



HYPERION DECIMUS

CRYPTO NEWSLETTER

POWERED BY WEEKLY CRYPTO BRIEF

24th August 2025

BITCOIN-RELATED



Cointelegraph: Bitcoin surged past \$116,000 on August 22, rebounding from 6-week lows, thanks to “dovish” comments from Fed Chair Jerome Powell at Jackson Hole.

Brazil held its first hearing about a national strategic Bitcoin reserve.

The Congress of the Philippines is weighing a proposal that could see the country’s central bank establish a strategic reserve of 10,000 Bitcoin. The bill, called the “Strategic Bitcoin Reserve Act,” aims to mandate the country’s central bank to buy 10,000 BTC (\$1.1 billion at current market prices). The bill states the BTC would be locked in a trust for at least 20 years.

Nasdaq-listed healthcare service provider and Bitcoin treasury company KindlyMD acquired \$679 million worth of Bitcoin for its corporate reserve. The purchase was made using PIPE proceeds and marks the company’s first Bitcoin investment since completing its merger with David Bailey’s Bitcoin firm, Nakamoto Holdings, on August 15.

Strategy acquired 430 Bitcoin for \$51.4 million for the week ending August 17. (Strategy also updated its MSTR Equity ATM Guidance to provide greater flexibility in executing its capital markets strategy: Above 4X mNAV, will actively issue MSTR to acquire BTC... Between 2.5X and 4X mNAV, will opportunistically issue MSTR to acquire BTC... Below 2.5X mNAV, will tactically issue BTC... And below 1X mNAV, will consider using credit to repurchase MSTR.)

Metaplanet purchased an additional 775 BTC for \$93 million.

Amsterdam crypto service provider Amdax announced plans to launch a Bitcoin treasury company called AMBTS (Amsterdam Bitcoin Treasury Strategy) on the Dutch stock exchange.

Japan-based 3D printed housing firm Lib Work became the latest non-crypto native company to use Bitcoin for its corporate treasury, a month after launching an initiative that uses NFTs to store house designs. Lib Work announced plans to purchase 500 million Japanese yen (\$3.3 million) worth of Bitcoin.

Nasdaq-listed Hong Kong construction company Ming Shing Group Holdings agreed to acquire 4,250 Bitcoin for almost \$483 million. The deal, if completed, would make Ming Shing Hong Kong's top Bitcoin treasury.

Angel Studios, a Utah-based distribution firm behind the films “The King of Kings” and “Sound of Freedom” and a Bitcoin treasury strategy company, took another stride toward going public. Announced on Aug. 18, it will hold a special meeting with shareholders on Sept. 5 seeking approval on a proposed merger between Angel and Southport Acquisition Corp., a SPAC.

According to a report from Xapo Bank: The effects of the “Great Wealth Transfer” that will see \$84 trillion pass from Baby Boomers to younger generations in the US alone by 2045 could see outsized inflows to Bitcoin and crypto markets. The movement of money is predicted to create \$160 billion to \$225 billion of Bitcoin inflows over the next two decades, translating to \$20 million to \$28 million in daily buying pressure. The report also forecast the rise of “Bitcoin dynasties” – families and individuals whose multigenerational wealth is rooted in crypto and drawing “comparisons to legacy wealthy families such as the Rockefellers or Rothschilds.”

Kenneth Rogoff, a Harvard University professor and former chief economist at the IMF, admitted he missed something when he predicted in 2018 that Bitcoin would more likely trade at \$100 than \$100,000 in 2028, blaming a lack of “sensible crypto regulation,” Bitcoin's appeal to the “global underground economy,” and US President Trump's embrace of crypto.

A \$1.7 trillion China Merchants Bank subsidiary launched 24/7 Bitcoin trading in Hong Kong.

Volkswagen Group Singapore announces that it's accepting Bitcoin as payment for their cars.

BitBit, the self-custodial social wallet that lets users instantly send and receive Bitcoin directly in their browser, announced the launch of its X integration, enabling users worldwide to exchange Bitcoin tips on the platform seamlessly. The payments will be associated with X usernames, allowing anyone to receive them, even without a wallet.

SoFi Technologies is set to become the first US bank to integrate the Bitcoin Lightning Network and Universal Money Address (UMA) for international money transfers.

A collection of 280+ Bitcoin-themed domain names went up for auction via a single sale at Lloyds, per the famed auction house. The collection includes dozens of geographical themed Bitcoin domains, like JapanBitcoin.com and AustraliaBitcoin.com, as well as more functional domains like BitcoinExchanges.com and BitcoinWallets.com.

