



HYPERION DECIMUS

CRYPTO NEWSLETTER

POWERED BY WEEKLY CRYPTO BRIEF

8th June 2025

BITCOIN-RELATED



NYDIG: Bitcoin declined by 3.6% over the past week, a move attributed in part to a post-conference cooldown following the events in Vegas. Amid the ongoing spat between Donald Trump and Elon Musk, Bitcoin briefly dipped to \$100,500 before recovering modestly.

Coinbase CEO Brian Armstrong posted to X: “If the electorate doesn’t hold Congress accountable to reducing the deficit, and start paying down the debt, Bitcoin is going to take over as reserve currency.” Elon Musk reposted his comments.

Strategy disclosed a \$75 million Bitcoin purchase in an SEC filing. The company now holds 581,000 Bitcoin valued at \$60.4 billion. (The company also plans to raise \$250 million to \$1 billion by selling preferred stock for Bitcoin purchases and operational expenses. The stock, named “10% Series A Perpetual Stride Preferred Stock” (STRD), will offer a 10% annual dividend yield and be listed on Nasdaq.)

Metaplanet announced a fresh 1,088 BTC purchase for \$117.5 million, outpacing its prior set of acquisitions and pushing its total holdings to 8,888 BTC (\$928 million). (The company also launched a \$5.4 billion equity raise to scale Bitcoin acquisitions toward a 210,000 BTC goal by 2027.)

Semler Scientific, a Nasdaq-listed healthcare technology firm, acquired 185 Bitcoin worth \$20 million, becoming the 14th largest corporate holder of Bitcoin.

Hong Kong-based Reitar Logtech disclosed in an SEC filing that it plans to acquire up to \$1.5 billion Bitcoin.

Japanese public company Remixpoint announced it bought 44.8 Bitcoin worth \$4.7 million.

Paris-based Blockchain Group acquired \$69 million in Bitcoin, bringing its total holdings to 1,471 BTC.

Know Labs announced its adopting a Bitcoin Treasury Strategy and holds 1,000 Bitcoin.

Norwegian Block Exchange added 6 BTC to its balance sheet (with plans to expand holdings to 10 BTC by month-end), becoming the first public Bitcoin treasury company in Norway.

K33, a Norway-based digital asset brokerage, made its first Bitcoin purchase of 10 BTC for approximately SEK 10 million (\$1 million) as part of a new treasury strategy. CEO Torbjørn Bull Jenssen aims to build a balance sheet with at least 1000 BTC over time.

Korean media company K Wave Media announced plans to invest a significant portion of its \$500 million raise into building a Bitcoin treasury.

North American construction engineering company SolarBank adopted a Strategic Bitcoin Reserve strategy.

Agricultural commodity trading company Davis Commodities will buy \$4.5 million Bitcoin for their reserves, calling it “digital gold.”

Treasure Global, a publicly traded e-commerce and fintech firm, plans to invest up to \$100 million in cryptocurrencies (including BTC, ETH, and stablecoins) as part of a new capital strategy to boost balance sheet efficiency.

The Bitcoin reserve strategy trend has led to 61 publicly listed firms now holding a combined 3.2% of all Bitcoin (673,897 BTC) that will ever exist, according to Standard Chartered.

Meta shareholders rejected a Bitcoin treasury assessment with 95% voting against the proposal.

Poșta Română, the national postal service of Romania, installed its first Bitcoin ATM at a branch location in the city of Tulcea, in partnership with the Bitcoin Romania exchange. Per the announcement from the postal service, the next locations to receive Bitcoin ATMs will be in Alexandria, Piatra Neamț, Botoșani, and Nădlac.

Meanwhile, a life insurance company that operates entirely in Bitcoin, became the first business in the world to publish fully audited financial statements denominated in BTC.

Sberbank, the largest bank in Russia, launched a new structured bond that ties investor returns to the performance of Bitcoin and the US dollar-to-ruble exchange rate. This new financial product represents one of the first moves by a major Russian institution to offer Bitcoin-linked investments under recently updated national regulations.

The personal belongings of Silk Road founder and pardoned criminal Ross Ulbricht fetched more than \$1.8 million in a Bitcoin auction. (Ulbricht also received a \$31 million donation in BTC, but the donor’s identity remains unknown.)

INDUSTRY ADVANCES



The Bank of Russia announced that financial institutions can now offer crypto-linked derivatives to qualified investors. These instruments must be “non-deliverable,” meaning investors cannot actually own the underlying cryptos, like Bitcoin or Ethereum. In turn, Bitcoin futures contracts were launched on the Moscow Exchange. The contracts are cash-settled in rubles and tied to the iShares Bitcoin Trust ETF, with trading starting in June 2025.

Kraken launched Kraken Prime, offering institutional clients access to crypto trading, custody, and financing through a single platform. The full-service prime brokerage aims to deliver deep liquidity across 20+ venues, asset-backed lending, and T+1 credit, with trades executable directly from qualified custody held by Kraken Financial, a US state-chartered bank.

Fintech giant Revolut appears to be gearing up for a move into the crypto derivatives market. A recent listing for a “General Manager (Crypto Derivatives)” role shows the firm is actively recruiting in London, Barcelona and Dubai. According to the listing, the goal is to create “one of the most trusted, scalable, and profitable derivatives offerings in the world,” leveraging Revolut’s 50 million-strong global customer base.

FTSE Russell teamed up with Eurex and Cboe to launch nano and reduced-value crypto futures for Bitcoin and Ethereum. These cost-effective, smaller contract sizes contracts lower capital barriers and are fully cash-settled in USD for simplicity.

Hidden Road announced the launch of its digital asset swaps prime brokerage capabilities for the US market. US-based institutional clients will now be able to execute cash-settled OTC swaps across dozens of the most prominent digital assets.

Joe Lubin, Ethereum co-founder and Consensys CEO, revealed talks with major banks and sovereign wealth funds in a large country about building on Ethereum.

According to the World Economic Forum, DePIN (decentralized physical infrastructure networks) are set to grow from a \$30 billion to \$50 billion sector today to \$3.5 trillion by 2028.

Coinbase is now sponsoring the Toronto Argos, a Canadian Football team, with jersey patches and in-game activations.



Pakistan unveiled plans to convert 2,000 megawatts of surplus electricity into a Bitcoin reserve and tech investment magnet through its new Crypto Council, despite warnings about IMF concerns and exposure to crypto volatility.

Wasilla-based Stax Capital Partners is proposing to build a large Bitcoin mining operation on Alaska’s North Slope later this year that’s expected to be powered by the region’s abundant natural gas. The project would be the first of its kind for the state, and CEO Sparrow Mahoney said the company wants to “create the playbook for sustainable, at-scale Bitcoin mining in Alaska.”

A solo Bitcoin miner earned over \$330,000 by solving block 899,826 on June 5 using solo mining software from CKpool – likely after renting additional hash power to boost their chances, according to the pool's developer, Con Kolivas.

ETPS (EXCHANGE-TRADED PRODUCTS), FUNDS & INDEXES

Global crypto investment products added another \$286 million worth of net inflows for the seventh consecutive week (ending May 30), according to CoinShares. Ethereum-based funds led the pack, adding \$321 million to a six-week streak totaling \$1.2 billion – their strongest run since December 2024.

BlackRock's IBIT spot Bitcoin ETF experienced \$430 million in outflows on May 30, ending its 34-day inflow streak amid a 4% pullback in BTC from its all-time high.

JPMorgan plans to accept crypto ETF shares as collateral for loans and include crypto holdings in clients' net worth assessments. This move aligns crypto with traditional assets like real estate and vehicles for loan evaluations.

Yorkville America Digital, an asset manager that partnered with Trump Media & Technology Group in April, applied to the SEC to list a spot Bitcoin ETF branded with President Donald Trump's Truth Social platform. The application for the Truth Social Bitcoin ETF was submitted by NYSE Arca on behalf of Yorkville America Digital. Truth Social filed for an S-1 Form, as well.

The \$4.8 billion ARK 21Shares Bitcoin ETF (ARKB) is undergoing a three-for-one share split to make the ETF more accessible to a broader base of investors and enhance trading efficiency. The share split is expected to be effective on June 16.

The SEC responded to the effective registration amendment for Solana and Ether staked ETFs from REX Financial and Osprey Funds, raising concern that both investment vehicles do not qualify as ETFs due to their unique structures. The regulator said the C-corp business structure used in the funds, which is incredibly rare for ETFs, conflicts with the 6C-11 rule, colloquially known as "the ETF rule."

Global X launched the Global X Bitcoin Covered Call ETF (BCCC) on June 3, seeking to maintain a consistent weekly distribution schedule.

REX Shares launched two new "crypto-stock" related ETFs: REX MSTR Growth & Income ETF (MSII) and REX COIN Growth & Income ETF (COII). These ETFs have ~1.25x target leveraged exposure to the underlying stock and sell call options on ~50% of the portfolio, aiming to generate recurring weekly income.

BlockFills, a destination for digital asset trading and market technology leveraged by institutions and professional traders, and Balmoral Partners Investment Management, a leading global investment manager, will introduce a new digital asset collateralized lending fund, the Balmoral BlockFills Fund – scheduled to launch in June.

MarketVector Indexes announced that Virtune launched the Virtune Coinbase 50 Index ETP (VCOIN50) on the Xetra Exchange, marking the first crypto ETP to track the Coinbase 50 Europe Index (COIN50).

CME Group and CF Benchmarks announced plans to launch four new cryptocurrency reference rates and real-time indices for Arbitrum, Ondo, NEAR, and Sui.

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



Only 62 rounds were completed in May, a monthly low last seen in January 2021, according to data from RootData. Despite the drop, the 62 investment rounds still raised more than \$909 million, making it the second-best month of the year by value, trailing only March's \$2.89 billion across 78 rounds.

