to access various networks.(Download the report, [here](#).)

Robinhood posted an expectation-beating Q1, with a 10% increase in earnings year-on-year of \$0.37 per share and a 50% rise in quarterly revenue to \$927 million. Crypto trading volume rose 28% on the same period last year to \$46 billion but dipped from \$71 billion in Q4 2024. Robinhood chief executive Vlad Tenev acknowledged crypto’s volatility on the earnings call: “We’re diversifying the business outside of the crypto business, which will make us less reliant on crypto transaction volumes.”

Kraken generated revenue of \$472 million during Q1, up 19% year over year, driven by volatility arising from President Trump’s erratic executive orders, as it prepares for a 2026 IPO and expands derivatives and equities offerings through acquisitions and new partnerships.

Trump Media & Technology Group (TMTG) is considering launching a native crypto utility token and a digital wallet. The firm revealed those plans in a letter to shareholders, saying the token would be part of a rewards program and would initially be used to pay for Truth+ subscription costs.

The Arbitrum Foundation, the muscle behind the Ethereum L2 blockchain network by the same name, said it withdrew from an Nvidia-backed accelerator program after the world's largest chipmaker said it didn't want to be mentioned in any public announcements.

Fuel Network launched a \$1 million buyback program for its FUEL token, deploying roughly \$250K per week over four weeks to repurchase tokens from the market.

CHARTS, TABLES, QUOTES, COMMENTARY & OTHER IMAGES

Jack Green: Bitcoin follows gold. But with a lag. When gold breaks out on macro strength (liquidity, yields, DXY)... BTC tends to follow 90-180 days later.



Matt Houghan's (Bitwise) Weekly CIO Memo: "What Would It Take? – How I Recently Convinced One Thoughtful Skeptic to Buy Bitcoin."

Earlier this month, I gave the closing speech on Day 1 of a national wirehouse conference.

That in itself is notable.

The big four wirehouses – Merrill Lynch, Morgan Stanley, Wells Fargo and UBS – control over \$10 trillion in client assets. And by and large, these platforms have not yet allowed their advisors to easily access Bitcoin ETFs. As my keynote invitation suggests, that's changing fast.

In fact, I suspect all four wirehouses will be open for business on Bitcoin ETFs by the end of the year. It's one of the reasons I still expect Bitcoin ETFs to set a new record for net inflows this year, despite pulling in "just" \$3.7 billion so far in 2025, compared to \$35 billion in 2024.

But I'm not writing this to make a point about wirehouses. Instead, I want to share a story about one person in the audience.

"What Would I Be Left With?"

The best part of giving a speech comes at the end. You walk off the stage – hopefully to applause – and are typically surrounded by a group of people who want to ask follow-up questions.

These questions are the best.

After this event, one person waited patiently as 20-30 others took their turns asking questions. When they finished, he said:

"I heard what you said, and it made a lot of sense to me. But I just can't get over the hump."

It's a common sentiment. People intellectually understand the case for Bitcoin and find it compelling, but something stops them from buying.

After exploring his concerns a bit, we figured out what the "something" was: He was worried about what would happen to Bitcoin if everyone stopped believing in it.

"What would it be worth if the music stopped?" he asked.

The answer, of course, is nothing. If no one in the world wants to own Bitcoin, the value of Bitcoin is zero.

I suggested this was also true of gold and other assets, but he maintained it wasn't the same. And he may be right. With gold, you still have the shiny physical thing. With Bitcoin, you have ... literally nothing.

If I'm being completely honest, I've had the same thought before, and I suspect most Bitcoiners have too. The intangible nature of Bitcoin is a challenge.

My Suggestion: Write It Down

My new friend was about to leave, still looking conflicted, when I asked him a simple question:

What would it take?

In other words, what would he have to see to believe that Bitcoin is here to stay?

For some people, the way they answer this question helps them see that they will never buy Bitcoin. If you're waiting for Bitcoin to be more accepted than gold ... or for its volatility to get close to zero ... you're never going to buy Bitcoin.

But if you don't have those blockers, it's worth asking seriously: What would it take?

- Institutional custody? Today, publicly traded companies like Coinbase and well-known brands like Fidelity custody Bitcoin, and financial giants like BNY Mellon are close behind.
- Institutional trading? Today, Bitwise trades with established firms like Jane Street and Cumberland/DRW.
- Institutional adoption? Nine of the 10 largest hedge funds in the world own Bitcoin today, along with Emory University (\$11 billion endowment), the Teacher Retirement System of Texas (\$210 billion AUM), titans of investing like Ray Dalio and Stan Druckenmiller, and many other institutions.
- Large asset managers? How about BlackRock and Invesco?
- Corporate adoption? There's Strategy, Block, Tesla, and more than eighty other public companies.
- Easy access? There are now ETFs.
- Model adoption? BlackRock now recommends 2% Bitcoin in investor portfolios.
- Regulatory stability? Market structure legislation is expected to pass through Congress this year.
- Government adoption? The US is building a strategic Bitcoin reserve.

Whatever it is, write it down. Because if you go back even a few years, what we thought it would take – like the US government owning Bitcoin or the largest asset manager in the world embracing the asset – seemed far-fetched. But here we are.

My friend thought about it for a moment, took a deep breath, and said, "I'm going to buy Bitcoin."

I think a lot of people are going to come to the same conclusion this year.

NYDIG on Bitcoin Treasury Companies...

Quantifying the Benefits of Bitcoin Treasuries

A growing debate within the investment community centers on how to properly value Bitcoin treasury companies. Many currently trade at substantial premiums to the fair market value of their net assets (including Bitcoin holdings) and any underlying operating business, leading analysts to propose new and unconventional valuation methods. The most prevalent has been the ratio of a company's market cap to the value of the Bitcoins it holds. As shown in the table below, this metric varies widely, ranging from 4.9x for Twenty One to 1.2x for Semler Scientific, highlighting the lack of consensus across the sector.