INDUSTRY ADVANCES

Bernstein analysts reiterated that the current crypto bull market could stretch into 2027 – beyond the traditional 4-year cycle – driven by US policy momentum, institutional support, and broader participation beyond Bitcoin. Analysts wrote: “We expect a long crypto bull market, continuing the surge into 2026 and potentially peaking in 2027.” They forecast Bitcoin could reach \$150K–\$200K within the next year but emphasized the coming cycle will broaden to ETH, SOL, and DeFi tokens – fueling inflows

into trading platforms and stablecoin issuers. The firm also raised/maintained its price targets on Coinbase (\$510), Robinhood (\$160), and Circle (\$230), citing surging trading volumes, product expansion, and infrastructure positioning.

Wealthy families and family offices across Asia are increasing their cryptocurrency allocations, with some planning to allocate ~5% of their portfolios to the asset class. Reuters reported a wave of demand from HNWI's across Singapore, Hong Kong, and mainland China. Wealth managers said they are receiving more enquiries from clients, while crypto exchanges have reported rising trading volumes, and new crypto funds are drawing strong demand.

Bybit, the world's second-largest crypto exchange by trading volume, announced the launch of d Spot Margin Trading on its EU platform, unlocking greater trading flexibility for European users through up to 10x leverage – with full regulatory alignment.

Global payments giant SWIFT is testing Ripple's XRP Ledger and Hedera's Hashgraph (HBAR) for blockchain-based cross-border payments to boost efficiency and interoperability.

Robinhood has partnered with Kalshi, a CFTC-regulated prediction market that includes cryptocurrency payments, to allow users to trade on NFL and college football game outcomes. This move positions Robinhood as an alternative to traditional betting platforms, offering event contracts on a federally regulated exchange.

CME Group and FanDuel are collaborating to introduce a new event contracts platform, allowing users to bet on various markets like the S&P 500, oil, gold, and cryptocurrencies. This joint venture aims to offer simple yes/no markets for FanDuel's customers to trade on major benchmarks for as little as \$1.

Ethereum hit a new all-time high price on August 22, breaking a nearly four-year record following gains fueled by surging ETH treasuries, an increasingly favorable regulatory environment for the protocol, and growing interest from TradFi firms. The second-largest crypto hit \$4,879, surpassing its previous record of \$4,878 set in November 2021.

BitMine Immersion Technologies' Ethereum stash surged past 1.5 million ETH worth \$6.6 billion, making it the second-largest public corporate crypto holder after Strategy.

SharpLink Gaming added 143,593 Ether (over \$600 million).as ETH prices climbed above \$4,700, according to a SEC filing. The company also announced it has generated 1,388 ETH in staking rewards. And it authorized a \$1.5 billion stock buyback program.

Nasdaq-listed ETHZilla completed its corporate rebrand. Formerly known as 180 Life Sciences, which traded under the ticker ATNF, the newly rebranded ETHZilla's common stock and public warrants will begin trading on Nasdaq under the ticker symbols ETHZ and ETHZW. ETHZilla holds 94,675 , worth ~\$419 million, after raising \$565 million through a \$425 million PIPE deal and a \$156.25 million convertible note offering.

BTCS, a Nasdaq-listed Ethereum treasury, announced the first-ever ETH dividend of \$0.05 per share payable in ETH or cash, with shareholders required to opt in by September 26 (record date), alongside a \$0.35 per share "loyalty payment" in ETH for those transferring holdings to book entry and maintaining them for at least 120 days through January 26, 2026. The initiative aims to reward long-term investors and deter short selling by making shares harder to borrow.

Ethereum treasury holdings have climbed past 4.1 million ETH, worth ~\$17.6 billion, as more institutions add ETH to their balance sheets. According to StrategicETHReserve data, 69 entities each holding over 100 ETH now collectively hold about 3.39% of Ethereum's total supply. The data covers public companies and crypto-native organizations/foundations.

Windtree Therapeutics will be delisted from Nasdaq due to failure to maintain the \$1-per-share minimum bid price, with shares plummeting 77% to \$0.11. Last month, the company committed to buy up to \$700 million in Binance's BNB token.

Nasdaq-listed BNB Network Company (CEA Industries' treasury arm), announced the purchase of an additional 88,888 BNB, reinforcing its position as the largest corporate holder of BNB tokens in the world.

China Renaissance Holdings signed a MoU with Yzi Labs Management aimed at accelerating the adoption of BNB and expanding the BNB Chain ecosystem. Under the MoU, the company will allocate ~\$100 million toward BNB assets, positioning itself as the first Hong Kong-listed firm to include BNB in its dedicated digital assets portfolio.

VivoPower seeks to buy Ripple equity to enhance its XRP-buying strategy, acquiring \$100 million worth of shares at a \$19 billion valuation.

Nasdaq-listed, electric vehicle startup Faraday Future said it plans to launch several crypto-focused initiatives, including creating a crypto treasury and offering tokenized vehicle sales. The company plans to create a "C10 (Crypto 10) Treasury" product and initially buy \$30 million worth of crypto.