Solana-based memecoin launch platform Pump.fun is reportedly preparing to raise \$1 billion through a token sale, targeting a \$4 billion fully diluted valuation for its new token. The token sale is expected to include allocations for both public and private investors and would be one of the largest token sales in crypto to date.

Freysa AI, a crypto-AI project building on the Base blockchain, raised \$30 million in funding – led by Coinbase Ventures.

Kraken-backed startup Rails launched a hybrid crypto exchange with a \$14 million raise. The platform combines centralized speed with on-chain custody for transparency using cryptographic techniques like zero-knowledge proofs and Merkle trees.

Avantis raised \$8 million in a Series A, co-led by Pantera Capital and Founders Fund, to accelerate its vision to bring 24/7 leverage trading to global macro assets and real-world markets.

Cooking.City, a pioneering token issuance platform within the Solana ecosystem, announced the successful completion of a \$7 million financing round.

3Jane announced a \$5.2 million seed round – led by Paradigm – to enable the first scalable credit-based money market on Ethereum.

IPOS, M&A, PARTNERSHIPS & DEALS



Stablecoin issuer Circle priced its IPO at \$31 per share, raising \$1.1 billion in an upsized deal. Circle shares surged on their NYSE debut, as they began trading at \$69 on June 5, then surged to above \$103, versus its \$31 IPO pricing on the night of June 4.

Robinhood completed its \$200 million acquisition of crypto exchange Bitstamp. (The deal was announced in June 2024.)

Consensys is acquiring Web3Auth to enhance MetaMask, a top non-custodial crypto wallet with 250 million users.

CoinFlip, a global Bitcoin ATM operator, is exploring a sale that could exceed \$1 billion in valuation.

Prometheum, a market infrastructure provider for blockchain-based securities, announced the registration of Prometheum Coinery LLC as a digital transfer agent with the SEC, and the acquisition of ProFinancial., an SEC-registered and FINRA member broker-dealer.

Classover, a Nasdaq-listed online education platform, plans to raise up to \$500 million through convertible notes and allocate up to 80% of the proceeds to buying SOL for its treasury. The company has already acquired 6,472 SOL for \$1.05 million as part of its plan.

Nasdaq-listed Webus International, a provider of AI-powered chauffeur services, is exploring a financing strategy of up to \$300 million through a diversified mix of non-equity funding vehicles to establish an XRP reserve for supporting global payment solutions.

Tether announced an investment in Shiga Digital, a modern platform that offers pan-African access to blockchain-based financial solutions, usable in the real world and easily accessible.

FalconX acquired a majority stake in Monarq Asset Management's parent company to expand into institutional crypto asset management, aiming to serve clients such as endowments and pension funds using Monarq's multi-strategy trading models.

Eat & Beyond Global Holdings (EATBF) is transforming to embrace the rapidly evolving world of digital and blockchain technologies. In line with this strategic pivot, the company is rebranding itself as "Digital Asset Technologies." The company's ticker on the Canadian Securities Exchange will be updated to "DATT."

Elon Musk's X announced on Friday it is "joining forces" with Polymarket as the official prediction market partner for the social media platform, which boasts 600+ million monthly active users.

BitGo entered a strategic partnership with VivoPower to facilitate its initial \$100 million XRP acquisition for the company's treasury strategy.

DEFI



Aave governance has passed the Umbrella activation, launching a new staking and slashing system to replace the legacy Safety Module. The upgrade introduces high-yield aToken staking (up to 12% on stables), phases out StkGHO, cuts AAVE emissions, and automates bad debt resolution – making Aave more capital-efficient, lower-cost, and better protected.

Decentralized lending platform Maple Finance expanded its operations to the Solana blockchain and deployed its flagship yield-bearing stablecoin, syrupUSDC, which was previously available only on Ethereum.

Polygon Labs and GSR are teaming up on Katana. The new DeFi-optimized blockchain, set to launch in June plans to stop fragmenting liquidity and start redirecting value back to users. Polygon Labs CEO Marc Boiron said: "Think of it like a high-performance DeFi venue with protocol-aligned incentives, productive TVL, and a built-in emissions flywheel."

InfiniFi introduces an onchain fractional reserve banking model that allocates a portion of "liquid" stablecoin deposits into higher-yield "illiquid" farms to boost returns for both liquid and locked depositors without adding new protocol risk.

CBDcs & STABLECOINS



The total stablecoin market cap surpassed \$250 billion for the first time, led by USDT (\$153 billion) and USDC (\$61 billion), amid rising DeFi use and clearer US regulations on the horizon. According to Artemis, the number of active stablecoin addresses in May reached a record 33.1 million.

Trump-backed World Liberty Financial confirmed it airdropped \$4 million worth of USD1 stablecoins to WLFI holders on June 4, sending them 47 tokens each.

Uber CEO Dara Khosrowshahi said the company is exploring stablecoins as a potential payment option to lower global transaction costs, calling them a practical crypto use case.

Apple, Airbnb, and X are reportedly in early discussions with crypto firms about using stablecoins.

Payments company Stripe confirmed early talks with banks to integrate stablecoins into payment systems, with co-founder John Collison saying the firm expects a major share of future global transactions to rely on stablecoins, thanks to their speed and cost advantages.

Tether and the TON Foundation debuted an omnichain version of its gold-backed stablecoin, XAUt, on The Open Network (TON). Each new token, XAUt0, represents one troy ounce of gold, certified by the London Bullion Market Association and physically stored by Tether.

BCP Technologies, a UK-registered crypto firm, launched a new British pound-backed stablecoin – its Tokenized GBP (tGBP) stablecoin.

The Dubai Financial Services Authority (DFSA), the financial regulator in charge of the Dubai International Financial Centre (DIFC), has approved Ripple's RLUSD stablecoin.

NFTS, BLOCKCHAIN GAMING & METAVERSE



The group behind Trump's memecoin announced it's launching a crypto wallet with TRUMP branding. The wallet is the result of a partnership between NFT marketplace Magic Eden and the team behind Trump's memecoin. (Trump's team denied any involvement or connection to the wallet. World Liberty Financial issued a cease-and-desist letter demanding that Fight Fight Fight and NFT marketplace Magic Eden, which created the wallet in partnership with Fight Fight Fight, immediately stop developing and promoting the unofficial TRUMP wallet.)

Attendees of the Trump memecoin holders dinner received up to three NFTs, with one selling for \$16,000. Despite lacking utility, these NFTs are considered historic collector's items celebrating the "Crypto President."

Bored Apes creator Yuga Labs sold its Moonbirds, Mythics, and Oddities intellectual property to Orange Cap Games as it continues offloading once-premium NFT brands amid a deep market slump, shifting its full focus to Bored Apes and Otherside. (Yuga Labs also proposed dismantling the ApeCoin

DAO and transferring its assets to a new entity named ApeCo, arguing that DAO governance has become inefficient and misaligned with the company's efforts to refocus on ApeChain, Bored Ape Yacht Club, and Otherside.)

Solana memecoin Bonk launched its very own video game: Bonk Arena, developed by studio Bravo Ready. This marks the first officially licensed game for the popular Solana memecoin.

JOB MOVEMENT



Base, the Ethereum scaling solution developed by Coinbase, is accelerating its worldwide expansion by hiring seven new “country leads.” The team filled roles in regions including Argentina, Brazil, Central America, Singapore, South Korea, the UK, Europe, plus as West Africa.

Riot Platforms, a Bitcoin-driven developer of large-scale data centers and mining applications, hired of Jonathan Gibbs as Chief Data Center Officer.

Bitcoin mining and infrastructure firm Blockware announced several expansions and promotions: Justin Carlson promoted to Chief Product Officer, James Stanton joined as Vice President of Growth, Nicholas Dorion named Director of HPC and Communications, Blake Davis promoted to Senior Account Executive, and Rocco Marchiori joined as Corporate Controller.

Digital Asset, pioneers in institutional blockchain infrastructure and creators of the Canton Network, named Jonathan Isaac as Chief Marketing Officer.

The Ethereum Foundation announced a significant restructuring of its research and development division. As part of the overhaul, the foundation laid off several staff members.

Binance's financial crimes chief, Tigran Gambaryan, is leaving the firm after being detained for eight months in Nigeria on money laundering charges that were later dropped.

Morph (the L2 incubated by Bitget) CEO Cecilia Hsueh revealed she moved into an advisor role in March and that the company will be led by Colin Goltra, who was previously the chief growth officer.

REGULATIONS, RULINGS & COMMENTARY



White House Crypto Chief Bo Hines met with Salvadoran President Nayib Bukele to discuss collaboration on Bitcoin and digital assets.

New SEC Chair Paul Atkins on June 3 pledged to replace enforcement-driven crypto policy with a transparent rulemaking process, while lawmakers pushed the CLARITY Act to limit the SEC's crypto authority and exempt many digital assets from securities laws.

House Democrats have publicly accused the SEC of withholding crucial technical analysis and written feedback on the CLARITY Act, a major crypto market structure bill currently that is under consideration.

Senator Lummis stated that US military leaders, particularly generals stationed in Southeast Asia, support creating a national Bitcoin reserve as a strategic hedge amid economic tensions with China. She argued that holding BTC would strengthen the US in both economic and military conflicts, noting the administration's broader "economic war" narrative.

The US Senate confirmed Federal Reserve Governor Michelle Bowman to serve as vice chair for supervision at the central bank – a move that Sen. Lummis said, "signals a brighter future for digital assets."

Brian Quintenz, a16z crypto's global policy head and a former CFTC member, will face Senate questioning on June 10 following his nomination by Trump to lead the agency, amid a mass leadership reshuffle and an increased focus on crypto oversight.

Kevin Hassett, director of the US National Economic Council, revealed he holds between \$1 million and \$5 million worth of Coinbase stock (COIN).

