



HYPERION DECIMUS

CRYPTO NEWSLETTER

POWERED BY WEEKLY CRYPTO BRIEF

20th July 2025

BITCOIN-RELATED



NYDIG: Bitcoin extended its rally this week, climbing 5.0% and setting a new all-time high of \$123,231 on Coinbase on July 14.

Bitcoin became the world's fifth-largest asset, overtaking Amazon with a \$2.41 trillion market cap as its price topped \$123,000. Only Gold (\$22.6 trillion), Nvidia (\$4 trillion), Microsoft (\$3.7 trillion), and Apple (\$3.1 trillion) are larger, according to CompaniesMarketcap data.

Local media reported that Kazakhstan is considering investing its national reserves, including gold and foreign currency, into Bitcoin and other cryptocurrencies.

President Nayib Bukele of El Salvador and Pakistan's Minister of Crypto Bilal Bin Saqib met to discuss Bitcoin mining, strategic reserves, and education. The countries formed official diplomatic ties for the first time, anchoring the relationship in crypto collaboration.

Strategy resumed its Bitcoin buying spree after a one-week pause, acquiring another 4,225 BTC for ~\$472.5 million between July 7 and July 13, according to an 8-K filing with the SEC. Strategy now holds a total of 601,550 BTC – worth ~\$73 billion – equivalent of more than 2.8% of Bitcoin's total 21 million supply.

Semler Scientific became the 14th-largest public Bitcoin holder after a \$25 million purchase.

Bitcoin Standard Treasury Company (BSTR) announced a definitive agreement to go public through a merger with Cantor Equity Partners, a SPAC sponsored by an affiliate of Cantor Fitzgerald. Upon completion, BSTR will launch with 30,021 Bitcoin on its balance sheet, positioning it as the fourth largest public Bitcoin treasury in the world.

Thumzup Media, a Trump Jr.-linked adtech firm, won board approval to allocate up to \$250 million into crypto including BTC (and XRP and DOGE) – citing a friendlier US policy environment and rising shareholder interest.

France's The Blockchain Group announced a capital raise of approximately €6 million to advance its Bitcoin focused corporate strategy. It also acquired an additional 29 Bitcoins, bringing the company's total BTC holdings to 1,933 coins.

LQWD Technologies added 57.5 more Bitcoin to its treasury, continuing its strategy to scale Lightning Network infrastructure and deliver long-term shareholder value.

The Smarter Web Company announced it has added 325 more Bitcoin to its treasury, investing £27.1 million. This brings the company's total Bitcoin holdings to 1,600 BTC.

Matador Technologies said it plans to acquire up to 6,000 Bitcoin by 2027, with an interim target of 1,000 BTC by 2026. The company currently holds 77.4 BTC and aims to become a top 20 corporate holder globally, with the objective to hold 1% of Bitcoin's total supply.

Nasdaq-listed Volcon announced a \$500 million private placement to fund a new Bitcoin treasury strategy. The company plans to use at least 95% of the proceeds to buy Bitcoin, making it Volcon's primary treasury reserve asset.

Coinsilium Group Limited expanded its Bitcoin treasury to 112 BTC following a £920,000 purchase executed through its wholly-owned Gibraltar subsidiary, Forza Gibraltar Limited.

Roxom announced the launch of a Bitcoin denominated capital market platform in September. The platform introduces a system where global assets, including equities and futures, can be traded, priced, and settled entirely in Bitcoin.

An OG Bitcoin whale transferred over 40,000 BTC worth \$4.7 billion to Galaxy Digital early on July 15, per onchain data. The whale moved another 40,000 BTC worth \$4.75 billion to new address days later.

Standard Chartered will allow institutional clients to trade Bitcoin (and Ether) through its UK branch, the bank said on July 15, becoming what it said was the first global systemically important bank to offer such crypto services.

Despite labeling crypto as speculative, Vanguard now holds over 20 million shares in Strategy due to passive index exposure, making it the firm's largest institutional shareholder.

Jack Dorsey's Block will replace Hess in the S&P 500 prior to the opening of trading on July 23. The company holds 8,584 BTC on its balance sheet.

NFL wide receiver Odell Beckham Jr posted: "Sooooo, Bitcoin is at an ALL-TIME high today... Safe to say we still happy with our decision" to be paid in BTC.

INDUSTRY ADVANCES



The crypto market topped \$4 trillion for the first time, as measured by CoinGecko, soaring on the US House of Representatives getting "Crypto Week" back on track with the passage of the stablecoin Genius Act and reports US president Donald Trump is poised to open up the \$9 trillion retirement market to crypto.

Charles Schwab CEO Rick Wurster confirmed the firm will launch Bitcoin trading “sometime soon,” directly challenging Coinbase as crypto adoption grows among Schwab clients.

Coinbase closed at an all-time high of \$394.01 on July 14, pushing its market cap past \$100 billion for the first time. Bernstein has labeled Coinbase the “Amazon of crypto financial services” with a \$510 price target.

Kraken Pro made CME-listed crypto futures available. The company plans to offer commodity, fixed income, FX, and equity futures later this year.

Sberbank, Russia’s largest lender, plans to offer custody services for cryptocurrency assets. The move comes as Russia’s central bank has softened its stance on digital assets, recently supporting legislation that allows businesses to use Bitcoin and crypto in international trade to bypass Western sanctions imposed on Russia over its conflict in Ukraine.

Crypto cards, once a niche innovation, now shape everyday financial choices, with the market expected to reach \$152. Billion by 2031 – according to a Nexo Economic Area card report. These cards are being used for everything from online purchases to daily payments and are reportedly used by 1 in 10 Americans, and a higher proportion in Brazil, Portugal, and Slovenia.

Publicly traded SharpLink Gaming became the largest public holder of Ether after a \$156 million buying spree. The company bought another 20,279 ETH worth \$68 million, continuing its aggressive Ether accumulation strategy. It became the largest corporate ETH holder, surpassing the Ethereum Foundation with over 321,000 ETH in its treasury. It’s also expanding its share issuance program by up to \$5 billion as part of its ongoing effort to bolster its ETH treasury and business operations.

Peter Thiel’s Founders Fund took a 9.1% stake in BitMine, backing its aggressive Ethereum-buying spree that pushed the miner’s ETH treasury past \$500 million.

Nasdaq-listed Bit Digital announced a proposed offering of 22 million shares, expected to generate about \$67.3 million in proceeds. It plans to use the proceeds to purchase Ether.

Click Holdings, a Nasdaq-listed, Hong Kong-based human resources and senior care solutions provider, announced plans to integrate cryptocurrency solutions into its senior services sector. The company is exploring the development of a cryptocurrency treasury worth up to \$100 million in Bitcoin and Solana, with potential for further expansion.

Windtree Therapeutics entered into a \$60 million securities purchase agreement with Build and Build, with the potential for an additional \$140 million in future subscriptions. The financing will primarily fund a BNB crypto treasury strategy.

Publicly traded firm Bit Origin, which is focused on Bitcoin mining infrastructure and investments, is raising \$500 million to buy Dogecoin as it builds its own digital assets treasury. The firm entered into agreements to sell up to \$400 million in Class A ordinary shares, as well as up to \$100 million in convertible debt.

GSR, crypto’s capital markets partner, today announced an investment and strategic partnership with Nasdaq-listed MEI Pharma, in which it will serve as both strategic advisor and digital asset treasury manager. The \$100 million PIPE into MEI represents a significant step toward institutionalizing Litecoin as a treasury asset.

Sonnet BioTherapeutics agreed to merge with Rorschach I LLC to form Hyperliquid Strategies and launch a HYPE treasury initiative. At closing, the new Nasdaq-listed entity is expected to hold 12.6 million HYPE tokens and \$305 million in cash, aiming to build one of the largest Hyperliquid strategic reserves.

Energy pioneer Sky Quarry announced plans to establish a digital asset treasury as part of its capital allocation strategy. The integrated energy company is exploring opportunities to build a diversified portfolio of digital assets, including cryptocurrencies, stablecoins, and blockchain-based instruments.

Two public companies, Valereum PLC and First Class Metals PLC, signed an outline agreement as the pair explores tokenization by using blockchain technology to create digital tokens backed by real mineral assets.

Ondo Finance announced the first-ever US government bond product tokenized on the SEI blockchain. The United States Dollar Yield (USDY) is a tokenized note, backed by short-term US Treasuries and bank deposits.

RISC Zero launches Boundless testnet on Base. Boundless is a marketplace for zero-knowledge virtual-machine (zkVM) proofs that can deploy to any network and settle proofs anywhere.

Binance is introducing a Pump.fun-style bonding curve mechanism for upcoming token launches, marking a major shift in how new tokens are distributed and priced on its platform. This new model is set to debut within the Binance Wallet on July 15, through a partnership with the meme token launchpad Four.Meme.

US Bank completed its first fully digital trade finance transaction (testing a blockchain), as financial institutions move away from paper-based processes for international trade.

U Power Limited launched its Battery-Bank initiative and developed a Battery-Token solution. The company will power both efforts using Web 3.0 blockchain and token-based economics. This battery-swap blockchain strategy marks a major step in decentralizing energy storage and distribution for electric vehicles.