Three affiliated NYSE-listed companies under AMTD Group proposed a crypto-for-stock conversion program that would let holders swap BTC, ETH, USDT, BNB, and USDC for newly issued shares under the exchange. AMTD IDEA, AMTD Digital, and The Generation Essentials Group formed the program with pricing that would be set by mutual agreement at prevailing market values, and allocations could be split across the three issuers.

Singapore bank DBS revealed plans to tokenize structured notes on Ethereum – starting with crypto-linked payouts via ADDX, DigiFT, and HydraX – in a move to draw more institutional investors into digital assets.

State Street joined JPMorgan's tokenized debt platform as its first third-party custodian, allowing it to hold blockchain-based debt securities on behalf of investors.

Anthony Scaramucci's SkyBridge Capital will tokenize \$300 million across two hedge funds on Avalanche with support from Tokeny and Apex Group, highlighting Wall Street's growing embrace of blockchain fund structures.

Kraken expanded its tokenized stock product xStocks – already live on Solana and BNB Chain – to Tron, giving global traders onchain access to shares of Apple, Nvidia, Tesla, and more (without voting rights).

Dinari, a US-based SEC transfer agent specializing in 1:1 backed tokenized stocks and ETFs, announced a significant advancement in the tokenized finance space by unlocking US stock trading on the Avalanche blockchain. This move enables 150+ US equities to be tokenized and traded on a global scale.

Monaco, a new decentralized trading protocol incubated by Sei Labs and Monaco Research, announced the launch of its institutional-grade central limit order book infrastructure on the Sei blockchain. The protocol aims to capture a significant portion of the projected \$30 trillion tokenized asset market by 2034.

Archax, the UK regulated digital asset exchange, broker, and custodian, announced a partnership with the Stellar Development Foundation (SDF) to cement a strategic collaboration for tokenized RWAs. SDF also has made a direct investment in Archax Group.

Starknet approved a governance proposal to let tokenized versions of Bitcoin join STRK in securing its network, capping BTC's consensus power at 25% to balance risk, while broadening staking options.

Ethereum researchers published a new protocol update, outlining a multi-pronged strategy to expand blob throughput for L2 scalability, while maintaining decentralization and censorship resistance.

Solana's network achieved over 100,000 transactions per second in an onchain experiment, surpassing Visa's high mark. The validator believes with more efficient programs and token standards, Solana can process 100,000 token transfers per second.

Helius launched a SOL rebate system that allows users to earn 50% of the MEV generated by their transactions through post-trade back-running opportunities.

MetaMask integrated TRON into its wallet, extending support beyond Ethereum and Solana to give its 100M+ users direct access to the network that dominates global USDT transfers.

Mamo, the personal finance AI agent, is evolving into a market maker on Base, now providing liquidity across assets like VIRTUAL, MAMO, cbBTC, cbXRP, ZORA, EDGE, and TOSHI.

Toyota's Blockchain Lab, the research and development arm of the Toyota Group, unveiled the Mobility Orchestration Network (MON), a blockchain-based intermediary layer on Avalanche to bring vehicles and their related services onchain.

L1 proof-of-stake blockchain Concordium launched a mobile app (for iOS and Android) that allows users to verify their age – using ZK-proofs – without disclosing their identity.

Spexi, a startup based in Vancouver, BC, is revolutionizing Earth observation by deploying a blockchain-verified imaging network using microdrone pilots. This decentralized approach offers real-time, cost-effective, and scalable solutions for various industries.

MINING



Bitcoin's network difficulty reached a new high of 129 trillion, with a 6.4% increase in the past 90 days. The upcoming automatic adjustment is expected to lower the difficulty by 0.33% on August 22, providing some relief to miners.

Social media marketing and Trump Jr.-backed company Thumzup, which recently pivoted into a crypto treasury strategy, is acquiring DogeHash Technologies in an all-stock deal. DogeHash is an industrial-scale miner focused on Dogecoin and Litecoin.

Tech giant Google became the largest shareholder of TeraWulf, holding 14% of the shares, after receiving more stock in exchange for increasing its backstop in the lease deal between the Bitcoin miner and AI infrastructure provider Fluidstack.

Another solo Bitcoin miner hit the jackpot with \$371,000 block reward. (ASICKey executive Samuel Li said that solo Bitcoin miners have a one in 650,000 chance of solving a block every 10 minutes with one petahash of hashpower.)

ETPS (EXCHANGE-TRADED PRODUCTS), FUNDS & INDEXES



BlackRock's iShares Bitcoin Trust (IBIT) surpassed the holdings of Strategy and is now second in the world in terms of reserves, at least when it comes down to known entities. Launched in January 2024, the ETF has amassed over 781,000 BTC, equivalent to more than \$87 billion.

Spot Bitcoin and Ether ETFs posted \$523 million and \$422 million in daily outflows on August 19, respectively, among the largest since launch.

US-listed spot Ethereum ETFs crossed a new milestone earlier this past week, holding more than 5% of the current ETH supply, or 6.3 million ETH worth ~\$26.7 billion.