The NYDFS granted MoonPay (a fintech focused on crypto transfer) the BitLicense approval and a money transmitter license for New York state.

UK Regulator FCA will lift a ban on crypto ETNs for retail investors.

Pro-crypto candidate Lee Jae-myung became South Korea's new president on June 4. Lee has vowed to allow local adoption of spot crypto ETFs, establish a Korean won-pegged stablecoin market, and complete new digital asset legislation.

AUSTRAC is taking action against crypto ATM operators in Australia due to scams targeting elderly users, with new regulations including capped transactions at \$5,000 and enhanced customer due diligence.

Singapore's central bank set a June 30 deadline for local crypto firms targeting overseas markets to halt operations or face steep penalties, including fines of ~\$200,000.

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

The Sui community approved a governance vote on May 30 with 90% support to recover \$162 million in frozen stolen assets from a \$223 million Cetus exploit, enabling the decentralized exchange to restart within a week using validator-approved transfers and compensation contracts.

The US Treasury's Office of Foreign Asset Control sanctioned Philippine tech firm Funnul Technology and its administrator, Liu Lizhi, for enabling crypto fraud schemes that cost American victims more than \$200 million through scam sites using cloud-purchased infrastructure.

Czech Justice Minister Pavel Blazek resigned after a public backlash over his acceptance of ~\$45 million in Bitcoin from a convicted drug trafficker without vetting its origins, prompting a police investigation and political fallout just months ahead of a parliamentary election.

Coinbase was reportedly aware as early as January of a significant data breach at an outsourcing company that handled customer support for the crypto exchange, according to Reuters. An employee from the India-based firm, TaskUs, was caught taking photos of customer data on her work computer using her personal phone. Multiple sources reportedly confirmed that Coinbase was notified immediately after the incident was discovered. Coinbase disclosed the breach only last month in a filing to the SEC, and said it refused to pay a \$20 million ransom requested by cybercriminals in an extortion attempt. 200+ TaskUs employees were terminated in a mass layoff following the breach.

The US government has seized 145 domains and undisclosed amounts of crypto linked to BidenCash, a dark web marketplace accused of selling stolen credit cards and personal data. Prosecutors stated that BidenCash served 117,000+ customers and generated more than \$17 million in revenue by facilitating illicit transactions.

Taiwan-based crypto exchange BitoPro has confirmed a May hack that drained more than \$11 million from an old hot wallet, but said it fully had replenished the funds, moved assets to new wallets, and was investigating the breach with cybersecurity partners.

Hackers exploited Nervos Network's Force Bridge to steal more than \$3 million in crypto, which was quickly laundered through Tornado Cash just days after developers announced that the protocol would shut down by November.

Tornado Cash founder Roman Storm is making desperate pleas for donations to fund his legal defense, as he faces the imminent possibility of years in prison. The founder of the crypto coin-mixing service for anonymous payments is asking for another \$2 million.

Rep. Brandon Gill (R-TX) failed to disclose up to \$500,000 in Bitcoin purchases within the 45-day window mandated by federal law, raising concerns about transparency and conflicts of interest among crypto-investing lawmakers. (The STOCK Act, passed in 2012, requires timely reporting of lawmakers' securities transactions, including those involving digital assets, to prevent insider trading.)

A US federal judge declined to force the Justice Department to recheck its records in the Tornado Cash case, saying no Brady violations had been committed despite related Financial Crimes Enforcement Network discussions in a separate crypto mixer investigation.

Researchers at crypto exchange BitMEX said that they uncovered several critical missteps that North Korean state-sponsored hacker group Lazarus made during its campaigns. Lapses included exposed IP addresses, an accessible Supabase database, and tracking algorithms.

The Singapore High Court rejected WazirX's restructuring proposal involving a decentralized exchange and recovery tokens, pushing creditor repayments that had been expected in April into uncertainty and raising the risk of liquidation and reduced asset recovery.

A French-Moroccan national, suspected of orchestrating crypto-related kidnappings in France, was arrested in Morocco. French prosecutors charged 25 people, including six minors, over a coordinated string of kidnapping attempts targeting crypto figures such as Paymium CEO Pierre Noizat's family.

The website for a crypto wallet linked to Trump's meme coin went dark after receiving a cease and desist letter from another Trump-related crypto project.

The TON blockchain, closely tied to cloud-based messaging app Telegram, suffered a brief outage on June 1 that halted block production. TON's development team announced the problem and restored network functionality ~40 minutes later.

MISCELLANEOUS



Vitalik Buterin, Ethereum's co-founder, foresees 10X growth in the network's capabilities within the next year. He emphasized the need to scale Ethereum's L1 gradually to avoid centralization risks.

The Ethereum Foundation updated its treasury policy, saying it will reduce annual spending from 15% of its ~\$1 billion ETH treasury to 5% over time, selling ETH or onchain swaps as needed to maintain liquidity. Its new policy emphasizes support for DeFi projects.

Crypto market maker Wintermute warned that Ethereum's Pectra upgrade – specifically the implementation of the EIP-7702 account-abstraction feature – leaves users at higher risk of automated attacks. Wintermute's analysis suggests that over 90% of EIP-7702 delegations are being used by malicious actors deploying copy-pasted contracts dubbed "CrimeEnjoyor," which automatically scan for wallets with compromised private keys and drain them.

Crypto exchange Coinbase has launched wrapped XRP (cbXRP) and Dogecoin (cbDOGE) on its Ethereum L2 network Base.

Binance founder "CZ" on June 1 proposed a privacy-focused perpetual DEX that hides user trades, deposits, and liquidation points using zero-knowledge encryption to prevent front-running, and invited developers via his messaging app, ReachMe, to help build it.

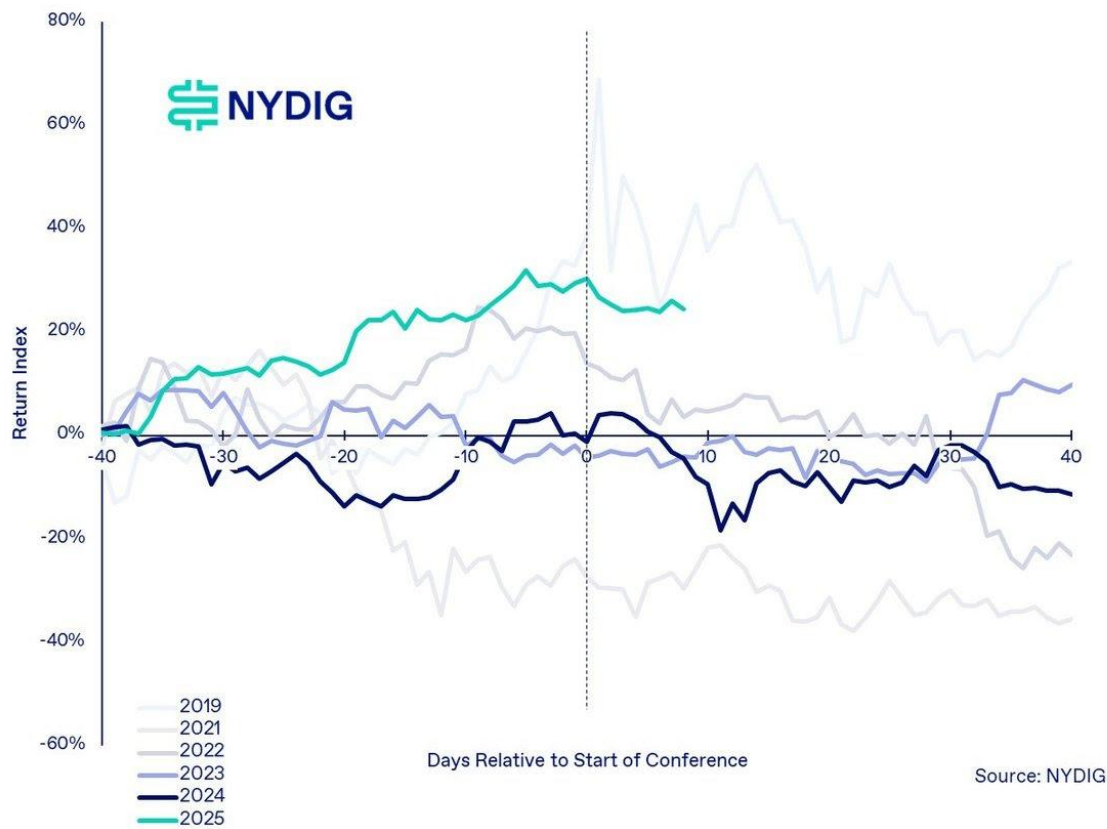
Ethereum virtual machine blockchain Sonic Labs officially made all seasons of its ~200 million-token S airdrop available to US residents, making it one of the first major crypto projects to include US users in such a large-scale distribution.

Berachain activated its Bectra hard fork to adopt Ethereum's Pectra execution upgrades, enabling smart wallet features and batching for users while preserving compatibility for 200+ apps and maintaining its unique proof-of-liquidity model.

CHARTS, TABLES, QUOTES, COMMENTARY & OTHER IMAGES

NYDIG: Many have asked why price has languished post-conference (Bitcoin 2025). This is a familiar story, however. Big events like the annual Bitcoin conference rarely result in price appreciation following the event. Most of the outperformance typically comes ahead of the event, while price typically falls in the wake. This year is proving to be no different.

Returns Around Bitcoin's Biggest Conference



Matt Hougan’s (Bitwise) Weekly CIO Memo: “More Return with Less Risk? – A Different approach to Thinking About Bitcoin’s Role in a Portfolio.”

Bitcoin is a highly volatile asset. Using the most common measure of volatility, it’s about three or four times as volatile as the S&P 500 Index.

This doesn’t mean, however, that adding Bitcoin to a portfolio makes the portfolio significantly more volatile. As Bitcoin proponents like me love to point out: Because Bitcoin has a low correlation to both stocks and bonds, adding it to portfolios has historically boosted returns without significantly increasing risk.