MINING



Bitcoin's minimum transaction fee has been cut by 90% due to a prisoner's dilemma among miners. The impasse was resolved when a mining pool, SpiderPool, mined a block with a fee of 0.1 sat/vB, lower than the default one sat/vB rate. 18 hours ago.

A new Bitcoin draft proposal from developers introduces a soft fork to freeze coins secured by legacy cryptography – including those in Satoshi Nakamoto's wallets – to protect against future quantum computer threats via a phased approach to transition Bitcoin to quantum-resistant formats.

French lawmakers have submitted a new proposal to transform surplus electricity into economic value through Bitcoin mining. The bill, introduced on July 11, outlines a five-year experimental program

that would allow energy producers to use excess power – particularly from nuclear and renewable sources – for mining Bitcoin.

ETPS (EXCHANGE-TRADED PRODUCTS), FUNDS & INDEXES

Eric Balchunas: Total assets for all the spot Bitcoin ETFs crossed \$140 billion for the first time.

These are monster numbers for products that are about 18 months old.

For the first time ever, spot Bitcoin ETFs had back-to-back days with over \$1 billion in net inflows:

July 10th: \$1.17 billion & July 11th: \$1.03 billion. Notably, BlackRock's IBIT accounted for 84% (\$1.85B) of all inflows during this period.

ETH ETFs saw a record \$2.18 billion in weekly inflows during “Crypto Week.”

BlackRock is seeking to add staking functionality to its iShares Ethereum ETF (ETHA).

The SEC extended its deadline to August 26 on BlackRock's request to allow in-kind redemptions for its iShares Ethereum Trust (ETHA), just days before the original deadline.

The SEC pushed its decision on whether Bitwise's Bitcoin and Ethereum ETFs can offer in-kind redemptions to September 8, citing the need for more time to weigh potential risks.

Bitwise is rolling out third-party daily attestations for its Bitcoin and Ethereum ETFs. The attestations will replace the wallet addresses on the Bitwise site.

The SEC approved the listing of the ProShares Ultra XRP ETF on NYSE Arca. The leveraged futures-based fund will trade under the ticker UXP.

ETF Opportunities Trust submitted a filing for the “T-REX 2X Long TRON Daily Target ETF,” which “seeks daily leveraged investment results” and is significantly different from other ETFs.

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

Marathon Digital deepened its bet on institutional yield strategies, leading a \$20 million equity round in SEC-registered investment advisor Two Prime. The move formalizes an expanding relationship between the two firms that now includes a 2,000 BTC capital allocation – up from the 500 BTC initially disclosed in May. Susquehanna Crypto also joined the round.

Messaging startup Ephemera raised \$20 million to build a decentralized alternative to apps like Signal and WhatsApp, aiming to let users own and move their conversations freely between platforms.

Dakota, a stablecoin-powered neobank cofounded by a former Coinbase executive, announced it raised \$12.5 million in a Series A – led by the crypto venture firm CoinFund.

IPOS, M&A, PARTNERSHIPS & DEALS



Grayscale has confidentially filed draft IPO paperwork with the SEC. The confidential filing keeps Grayscale's share offering, valuation target, and timing under wraps until it's ready to gauge investor appetite, with firms typically unveiling a prospectus 15 days before a roadshow begins.

Figure Technology Solutions, a startup specializing in blockchain-based home loans, announced its intention to IPO in the fall, with a target to raise between \$5 to \$10 billion.

Talos acquired Coin Metrics for over \$100 million to bolster its crypto trading software with deep blockchain analytics.

Decentralized exchange dYdX has acquired Pocket Protector, a crypto social trading platform, marking its first external acquisition.

Ondo Finance, a leader in tokenized RWAs, announced the acquisition of Strangelove, a blockchain development company whose experienced team has unique expertise in building secure and modular blockchain infrastructure.

The Solana liquid-staking startup Sanctum acquired Ironforge (a Solana infrastructure builder) in an all-cash deal.

Superstate CEO Robert Leshner bought control of liquor e-commerce firm LQR House for \$2 million, promising a total leadership overhaul after a 90% stock collapse and warning investors to tread carefully.

Coinbase's L2 blockchain Base rebranded as "Basechain," with a major technical upgrade called Flashblocks that reduces block times to 200 milliseconds. The Coinbase Wallet has also been morphed into the Base App, positioned as an all-in-one platform that integrates wallet, trading, payments, and a broad array of social features.

Tickblaze, the hybrid trading platform known for its algorithmic tools, announced a strategic partnership with SnapTrade, a brokerage aggregator enabling connectivity to major retail brokerages across the globe. This partnership marks a major leap forward in Tickblaze's mission to expand into equities and crypto markets.

DEFI



Aave became the first DeFi lending protocol to surpass \$50 billion in net deposits, driven by TradFi adoption, multichain growth, and increasing use of stablecoins.

Revolut selected Morpho as its DeFi backend, marking a major step toward bringing Ethereum- native yield products to its global base of millions of users. The British fintech will offer Morpho-powered crypto savings features as a modern alternative to traditional bank accounts.

Liquid staking protocol Kinetiq, after being operational for 24 hours, became the second-largest DeFi project on DEX Hyperliquid's L1, HyperEVM, by total value locked. The highly anticipated protocol attracted over \$460 million in capital across just 2,800 holders.

Galaxy Digital announced it integrated with Fireblocks, the leading digital asset and payments infrastructure platform for moving, storing, and issuing digital assets, to expand institutional access to robust staking solutions.

CBDCS & STABLECOINS



Tether's USDT hit a record \$160 billion market cap driven by increased adoption in developing countries and high profits from US Treasury holdings, which now exceed \$127 billion.

Charles Schwab plans to issue its own stablecoin.

Citigroup revealed it's weighing the launch of its own stablecoin and expanding into tokenized deposits.

Bank of America joined the ranks of various institutional bodies that have endorsed the stablecoin plan under President Trump's crypto-friendly legislation. CEO Brian Moynihan noted that "investors can expect the lender to move forward with it," but did not disclose any information as to when this can be expected.

OKX joined the Global Dollar Network (GDN) and integrated USDG, a yield-sharing, fully backed stablecoin issued by Paxos, now live on Ethereum, Solana, and Ink.

Gauntlet launched live USDC incentives on its USD Alpha vault (gtUSDa), which has grown to \$5.7 million and currently yields 11.96% APY, with rewards streamed non-custodially via Sablier and claimable any time.

Rabby Wallet added full portfolio tracking for Hyperliquid, enabling users to monitor staked assets, spot holdings, and leveraged perp positions in real-time.

NFTS, BLOCKCHAIN GAMING & METaverse



A US judge dismissed a class-action case against Dolce & Gabbana USA over its failed DGFamily NFT project, ruling the American entity wasn't legally tied to promises made by its Italian parent.

Major crypto companies are already dropping the Pudgy Penguin profile pictures (PFPs) that they the prior weekend. Notably, Pudgy Penguin PFPs from Coinbase and OpenSea were dropped 24 hours after they were uploaded.

Despite a cease-and-desist from the Trump family, Bill Zanker claimed continued collaboration and revealed a TRUMP mobile game is on the way, as Justin Sun works to expand the token to Tron amid ongoing SEC charges.

Fantasy.top, a once-hyped crypto social game, is ditching the Blast blockchain for Coinbase's Base after a 93% collapse in revenue and mass user exit, highlighting a broader retreat from once-buzzy SocialFi platforms.

Bitcoin Suisse became the first institutional-grade staking provider for the MYTH token, the native asset of Mythical Games' blockchain gaming ecosystem. The Swiss crypto-finance firm's new partnership bridges crypto finance and the fast-growing world of blockchain gaming.

JOB MOVEMENT



Coinbase acqui-hired Oryn CEO Andrew Leone and its Head of Research, Joe Clark. (Oryn has been building in DeFi since the early days.) The company also has tapped pseudonymous Crypto Twitter figure AlexOnchain, formerly head of social at Binance, as its first-ever "Crypto Twitter lead."

Flori Gilroy, a co-founder of the defunct crypto lending business BlockFi, was hired as the senior vice president of SoFi's crypto unit.

Multicoin Capital hired Brian Strugats as its new Head Trader. Strugats previously worked for FalconX, Glenhill Capital, XN, Balantrove, and Fortress.

REGULATIONS, RULINGS & COMMENTARY



After some back and forth, the House passed the GENIUS Act, the CLARITY Act, and the Anti-CBDC Surveillance Act. SEC Chair Paul Atkins hailed the passage of these bills, particularly the GENIUS Act, as a "historic milestone for crypto entrepreneurs, financial market participants, and everyday Americans." The GENIUS Act was signed into law by President Donald Trump, while the Digital Asset Market Clarity Act and Anti-CBDC Act advance to the Senate for further debate.

President Donald Trump is preparing to sign an executive order that would open the US 401(k) retirement system to investments in crypto, gold, and private equity, per the Financial Times.