The SEC delayed decisions on multiple high-profile crypto ETFs, pushing the review deadlines into October 2025. Two Solana ETFs – one from 21Shares and the other from Bitwise – have a new decision date of Oct. 16. An XRP-based ETF from 21Shares also had its deadline decision pushed to Oct. 19. Decisions on Litecoin ETF applications from Grayscale, Canary Capital, and CoinShares were also pushed to mid-October, as was a decision on the Truth Social Bitcoin and Ethereum ETF, linked to President Donald Trump's Truth Social.

21Shares filed for three more ETFs on August 20. One would offer broad crypto exposure via tokens themselves, ETFs, derivatives, and equities and would be actively managed. Two others offer leveraged exposure to Dogecoin and Sui via derivatives.

VanEck filed to launch a JitoSOL ETF – a spot Solana fund fully backed by the liquid staking token JitoSOL. The Jito Foundation said this would be the first spot Solana ETF 100% backed by a liquid staking token.

In a registration statement, Grayscale said it was renaming the Grayscale Dogecoin Trust to the Grayscale Dogecoin Trust ETF. The Shares are expected to be listed on NYSE Arca under the ticker symbol "GDOG," according to the filing.

REX-Osprey announced that options have become available for the recently launched REX-Osprey Solana + Staking ETF (SSK).

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

Neon Machine, which integrates tactical gameplay with digital ownership, raised \$19.5 million in a seed round, led by Gala Games.

USD.AI, a GPU-collateralized stablecoin lending protocol tailored for AI startups, raised \$13.4 million in a Series A funding round, led by Framework Ventures.

Singapore's DigiFT raised \$11 million in a round, led by Japan's SBI Holdings, as it builds tokenized investment products bridging traditional finance and blockchain.

Mesh, a startup developing a service that enables customers to easily transfer and manage digital assets, raised \$9.5 million in a funding round.

Bitcoin DeFi protocol Lombard will launch its BARD token via a \$6.75 million community sale on Buidlapad, implying a \$450 million fully diluted valuation.

Loop Crypto, a stablecoin payments processor, raised a strategic round – led by VanEck and Fabric Ventures.

Hyperbeat, The Native Yield Layer of Hyperliquid, raised \$5.2 million in seed funding round, led by Electric Capital.

Crypto startup Legion raised \$5 million from VanEck, Brevan Howard Digital, and major exchanges to build a regulated platform reviving ICOs, aiming to restore retail token sales without the scams that tainted the model years ago.

IPOS, M&A, PARTNERSHIPS & DEALS

Lender Figure Technology filed to go public on Nasdaq after reporting \$191 million in revenue and \$29 million profit in H1 2025, planning to list under the ticker FIGR while highlighting \$16 billion in loans and \$50 billion in onchain deals since launch.

Chamath Palihapitiya, a technology investor known as the “SPAC king” for launching 12 SPACs, has filed paperwork to create a \$250 million acquisition company called American Exceptionalism, which would invest in AI and crypto.

Stablecoin issuer Circle acquired Malachite, the consensus engine that is set to underpin payments-focused blockchain Arc, from software development firm Informal Systems. The deal includes the underlying technology and IP of Malachite, and nine persons from Informal Systems will join Circle. The firms didn't reveal details about pricing.

Kraken acquired Capitalise.ai, an Israeli startup known for its no-code platform for automating trading strategies. The technology supports various asset classes and will be integrated into Kraken Pro platform. Co-founders and key staff will join Kraken's Pro business unit.

The Wormhole Foundation, the entity behind cross-chain messaging protocol Wormhole, plans to make a counteroffer against LayerZero's \$110 million bid to acquire Stargate.

Crypto security platform Kerberos acquired Pocket Universe, a popular fraud prevention and browser extension, to build a dedicated antivirus for crypto.

Valantis, a modular DEX protocol, acquired StakedHYPE, the second-largest liquid staking platform on Hyperliquid's HyperEVM chain, as it doubles down on LST-focused infrastructure.

TRM Labs, a leading provider of blockchain intelligence solutions, announced a strategic integration with Sumsb, a global leader in verification. This new integration enables Sumsb users to leverage TRM's risk intelligence to screen wallet addresses, score transactions, and review risk signals in real time – all in one dashboard in Sumsb's Crypto Monitoring solution.

DEFI



True Markets announced the launch of the True Markets DeFi Gateway, the white-labeled solution that enables brokerages and fintech platforms to offer real-time access to onchain assets, trading, and non-custodial wallets powered by Turnkey.

CBDCS & STABLECOINS



In the month since the GENIUS Act was signed into law, total stablecoin supply has grown by \$16 billion to a total market cap of over \$277 billion.

EU officials are reportedly accelerating plans for a digital euro following the passage of the US Genius Act stablecoin law. They're now considering running it on a public blockchain like Ethereum or Solana rather than the previously expected private blockchain.