Bitcoin Treasury Company Ratios

	Strategy MSTR	Metaplanet 3350 JP	Twenty One CEP	Semler Scientific SMLR
Capital Structure				
Stock Price (\$/sh)	\$395.23	\$2.97	\$54.45	\$33.50
Assumed Shares* (M)	304.2	698.4	370.7	12.5
Market Cap (\$M)	120,231.2	2,076.6	20,184.6	418.3
Cash (\$M)	38.1	2.0	100.0	14.9
Bitcoin Holdings FMV (\$M)	53,748.1	485.5	4,078.0	336.6
Bitcoins (#)	553,555	5,000	42,000	3,467
Debt** (\$M)	9.8	14.8	0.0	0.0
Enterprise Value (\$M)	66,454.8	1,603.9	16,006.6	66.8
Ratios				
Market Cap/Bitcoin Value	2.2	4.3	4.9	1.2

* Includes assumed share issuance from converts

** Excludes converts whose share issuance upon conversion is included in the assumed share count



Source: Bloomberg, NYDIG

Bitcoin Treasury Companies Could Create Significant Buying Pressure

The preceding table underscores a key takeaway: companies that have adopted Bitcoin treasury strategies have, in many cases, created substantial value. One way to observe this is through their enterprise values – calculated as market cap minus cash and the fair market value of Bitcoin holdings, plus non-convertible debt. It's important to note that the maximum potential dilution from convertible debt is already factored into the "Assumed Shares," so it isn't double-counted as debt.

Aside from Twenty One, these companies also have legacy operating businesses. While not a perfect comparison, the gap between current enterprise value and enterprise value just before the Bitcoin treasury announcements offers a rough proxy for how the market has priced in the adoption of Bitcoin treasuries, assuming legacy operating businesses have not changed in value. Perhaps the most striking

observation is how little credit the market appears to have given Semler Scientific for its transition, suggesting a potential disconnect or lag in recognition.

Another lens for evaluating this dynamic is to look at the cumulative increase in equity value since these companies adopted Bitcoin as a treasury reserve asset. This provides a rough estimate of the total capital they could theoretically raise by issuing shares at current prices (ATMs or at-the-money stock offerings) to purchase additional Bitcoin. In theory, this arbitrage opportunity should persist until the premium to net asset value is fully arbitrated away.

If we apply a 10x “money multiplier” – a rule of thumb reflecting the historical impact of new capital on Bitcoin’s market cap – and divide by the total supply of Bitcoin, we arrive at a rough estimate of the potential price impact: a nearly \$42,000 increase per Bitcoin. The implication is clear: this “dry powder” in the form of issuance capacity could have a significant upward effect on Bitcoin’s price.

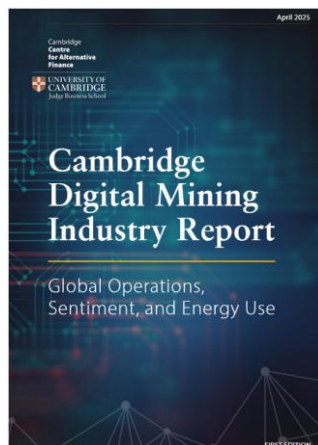
Bitcoin Treasury Companies Could Create Significant Buy Pressure

	Strategy MSTR	Metaplanet 3350 JP	Twenty One CEP	Semler Scientific SMLR
Potential Equity				
Current Enterprise Value (\$M)	66,454.8	1,603.9	16,006.6	66.8
EV Before Announcing BTC Treasury (\$M)	764.8	23.6	114.7	102.0
Change Since BTC Treasury Strategy (\$M)	65,690.0	1,580.3	15,891.9	-35.2
Total Equity Premium to NAV (\$M)				83,126.9
BTC Money Multiplier (x)				10.0
Implied Market Cap Impact (\$M)				831,269.2
Bitcoins (M)				19.9
Price Impact (\$/BTC)				\$41,860



Source: Bloomberg, NYDIG

The University of Cambridge released its Digital Mining Industry Report, which said that sustainable energy use by the industry has reached 52.4% – up from 37.6% in 2022. (View the 150-page report, [here](#).)



Conclusion from Coin Metrics’ “State of The Network” weekly report from 4/29/25. (Read the full report, [here](#).)

dYdX’s transition to an app-chain architecture marked a bold step toward delivering a more decentralized, high-performance exchange experience. While perpetuals trading on dYdX remains smaller in scale compared to leading centralized venues, its model positions it well to capitalize on growing demand for on-chain derivatives infrastructure. Market data suggests healthy activity across major assets, with trends in trading volumes, open interest, liquidations, and funding rates offering signs of maturing usage.

Summary and conclusion from Glassnode’s “The Week On-Chain” from 4/30/25. (Read the full report, [here](#).)

Following a price surge over the last two weeks, Bitcoin’s momentum is encountering its first major wave of resistance. Price broke above three critical levels: the Short-Term Holder cost-basis, the 111-Day MA, and the \$109K range low from the all-time high formation. These levels represent a critical inflection point that must be upheld. Failure to stabilize above these levels would push the price back into the consolidation range and return many investors to a state of meaningful unrealized loss.

Under the surface, a structural reset across many sectors of the Bitcoin economy has taken place, indicating that much of the speculative excess has been flushed out. However, investor profit and loss taking remains light, whilst Long-Term Holders remain largely inactive in the market. This creates a delicate market environment, with latent volatility and a vulnerability to shocks in either direction.