The Trump administration is actively exploring a de minimis tax exemption for Bitcoin transactions to eliminate barriers to everyday Bitcoin and crypto use.

The Federal Reserve and US regulators issued a statement saying banks are allowed to custody Bitcoin & crypto. (See the published statement, [here](#).)

US banking regulators clarified that while no new rules are being introduced, banks must adhere to existing standards when safeguarding crypto, especially regarding private key custody and anti-money laundering controls.

US Marshalls reveal the government now only holds 28,988 Bitcoin worth \$3.4 billion, instead of the estimated ~200,000 BTC. While the response indicated that USMS holds ~29,000 BTC, on-chain data from Arkham Intelligence still showed the US government still has ~200,000 BTC, of which, it obtained through criminal and civil forfeitures.

Crypto-backed political group Fairshake has raised \$141 million for the 2026 US elections, aiming to support pro-crypto candidates after helping flip key races last year.

Governor Gavin Newsom launched California's Breakthrough Project, uniting tech firms like Ripple, Coinbase, and MoonPay to modernize public services via blockchain. The initiative aims to enhance government efficiency through collaboration between regulators and tech companies, focusing on transparency and innovation.

The governor of the Bank of England, Andrew Bailey, wrote a letter to the G20 stating that the Financial Stability Board – the forum's financial overseer, which Bailey was appointed to head in April – is assessing the role of stablecoins in payments and settlements as a top priority.

Labour MP Pat McFadden suggested banning crypto donations in the UK to prevent illicit or foreign funding of political campaigns, following Nigel Farage's announcement of accepting crypto donations for Reform UK. Crypto UK's Ian Taylor argued that requiring sender identification could address concerns over “dark” money.

The European Union has sanctioned the Moldova-based A7 platform and pro-Kremlin influencer Simeon Boikov for using crypto to influence elections and evade sanctions.

Australia's financial intelligence agency declared cryptocurrency a top threat, announcing regulatory priorities for an overhaul of anti-money laundering laws.

Hungary updated its Criminal Code to penalize individuals using unauthorized crypto exchanges with up to five years in prison, based on the value of trades. The laws also target unauthorized crypto service providers, who could face up to eight years in prison.

Thailand's Securities and Exchange Commission and the Bank of Thailand plan to launch a crypto regulatory sandbox that enables foreign tourists to convert crypto assets into baht for local spending, expanding beyond an earlier Phuket-focused initiative.

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

UAE-based Aqua 1 denied links to scandal-hit market maker Web3Port after a journalist tied its \$100 million investment in Trump-affiliated World Liberty Financial to a figure previously accused of manipulation and banned from exchanges.

BigONE lost \$27 million in a targeted cyberattack on its hot wallet after a third-party breached the exchange's internal systems, though private keys remained safe and user losses will be fully reimbursed.

Federal authorities have seized over \$10 million in cryptocurrency connected to the Sinaloa cartel. The seizure, carried out in Miami through a joint effort between the US DEA and the FBI, shows the growing role of digital currencies in global narcotics trafficking.

A former NCA officer was sentenced to five and a half years for stealing 50 BTC (worth ~\$6 million today) during a dark web investigation. He exploited his position to transfer and conceal the stolen Bitcoin, using crypto mixer services to obscure the trail.

DeFi platform Arcadia lost \$3.5 million in a targeted exploit involving its automated trading tool, prompting urgent warnings for users to cut off app permissions to avoid further losses.

Shane Donovan Moore, a former semi-pro rugby player, was sentenced to two and a half years in federal prison for defrauding 40+ investors of more than \$900,000 through a fake crypto mining business.

The San Bernardino County Sheriff's Department is investigating the mysterious disappearance of 74-year-old Naiping Hou, father of noted cryptocurrency investor Wen Hou. Wen Hou said that more than \$1 million was siphoned from his father's savings and used to purchase gold bars online.

The DoJ and CFTC officially closed their investigations into Polymarket, the blockchain-powered prediction market platform.

Coinbase sued Oregon Governor Tina Kotek, accusing the state of hiding documents about its abrupt crypto policy reversal that led to a surprise lawsuit against the exchange.

CoinDCX's CEO denied allegations from WazirX that it moved user funds abroad, insisting all customer assets remain held in a fully compliant Indian entity, Neblio Technologies.

Prosecutors argued that Tornado Cash co-creator Roman Storm made millions of dollars in profits from operating the crypto mixer, which they described in court as a "giant washing machine for dirty money" used by some of the world's biggest hackers, including North Korea's Lazarus Group.

Facing a potential 109-year US prison sentence for hiding tens of millions in crypto gains, Roger Ver sued Spain in the European Court of Human Rights to stop his extradition.

Federal prosecutors in California have charged and secured guilty pleas from Los Angeles deputies involved in a civil rights conspiracy linked to a jailed crypto entrepreneur known as "The Godfather." The scheme involved illicit payments to law enforcement officers and staged armed confrontations to extort rivals.

Prosecutors allege Julia DeLuney staged her mother's death to cover up financial crimes related to a crypto exit scam. DeLuney's alleged crypto trading addiction played a central role in the homicide, with financial records showing significant deficits and elaborate scams.

Jarett Dunn, a former Pump.fun senior developer, is in a London prison for violating bail conditions. Dunn awaits a hearing for his attack on the Solana meme coin launchpad.

Alena Vranova, co-founder of SatoshiLabs and Trezor, launched Glok, a company offering training and technology to protect Bitcoiners from physical threats of kidnapping, ransom, etc.

Bitcoin Core developers patched a 5-year-old disk fill bug that has been causing issues for full node operators since 2020. The bug, which involves attackers forcing excessive data writes to victims' hard drives, has finally been addressed in the latest Bitcoin Core release.

MISCELLANEOUS



Changpeng “CZ” Zhao, the founder and former chief executive of crypto exchange Binance has shared a post on X that alleges, without proof, that the anonymous source behind a Bloomberg report into Binance and Trump’s crypto project, World Liberty Financial, was someone at rival exchange Coinbase. Coinbase argues that it wasn’t true.

Pump.fun appeared to begin a multi-million-dollar PUMP token buyback using platform fees on July 15, repurchasing nearly 3 billion tokens less than a week after launch.

Ethereum L2 Linea confirmed it will launch its long-awaited token by month’s end, but the announcement landed amid declining interest in L2 tokens, many of which have flopped post-airdrop.

Eclipse Foundation launched ES on July 16 and began a 100 million token airdrop to early users based on onchain activity, social presence, and community engagement.

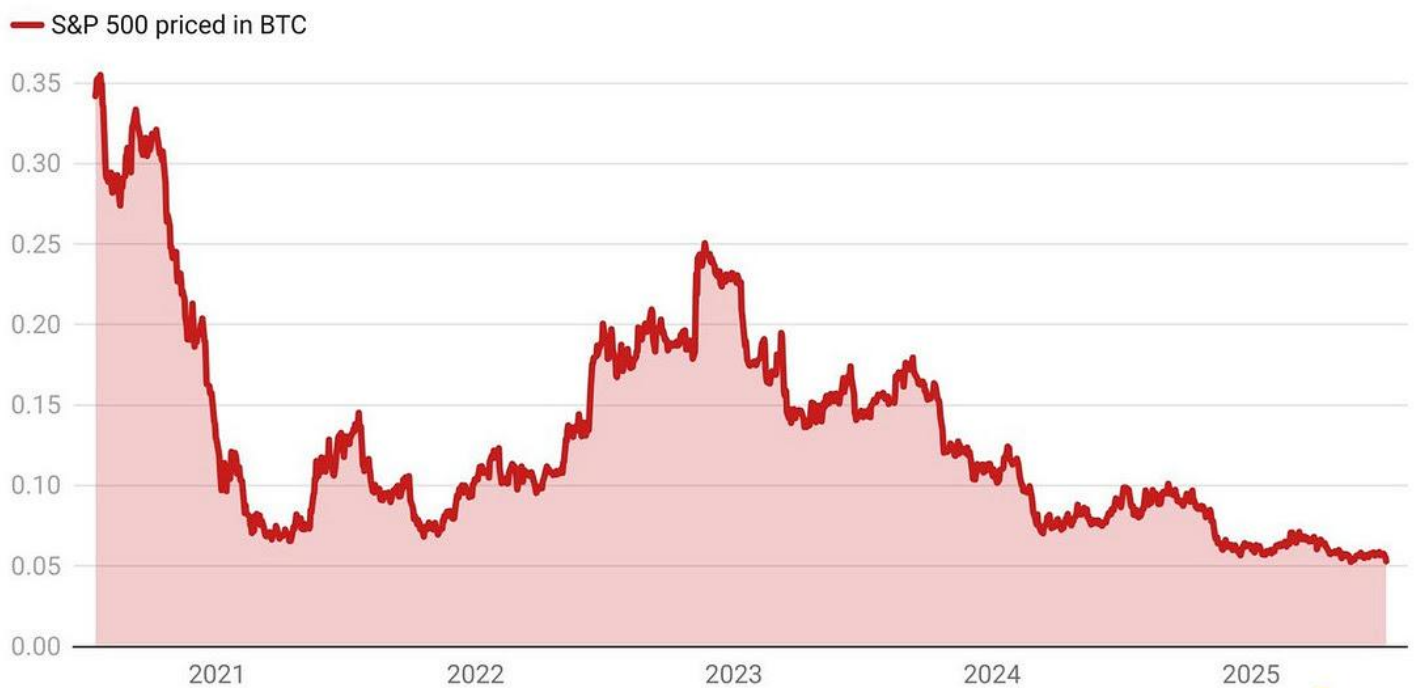
Inception, a liquid restaking token platform, announced it will sunset operations despite two years of development and recent funding.