Crypto exchange Bullish made history by settling its entire \$1.15 billion IPO using a diverse basket of stablecoins – a first for the US capital markets.

The Wyoming Stable Token Commission, a body authorized by the US state to issue a stablecoin, announced the mainnet launch of the Frontier Stable Token (FRNT) stablecoin. According to CryptoAmerica host Eleanor Terrett, the FRNT is now live on seven blockchains, including Ethereum, Solana, Arbitrum, Avalanche, Polygon, Optimism and Base.

MetaMask introduced its native stablecoin, mUSD, integrated with the MetaMask DeFi ecosystem. Issued by Bridge, a Stripe company, mUSD will be backed by dollar equivalent assets in compliance with the GENIUS Act. The stablecoin integrates with Visa's payment network, enabling use anywhere Visa is

accepted, including Apple Pay, Google Pay, and physical cards, though public access remains limited due to ongoing regulatory hurdles.

China is preparing to enter the global stablecoin race, according to Reuters, as the nation considers the approval and launch of yuan-backed stablecoins – a significant reversal from its strict ban on crypto and related activities since 2021. The State Council, China’s chief administrative body, will review a roadmap later this month to authorize these stablecoins.

Japan’s financial regulator is set to greenlight yen-pegged stablecoins this fall, with fintech JPYC preparing to register as a money transfer service to issue the country’s first approved fiat-backed digital token. (Ripple and SBI Holdings are planning to roll out Ripple's RLUSD stablecoin in Japan.)

South Korea’s Financial Services Commission reportedly plans to submit a stablecoin regulation bill to lawmakers in October. President Lee Jae Myung has backed efforts to build a robust local stablecoin market to bolster monetary sovereignty. South Korea’s four largest banks – KB Kookmin, Woori, Shinhan, and Hana – may reportedly meet with USDC stablecoin issuer Circle’s President Heath Tarbert next week.

South Korea’s top financial regulator ordered local exchanges to suspend crypto lending after \$1.1 billion was borrowed in a month and 13% of users were liquidated, citing risks in the absence of clear rules.

Coinbase listed the USD1 stablecoin from World Liberty Financial, a project associated with President Donald Trump and his sons. The stablecoin is now available for trading alongside USDC and USDT on the exchange.

Circle Gateway launched on mainnet, offering a unified USDC balance that provides instant crosschain liquidity access in under 500 milliseconds across seven supported chains, including Arbitrum, Avalanche, Base, Ethereum, OP Mainnet, Polygon PoS, and Unichain.

Circle’s new Arc blockchain, a L1 network purpose-built for stablecoin finance, will debut with institutional access via integration with Fireblocks.

Aave deployed on Aptos, a first outside the Ethereum ecosystem, enabling lending and borrowing in assets like USDC, USDT, APT, etc. with incentives from the Aptos Foundation.

Aave DAO is moving to onboard Tether's gold-backed stablecoin XAUT to its v3 Core Instance, enabling users to earn yield or borrow against tokenized gold.

Chaos Labs warned that Ethena’s USDe boom, heavily looped through Aave lending, could amplify risks to stablecoin markets if yields collapse and trigger rapid deleveraging.

Ethena’s risk committee approved BNB as the first new asset backing its USDe stablecoin under a freshly formalized framework, with XRP and HYPE next in line once they meet strict liquidity and trading thresholds.

Binance users poured \$250 million in under an hour into Plasma’s Bitcoin-based stablecoin network to earn yield on USDT plus early allocations of Plasma’s upcoming XPL token.

NFTS, BLOCKCHAIN GAMING & METaverse



Arbitrum's gaming investment group is offering Ronin up to 750,000 ARB spread across three consecutive years to join them as an "Orbit" chain.

Wilder World launched a 10-player shooter game mode in "super early access" at Gamescom, featuring deathmatch gameplay in a recreated Miami setting called Wiami. The Ethereum-based project is hosting a \$100,000 tournament from August 25 to September 24.

JOB MOVEMENT



Coinbase is reinforcing security after North Korean hackers exploited its remote work policy, with CEO Brian Armstrong outlining stricter hiring measures.

Bo Hines, President Donald Trump's former executive director of the White House crypto council, is joining USDT issuer Tether as strategic advisor for digital assets and US strategy.

Trish Turner, head of the IRS digital assets unit for three months, resigned and is reportedly leaving for the private sector.

Blockchain.com, a key player in the crypto industry since 2015, made strategic board appointments, including former KPMG CEO and JP Morgan director Timothy Flynn.

Story Protocol's co-founder Jason Zhao announced he's stepping down from his full-time role and moving into a "strategic advisor" position, citing plans to focus on an AI venture called Poseidon.