The typical way researchers demonstrate this is to take a traditional 60/40 portfolio – 60% stocks, 40% bonds – and gradually shift a small part into Bitcoin. The table below compares risk and return metrics for portfolios with 0%, 1%, 2.5%, and 5% Bitcoin allocations for the period from January 1, 2017, to December 31, 2024. I calculated it using the free portfolio simulation tool available in our Expert Portal. (Try it for yourself, [here](#).)

	Cumulative Returns				Standard Deviation	Sharpe Ratio
	1 Year	3 Years	5 Years	Full Study		
Portfolio 1 60% Stocks, 40% Bonds	15.10%	13.94%	52.69%	106.84%	11.34%	0.64
Portfolio 2 59.4% Stocks, 39.6% Bonds, 1% BTC	16.13%	15.35%	59.17%	124.55%	11.45%	0.73
Portfolio 3 58.5% Stocks, 39% Bonds, 2.5% BTC	17.66%	17.46%	69.21%	153.28%	11.74%	0.84
Portfolio 4 57% Stocks, 38% Bonds, 5% BTC	20.24%	20.98%	86.63%	207.37%	12.54%	0.99

Source: Bitwise Asset Management with data from Bloomberg. Data from January 1, 2017 to December 31, 2024. “Stocks” are represented by the SPDR S&P 500 ETF Trust (SPY). “Bonds” are represented by the iShares Core US Aggregate Bond ETF (AGG). Bitcoin is represented by the Bitcoin spot price. Not considering taxes or transaction costs. Past performance does not predict or guarantee future results.

Notice, for instance, how a 5% allocation to Bitcoin increased your total return from 107% to 207% – a 100 percentage point increase! – while your portfolio’s standard deviation (which measures its volatility) rose only modestly, moving from 11.3% to 12.5%.

I find this type of study compelling. It aligns with how most investors think about allocating to Bitcoin. But recently, I’ve been wondering if there is a better way.

Can You Get More Return and Less Risk?

One secret about people working in crypto is that often their personal portfolios do not look like the portfolios I’ve outlined above. In my experience, crypto enthusiasts tend to have barbelled portfolios – big allocations to crypto and big allocations to cash (or money market funds), with very little in between. (Mine is roughly equally weighted to crypto, stocks, and cash, which I’m not crazy enough to suggest for anyone else. But hey, full disclosure.)

Reflecting on this has me thinking: As you add Bitcoin to a portfolio, does it make sense to compensate by managing risk elsewhere in your portfolio?

In the example highlighted above, we made room for a 5% Bitcoin exposure by reducing the 60/40 stock/bond portfolio proportionally – taking 3% from stocks and 2% from bonds.

What if, instead, we both:

- 1. Invested 5% in Bitcoin and increased our bond allocation by 5%, in theory reducing equity risk; and
- 2. Rotated exposure from broad-based bonds to short-term Treasury bills, in theory reducing bond risk?

Portfolio 3 shows the results:

	Cumulative Returns				Standard Deviation	Sharpe Ratio
	1 Year	3 Years	5 Years	Full Study		
Portfolio 1 60% Stocks, 40% Bonds (AGG)	15.10%	13.94%	52.69%	106.84%	11.34%	0.64
Portfolio 2 57% Stocks, 38% Bonds (AGG), 5% BTC	20.24%	20.98%	86.63%	207.37%	12.54%	0.99
Portfolio 3 50% Stocks, 45% Bonds (BIL), 5% BTC	20.26%	28.51%	88.91%	199.94%	10.81%	1.08

Source: Bitwise Asset Management with data from Bloomberg. Data from January 1, 2017 to December 31 2024. “Stocks” = SPDR S&P 500 ETF Trust (SPY). “Broad-based bonds” = iShares Core US Aggregate Bond ETF (AGG). “Short-term Treasury bills” = SPDR Bloomberg 1-3 Month T-Bill ETF (BIL). Bitcoin = Bitcoin spot price.

Fascinating, right? Portfolio 3 generated higher returns than Portfolio 1 – and roughly the same returns as Portfolio 2 – with less risk than either.

It makes you wonder: What if you push this further?

The table below adds a fourth portfolio, which cuts the equity exposure to 40%, boosts the bond portfolio to 50% and adds 10% Bitcoin.

	Cumulative Returns				Standard Deviation	Sharpe Ratio
	1 Year	3 Years	5 Years	Full Study		
Portfolio 1 60% Stocks, 40% Bonds (AGG)	15.10%	13.94%	52.69%	106.84%	11.34%	0.64
Portfolio 2 57% Stocks, 38% Bonds (AGG), 5% BTC	20.24%	20.98%	86.63%	207.37%	12.54%	0.99
Portfolio 3 50% Stocks, 45% Bonds (BIL), 5% BTC	20.26%	28.51%	88.91%	199.94%	10.81%	1.08
Portfolio 4 40% Stocks, 50% Bonds (BIL), 10% BTC	23.76%	34.32%	118.82%	298.14%	12.48%	1.25

Source: Bitwise Asset Management with data from Bloomberg. Data from January 1, 2017 to December 31 2024. “Stocks” = SPDR S&P 500 ETF Trust (SPY). “Broad-based bonds” = iShares Core US Aggregate Bond ETF (AGG). “Short-term Treasury bills” = SPDR Bloomberg 1-3 Month T-Bill ETF (BIL). Bitcoin = Bitcoin spot price.

You get a lot more return, with less risk than Portfolio 2.

Of course, there’s no guarantee this will persist in the future – Bitcoin’s early returns were extraordinary, and future returns may not match the returns during this study.

But the data reinforces something important: When you think about adding Bitcoin to a portfolio, don’t do it in isolation. Think about it in the context of your entire risk budget. You might be surprised at the results.

Fidelity Digital Assets laid out the case for Bitcoin as a corporate treasury hedge across 6 major risks: inflation, interest rates (both high & low), FX, liquidity, and credit.

Fidelity **DIGITAL ASSETS®**

Risk	Description	Bitcoin as a Potential Solution
Low-Interest-Rate Risk	Cash becomes unproductive and traditional hedging methods become less effective.	In a zero (or negative) yield environment, a non-yielding asset that is protected from inflation, but with asymmetric upside potential, may be an attractive alternative.
High-Interest-Rate Risk	Servicing old debt and taking on new debt becomes expensive, and market returns can be tempered.	In a high-interest-rate environment, bitcoin acts as a mostly uncorrelated asset that can reduce overall risk by not being overly dependent on traditional financial assets.
Foreign Exchange Risk	Changes in foreign exchange rates could have a negative impact on revenues and costs of multinational companies.	Corporates exposed to multiple fiat currencies could leverage bitcoin as a bridge currency to exchange different currencies, lowering the cost of transacting.
Credit Risk	The creditworthiness/default risk of borrowers or fixed income securities issuers—corporate or federal.	Borrowers posting bitcoin as collateral could help reduce credit risk because it is a 24/7/365, global, non-sovereign, digital bearer asset (not an IOU).
Liquidity Risk	Inability to meet debt service and other payment obligations to creditors due to insufficient liquid assets. A prolonged reduction in liquidity could lead to the sale of less liquid assets at a less than favorable price to meet obligations.	New borrow/lend opportunities are enabling capital efficiency by allowing bitcoin holders to borrow cash against bitcoin collateral, helping liquidity while maintaining investment upside from holding bitcoin.
Inflation Risk	Purchasing power of a company's cash position declines relative to the goods, services, and investments it would like to purchase.	Bitcoin's inelasticity and rigid monetary policy protect it from the potential effects of money supply growth, allowing businesses to preserve and even grow capital as it captures its untapped addressable market.

Conclusion from Coin Metrics’ “State of The Network” weekly report from 6/3/25. (Read the full report, [here.](#))

While Bitcoin’s role as a store of value remains foundational, wrapped tokens like WBTC and cbBTC are simultaneously expanding the utility of BTC. With these products, BTC can now seamlessly move across chains, participate in on-chain finance and integrate with new execution environments. While these models introduce varying trust assumptions, their adoption suggests market appetite for making BTC more versatile. As parallel efforts such as rollups and sidechains evolve, tokenized BTC will likely remain a key bridge between Bitcoin’s monetary reserve status and the programmable economies built on other networks.

Conclusion from Glassnode’s “The Week On-Chain” from 6/5/25. (Read the full report, [here.](#))

Bitcoin’s recent climb to a new all-time high of \$111.8k has met growing resistance, as market data points to exhaustion from earlier buyers and profit-taking by long-standing holders. The CBD Heatmap shows that many of the strong accumulation zones from previous cycles have flipped into active selling regions, particularly among cohorts who bought in the >\$25k and <\$73k zones.

On-chain pricing models such as the Cost Basis Quantiles and Short-Term Holder statistical bands now define the immediate structure of the market. Key support levels at \$103.7k and \$95.6k will be critical to hold if demand falters, while the upper resistance band at \$114.8k remains a test for renewed strength.

The profit realization regime is also showing signs of intensity, with daily profits peaking at \$1.47B, primarily led by older long-term holders. This trend, along with the rising share of profit-taking from the >12-month cohort, suggests we may be witnessing a distribution phase rather than a fresh breakout.

Altogether, the market appears to be at a crossroads, shaped by elevated sell pressure, maturing bullish momentum, and demand that must prove itself resilient. The coming weeks will be crucial in determining whether this is a mid-cycle consolidation or the start of a broader top formation.

Blockworks updated key metrics...