CHARTS, TABLES, QUOTES, COMMENTARY & OTHER IMAGES

Anthony Pompliano: Bitcoin is in a class of its own. The decentralized, digital currency seems to have been intentionally created to serve as a reserve asset for billions of people. The store of value is doing an excellent job. As Opening Bell's Phil Rosen pointed out, the S&P 500 is down 85% in Bitcoin terms since 2020. Bitcoin is the new hurdle rate. No other assets are able to keep up over the long run.

The S&P 500 is down 85% in bitcoin terms since 2020

While the S&P 500 has gained roughly 98% in US dollar terms, it has collapsed against the value of bitcoin.



Data from Bloomberg, CoinGecko; calculated by dividing S&P 500 and bitcoin closing prices over time

Chart: Phil Rosen, Opening Bell Daily • Created with Datawrapper

FUN FACT: Only 0.27% of the world population can own 1 Bitcoin...



**ONLY 0.27% OF THE
GLOBAL POPULATION
CAN OWN 1 BTC EACH**



= 10,000,000 People



Global Population
7,800,000,000

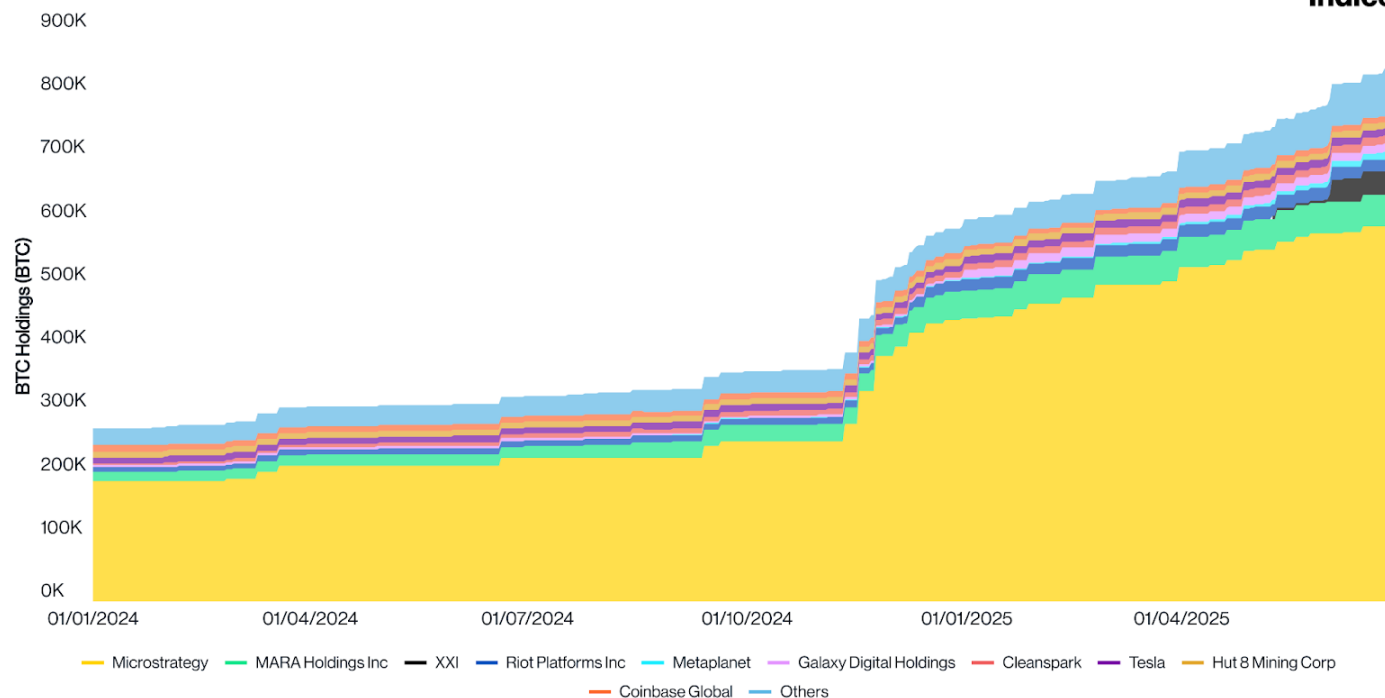


Total Bitcoin Supply
21,000,000



CoinDesk: Bitcoin’s performance in Q2 was not led by retail flows or leveraged positions. Instead, capital came from corporate treasuries. Public companies added nearly 850,000 BTC to their balance sheets by quarter-end, marking a 19.6% increase. For the third consecutive quarter, corporates outpaced ETFs in net accumulation, reinforcing the shift in long-term holders.

Bitcoin Holdings by Public Companies, 2024 - June 2025



Source: BTCTreasuries.net

Conclusion from Coin Metrics’ “State of The Network” weekly report from 7/15/25. (Read the full report, [here](#).)

Key Takeaways from the Circle (USDC) Analyst Report:

Strategic Distribution Through Coinbase

Coinbase plays a key role in USDC’s adoption as a major holder and distribution channel. Integration of USDC across various exchanges and products incentivizes usage and creates opportunities for USDC to be issued and bridged on-chain for new use-cases.

Bridging the Gap Between Financial Networks

Circle’s supportive mint and redeem policies encourage the adoption of USDC as a bridge between traditional financial systems and blockchain networks. Approved users can seamlessly redeem even small amounts of USDC for fiat currency, enabling interaction with individuals and businesses who do not yet accept stablecoin payments.

Consistent Regulatory Alignment

Management of USDC reserves aligns with global regulatory frameworks, including the European Union’s MiCA regulations. Circle’s proactive approach sets a precedent for USDC as a cross-jurisdictional stablecoin, encouraging merchants and institutions to adopt USDC as the stablecoin of choice.

Summary and conclusion from Glassnode’s “The Week On-Chain” from 7/16/25. (Read the full report, [here](#).)

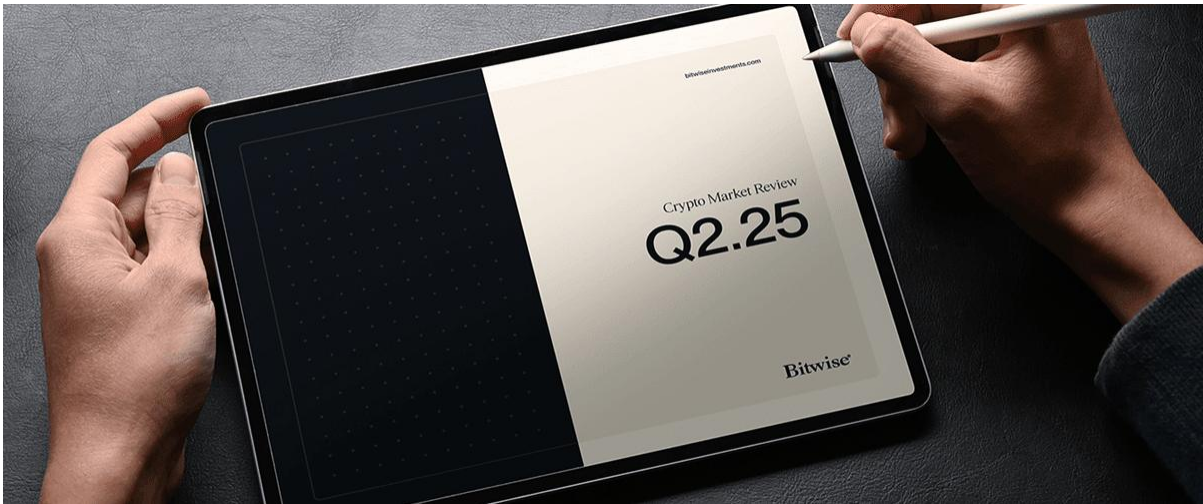
Bitcoin has broken above two major compact accumulation zones, a significant structural shift that often precedes strong continuation. However, short-term holders, being the more sensitive cohort, are now residing in the overheated unrealized profit zone, making a higher regime of profit realization highly likely.

So far, both the Percent of Spent Volume in Profit and the Realized Profit to Loss Ratio have signaled the first wave of excessive profit-taking. Historically, such top formations tend to unfold across multiple waves, suggesting there is still potential for another leg higher, possibly toward the 2 standard deviation level above the short-term holder cost basis, around ~\$130K.

Blockworks updated key metrics...