REGULATIONS, RULINGS & COMMENTARY



SEC Chair Paul Atkins announced a new approach to crypto regulation, emphasizing a shift towards embracing innovation and offering exemptions for various crypto offerings. Atkins believes that most crypto tokens are not securities, signaling a departure from past enforcement strategies by the SEC. (Atkins also said they're going to implement the President's Digital Assets Working Group recommendations "as soon as we can.")

CFTC Acting Chairman Caroline D. Pham announced the CFTC will begin its next crypto sprint initiative for implementation of the recommendations in the President's Working Group on Digital Asset Markets report. Starting on August 21, Acting Chairman Pham began stakeholder engagement on all other report recommendations for the CFTC.

The US crypto lobby rallied behind Brian Quintenz for CFTC chair, sending Trump a letter urging quick Senate confirmation after the White House unexpectedly stalled his nomination despite earlier backing.

Sen. Tim Scott is pushing to finalize a comprehensive crypto market structure bill by September 30 but says Sen. Elizabeth Warren is “standing in the way” of Democratic support. Scott said he’s targeting 12-18 Democratic votes but alleged that Warren – a vocal crypto skeptic – is discouraging her colleagues from joining. (Senator Cynthia Lummis said a crypto market structure bill that defines SEC and CFTC oversight will be on President Trump’s desk by Thanksgiving, after months of committee reviews and bipartisan negotiations.)

The US Treasury Department issued a public call for comments related to the detection and prevention of illicit activities involving digital assets, following the signing of the GENIUS Act.

US lawmakers added an “Anti-CBDC Surveillance State Act” to the must-pass defense bill, aiming to block the Federal Reserve from directly issuing a digital dollar over fears of government monitoring.

Fed Vice Chair Michelle Bowman said central bank staff should be allowed to hold small amounts of crypto to better understand the technology, while warning that outdated legal frameworks risk leaving the US behind in blockchain adoption.

Illinois Governor JB Pritzker signed two bills creating the Midwest’s first crypto consumer protections – granting state oversight of exchanges and capping ATM fees at 18% – while criticizing Trump for letting “crypto bros” shape federal policy.

New York State Assemblymember Phil Steck's proposed tax on crypto transactions aims to generate \$158 million annually for substance abuse programs. The bill would tax all crypto transactions, including stablecoins, without exemptions for high-frequency traders.

Sherrod Brown, the former Ohio senator who lost his seat in 2024 to Republican Bernie Moreno after a crypto-backed campaign poured more than \$40 million into the race, announced he will run for Rep. Senator Jon Husted’s seat in the 2026 US midterm elections.

Coinbase, DCG, Kraken, a16z, and others launched the tax-exempt American Innovation Project in Washington to “educate” US policymakers on decentralized tech, though by law the nonprofit cannot directly lobby for legislation.

Gemini exchange secured a MiCA license from the Malta Financial Services Authority (MFSA) on August 20.

Gemini founders Tyler and Cameron Winklevoss donated \$21 million in Bitcoin to a political action committee to support President Trump's crypto agenda in the US midterm elections. The new Republican-focused PAC, called Digital Freedom Fund, aims to replicate the success of the bipartisan Fairshake that backs crypto-friendly candidates in both parties.

Thailand launched a Tourist Wallet allowing foreigners to make baht QR payments via cash, cards, or transfers, but its crypto conversion option stayed locked in a regulatory sandbox until officials finish reviewing security and compliance.

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

Binance, Coinbase, Kraken, PayPal, Ripple, and others joined TRM Labs' Beacon Network with law enforcement to share real-time alerts on suspicious wallets, targeting the \$47 billion in fraud-linked crypto flows since 2023.

The UK imposed sanctions on Kyrgyzstan's financial sector and crypto networks it said were used by Russia to bypass Western restrictions, targeting an alleged \$9.3 billion, ruble-backed stablecoin operation.

A US judge ordered EminiFX founder Eddy Alexandre to repay \$228.5 million to over 25,000 victims of his fake "AI-powered" crypto scheme, adding to his nine-year prison sentence for defrauding investors in his church and community.

The International Criminal Police Organization, or Interpol, announced 1,000+ arrests and the seizure of ~\$100 million as part of a crackdown that included crypto miners and fraudsters.

A crypto investor lost 783 Bitcoin, valued at \$91 million, to a social engineering scam involving impersonation of customer support representatives from a hardware wallet manufacturer and a cryptocurrency exchange. The stolen funds were transferred to Wasabi Wallet, a Bitcoin "mixer," as they moved across various digital wallets.

Taiwanese prosecutors indicted 14 people in what they say is the country's biggest-ever crypto money laundering case, involving 1,500+ victims and over \$70 million in illicit funds.

A Manhattan judge unfroze \$57.6 million in USDC tied to the failed Libra memecoin, saying the promoters were cooperating in court and unlikely to abscond with funds.

Thai authorities arrested a South Korean man accused of helping a call center gang launder cryptocurrencies into gold worth more than \$50 million.

A DeFi investor was hit with a \$10.5 million tax bill after the Spanish tax agency classified a crypto-backed loan as taxable gains.