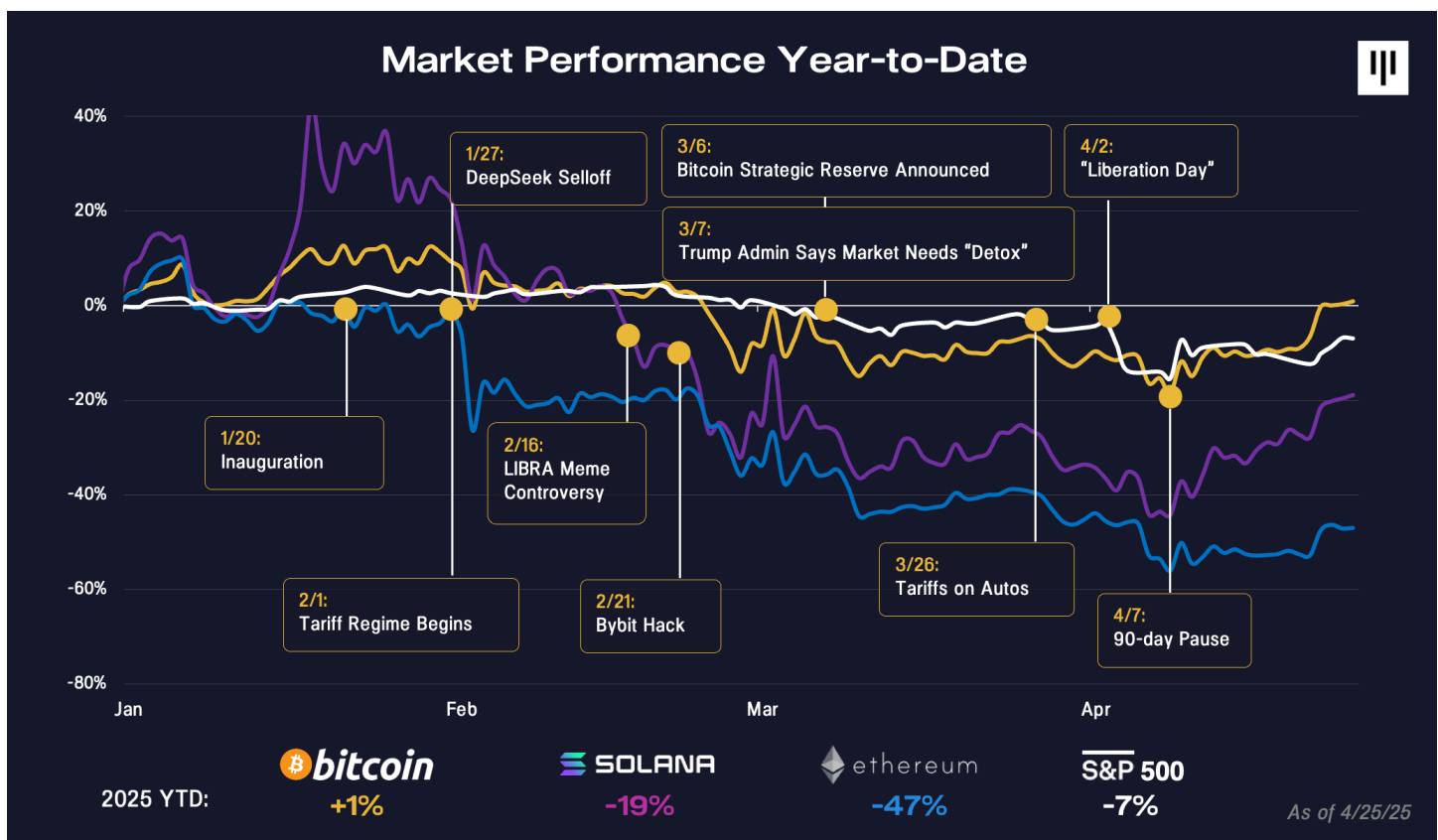
Blockworks updated key metrics...

Total Crypto Market Cap	\$3.13 T
Bitcoin Market Cap	\$1.92 T
Ethereum Market Cap	\$225.18 B
ETH/BTC Ratio	0.02
Ethereum Gas Price	1.92 gwei
DeFi TVL	\$173.67 B
Fear and Greed Index	53 (Neutral)

Pantera Capital: Looking Past Tariff Volatility...

A number of events within crypto and the broader macro environment have impacted the markets this year. Large macro forces are clearly in the driver's seat, and risk appetite continues to pull back across most sectors and asset classes. While digital assets sit at the tip of the spear when it comes to growth investing, they've been far from immune.

This year started off on an optimistic note, as the political attitude shift toward crypto propelled prices upward from the election last November through January. However, after Bitcoin and Solana set new all-time highs in January, Trump's inauguration turned into a classic "buy the rumor, sell the news" scenario. The S&P 500 and Bitcoin both came down 15-20% at the lows (although Bitcoin has since recovered). But if you look at the internals, higher growth and smaller cap have done worse. For example, Ethereum, the second largest market cap token, is down 47%. This pullback can be attributed primarily to macro factors as well as some issues idiosyncratic to digital assets.



From a macro perspective, the market is concerned about increased policy uncertainty and stagflation – a combination of slower growth and higher inflation. Trump followed through on his tariff plans (currently a 90-day pause for “reciprocal” tariffs beyond the base 10%, excluding China), which has lowered consumer sentiment, corporate earnings, and GDP forecasts. This began with his first executive order at inauguration, but markets didn't take him seriously until the first set of tariffs went into effect on February 1st – targeting Mexico, Canada, and China. Each major tariff announcement since then has driven markets lower, ultimately culminating in “Liberation Day” on April 2.

While tariffs have been the biggest driver of price action, other headwinds have emerged, like DOGE. DOGE's impact is hard to quantify, but qualitatively, it's had a meaningful effect on the mindset of government employees and the businesses that service the government. Given that government

spending makes up 23% of GDP and 25% of incremental job growth in recent years, any DOGE-driven spending cuts will have a real, near-term impact on the economy. Regardless of whether the policies are good or bad, the pace and magnitude of change are a radical departure from prior administrations. Markets fear uncertainty, and we've seen the default reaction: sell and position more defensively.

In addition, from a fundamental growth perspective, equity markets were supported by optimism around insatiable demand for AI hardware. But that narrative took a hit after the market started digesting the implications of DeepSeek's achievements. All AI-related public equities – and AI-related tokens – sold off hard in the aftermath, with many falling over 50%.

The digital assets industry has also faced some idiosyncratic challenges. The first was the bursting of the memecoin bubble. That downturn began after Trump launched his own memecoin, and it accelerated after the highly publicized debacle involving Argentine President Javier Milei and the rigged LIBRA memecoin.

There's been plenty of debate around whether these events are good or bad – it's probably a bit of both. On the plus side, high-profile figures like Trump are bringing attention and new users into the space, inspiring copycats from the Web2 world. Tokens are the most disruptive form of capital formation we've seen, and I'm hopeful this sparks more creative and productive token launches in the future.

On the flip side, memecoins reinforce the perception among casual observers that crypto is a joke – rife with scams – and that hurts the reputation of serious builders. They also siphon liquidity and attention from other tokens. And because they're often extractive in nature, once the mania fades, other tokens struggle to recover.