Total Crypto Market Cap	\$3.97 T
Bitcoin Market Cap	\$2.34 T
Ethereum Market Cap	\$452.99 B
ETH/BTC Ratio	0.03
Ethereum Gas Price	2.03 gwei
DeFi TVL	\$258.62 B
Fear and Greed Index	72 (Greed)

Bitwise released its “Crypto Market Review: Q2 2025.” (View the 75-page report, [here](#).)



Coinbase & Glassnode published their joint quarterly report “Charting Crypto: Tailwinds Taking Shape – Q3 2025.” (Download the 45-page report, [here](#).)

CHARTING
CRYPTO
TAILWINDS TAKE SHAPE

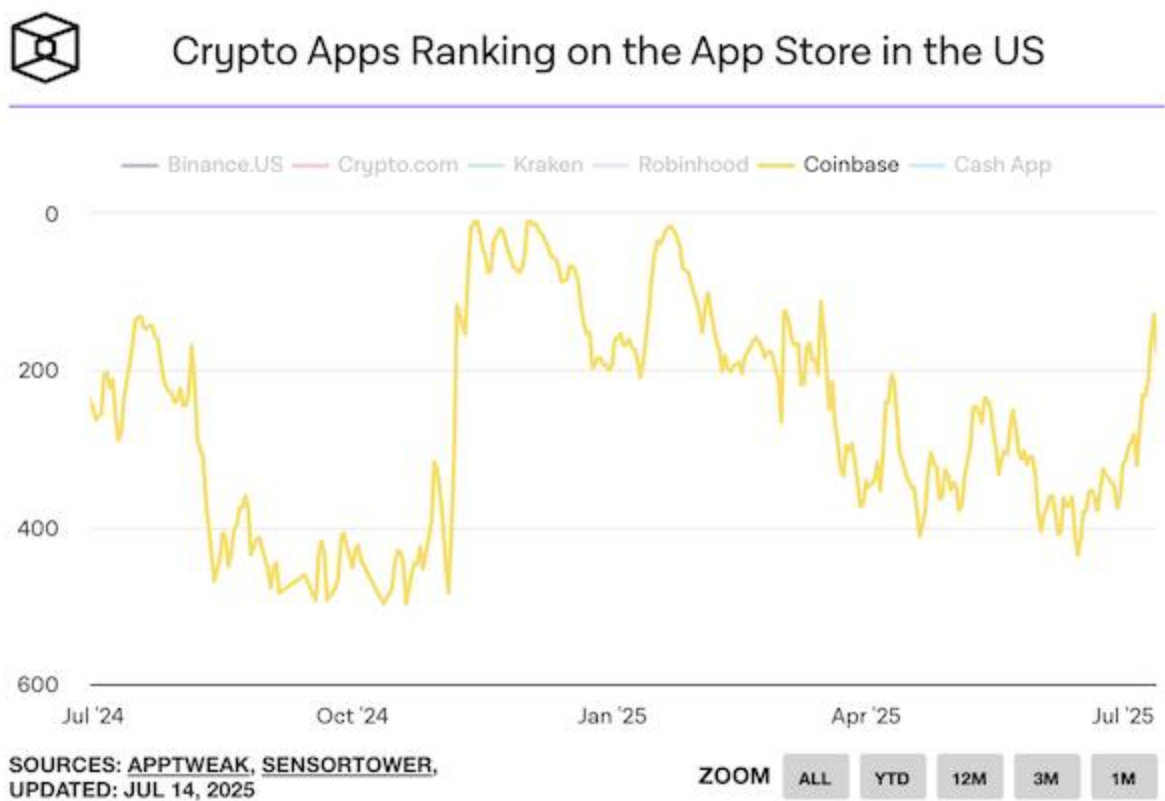
YEAR

2025

QUARTER

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The Block Pro Research: Coinbase's App Store ranking, which has historically served as a barometer for retail involvement in cryptocurrency markets, currently sits at rank 162 – marking a dramatic recovery from its three-month low of 436 recorded less than a month ago. This 63% improvement in ranking suggests growing retail interest as mainstream investors begin re-engaging with crypto trading platforms. (Historically, when Coinbase spikes to rank 1 in the App Store, it has coincided with market froth as retail participants drive significant capital into asset prices during peak FOMO periods.)



Arca: The Inevitable Crypto Rally Has Arrived...

The Inevitable Rally Finally Happened

We've been writing "That's Our Two Satoshis" for over 7 years. Naturally, some of our write-ups have been good, some bad, some in between. I believe what our team wrote last week regarding the future of crypto asset management and the week before regarding new market cap standards are two of the best we've ever written, and I hope everyone takes the time to read it.

But this week we'll go back to talking about markets, because, well, they are flying higher. And this seemed inevitable. With equities, gold, and BTC at all-time-highs again, and crypto stocks at all-time highs, and a plethora of new Digital Asset Treasury (DAT) companies raising money with what seems to be endless bids, it was only a matter of time before the tokens of the companies and projects that powers all of these ancillary crypto businesses would finally get a bid themselves. And they did, in a big way last week.

It had been so odd to see most of the crypto market still down 30-60% YTD (prior to this week's rally), given all of these other positive factors and price action. But the bottom fishing finally arrived in crypto, with many of the most beaten-up tokens YTD jumping the most last week. A quick screener (using Messari's best-in-class screeners) shows that the biggest month-to-date winners in crypto are actually some of the biggest 1H 2025 losers.

26	 FLOKI FLOKI	\$0.000102	\$85.95M	0 sats	\$955M	-58.04%	+40.89%
27	 XYO XYO	\$0.0125	\$31.47M	10 sats	\$178M	-53.56%	+40.76%
28	 The Sandbox SAND	\$0.336	\$144M	273 sats	\$793M	-58.03%	+40.70%
29	 XDC Network XDC	\$0.0812	\$58.63M	67 sats	\$1.34B	-28.39%	+40.67%
30	 Raydium RAY	\$2.92	\$58.64M	2400 sats	\$780M	-57.24%	+40.51%
31	 Curve CRV	\$0.695	\$154M	574 sats	\$958M	-45.29%	+38.86%
32	 Ordinals ordi	\$10.02	\$41.74M	8229 sats	\$207M	-72.96%	+38.74%
33	 Sui SUI	\$3.88	\$1.24B	3187 sats	\$13.37B	-35.02%	+38.68%
34	 CoW Protocol COW	\$0.383	\$11.61M	314 sats	\$185M	-68.68%	+38.13%
35	 DeepBook deep	\$0.188	\$25.65M	155 sats	\$469M	+16.78%	+37.93%
36	 Pepe PEPE	\$0.0000132	\$1.01B	0 sats	\$5.45B	-49.58%	+37.92%
37	 BUILDon b	\$0.494	\$24.69M	408 sats	\$496M	--	+37.03%
38	 Cronos CRO	\$0.110	\$29M	91 sats	\$3.46B	-45.61%	+37.01%
39	 Celo CELO	\$0.348	\$12.85M	285 sats	\$198M	-60.66%	+36.70%
40	 SPX6900 spx	\$1.60	\$81.50M	1321 sats	\$1.52B	+27.11%	+36.31%
41	 SuperVerse SUPER	\$0.844	\$19.95M	698 sats	\$380M	-53.59%	+35.53%
42	 ai16z ai16z	\$0.202	\$43.75M	166 sats	\$216M	-92.89%	+35.42%
43	 Cardano ADA	\$0.764	\$1.13B	628 sats	\$27.73B	-37.76%	+35.33%
44	 Safe SAFE	\$0.527	\$90.78M	436 sats	\$320M	-60.41%	+34.78%
45	 Akash Network AKT	\$1.37	\$14.59M	1128 sats	\$370M	-63.56%	+34.68%
46	 aixbt by Virtuals aixbt	\$0.171	\$69.18M	142 sats	\$161M	-76.95%	+34.68%
47	 Launchcoin on Believe LAUNC...	\$0.178	\$23.10M	144 sats	\$177M	--	+33.86%
48	 ZetaChain ZETA	\$0.230	\$23.94M	190 sats	\$213M	-68.61%	+33.82%
49	 JasmyCoin JASMY	\$0.0171	\$63.96M	14 sats	\$816M	-61.68%	+33.53%
50	 Decentraland MANA	\$0.334	\$40.52M	273 sats	\$649M	-48.86%	+33.14%