Total Crypto Market Cap	\$3.40 T
Bitcoin Market Cap	\$2.09 T
Ethereum Market Cap	\$301.72 B
ETH/BTC Ratio	0.02
Ethereum Gas Price	1.51 gwei
DeFi TVL	\$196.10 B
Fear and Greed Index	52 (Neutral)

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

Opening Remarks

May was characterized by the alleviation of tariff fears – a continuation from April – headlined by the US and China meeting for negotiations in Switzerland and coming away with a bilateral 115% reduction in tariffs. For crypto, May was characterized by a slew of crypto treasury deals with publicly traded companies. All-in, it was good enough for a new daily, weekly and monthly ATH in BTC.

As for tariffs, the situation remains dynamic but directionally positive –

Date	Action	Details
May 4, 2025	Proposed 100% tariff on foreign films	Announced by Trump via X, status unclear.
May 8, 2025	U.S. tariff on UK automobiles reduced to 10% for first 100K imports	Previously 25%, part of U.S.-UK trade adjustments.
May 8, 2025	U.S. tariff on UK steel/aluminum set to 0%	Strengthened transatlantic trade ties.
May 8, 2025	UK reduced ethanol tariff on U.S. imports to 0%	Reciprocal measure to U.S. actions.
May 12, 2025	U.S.-China agreement: tariffs lowered by 115%, 10% retained	Effective by May 14, included suspension of 34% tariff for 90 days.
May 12, 2025	China lowered 125% tariff to 0% for 90 days	Part of U.S.-China deal, effective from May 12.
May 23, 2025	EU "reciprocal" rate adjusted, increasing U.S. tariff rate by 4-5pp	Reduced 2025 GDP growth by 0.2pp.
May 28, 2025	Federal trade court struck down several tariffs	Included 10% universal, 20% on Chinese goods, 10% reciprocal, de minimis tariffs.
May 29, 2025	Appeals court reinstated most struck-down tariffs	Emergency stay maintained status quo pending further proceedings.

Source: Grok. As of 5/30/25.

Overall, risk markets took the events of May very positively. SPX +6%, NASDAQ +9%, VIX -25%. NASDAQ closed May 4% off of ATHs. Treasury yields were up in May – US10Y went from 4.16% to 4.6% in a straight line the first three weeks of May, before tightening the end of the month and closing at 4.4%. Bessent needs yields tighter. For yields to get tighter, Bessent needs buyers of Treasuries.

Never fear, he's a got a solution for that –

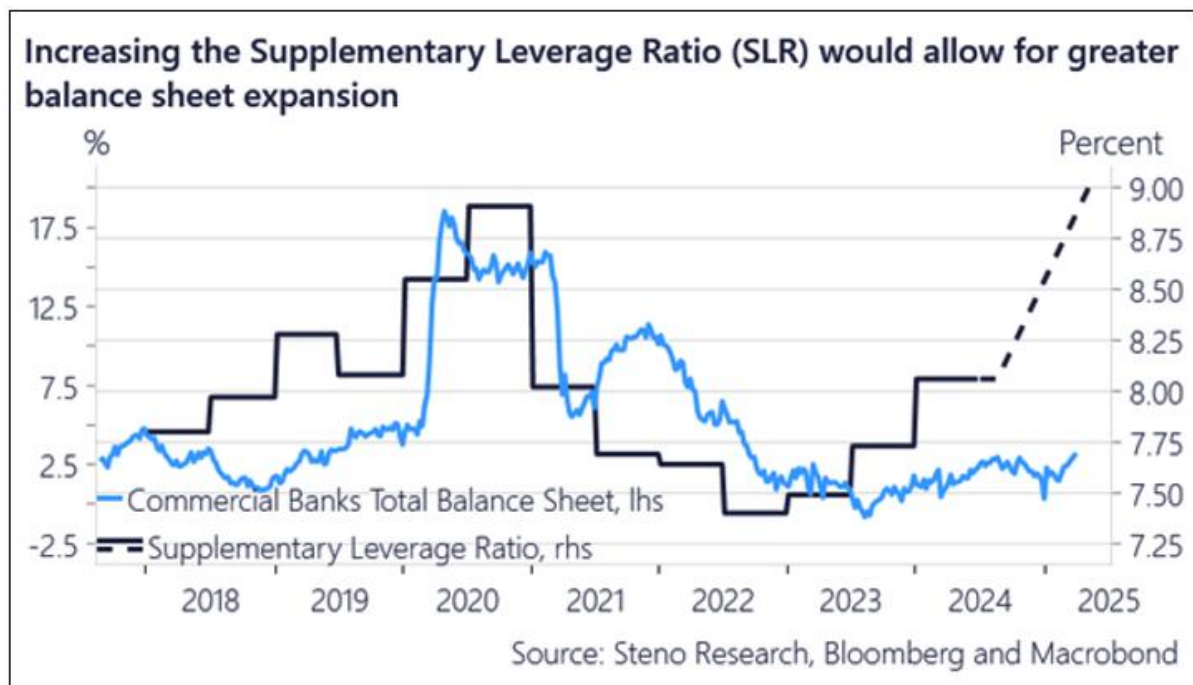
The SLR : Why a dry-sounding rule could flood the treasury market with fresh demand

05/18/2025 23:35:05 GMT | By **Stephen Innes**



Forget the acronym soup—SLR, or the Supplementary **Leverage** Ratio, is about to become Wall Street's favorite three-letter word. On the surface, it's just a Basel-era regulation requiring U.S. global systemically important banks (GSIBs) to hold a minimum 5% capital buffer against all assets, risk-weighted or not. But in practice, it's been a choke

Loosen up the capital restrictions on domestic banks, and domestic banks buy more Treasuries –



I would not consider this full-blown QE and thus I would not expect it to have full-blown QE effects. That said, it should be pretty supportive for risk assets broadly over the summer, assuming the tariff situation remains directionally on track. Panicans in shambles.

Market Update – Liquid Crypto Asset Investing

	May	Apr	Q1-25	YTD	2024	Q4-24	Q3-24	Q2-24	Q1-24	2023	2022
BTC	11%	14%	-12%	12%	121%	48%	1%	-12%	69%	155%	-64%
ETH	41%	-2%	-45%	-24%	46%	28%	-24%	-6%	60%	91%	-67%
XRP	0%	5%	0%	5%	238%	240%	29%	-24%	2%	81%	-59%
BCH*	11%	21%	-31%	-7%	36%	25%	-12%	-44%	121%	157%	-75%
EOS	-4%	9%	-20%	-17%	-8%	50%	-11%	-48%	30%	-2%	-72%
BNB	10%	-1%	-14%	-6%	124%	24%	-3%	-4%	94%	27%	-52%
XTZ	3%	-15%	-49%	-55%	28%	82%	-11%	-43%	40%	39%	-84%
XLM	-3%	3%	-20%	-20%	157%	237%	8%	-35%	9%	81%	-73%
LTC	4%	1%	-19%	-15%	42%	54%	-11%	-28%	44%	4%	-52%
TRX	8%	3%	-6%	5%	136%	63%	25%	1%	14%	98%	-28%
Aggregate Mkt Cap	11%	10%	-19%	0%	96%	46%	-4%	-14%	63%	119%	-64%
Aggregate DeFi*	28%	-1%	-19%	2%	50%	52%	-15%	-21%	47%	132%	-77%
Aggr Alts Mkt Cap	7%	14%	-34%	-19%	72%	47%	-13%	-15%	58%	90%	-64%

Source: CoinMarketCap and Coingecko. As of 5/31/25. BCH includes SV.

BTC made new ATHs in May, briefly kissing \$111k before pulling back into month-end and closing May at \$105k – right at prior ATHs.

Several times over the last few months I've mentioned how BTC gets sluggish over \$100k, like the buying dries up relative to sellers coming out, and BTC struggles to hold that big round number. BTC crossed above \$100k again on May 8th due to the China tariff negotiations and has traded above since – the longest stretch of closes above \$100k that BTC has ever had.

And yet, BTC did not blast off after making new ATHs in May for the first time since Jan 20th. Instead, that move higher was faded. Right now, BTC is testing prior ATHs as support. It's too early to say whether this level will hold or whether we will fall back into the prior range. It still seems to me that buying dries up and sellers overwhelm up above the \$100k level. It's noteworthy this price action occurred with a backdrop of very positive newsflow for BTC – big ETF buys, big Saylor buys and all the other stuff included in Monthly Highlights and discussed above.

It remains to be seen how much longer we will need to churn this ~\$100k level, with everyone that's in the mood to sell over \$100k getting rid of their coins to people that want to buy \$100k. My guess is we will revisit sub-\$100k again in 2025, and then we'll see how the buying strength is down there relative to the selling. The good news is that this >\$100k price action in May occurred without too much froth – funding rates and CME basis didn't blow out and OI remained in a decent spot. So, I think there is limited risk to a big leverage blowup if prices head lower from here. But we may need to continue churning around this \$100k level for a while longer.

I think what is clear to me is that BTC is huge - \$2.1tn market cap at current levels. Only six assets on planet Earth are larger, 5 tech companies and one element on the periodic table –

Rank		Name	Symbol	Market Cap	Price
1		Gold		\$22.248 T	\$3,313
2		Microsoft		\$3.421 T	\$460.36
3		NVIDIA		\$3.295 T	\$135.13
4		Apple		\$2.999 T	\$200.85
5		Amazon		\$2.176 T	\$205.01
6		Alphabet (Google)		\$2.09 T	\$172.85
7		Bitcoin		\$2.089 T	\$105,155

Source: 8marketcap.com. As of 6/1/25.

So, it just takes a TON of buying to keep pushing this thing higher. Absent the US government buying BTC in size (which I don't think is on the table), I think BTC is just too big to act like a rocket ship from these levels. Perhaps a structural devaluation of the dollar via a Mar-a-Lago accord multilateral currency agreement, but I'm not sure where we are on that at the moment.

ETH had a huge month in May, +41%. Basically, all that came in three days as everything was ripping on the China tariff negotiation news.