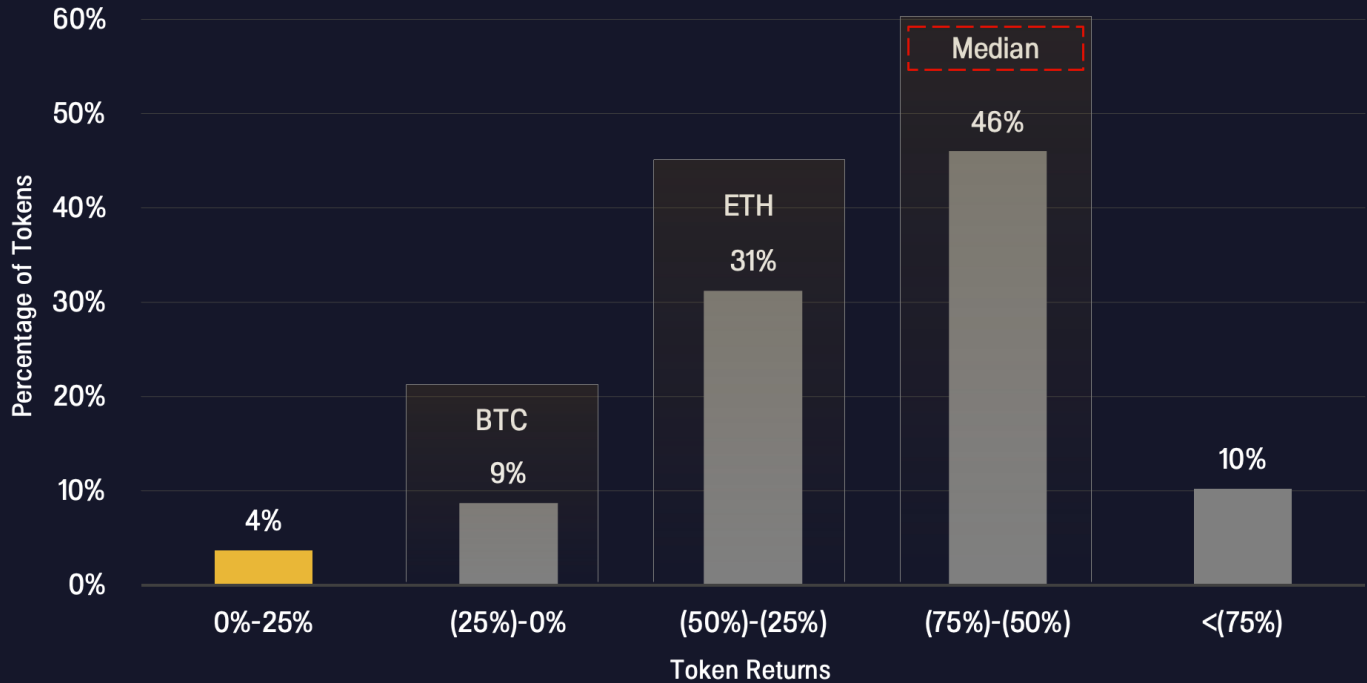
The second major idiosyncratic event this quarter was the hack of Bybit, the world's second-largest exchange. No customer funds were lost – Bybit was able to cover the hole – but it still dented confidence in the broader market structure.

When you take all these events together, you can see how they've dragged markets down.

Crypto Price Action

The sell-off has been broad-based. The median token was down well over 50% in the first quarter and nearly 100% of tokens have been negative on the year. Note that this price action is analogous to what's happening in the S&P 500 and its underlying constituents.

Top 400 Token Returns Distribution – 1Q25

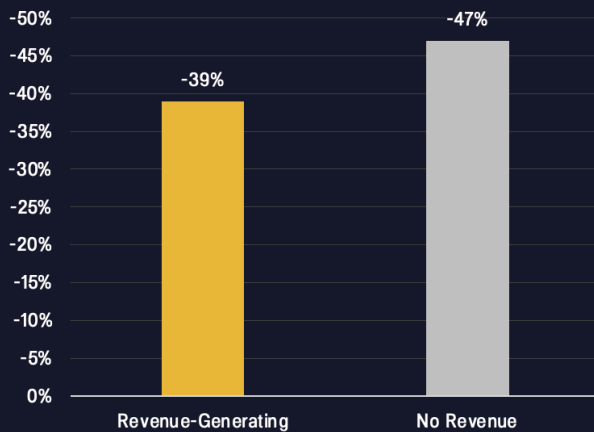


We believe the market is increasingly beginning to focus on tokens with sound fundamentals and we are seeing that play out in relative performance. Fundamentally sound tokens – those with revenue and cash flows – outperformed tokens with no revenue by eight percentage points year-to-date. Memecoins and AI also underperformed.

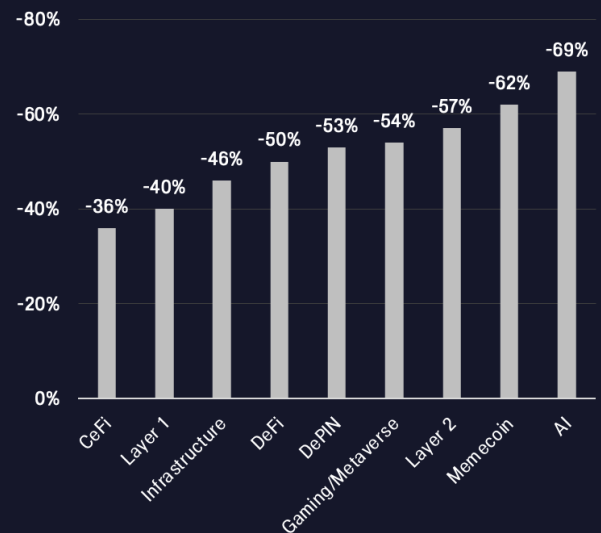
Year-to-Date Performance by Category and Revenue Generation