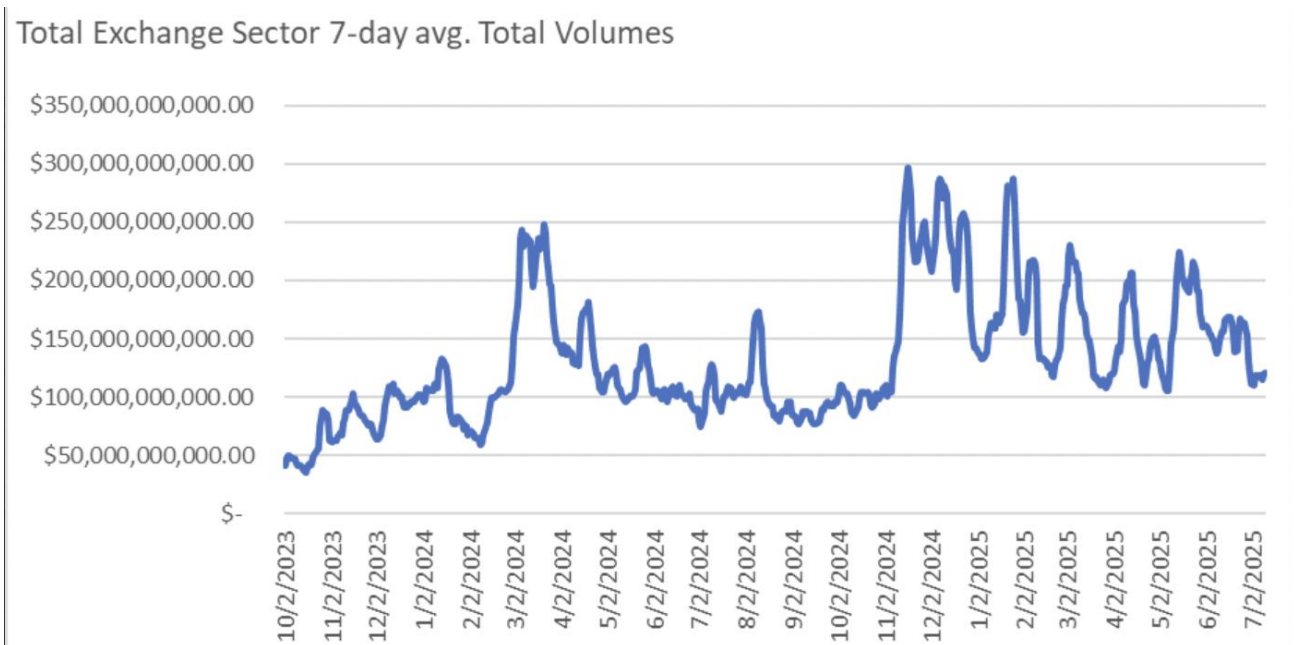
Source: Messari

Crypto isn't alone. The equity market saw a similar "flight to low quality" bid, as 24 of the 25 biggest losers in the first half of 2025 are now up a lot in July.

25 Worst Performing Russell 1,000 Stocks in the First Half of 2025

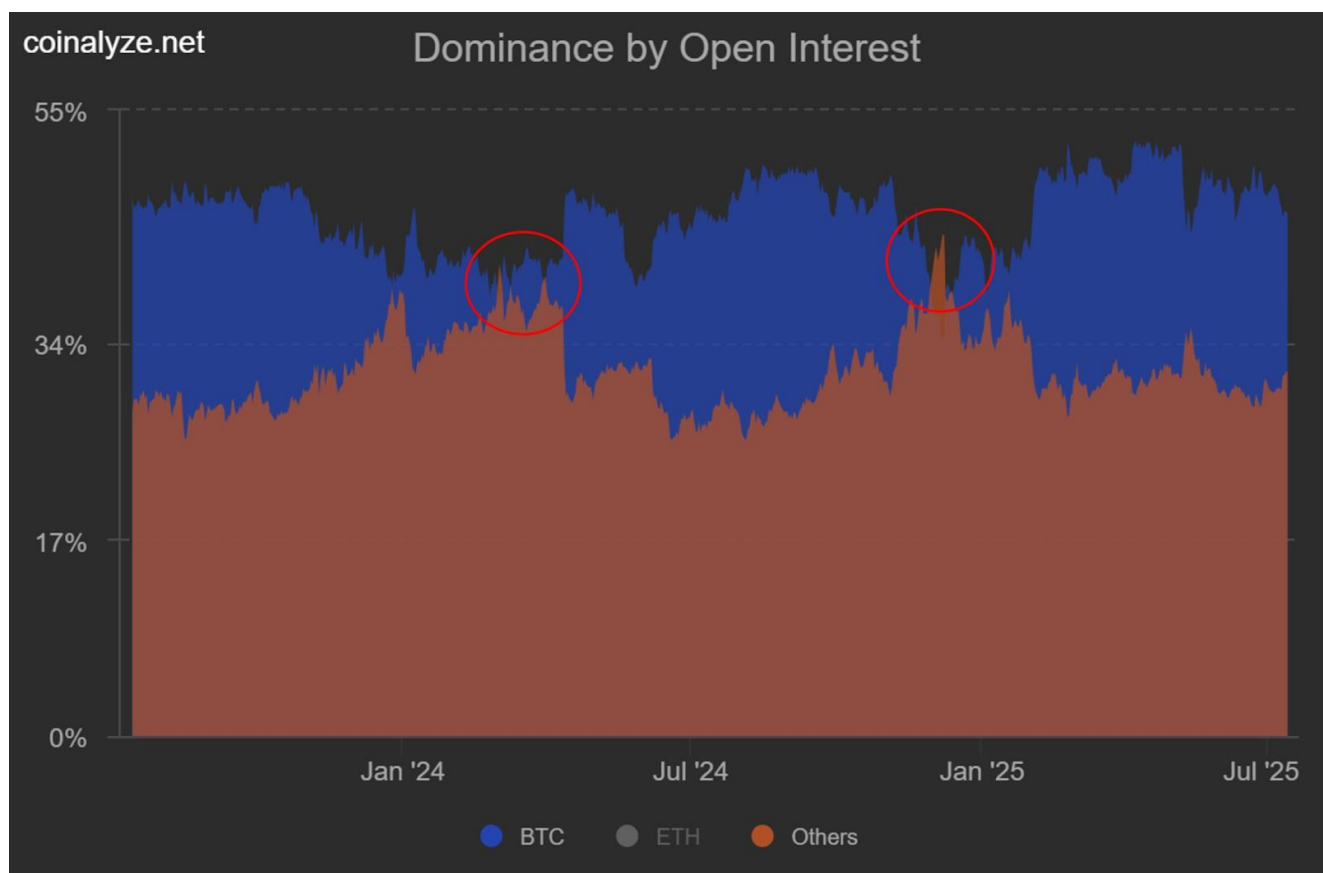
Stock	Company	Price	Market Cap (\$, Mln)	Price Change %		Description
				First Half	MTD	
SRPT	Sarepta Therapeutics	19.0	\$1,702	-85.9	10.9	Develops genetic medicines for diseases
GLOB	Globant	93.1	\$4,004	-57.6	2.5	Digital transformation and IT services
FRPT	Freshpet	70.0	\$3,314	-54.1	3.0	Refrigerated pet food maker
RH	RH	201.5	\$3,716	-52.0	6.6	Luxury home furnishings retailer
DECK	Deckers Outdoor	105.2	\$15,803	-49.2	2.1	Footwear and apparel company
DJT	Trump Media	19.0	\$5,190	-47.1	5.5	Trump-focused social media platform
NWL	Newell Brands	5.7	\$2,389	-45.8	6.1	Consumer goods & household products
APLS	Apellis Pharma	17.9	\$2,189	-45.8	3.4	Develops targeted therapies
BILL	BILL	48.0	\$4,893	-45.4	3.8	Cloud-based billing software
VFC	VF Corp	12.6	\$4,868	-45.2	7.5	Owns apparel and footwear brands
ACHC	Acadia Healthcare	24.3	\$2,148	-42.8	7.2	Behavioral health treatment services
ENPH	Enphase Energy	40.8	\$5,571	-42.3	2.8	Solar energy and storage systems
HUN	Huntsman	11.3	\$1,850	-42.2	8.0	Specialty chemicals manufacturer
RHI	Robert Half	42.4	\$4,205	-41.7	3.2	Staffing and consulting services
OLN	Olin	22.1	\$2,426	-40.6	10.2	Chlorine and ammunition producer
CIVI	Civitas Resources	31.7	\$2,700	-40.0	15.0	Oil and natural gas producer
SAIA	Saia	295.0	\$7,614	-39.9	7.7	Freight and logistics services
ONTO	Onto Innovation	103.6	\$4,824	-39.4	2.6	Semiconductor process control solutions
TTD	Trade Desk	73.4	\$36,150	-38.7	1.9	Digital advertising technology platform
UNH	UnitedHealth	306.2	\$275,508	-38.3	-1.9	Health insurance and services provider
LULU	Lululemon	238.7	\$28,472	-37.9	0.5	Athletic apparel and accessories
AAON	AAON	74.8	\$5,971	-37.3	1.5	HVAC equipment manufacturer
SAM	Boston Beer	199.8	\$2,214	-36.4	4.7	Brewer of craft beverages
AVTR	Avantor	13.9	\$9,206	-36.1	3.1	Supplies for science and research
AAL	American Airlines	11.7	\$7,644	-35.6	4.4	Global commercial airline carrier
Average			\$17,783	-44.7	4.9	

Does this “everything rally” mean we’re closer to the end than the beginning of upward price action? Probably not. While many rallies have historically topped when the dino coins start to rally (XRP, XLM, HBAR, etc) or when other lower quality assets rally, the flip side is that this is the first sign of life for any of these tokens since January. And as price goes, so do exchange volumes. Total exchange volumes on both centralized exchanges and decentralized exchanges were up 23% week-over-week, but still aren’t close to the levels we’ve seen during other rallies in the past. And that is very good for the majority of DeFi tokens, which produce strong revenues and have heavy token buybacks during prosperous times.