Charles O. Parks III, also known as "CP3O," was sentenced to one year and one day in prison for a large-scale illegal "cryptojacking" scheme that defrauded cloud computing providers of over \$3.5 million in resources to mine nearly \$1 million in cryptocurrency.

Police in Wales are investigating a "staggering" \$2.8 million (£2.1 million) Bitcoin theft, in which a scammer posed as a senior detective to win the victim's confidence.

Instagram accounts for Michael Jackson, Adele, and Future were hijacked to promote a memecoin. The scammer made off with ~\$49,000 after dumping the majority of the tokens.

The OCC terminated its cease and desist order against Anchorage Digital, a federally chartered digital asset bank, after the company demonstrated compliance with the Bank Secrecy Act and AML requirements.

A top DOJ official said, “writing code without ill intent is not a crime,” signaling a policy shift away from prosecuting open-source developers after the Tornado Cash verdict sparked industry backlash.

Binance Australia must appoint an external auditor within 28 days following serious concerns raised by AUSTRAC about its AML and CTF controls. AUSTRAC highlighted issues with governance, staff turnover, and local resourcing at the crypto exchange.

Lumma Stealer malware, distributed through fake Captcha prompts, targets sensitive data like cryptocurrency wallet credentials. The malware, part of Malware-as-a-Service, caused significant financial losses and poses a persistent threat to cybersecurity.

YouTuber Logan Paul’s bid to dismiss a proposed class-action lawsuit over his defunct NFT project CryptoZoo should be allowed, per a Texas judge. Magistrate Judge Ronald Griffin said that the class group had not sufficiently tied Paul to their claims that they lost money by buying into the CryptoZoo project. The recommendation could see a federal judge drop the suit unless the class group updates it.

Apple patched a zero-click vulnerability that allowed sophisticated attackers to compromise devices and could have led to cryptocurrency theft; it urged immediate updates.

MISCELLANEOUS



Ethereum has increased 70% since June 1 versus Bitcoin's 9%, lifting the ETH/BTC ratio above 0.037 to a new yearly high. K33 attributes Ether’s strength to a two-pronged demand shock: 1) US spot ETH ETFs have taken in ~\$9.4 billion since June 2. 2) Digital asset treasury holdings surpassed 2% of circulating ETH for the first time, up from 0.2% two months ago.

A wallet linked to an early Ethereum ICO participant sent 4,460 ETH (worth ~\$19 million) to Kraken on August 18, continuing a potential selloff trend. Over the past week, the address (starting 0x815) has deposited 9,803 ETH, worth about \$43.9 million, to exchanges, with its wallet’s balance now sitting at just 197 ETH. The same address had previously moved 2,000 ETH (\$8.6M), 1,162 ETH (\$5.2M), and 1,060 ETH (\$5.1M) to trading venues – activity often viewed as a potential sell signal. Separately, another ICO-era wallet moved \$1.5M in ETH originally purchased for \$104, adding to the week’s notable onchain movements.

A major Bitcoin whale who has diamond-handed Bitcoin for the last seven years sold off some of its bag to open a long position in Ether. The OG whale sold 670 Bitcoin BTC for \$76 million on August 20, then used those funds to go long across four positions, totaling 68,130 ETH.

Solana’s community began governance on the Alpenglow upgrade, a proposal aiming to slash block finality from 12.8 seconds to about 150 milliseconds.

Pump.fun surged back to a 90% share of Solana’s memecoin launchpad market, up from just 5% two weeks ago, as rival LetsBonk collapses to 3%. The flip appears tied to the return of top memecoin deployers and bot activity.

Kanye West, the rapper now known as Ye, launched a memecoin called YZE. Alongside the YZY crypto, built on the Solana blockchain, the Yeezy Money project includes a Ye Pay payment processor,

and a YZY card for spending YZY, and the stablecoin USDC. (The YZY token was linked to a major \$21 million extraction scheme involving the LIBRA token.)

After a 51% attack on the Monero network last week, the Qubic community has voted to target Dogecoin as a potential candidate for a similar test.