Revenue vs. No Revenue



Category



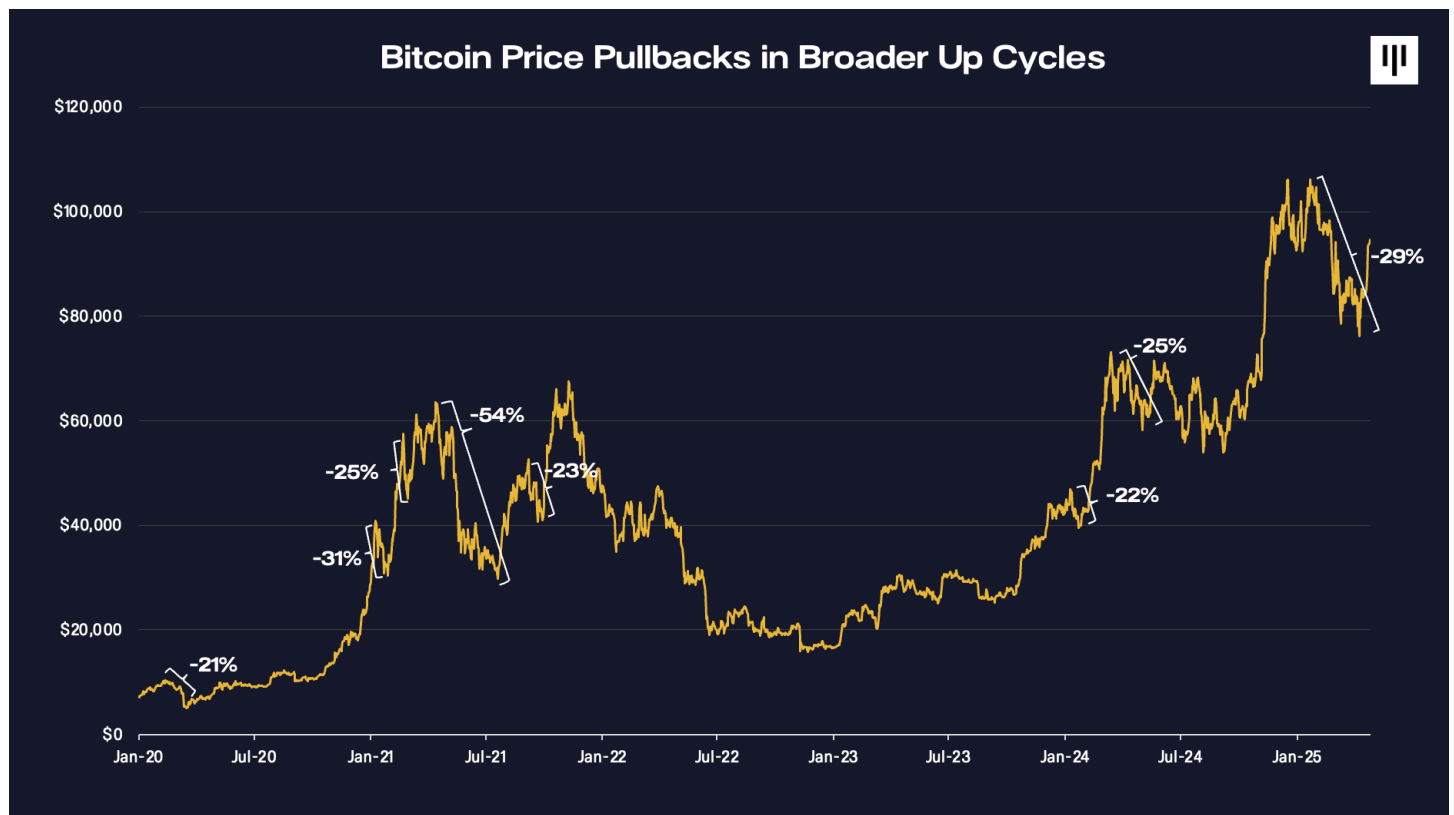
Data as of March 31, 2025
Sources: CoinGecko, Artemis

As painful as this may have been, we believe capital destruction in fundamentally valueless tokens is healthy.

Price Action in Context

We've experienced pullbacks like this many times before. They are typical in a broader bull run.

During the last uptrend from 2020 through 2022, there were five significant pullbacks in Bitcoin greater than 20%. Other tokens saw 40–50% pullbacks along the way. These happen with some frequency, even in strong markets.



In the current secular uptrend, we've seen three such pullbacks – including the one we're in now. Each time, it would have been a mistake to get shaken out. In fact, over the last week, Bitcoin recovered to \$95,000 with most of the gains happening on Wednesday alone. The ability to endure this volatility is a huge advantage to those with a long-term investment horizon.

When analyzing quarterly changes in crypto market cap, major drawdowns are often followed by strong rebounds, as indicated by the arrows.

Total Crypto Market Cap Change by Quarter



	1Q	2Q	3Q	4Q
2020	-7%	46%	32%	120%
2021	145%	-22%	27%	20%
2022	-3%	-58%	6%	-16%
2023	47%	0%	-8%	54%
2024	59%	-14%	3%	47%
2025	-19%			

Q1 2025 was crypto's worst quarter since summer 2022, when markets across the board were in freefall. While the past may not predict the future, significant drawdowns have nearly always been followed by strong recoveries – though the magnitude of the rebound depends on prevailing conditions and, critically, whether the broader trend remains upward.

Rates And Liquidity Picture Is Supportive For Risk Assets

At the same time, favorable rates and liquidity conditions are supportive of risk assets.