There was also the first public company ETH treasury strategy announced on May 27th with SharpLink Gaming, to the tune of \$425mm. But price didn't actually respond much to that news. My guess is that extremely aggressive but short-lived price action was mostly the result of a short squeeze. The ETH spot ETFs didn't see notable inflows during those three days, or during the month of May for that matter. AFAIK there were not any strongly positive fundamental changes to the ETH narrative in May.

ETH Open Interest did NOT spike during the price pump, but it has increased ~18% SINCE the price pump. Other than a short squeeze, I think the main driver of the ETH pump was the expectation of ETH staking ETFs being approved soon, potentially June. Off of very oversold levels, that feels like enough to drive significant buying that moved price up aggressively. Assuming we get staking ETFs sometime this summer, will that lead to significant pickup in ETH ETF inflows? Tough to say. Doesn't feel like a strong yes, but if Larry Fink decides to kingmake his ETH ETF like he has his BTC ETF, ETH price is likely headed higher. The Alt landscape is EXTREMELY starved for narratives right now, so even the hint of some buyable catalyst could easily be enough to get ETH moving higher from here. Maybe staking ETFs will be that.

Hyperliquid was a name that got a lot of airtime in May. It is a DEX (relative) newcomer that has seen a lot of traction from traders. In particular in May, HYPE was in the spotlight as a degenerate leverage trader named James Wynn had his VERY short lived main character arc, opening a 40x leveraged long to the tune of \$1.25bn size and getting liquidated, losing >\$100mm of capital. Rough stuff. As for the HYPE chart, it's a doozy. Down 65% in 48 days, up 300% in the same amount of time. The big knock on HYPE is its valuation

- \$11bn market cap (#10 ranking, excluding stables) and \$33bn FDV. Lots of people like the product. Lots of people also like the token. I struggle with the valuation.

SOL was +6% in May – pretty light performance given NASDAQ +9% and BTC +11%. SOL should be getting spot ETFs pretty soon, potentially June. That should be good for \$200+ on the approval announcement, and then we'll get to see how much pent-up demand there is for SOL exposure that couldn't get it elsewhere. TBD there. I've written here before about the potential death of the "own the casino" narrative for SOL. I'm not so sure boomers are going to be chomping at the bit to get SOL ETF exposure, but maybe.

Many names in the crypto universe are badly lagging BTC YTD.

Even with ETH's monster May, it still trails BTC by 37% YTD. Many Alts have fared even worse than ETH YTD. 2025 was supposed to be 2021 in terms of "crypto cycles" but it is now crystal clear that isn't happening. There is no Alt season because there are no inflows into Alts. There are no inflows into Alts because no one is using them. No one is using them because they don't do anything.

In 2017 you could sell the dream (also all this stuff was 3% the market cap it is now). In 2021 you had some real usage in DeFi and NFTs and a bit of gaming and also you had a shitload of "reckless lending intertwined with fraud used to heavily lever long to speculate on vaporware." This time around, in 2025, you have the curtain pulled back. You also extracted billions of dollars of maximum risk-seeking capital with Pumpfun and the memecoin mania. This capital was the ingredients of an "Alt Season,": and the degens gave it all away to Pumpfun equity investors and a memecoin cabal that's probably 300 people deep. Everyone else loses.

And all the eyeballs (there are many) with all the capital (there is a lot) that's on the sidelines peering into the Alt landscape...they're not convinced. At all. Neither should they be. So, that's how you get the Alt price action we've had thus far. And I don't see a single thing on the horizon that's going to change that near term (this year). Hate to be a Debbie Downer, but gotta call a spade a spade.

Closing Remarks

In a Telegram chat I've been in for years with a tightknit group of crypto folks, we've taken to using this meme over the last several months –



In particular, the usage of this meme ratcheted up when Trump launched the TRUMP and MELANIA memecoins a couple days before his inauguration. It's an acknowledgement of the free-for-all that crypto has now become in the second Trump era we find ourselves in. The SEC dismissed dozens of pending crypto cases. The CFTC added to that list. Trump fired the SEC crypto enforcement task force. Justin Sun bought \$75mm of Trump's WLFI and immediately thereafter, the SEC paused its case against him. DWF Labs, truly some of the very worst actors in all of crypto, bought \$25mm of Trump's WLFI. The WSJ wrote an article in March about Binance and CZ trying to bribe the Trump admin. They wrote another article about it in May. Then, Binance had its \$2bn investment from MGX be funded in WLFI's USD1 stablecoin. A couple days ago, SEC dropped its case against Binance.

Sigh... Don't get me wrong, Gary Gensler sucks and Maxine Waters does too. But like, is this what we really want? Trump held a dinner this month for the top 220 holders of his TRUMP memecoin. If you were top 25, you got a private VIP meet and greet. It appears WLFI and TRUMP are basically the gift vehicles for the Trump family. Maybe if the CCP buys enough TRUMP, he'll give them a nice deal on tariffs?

The GENIUS stablecoin bill is making progress in the Senate and will likely get passed this year. Once that's done, Congress will turn to getting a market structure bill passed (FIT21 already passed the House). These are both good and necessary things. But I HATE the open season grift backdrop this is occurring in. What does it mean for the future of crypto? Fast forward a year from now, and we have stablecoin regulation and market structure regulation mandated by legislation. By that point, what other bad actors will have curried favor with greatest country in human history by enriching the family of the President of said country? Where will we be on crypto adoption? Where will we be on viable crypto use cases, outside of BTC and stablecoins?

Careful what you wish for I guess, right?

Arca: The Truth About Crypto Treasury Companies...

Facts Versus Myths About Crypto Treasury Companies

After six straight weeks of gains for the Bloomberg Galaxy Crypto Index (BGCI), the crypto market finally retreated last week, even as both equities and Treasuries gained. For all the talk about how broken the US Treasury market is, it's worth noting that the yield of the 10-year US Treasury has essentially just been in a 100bps range trade for the past 2 years, yet another example of narrative overtaking facts.

Speaking of narratives, the rise of publicly traded US companies buying Bitcoin and other digital assets has certainly been the talk of the town, but as usual, there are a lot of misconceptions. So, we'll do our best to parse through the facts and myths about these new buyers of digital assets.

Some are referring to these vehicles as "Bitcoin Treasury companies," while others call them DATs (Digital Asset Treasury companies). Whatever you call them, they are basically just a new shell vehicle for holding digital assets. This differs from the original Bitcoin treasury companies. For well over five years, we've been discussing different public companies that were holding Bitcoin on their balance sheets for a variety of reasons. Some were regular companies that were experimenting with ownership of Bitcoin (i.e. Tesla and Block/Square), others were crypto-native companies like Coinbase and Galaxy that owned these assets via their natural business, and others were Bitcoin mining companies whose sole business was owning Bitcoin. The growth of Bitcoin on these balance sheets was easy to track and occasionally sparked a boost to the stock price, but in most cases, the ownership of Bitcoin did not overshadow their core business. Furthermore, until recently, the FASB accounting standards for holding Bitcoin on the balance sheet provided significantly more downside to EPS than upside. Conversely, these companies rarely provided a boost to the price of Bitcoin, because they were often not buying BTC on the open market. Most were simply accumulating it through regular everyday business, or for those who were buying it, it was a relatively small amount.

Name	Symbol	Market Cap	Ent. Value	Bitcoin	BTC/Share	Cost Basis	USD Value	NgU	mNAV	/M.Cap	/21M	
 Microstrategy, Inc.	MSTR	\$102,404M	\$110,341M		8,580,250	0.00209119	\$40,605.31M	\$60,783.51M	1.50x	1.685	59.36%	2.763%
Update  MARA Holdings, Inc.	MARA	\$4,969M	\$7,414M		849,140	0.00013963	? \$5,147.61M	\$5,147.61M	—	0.965	103.59%	0.234%
 XXI	CEP	\$415M	\$517M		831,500	0.00305236	? \$3,299.75M	\$3,299.75M	—	0.126	794.36%	0.150%
 Riot Platforms, Inc.	RIOT	\$2,883M	\$3,267M		819,211	0.00005377	? \$2,012.43M	\$2,012.43M	—	1.433	69.80%	0.091%
 Galaxy Digital Holdings Ltd	GLXY.TO	\$6,325M	\$2,320M		812,830	0.00003679	\$1,089.97M	\$1,343.99M	1.23x	4.706	21.25%	0.061%
 CleanSpark, Inc.	CLSK	\$2,425M	\$2,971M		812,101	0.00004234	? \$1,267.63M	\$1,267.63M	—	1.913	52.28%	0.058%
  Tesla, Inc.	TSLA	\$1,115,934M	\$1,092,830M		811,509	0.00000345	\$386.00M	\$1,205.61M	3.12x	925.615	0.11%	0.055%
 Hut 8 Mining Corp	HUT	\$1,591M	\$1,866M		810,273	0.00009857	? \$1,076.14M	\$1,076.14M	—	1.479	67.62%	0.049%
 Coinbase Global, Inc.	COIN	\$62,815M	\$59,359M		89,267	0.00003638	\$518.37M	\$970.76M	1.87x	64.708	1.55%	0.044%
 Block, Inc.	XYZ	\$37,977M	\$36,472M		88,584	0.00001396	\$261.00M	\$899.21M	3.45x	42.234	2.37%	0.041%
 Metaplanet Inc.	3350.T	\$3,455M	\$3,419M		87,800	0.00001672	\$712.45M	\$817.08M	1.15x	4.229	23.65%	0.037%
 Next Technology Holding Inc.	NXTT	\$833M	\$834M		85,833	0.00001292	\$183.07M	\$611.03M	3.34x	1.364	73.33%	0.028%
New  GameStop Corp.	GME	\$13,330M	\$8,959M		84,710	0.00001053	? \$493.39M	\$493.39M	—	27.016	3.70%	0.022%
 Semler Scientific	SMLR	\$504M	\$532M		84,264	0.00033841	? \$446.67M	\$446.67M	—	1.128	88.63%	0.020%
 Bitcoin Group SE	ADE.DE	\$245M	\$234M		83,605	0.00070904	? \$377.64M	\$377.64M	—	0.649	154.03%	0.017%
 Boyaa Interactive International Limi...	0434.HK	\$514M	\$507M		83,350	0.00000499	\$196.40M	\$350.93M	1.79x	1.464	68.29%	0.016%
 Cango Inc	CANG	\$472M	\$-743M		83,181	0.00003065	? \$333.23M	\$333.23M	—	1.417	70.57%	0.015%
New  Microcloud Hologram	HOLG	\$31M	\$-1,544M		82,353	0.00045888	\$197.65M	\$246.49M	1.25x	0.124	803.84%	0.011%
 HIVE Digital Technologies	HIVE	\$325M	\$264M		82,201	0.00001209	? \$230.56M	\$230.56M	—	1.408	71.04%	0.010%
 Exodus Movement, Inc	EXOD	\$822M	\$755M		82,011	0.00006974	? \$210.66M	\$210.66M	—	3.901	25.63%	0.010%
 BITFUDU	FUFU	\$564M	\$662M		81,908	0.00001161	? \$199.87M	\$199.87M	—	2.820	35.46%	0.009%
 NEXON Co., Ltd.	3659.T	\$14,613M	\$10,987M		81,717	0.00000021	\$99.97M	\$179.86M	1.80x	81.245	1.23%	0.008%
 Fold Holdings Inc.	FLD	\$195M	\$248M		81,485	0.00003202	? \$155.56M	\$155.56M	—	1.252	79.85%	0.007%
 Canaan Inc.	CAN	\$280M	\$4,144M		81,424	0.00000388	? \$149.17M	\$149.17M	—	1.874	53.36%	0.007%