Source: Arca Internal Calculations

Similarly, other major tops (March 2024 & December 2024) coincided with open interest in non-BTC tokens flipping Bitcoin open interest on a percentage basis. The current rally is nowhere near that.



Source: X/Twitter

We've often said that bear markets are easier to trade than bull markets in crypto, because the moves tend to make sense, relatively, and the tokens with good tokenomics issued by strong companies tend to outperform the poorly created tokens from industries that've yet to prove anything. Whereas crypto

rallies are often confusing because algos, day-traders, and retail tend to pile into anything with a pulse, thereby muddying the waters of fundamental analysis.

However, with so many positive events happening in crypto right now, it's hard to focus on assets that are higher for no reason. The assets that should be up, are going up, and if that drags the bottom of the barrel up too, so be it.

PUMP.fun Record Token Launch, and The Market Reaction

After dominating on-chain activity with its memecoin launchpad, pump.fun is now formalizing its role as the monetization engine for Solana's attention economy by launching its native token. Pump.fun's token launch (PUMP) consists of a 1 trillion token supply, allocating 33% to ICO investors (split between private and public, with identical terms – a rare sign of fairness and something we've been begging for with token launches). The private round has been in high demand for weeks, and the public ICO sold out extremely quickly, raising approximately \$500 million in about 12 minutes when it launched this weekend. The lightning-fast sellout confirms massive demand and confidence in the project.

More importantly, it was a token launch that actually sold tokens at a market-clearing price (similar to IPOs and bond deal launches) rather than the absurdly stupid direct-listing token launches that we've been yelling about for the past 2 years. The thawing of the SEC's hostility towards crypto has brought some common sense back to crypto capital markets, and it is showing off in one of the largest token sales in history.

Launching a token that raises \$500 million in under 15 minutes isn't a fluke, it's a statement. PUMP is trading 40%+ over the ICO price on perpetual futures exchanges (like Hyperliquid) before anyone even receives their token allocation, signaling that the token should rise quickly when spot trading begins. And while that sounds obvious, it's such a departure from the horrific token launches of the past three years that we must stop and celebrate it. Open interest is surging, with over \$400 million in perp open interest on Hyperliquid, and all the pieces are in place for a historic launch.

Now, whether pump.fun can turn that fever into lasting value, or is just another flash in the pan, remains to be seen. But with over \$68 billion in cumulative trading volume and more than 100K daily users, the pump.fun platform clearly has product-market-fit right now, and has single-handedly propelled Solana to the top of daily address rankings. But success breeds competition (see our writeup in April on the "launchpad wars"), and bonk.fun, a rival platform, is starting to eat its lunch. Bonk has significantly increased its market share, and has surpassed pump.fun (at least temporarily) in daily launches and volumes, thanks in part to a fee model that actually rewards its token holders.

So is this purposeful timing by pump.fun, using the PUMP token to reinvigorate their platform? We think so. With 24% of PUMP supply earmarked for community initiatives and 3% for creators and streamers, pump.fun has a chance to grow from extractive gatekeeper to aligned ecosystem builder. But success hinges on clarity around token rights, meaningful rewards for users, and whether it can out-innovate the rising bonk.fun juggernaut.

Since early June, letsBONK.fun has flipped pump.fun in nearly every metric that matters, with market share now commanding over 40% of all fees (though this metric is very volatile). As a result, the BONK token is up ~68% month-to-date, with persistent, on-chain buy pressure driven directly by platform activity.

But pump.fun can now deploy its war chest (well over \$1B in cash from this raise alone), and incentivize its user base, to reassert dominance through incentives, marketing, or a pivot in value accrual. The PUMP token could become the tool necessary to grow ahead of its competitors or become the symbol of the end of the dynasty.

Which crypto firms are next to IPO? Several prominent VCs uttered these names as possibilities...

- Kraken
- Gemini
- BitGo
- OKX
- Uphold
- FalconX
- Ledger
- Chainalysis
- Fireblocks
- Alchemy
- Consensys
- MetaMask
- Flashbots
- Digital Currency Group

CoinDeskData published it's "Exchange Review – June 2025." (See key findings below. Download the full report, [here](#).)

- Binance Continues to Demand Lion's Share of Market: Binance continues to dominate with 29.9% spot market share and 37.6% derivatives dominance, trading \$430B in spot volume and \$1.89T in derivatives during June. The exchange also holds the largest share of open interest at 20.2% (\$133B total).
- Derivatives Market Share Reaches New Multi-Year High: Derivatives market share climbed to 77.8% from 76.6% in May, representing the highest level since September 2023. This shift reflects continued institutional adoption of sophisticated trading strategies despite overall market volatility.
- Hyperliquid Achieves New All-Time High Market Share: The on-chain derivatives platform's market share rose for the third consecutive month to 4.26% - a new all-time high. Open interest on Hyperliquid surged 24.8% to \$7.43B, demonstrating the broader trend toward on-chain activity.
- Binance and Gate Lead Derivatives Market Share Gains: Binance strengthened its dominance with 29.9% spot market share (+1.98% MoM) and 37.6% derivatives share (+1.46% MoM). Gate posted its seventh consecutive monthly gain in derivatives, reaching 5.14% market share (+1.01% MoM) and ranking as the fifth-largest derivatives exchange.
- Institutional Diversification Beyond BTC/ETH Accelerates: While CME's total volume fell 5.92% to \$198B, alternative assets showed resilience with SOL futures surging 18.2% to \$1.49B and XRP futures trading \$713M. ETH options bucked the trend with a 42.1% increase to \$367M, contrasting with BTC options' 37.8% decline.

Matt Hougan's (Bitwise) Weekly CIO Memo: "It's 'Crypto Week' in Washington – With Multiple Pieces of Pro-Crypto Legislation Moving Forward in DC This Week, Crypto Will Never Be the Same. That's a Good Thing."

Want to know why Bitcoin hit a new all-time high last week?

There are many answers, including unrelenting demand from institutional investors and corporate treasuries. But one that didn't get enough coverage was this: It's "Crypto Week" in Washington, and you can expect a lot of pro-crypto headlines in the next few days.

I'm not making this up. On July 3, in a lightly reported (but quite powerful) press release, the US House of Representatives actually declared the week of July 14 to be "Crypto Week," vowing to move forward three key pieces of crypto legislation:

- The GENIUS Act: A clear regulatory framework for stablecoins
- The CLARITY Act: An overarching framework for regulating crypto assets
- The Anti-CBDC Surveillance State Act: An act banning the creation of a central bank digital currency in the US

The GENIUS Act has already passed the Senate, so if it passes the House in a clean vote, it will go to the president's desk and could become the first major piece of crypto legislation in US history.

The CLARITY and Anti-CBDC acts still need Senate approval, but passage of either in the House would represent a major milestone.

Why This Matters for Crypto

I'm convinced that passage of pro-crypto legislation in the US will both significantly increase growth and reduce risk for crypto going forward.

The growth side is easy to understand and much discussed. Clear crypto legislation will better incentivize the largest financial institutions to build in crypto, bringing billions of investment into crypto assets and guiding trillions of dollars of traditional assets onto blockchain-based rails. If you've ever wondered what would happen to crypto if JPMorgan, Bank of New York Mellon and Nasdaq could build freely in the space, you're about to find out.

But I think an even bigger development of the legislation is its impact on risk, and how that will change the way crypto assets trade going forward.

One of the biggest headwinds crypto has faced is its unrelenting history of blow-ups: FTX, Luna, Three Arrows Capital, Genesis, Celsius, QuadrigaCX, BitConnect, Mt. Gox.

Each of these failures set back the crypto industry and reduced trust among investors. And each of them happened in large part because crypto lacked regulatory clarity.

Offshore exchanges like FTX – with their shocking lack of internal controls and shoddy auditing – would never have thrived if clear regulations had allowed safer versions to exist in onshore markets.

Investors wouldn't have avoided crypto because of custody concerns if large banks could have custodied crypto assets.

And Ponzi stablecoins like Luna would never have existed if we had something like the GENIUS Act in place.

Obviously, clear rules don't thwart every scandal, as traditional finance can attest. Clear rules didn't prevent Bernie Madoff or stop the incredible series of wrongdoings that took down Credit Suisse. But they help. A lot.

One challenge that has kept investors out of crypto are the dramatic drawdowns we've often witnessed for Bitcoin and other crypto assets. Bitcoin is the best-performing asset in the world over the last 15 years, but it has also experienced seven 70%+ declines.

It's hard for professional investors to buy an asset that might crater 70% because of some unforeseen scandal in an unregulated offshore venue. As DC weighs these crypto bills, I'd argue the probability of those scandals happening is about to drop precipitously.

Passage of strong crypto legislation won't eliminate volatility from the market. But if these bills pass, I doubt we will ever see a 70%+ drawdown in crypto again.

Why I'm Not Worried About Crypto Politics Going Forward

One question people always ask about crypto legislation is: Aren't you worried that the next administration will just reverse these gains?