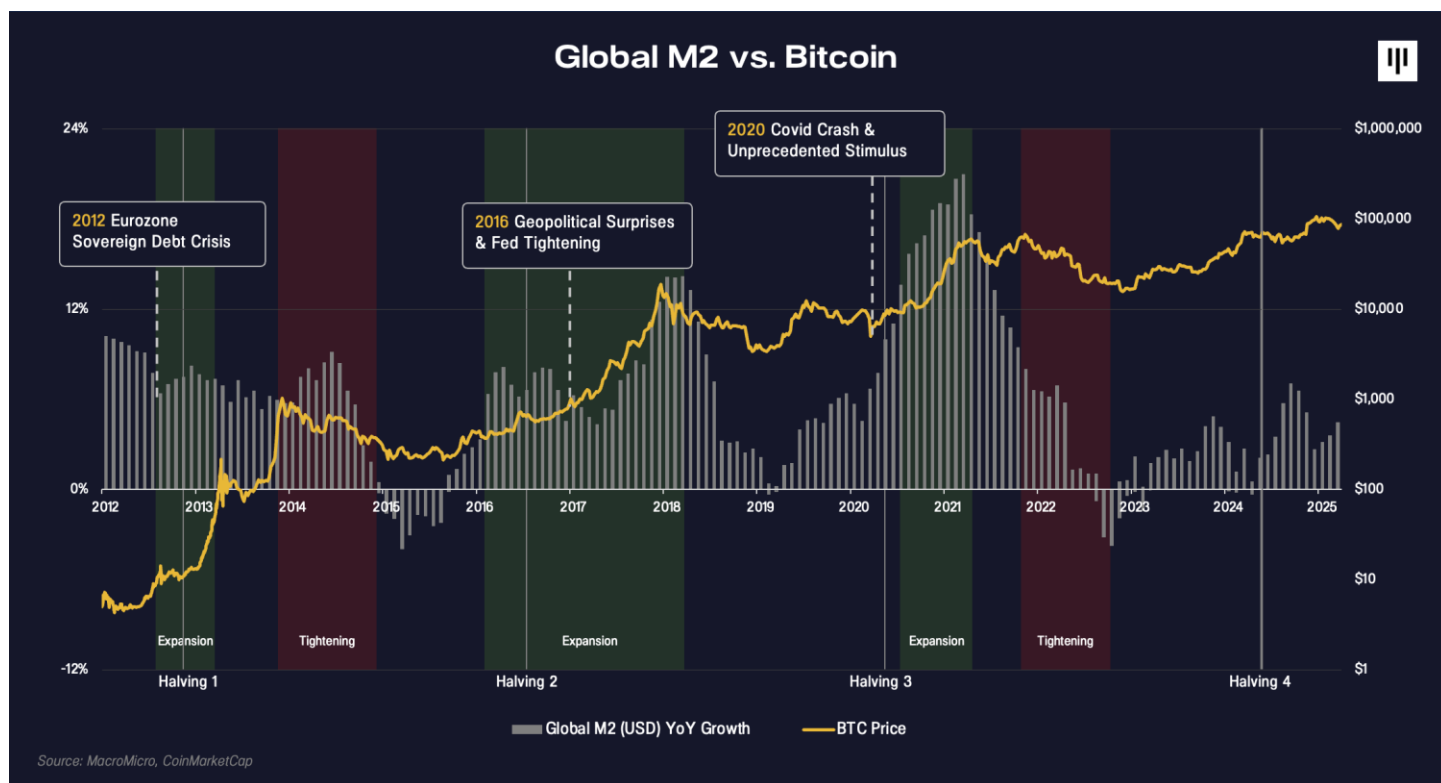
The 10yr treasury yield is steadily declining after hitting highs in 2023, and even more so in the last few days. Rates have stayed higher for longer and may continue to do so amid high inflation, but more important, the overall direction is downward. The Trump administration – and Treasury Secretary Bessent in particular – have talked about the importance of getting the long-term rate down, and their policy actions are aimed at achieving that goal. Lower long-term rates are crucial for the US to keep financing its spending, and they are also good for risk asset valuations.



Global liquidity conditions are also continuing to increase. After a period of tightening, there are now stimulus measures being put in place in both Europe and China. We may be on the cusp of a switch to quantitative easing. Treasury Secretary Bessent and Fed Governor Collins have all spoken to this in the last couple of weeks in response to the bond market revolt, as long-end yields have spiked. Their natural response will be to provide liquidity support, at which point the world's largest economies will be acting in tandem. This increased liquidity is good for risk assets.



If we plot global liquidity against the price of Bitcoin, it is pretty clear that Bitcoin's major upward price movements have been during times of increasing liquidity. And during times of stress, often driven by tightening liquidity, Bitcoin has pulled back with all other assets. That's why we believe rising global liquidity is an important indicator to monitor.



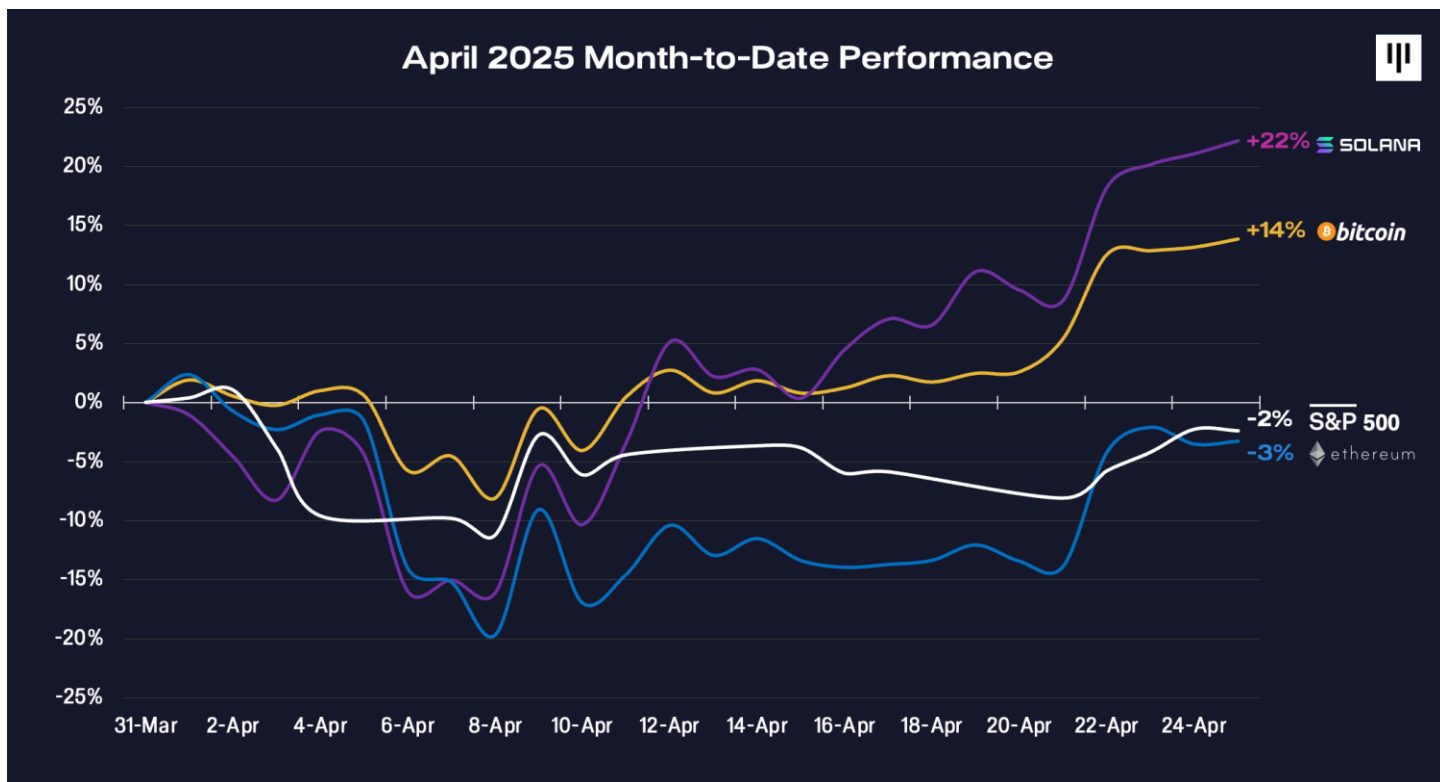
Crypto's Four-Year Cycles Through an Alternative Lens