Source: BitcoinTreasuries.net

At the same time, MicroStrategy (MSTR) was becoming the first true "Bitcoin company," meaning its sole purpose as a public company was to acquire Bitcoin. We first wrote about MSTR almost five years ago, as

it opened eyes after announcing the first of many BTC purchases, leading to a 20% price jump for MSTR stock. This certainly opened eyes. As we wrote in August 2020:

“MSTR stock jumped 20% following the announcement last week, most likely leading to long weekends for junior employees at corporate finance departments around the world as they furiously research Bitcoin. Remember back in 2017 when companies would go out of their way to mention “blockchain” on earnings calls even with no knowledge or intention of how to actually use blockchain, simply because the market was rewarding companies for being ahead of the technology curve? Get ready for Bitcoin redux.”

While MSTR’s first BTC purchases were done using cash on the balance sheet, the true mastery of MSTR over the last five years shifted to how easily and frequently they tapped the capital markets. MSTR still had another core business, which generated anywhere from \$50-150 million of EBITDA via its business intelligence and enterprise software analytics offerings, but this was quickly overshadowed by the Bitcoin purchases. The existing cash flow, which has nothing to do with Bitcoin, is a significant difference between MSTR and every other publicly traded equity vehicle that is now attempting to do the same thing.

Year	EBITDA (USD)
2010	\$63.4 million
2011	\$37.8 million
2012	\$54.7 million
2013	\$43.3 million
2014	\$39.9 million
2015	\$148.3 million
2016	\$122.1 million
2017	\$88.9 million
2018	\$3.98 million
2019	\$7.59 million

Source: ChatGPT and MicroStrategy financial reports

The cash flow from this ancillary (formerly core) business line enables MSTR to pay corporate expenses and interest on debt. By tapping the debt, convertible, preferred, and equity markets via new primary deals to buy Bitcoin, a whole new audience emerged that could now gain crypto exposure, which was previously unavailable.

Forgive my laziness. I generated this via ChatGPT rather than spend the time digging into each financing round because the exact details don’t matter for my argument. But MSTR’s mastery of the capital markets resulted in a 5-year stretch of pure capital markets wizardry:

Date	Financing Type	Amount Raised	Bitcoin Purchased	Notes
Aug 2020	Treasury Cash	\$250M	21,454 BTC	Initial Bitcoin purchase using existing cash reserves.
Sep 2020	Treasury Cash	\$175M	16,796 BTC	Additional purchase from cash reserves.
Dec 2020	Convertible Notes (2025)	\$650M	29,646 BTC	0.75% convertible senior notes due 2025.
Feb 2021	Convertible Notes (2027)	\$1.05B	19,452 BTC	0% convertible senior notes due 2027.
Jun 2021	Senior Secured Notes (2028)	\$500M	13,005 BTC	6.125% senior secured notes due 2028.
Sep 2024	Convertible Notes (2028)	\$1.01B	7,420 BTC	0.625% convertible senior notes due 2028.
Jan 2025	Preferred Stock (STRK)	\$563M	Not specified	Perpetual preferred stock with a 10% dividend yield.
Mar 2025	Convertible Notes (2032)	\$2B	Not specified	0% convertible senior notes due 2032.

Source: ChatGPT

Each subsequent round of financing, and Bitcoin purchase, added upward pressure to BTC's price due to the size of these purchases and the signaling of future purchases, and also added to upward pressure on MSTR's stock price as they made the market focus on "Bitcoin per share" and "Bitcoin yield", new metrics that previously did not exist. Essentially, the sole goal of MSTR, the "company," was now to grow its Bitcoin balance, and everyone along the way benefited. The convertible bond and preferred stockholders essentially were playing a "cheap vol" game, taking advantage of the volatility in both the MSTR stock and BTC's price. The straight debt holders only cared about clipping their coupons, which was easy given the EBITDA that MSTR still generated from its old core business. And the equity investors benefited from the stock trading at a high premium to the NAV of Bitcoin on its balance sheet.

Everyone won! Of course, when everyone wins, two things happen:

1. Naysayers begin to rage-post, trying to find ways to discredit the strategy. We first began addressing some of the ludicrous claims in 2021, when many market participants were convinced that MSTR would become a forced seller of Bitcoin, demonstrating a complete misunderstanding of how debt covenants work and an even greater confusion between owning Bitcoin outright versus holding levered futures positions with liquidation prices. To this day, we still often have to contend with claims that MSTR poses a systemic risk to BTC, although we've largely given up trying to fight this battle because it is never-ending. We wish Jim Chanos a lot of luck on his recent long BTC, short MSTR trade (which also likely will not work for reasons we lay out here). "Shorting MSTR" is the new "shorting Tether", a trade that makes everyone salivate due to the obvious low risk, high reward, but has a low probability of actually working.
2. The copycats emerge. Welcome to the new era of crypto insanity. Let's dive in.

Treasury Company Comp sheet

Company	Ticker	Currency	Price	Marketcap (\$,mm)	Holdings (native)	Holdings (\$,mm)	NAV multiple
MicroStrategy	MSTR	BTC	\$ 365.97	\$ 98,405.67	576,230.00	\$ 60,278.27	1.63x
MetaPlanet	MTPLF	BTC	\$ 7.85	\$ 3,550.87	7,800.00	\$ 815.94	4.35x
Strive Funds	ASST	BTC	\$ 7.02	\$ 110.71	n/a	n/a	n/a
SharpLink	SBET	ETH	\$ 78.76	\$ 54.97	n/a	n/a	n/a
Semler Scientific	SMLR	BTC	\$ 39.94	\$ 383.42	3,808.00	\$ 398.35	0.96x
Sol Strategies	CYFRF	SOL	\$ 2.20	\$ 337.24	267,151.00	\$ 43.00	7.84x
Upexi*	UPXI	SOL	\$ 10.26	\$ 469.96	679,677.00	\$ 108.54	4.33x
Defi Development Corp.	DFDV	SOL	\$ 18.73	\$ 271.02	609,190.00	\$ 97.29	2.79x
Avg.			\$ 18.73				3.65x
Med.							3.56x
Cantor Equity Partners/Twenty One CEP		BTC	\$ 40.95	\$ 15,652.00	42,000.00	\$ 4,393.54	3.56x
CEP at MSTR Multiple	CEP	BTC	\$ 18.77	\$ 7,172.55	42,000.00	\$ 4,393.54	1.63x

Mcip, uses Implied shares outstanding, which assumes that all convertible debt will fully convert. Also includes UPXI PIPE

[Microstrategy holdings](#)

[Metaplanet holdings](#)

[Semler Scientific holdings](#)

[Sol Strategies holdings](#)

[Defi Development Corp holdings](#)

Source: Bloomberg and Arca Internal Calculations

If 2024 was the year of the “crypto ETF”, then 2025 will be the year of the “SPAC and Reverse Merger”. We once said that crypto ETFs were “2 steps forward, one step back:”

“Many are calling the ETF a win for real-time settlement assets, but the opposite is actually true. The BTC ETFs just jammed a real-time settlement system (blockchain) into an antiquated T+1 settlement product (the ETF). Aren’t we going the wrong way? As an industry, we should be striving towards bringing the world’s assets on-chain, not bringing on-chain assets to Wall Street’s outdated rails.”

I also acknowledged that it was a necessary evil to further adoption and interest, but the point is still true. There is a big difference between “blockchain the technology” and “crypto the asset.” We care a lot more about bringing the world’s most popular assets (stocks, bonds, real estate) onto blockchain rails than we do about jamming crappy crypto assets into outdated rails. But jamming crypto assets into equity shells is not going to stop. So, let’s examine what is happening.

SPACs and reverse mergers have been around for a long time, but rarely have they been unilaterally used for a single purpose. But that is what is happening right now. If you have a publicly traded equity shell, it can be used to acquire crypto, with the hope of trading at a significant premium to its NAV. These are new and often structured a little differently than MSTR. Some own just BTC and are trying to copy MSTR to a tee (though with far less brand awareness and capital markets expertise), while others are buying new assets – some own ETH, some own SOL, some own TAO – and many more are coming. Arca is currently getting 3-5 calls per week from investment bankers pitching us new ideas.