In short: No.

Contrary to what you read in the media, crypto is one of the few policy topics with bipartisan support. The GENIUS Act passed the US Senate 68 to 30, with 18 Democrats voting in favor of the bill. It was one of the most bipartisan bills to pass through the Senate in the 2025 Congressional session.

There are multiple reasons for this bipartisan support, including the widespread popularity of crypto among younger voters. But the most important explanation may be the support from the US financial industry – traditionally a leading funder of the Democratic Party – which is eager to tap into the growth and opportunities that crypto offers.

This financial motive is central to my belief in the long-term sustainability of Washington's pro-crypto tilt. As a broader array of investors and firms becomes involved in crypto, it will be increasingly difficult for politicians to align against it.

Consider this: Today, nearly every major financial institution in the US has some level of crypto initiative. If BlackRock, JPMorgan, and Morgan Stanley are significantly invested in crypto – along with thousands of American companies and millions of Americans – it becomes increasingly hard to imagine politicians reversing course.

Crypto Adoption by Institutions

	CRYPTO TRADING AND CUSTODY ¹	PRIVATE CRYPTO FUNDS	CRYPTO ETPS	CRYPTO-ENABLED PAYMENTS	TOKENIZATION
Bank of America	●		●		
BlackRock	●	●	●		●
BNY Mellon	●		●		●
CBOE	●		●		
Charles Schwab	●		●		
Citi				●	●
CME	●				●
Deutsche Bank	●		●	●	●
Deutsche Börse	●		●		
Fidelity	●	●	●		●
Franklin Templeton	●	●	●		●
Goldman Sachs	●		●		●
HSBC	●		●		●
Interactive Brokers	●		●		
JPMorgan Chase	●	●	●	●	●
London Stock Exchange	●		●		
Mastercard				●	
Morgan Stanley		●	●		
PayPal	●			●	●
Société Générale	●				●
UBS	●		●		●
Visa				●	●
Wells Fargo		●	●		

Source: Bitwise Asset Management with data from company filings and presentations. Data as of June 30, 2025. (1) “Crypto Trading and Custody” includes the trading of crypto spot, futures, and derivatives products.

In other words: You can’t put the genie back in the bottle. If these bills pass through Congress during “Crypto Week” and eventually get signed into law, we’ve entered a new era.

Crypto is going mainstream, risk is being reduced, and Wall Street is moving into the space in a big way.

No wonder we’re at all-time highs.

Unchained: GENIUS Act is now law. Here are the initial winners and losers of the bill, along with one stuck in limbo.

WINNERS:

Circle

Circle (CRCL), the company behind the \$64.5 billion USD Coin (USDC) stablecoin, is an early winner under the GENIUS Act, as it has been asking Congress for legislation going back years. And this does not just relate to its wildly successful IPO in June that has given it a market capitalization of \$60.56 billion. As a New York State-regulated issuer with long-standing monthly attestations and conservative reserve backing, the project's setup already aligns well with the bill's standards. This is in stark contrast to its chief rival Tether. One industry insider also told Unchained that a big potential benefit for Circle and USDC in the long run is its neutrality, which will be seen as an asset in comparison to what is expected to be a large assortment of branded stablecoins from major banks.

Big Banks

In a 2023 interview with Forbes, a current member of the House Financial Services committee said of big banks entering the stablecoin arena, "Typically regulation entrenches incumbents, but that may not be the case here. I think that Circle is underestimating the threat from big banks. If it becomes profitable to have a stablecoin, why wouldn't banks enter that space? JPMorgan could crush Circle."

Well, that day is just about here as the CEOs of JPMorgan Chase, Citigroup, and Bank of America have hinted this past week at issuing their own stablecoins. The bill grants federally regulated depository institutions clear authority to issue stablecoins through licensed subsidiaries. These banks benefit from longstanding regulatory relationships, public trust, and existing infrastructure that many crypto-native companies lack.

President Donald Trump, Trump's Family and World Liberty Financial

Politically, the Act's passage under Trump's administration underscores the president's role in shaping US financial innovation and regulatory clarity, strengthening his image as a leader on economic modernization. Economically, the Trump-backed \$2.2 billion USD1 stablecoin project gains potential legitimacy through the Act's licensing pathways, positioning it to enter the regulated stablecoin market.

Right now, its most prominent activity is serving as a \$2 billion funding mechanism for an investment from Binance into an Abu Dhabi investment firm, but it is easy to imagine ways that the administration, given its many activities in the crypto space, can grow the USD1 market cap. Additionally, the president and his family are further protected by the bill because while it bans members of Congress from engaging in stablecoin activity, there is a carve-out for the first family.

STUCK IN LIMBO:

Custodia

Custodia Bank, an early crypto-bank pioneer that began exploring a bank-issued stablecoin years ago, faces an uncertain future under the GENIUS Act that matches its challenged past. For years it struggled to get its bank off the ground, and it was famously denied a Federal Reserve master account – a critical gateway to the US payment system. It even sued the US central bank over the decision, to no avail as of yet. Without this critical access, Custodia and similar non-federally chartered institutions may face a competitive disadvantage compared to large banks with full regulatory and infrastructure support.

But, it could have an ace up its sleeve. In 2022, the company received a patent covering bank-issued stablecoins and tokenized deposits. The company may try to argue that any new tokens run afoul of its patent, and seek legal remedies or perhaps a licensing agreement. “Custodia applied early for the patent on bank-issued stablecoins and it was granted in 2022, covering both stablecoins and tokenized bank deposits,” said Custodia CEO Caitlin Long in an interview. “We are already aggressively pursuing infringers.” She would not identify specific targets though, and it does not appear that any legal filings have been submitted.

Custodia is not sitting on its hands and knees either, as it seeks to use the new law to expand community banking access to stablecoins as they face threats from big competitors. “We’re working with Vantage Bank in Texas to build a consortium of smaller banks that can compete with the big banks, protected by that patent as a competitive advantage,” said Long.

LOSERS:

Tether

The GENIUS Act restricts issuance and distribution of dollar-backed stablecoins in the US to entities federally or state regulated within the country (Sections 3(a)(4) and 4(a)(7)). Foreign issuers like Tether, which is behind the \$160 billion USDT, cannot legally offer stablecoins unless they obtain regulatory approval or partner with a qualified US-regulated entity. These issuers must comply with strict requirements on reserves, audits, and transparency, including maintaining 100% cash or cash-equivalent backing and undergoing third-party audits (something that Tether has never done). The Act provides no exceptions for foreign entities, signaling clear Congressional intent to tightly control stablecoin issuance domestically. Additionally, the bill has an ‘extraterritorial clause’, meaning its requirements extend overseas if conduct involves the offer or sale of a payment stablecoin to a person located in the United States.

Non-compliant stablecoins will be phased out in three years (Section 4(a)(9)), preventing a repeat of the ‘Terra Luna’ collapse where unregulated foreign stablecoins harmed US users.

But all may not be lost for Tether, even if the legislation creates some initial headaches. Its options could include registering a separate US entity or finding a partner to issue the tokens (with a likely fee-sharing agreement). It also helps that one of its big backers is the investment bank Cantor Fitzgerald, whose former chairman Howard Lutnick is now the US Commerce Secretary, and the company is in business with his son at a Bitcoin treasury firm. Still, at a high level this legislation could cause the company to pull back some from the US market and lead to further fragmentation of its business. Chief Executive Officer Paolo Ardoino famously backed away from Europe after it passed a landmark piece of crypto legislation known as Markets in Crypto-Assets Regulation (MiCA) in 2024, which put onerous reserve requirements on the stablecoin issuer and resulted in several exchanges delisting Tether.

In response to questions about how the bill will impact Tether’s business, a company spokesperson referred Unchained to a previous company statement: “We are grateful for the open dialogue with US lawmakers throughout this process and look forward to continuing to contribute our expertise as the regulatory framework matures.”

Big Tech

The GENIUS Act imposes strict conditions on Meta, Apple, Amazon, and X, barring them from issuing dollar-backed stablecoins without unanimous approval from the Stablecoin Certification Review Committee (Sections 4(a)(5) and 4(a)(11)), – comprised of the Treasury Secretary (chair), the Fed

Chair/Vice Chair for Supervision, and the FDIC Chair – which holds the authority to review and approve certification applications for stablecoin issuers that are not primarily financial non-financial companies like Big Techs above, and must secure unanimous Committee consent.

This clause in the bill reflects lingering Congressional concerns after Meta’s Libra project faced heavy regulatory opposition in 2019 over risks to financial stability, consumer protection, and privacy, leading to its collapse. Elon Musk has said, “We’re not currently planning to launch a stablecoin or digital currency on X,” showing how regulatory challenges could limit Big Tech’s ambitions. The Act’s requirements ensure stablecoin issuance remains primarily within regulated financial institutions, preventing tech companies from disrupting the market. However, Big Tech has been kicking around the edges of financial services for years, so it would not be surprising to see them try to launch a stablecoin in the future.

Chainlink and the Blockchain Association released a scorecard ranking states by their progress in blockchain adoption...