This is an historic moment for the global economy: the S&P just saw one of its worst weeks and one of its best weeks – back to back. Generally, Bitcoin's price has had major inflections in response to major macro events, which also typically rhyme with global liquidity cycles. In 2012, it was the Eurozone sovereign debt crisis. In 2016, it was Brexit. In 2020, it was the COVID crash. A lot of people attribute Bitcoin's price cycles to the halving, but an alternative interpretation is that there have been major macroeconomic events supporting Bitcoin's bull case that coincidentally have played out every four years. We are again in one such moment.

This latest macroeconomic event is really turning into a crisis of faith for the US dollar. Many people point to rising long-term treasury yields as indication of a bond market revolt, or capital flight as foreign corporations and entities are diversifying away their savings from the US dollar. Bitcoin's primary function is that it is a non-sovereign store of value. It doesn't necessarily mean that price has to be stable, but that it is viewed as an attractive alternative and diversifier in an increasingly uncertain world. This de-dollarization certainly supports that thesis.

Early Signs of Relative Strength

We are starting to see signs that digital assets are performing better on a very short time frame. April month-to-date, digital assets have shown relative outperformance versus equities and the dollar. Solana and Bitcoin are up while equities are down. It's early, but it's possible that, just as digital assets were the first to pull back, they may also be the first to bottom out and rebound.

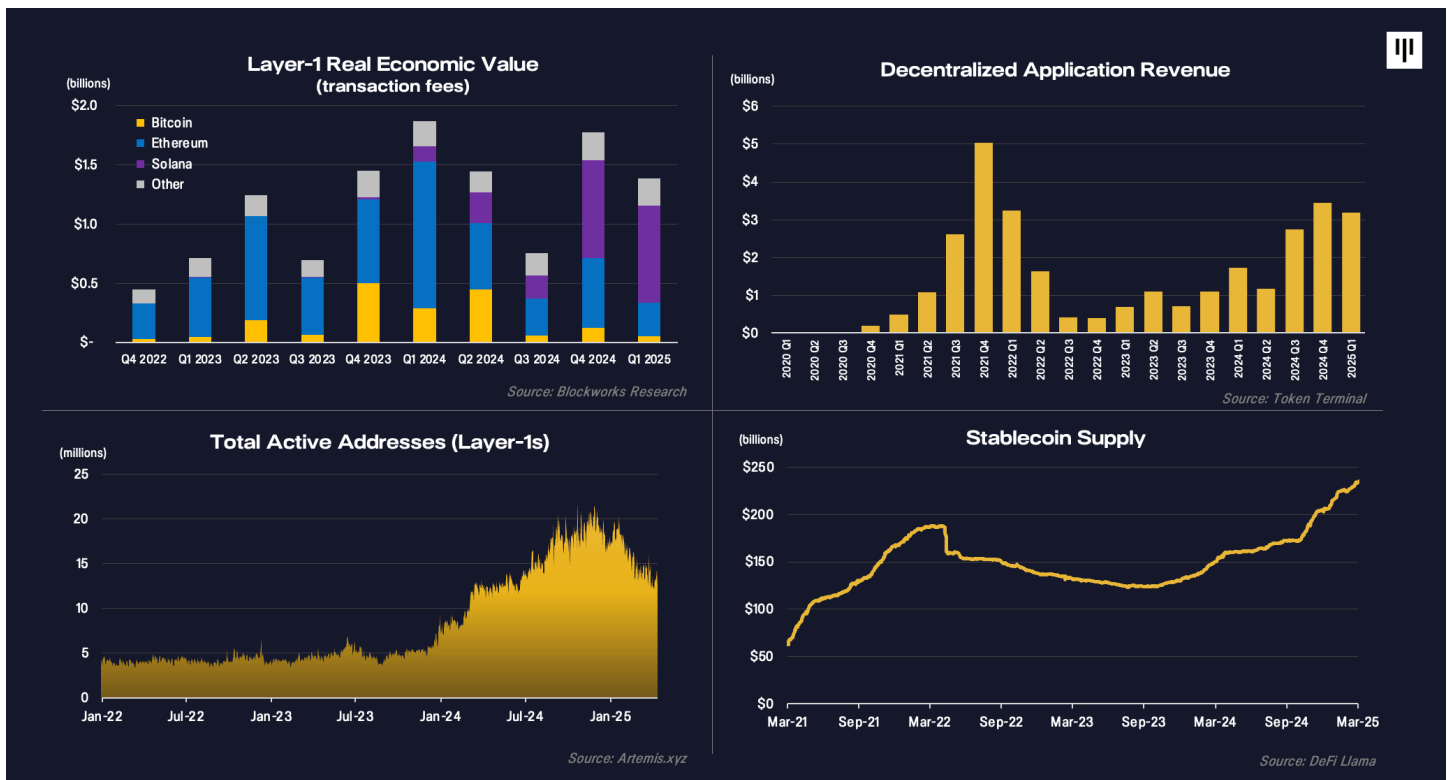


Positive Industry Developments Are Overlooked

In addition, we should keep in mind that there have been many positive industry developments that have been overlooked amidst price volatility. As far as policy actions, this includes the White House appointing a Crypto Czar and establishing a Digital Asset Working Group, establishing a Strategic Bitcoin Reserve, revoking stringent rules like SAB-121 and the DeFi-broker rule, and the SEC dismissing over a dozen lawsuits against major companies. Arguably, crypto had the most positive headlines in its history, many of which are structural changes, and yet it had its worst quarter of performance since 2018. We believe the good news is definitely not priced in and may just be overlooked by a skittish market.