Here are a few examples of recent deals announced and being funded (apologies as this may not be fully inclusive):

SharpLink Gaming (SBET)

- Recent Activity: May 2025
- Funding Method: \$425 million private investment in public equity (PIPE) deal
- Crypto Acquired: Ethereum (ETH)

Trump Media & Technology Group (DJT)

- Recent Activity: May 2025

- Funding Methods: \$2.3 billion through stock and convertible debt sales
- Crypto Acquired: Bitcoin (BTC)

GameStop (GME)

- Recent Activity: May 2025
- Funding Methods: \$1.5 billion in convertible bonds
- Crypto Acquired: 4,710 BTC

Jetking Infotrain (India)

- Recent Activity: May 2025
- Funding Method: Rs 6.1 crore via equity sale
- Crypto Acquired: Bitcoin (BTC)

Meliuz (CASH3.SA - Brazil)

- Recent Activity: May 2025
- Funding Method: 150 million reais via equity sale
- Crypto Acquired: Bitcoin (BTC)
- Details: Brazilian fintech Meliuz announced a primary share offering intended to raise funds for acquiring Bitcoin. The company plans to distribute an initial tranche of 17,006,803 common shares, targeting a capital raise of 150 million reais (approximately \$26.45 million).

Sol Strategies (CSE: HODL, OTCQX: CYFRF)

- Initial Investment: January 2025
- Funding Methods:
 - CAD \$25 million unsecured revolving credit facility from Chairman Antanas Guoga.
 - C\$27.5 million (~\$20 million) via convertible debt from ParaFi Capital.
 - Up to \$500 million convertible note facility with ATW Partners, with an initial \$20 million tranche closed in May 2025.
- Crypto Acquired: Solana (SOL)

Cantor Equity Partners/Twenty One Capital (CEP)

- Recent Activity: May 2025
- Funding Method: Added \$100 million in funding to its crypto venture, Twenty One Capital, bringing total funding to \$685 million. Bitcoin was also committed in kind to the new CEP structure via existing equity holders (Tether, Bitfinex, and Softbank).
- Crypto Acquired: Bitcoin (BTC)

Upexi

- Recent Activity: April 2025
- Funding Method: Raised \$100 million to build a Solana reserve.
- Crypto Acquired: Solana (SOL)
- Details: \$100m PIPE to purchase SOL, plans to continue to build “Sol-per-share” via equity and debt issuance.

DeFi Development (formerly Janover)

- Recent Activity: April 2025

- Funding Method: Raised \$42 million to create a Solana reserve treasury and seeking to raise \$1 billion more.
- Crypto Acquired: Solana (SOL)

These examples illustrate a growing trend among public companies to incorporate crypto assets into their financial strategies, often using proceeds from debt or equity offerings to fund these acquisitions.

But who is actually making money on these? Let's break it down:

1. The investment bankers, getting underwriting fees for raising PIPEs, or executing a reverse merger, are a pretty riskless strategy for them regardless of the success or failure of the deal. So, they aren't going to stop bringing these deals.
2. The owners/management of the shell companies – Let's say you raise \$100 million in a new PIPE offering, and use \$85 million to buy crypto assets, and keep \$15 million back for "operating expenses." Operating expenses include higher salaries – that's a fat payday for management teams.
3. The existing owners of the stocks BEFORE the reverse merger or SPAC announcement – Most of these shell public companies are trading with sub-\$20 million equity market caps. And most of the owners of these stocks, prior to being repurposed into crypto equity shells, were likely just penny stock traders or retail investors. Anyone who owned these stocks prior, knowing that the stock would be repurposed into a crypto company, was likely trading on insider information; everyone else was just getting lucky. But make no mistake about it, this is where the real money is being made, as most of these stocks are jumping 500-1000% or more upon announcement.

What group is missing from the "money makers?" The new investors.

Unlike MSTR, where we now have 5 years of history showing that debt, convertible bond, preferred, and equity holders are making money, there is no evidence YET that new investors into these vehicles (those funding the PIPEs or SPACs) are going to make money. No one has lost money yet, as these deals are relatively new and most private investors in these vehicles have yet to convert their private shares to public shares (most take at least 90 days to do so). As a result, the deals will continue to come in, and investors will continue to buy them. And if shares do still trade at a significant premium to NAV once all new investors unlock, then we will see even more of these deals. But if these stocks start to trade straight down, maybe even below NAV, then the music stops.

We won't know for a few more months as these unlocks start to emerge.

But one misconception is already floating around. These unlocks are risks to investors in the equity of these shells, NOT risks to the underlying crypto asset. There are few, if any, mechanisms to force sales of the underlying crypto asset unless you raise money via debt and can't pay interest (default). And none of the newer shells are big enough yet to access the debt markets. That trade has been exclusive to MSTR, and a few other larger players thus far. Equity and preferred holders have no rights unless a stock trades so far below NAV that an activist investor begins accumulating shares and tries to force a board takeover with the goal of selling the underlying asset (crypto) to buy back the shares. This will likely happen at some point in the future, but it's not a big risk today, and once it happens one time, most stocks will close the gap to NAV because they know the playbook can and will be repeated.

This is very similar to the Grayscale trusts prior to the ETFs. There was never a risk that Grayscale would be forced to sell its underlying crypto assets... The risk was that the trusts (stocks) would trade below their NAV, which eventually happened, and was detrimental to equity investors but irrelevant for crypto asset holders.

And now, every crypto venture capital investor holding a massive amount of highly inflationary garbage tokens with massive unlocks and no secondary demand is discussing ways to stuff these tokens into an equity shell. But that doesn't just automatically create demand, no different than how most new ETFs fail to garner demand. Creating a vehicle and creating demand are two separate things. The vehicles will continue to be created, but it is still too early to know if there will actually be demand for the stocks.

Is there a world where these vehicles can sustain a premium to a NAV? Yes. Perhaps one day MSTR becomes the "Berkshire Hathaway" of crypto, whereby Bitcoin becomes such a sought after, scarce asset that companies are willing to take less in an acquisition from Saylor than they would from another company because he is able to pay with precious Bitcoin. And perhaps the same is one day true about other assets being jammed into these shell vehicles. But that's a long-shot idea. Another way a premium to NAV could sustain is if these shell companies get more creative with what underlying asset they own – maybe they start to own HYPE, one of the best tokens ever created that currently does not trade on any centralized exchanges, thus opening HYPE ownership up to a new investor audience that will be willing to pay a premium for access. But that's about the only reason why a premium to NAV would persist over long periods of time.

Regardless, some will work, some will not – just like ETFs. But the bankers need to start getting creative if they want the gravy train to persist. If you're just going to stuff crypto into an equity shell, you need to keep innovating on what is stuffed into the shell – make it valuable and hard to accumulate in any other way.

But I see little reason why these equity shells will be net negatives for crypto assets themselves, at least not anytime in the near future. Without debt in the capital structure, there is no forced sale mechanism. And I feel like we'll be trying to diffuse misconceptions about these vehicles for a LONG time, just as we still do with many crypto topics.

Gemini Report: Majority of Crypto Users Start with Memecoins Before Expanding Portfolios. (See some key findings below. View the full report, [here](#).)

- Europe leads the way in growing crypto ownership: In 2025, 24% of respondents in the UK said they were invested in cryptocurrency, up from 18% in 2024. It was the biggest year-over-year jump of any of the nations surveyed. In France, 21% of respondents reported owning crypto, up from 18% in 2024. In the US, adoption grew from 20% to 22%, and in Singapore from 26% to 28%.
- Memecoins likely drove crypto adoption: In the US, 31% of investors who own both memecoins and traditional cryptocurrencies report that they purchased their memecoins first, followed by 28% in the UK and Australia, 23% in Singapore, 22% in Italy, and 19% in France. However, globally, 94% of memecoin owners also own other types of crypto, suggesting memecoins are an onramp to crypto for many investors around the globe.
- France pushes into memecoins: France's pro-crypto stance has inspired deeper investment in memecoins in the country. In France, 67% of crypto investors report owning memecoins, followed by 59% in Singapore, 58% in Italy, 57% in the UK, 55% in the US, and 45% in Australia.
- Nearly two in five crypto owners in the US are invested in crypto ETFs: Following the approval of spot crypto ETFs in early 2024, adoption has increased, with 39% of crypto investors in the US reportedly owning crypto ETFs, up from 37% in 2024.
- Half of Gen Z and Millennials invest in crypto: Half of Millennial and Gen Z respondents globally (50%) said they either currently own crypto or have in the past, at 52% and 48%, respectively.

Grayscale Research published "May 2025: US Fiscal Risks Driving Bitcoin Demand." (See summary points below. Download the article, [here](#).)

- Bitcoin's price reached a new all-time high in May 2025 as the one-two punch of macro demand and regulatory tailwinds continued to power the crypto bull market.
- Investor demand for Bitcoin stems in part from US macroeconomic imbalances, including persistent fiscal deficits. While deficits are not new, the comprehensive tax and spending legislation making its way through Congress would likely keep the US on an unsustainable fiscal trajectory.
- US fiscal risks seem to be generating demand for Bitcoin, including in the form of "Bitcoin treasury" corporations – public companies holding Bitcoin on their balance sheet. The valuation premiums for these products speak to the widespread interest in crypto exposure from traditional equity market investors. However, we see limits to the crypto treasury strategy for tokens beyond Bitcoin because investors will eventually have greater access to spot crypto ETPs.
- The month also included progress on stablecoin and market structure legislation, breakout performance for decentralized exchange Hyperliquid, and an appearance by Worldcoin, a blockchain-based identity project, on the cover of Time magazine.