Fundamentals Are Improving

Most important, digital assets need real adoption and usage to sustain. Blockchain businesses are now generating billions of dollars of revenue. Real Economic Value – a measurement of the total demand and value capture of L1 blockchains – was \$1.5 billion, \$6 billion annualized, this past quarter. Total revenue generated by onchain applications was roughly \$3 billion, \$10 billion annualized, over that same period. Daily active addresses, a proxy for user activity, continues to hit new highs. Stablecoins and stablecoin transfer volumes onchain are hitting new all-time highs as more and more people choose crypto rails for payments and savings products. At the early stage, innovation continues to be robust across key focus areas for investment – stablecoins, AI, DePIN, and DeFi. We expect these fundamental metrics to trend upward as more people discover the incredible applications and opportunities available to them onchain.



Concluding Thoughts

In summary, this was a challenging quarter, with large macro forces clearly in the driver's seat and causing a meaningful risk appetite pullback. The biggest overhang continues to be the uncertainty around tariffs and their impact on the global economy. The picture remains highly uncertain, reflected in historically-low sentiment indicators. However, these sentiment signals would also suggest that we are likely past the most aggressive selling point.

After we get past this tariff-driven volatility, I believe investors will start to appreciate all the long-term positive tailwinds and strong fundamentals, and I still expect a strong year for digital assets. As the tip of the spear in growth assets, crypto was the first to pull back but also may be the first and fastest to rebound.

Arca: Bear Market Rally? Or Just a Nonsense Selloff to Begin With?

The digital assets market gained momentum last week, notching its third straight week of gains, further separating from both equities and gold. Granted, equities also had large gains last week, and so did Treasuries, as the inconsistent correlations between asset classes continue (hint: that's the definition of uncorrelated, when short-term correlations come and go). Unlike the last few weeks though, there was much less dispersion amongst digital assets. Pretty much every token was higher last week, with BTC, ETH and SOL all up roughly 10%, though we did see much larger gains from the more beaten-up sectors like AI and DeFi, generally rising 20% or more.

I personally think the base case is “much ado about nothing” as it pertains to the tariff-fueled selloff in both equities and digital assets, because every problem area can be unwound pretty easily and still declared a “victory” by the Trump administration via minor negotiations. No real damage has been done yet, but the threat of damage is real. Just about every hard data point (jobs reports, manufacturing data, retail sales, corporate earnings, etc.) has been incredibly strong still in the face of the tariff wars. In contrast, every forward-looking survey or expectation-based data report has been a train wreck (inflation surveys, manufacturing surveys, consumer confidence surveys, etc.). Moreover, this problem is entirely US-based, as international equities and consumer-facing data continue to be as strong as ever. Apollo Global, which famously assigned a 0% probability of recession before the year started, has now shared a slide deck indicating that we're likely already in a recession (a nice 180). But if you go through each slide, you'll once again note that every graph indicating such is based on expectations, not reality. As the notes from the Fed indicate, “the disconnect between what consumers have been saying and doing suggests that consumer sentiment surveys on their own have become weaker indicators of future consumer behavior and of the health of US consumers.”

Now, that's not to say that we are 100% out of the woods. Expectations can easily become reality if the uncertainty persists for too much longer. But there are easy ways forward that don't include recession. As Lyn Alden recently pointed out, there is a history of major global monetary and currency accords being named after the hotels where the agreements took place (most notably Bretton Woods in 1944), and we know how much Trump would love Mar-a-Lago to be in the history books even if the “tariff deals” are more headline than substance. Further, even if the global economy is ultimately heading towards a recession, we're likely in the March 2008 - July 2008 period where markets ripped higher between Bear Stearns imploding (March 2008) and the ultimate failure of global banks (August 2008 - September 2009). The fact that Bitcoin, equities and other digital assets are so much higher in recent weeks suggests that market participants are sniffing this out – that there is no new news to make markets go materially lower right now. Either a fix is on the way via government negotiations, or we're in a holding period where nothing happens until we start to see real economic failure, followed by government bailouts. Either way, shorts are scrambling for the time being.

Grayscale Research published “April 2025: Still Point in a Turning World.” (See summarized points below. View the full piece, [here](#).)

- The introduction of new tariffs by the White House was arguably the most significant change to global trade policy in more than 50 years. Bitcoin appreciated along with other “stores of value” like gold.
- In our view, persistent uncertainty about government policies, the risk of stagflation, and potentially sustained weakness in the US Dollar will continue to drive demand for Bitcoin – and eventually other digital assets as well.
- Beyond the trade conflict, the month included more clarity on crypto regulation, further signs of institutional investment in the industry, a shift in development focus by the Ethereum Foundation, and growth in blockchain-based AI.

CoinDeskData released “Stablecoins & CBDCs Report – April 2025.” (See key findings below. Download the full report, [here](#).)

- Stablecoin Market Cap Reaches New All-Time High: The stablecoin market reached a new all-time high in April with total market cap growing by 2.12% to \$238B. This marks the nineteenth consecutive month of growth for stablecoin market cap. Stablecoins market cap dominance fell to 7.88% as digital assets surged to new multi-month highs earlier this month.
- Non-USD Fiat Stablecoins Surge in Demand: In April, the market cap of non-USD fiat stablecoins surged by 30.0% to \$533M, marking the highest level since April 2022. Euro stablecoins continue to dominate the sector, commanding an 84.9% market share, followed by those pegged to the Brazilian Real and Swiss Franc, with market shares of 9.67% and 3.09%.
- USDC Market Cap Reaches New All-Time High: The market cap of USD Coin (USDC) rose 3.07% to \$62.1B, recording a new all-time high for the stablecoin in April. The market share of USDC rose to 26.0%, the highest since February 2023. The stablecoin also saw its market share by trading volume on centralized exchanges rise to a new all-time high of 18.0%.
- FDUSD Stablecoin Depegs Amid Solvency Concerns: On April 2, the price of First Digital Labs' FDUSD lost its parity, falling as low as \$0.86 before recovering amidst concerns over the stablecoin issuer's solvency. The market cap of the FDUSD stablecoin dropped by 46.2% to \$1.25B in April, reaching its lowest level since November 2023.
- USDT Trading Dominance Reaches 75.2% of Total Stablecoin Volumes: In April, the market cap of Tether (USDT) rose by 2.26% to \$148B, marking its twentieth consecutive monthly increase. USDTs market share (market cap) also increased slightly this month, rising from 61.8% to 61.9%. Meanwhile, USDT's dominance in trading activity increased to 75.2% of total volume among stablecoins on centralized exchanges.