CHARTS, TABLES, QUOTES, COMMENTARY & OTHER IMAGES

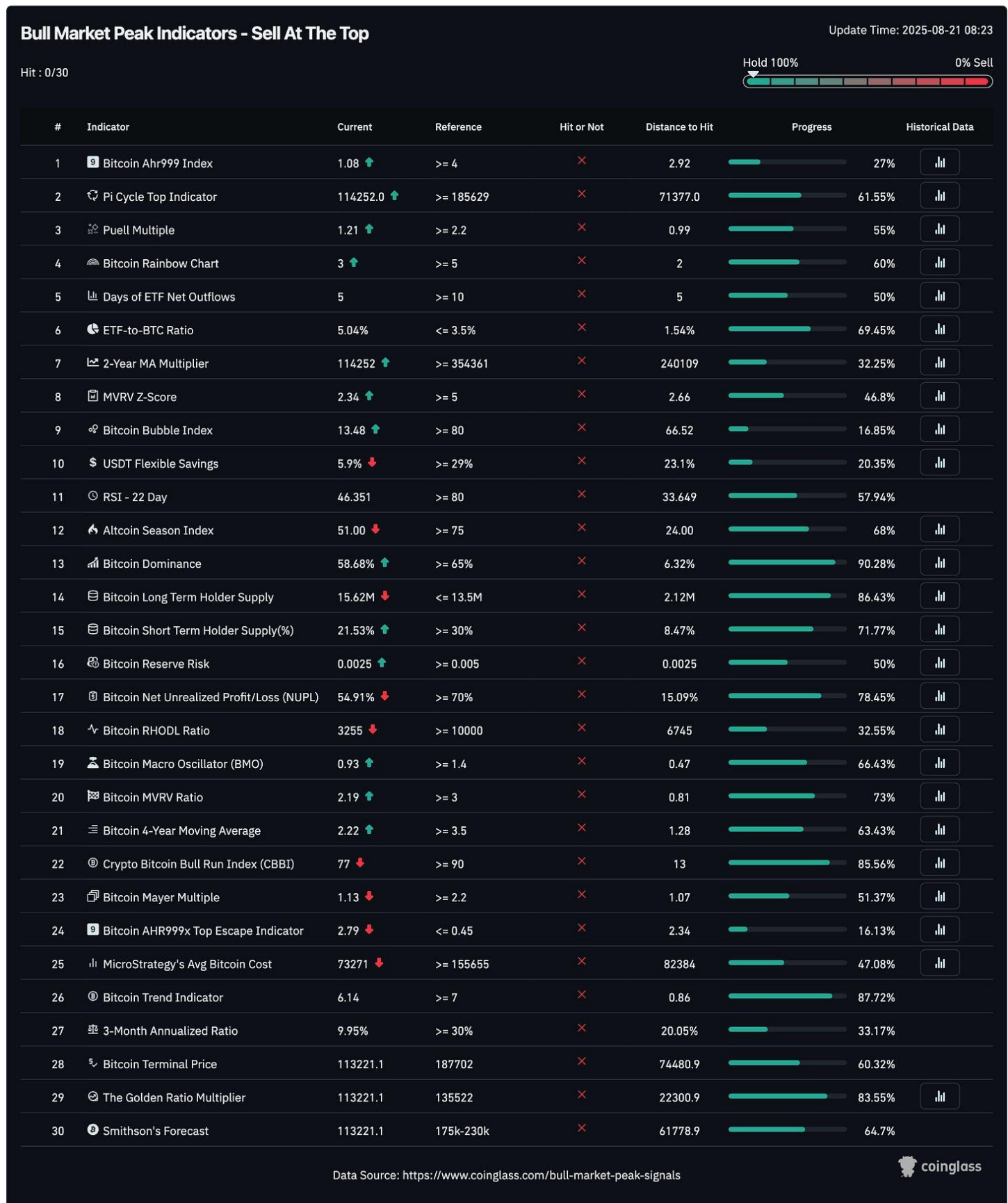
Charlie Bilello: Bitcoin is now up over 30% on the year, leading all major assets for the 3rd straight year (a/o August 13).

CREATIVE PLANNING		Asset Class Total Returns Since 2011 (Data via YCharts as of 8/13/25)															@CharlieBilello	
ETF	Asset Class	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2011-25 Cumulative	2011-25 Annualized
N/A	Bitcoin (\$BTC)	1473%	186%	5507%	-58%	35%	125%	1331%	-73%	95%	301%	66%	-65%	156%	121%	32.1%	41123248%	142.6%
GLD	Gold	9.6%	6.6%	-28.3%	-2.2%	-10.7%	8.0%	12.8%	-1.9%	17.9%	24.8%	-4.2%	-0.8%	12.7%	26.7%	27.7%	123%	5.7%
EFA	EAFE Stocks	-12.2%	18.8%	21.4%	-6.2%	-1.0%	1.4%	25.1%	-13.8%	22.0%	7.6%	11.5%	-14.4%	18.4%	3.5%	23.3%	143%	6.3%
VWO	Emerging Market Stocks	-18.7%	19.2%	-4.9%	0.0%	-15.8%	12.2%	31.5%	-14.8%	20.8%	15.2%	1.3%	-18.0%	9.3%	10.6%	18.1%	60%	3.3%
QQQ	US Nasdaq 100	3.4%	18.1%	36.6%	19.2%	9.5%	7.1%	32.7%	-0.1%	39.0%	48.6%	27.4%	-32.6%	54.9%	25.6%	13.8%	1113%	18.7%
IWF	US Growth	2.3%	15.2%	33.1%	12.8%	5.5%	7.0%	30.0%	-1.7%	35.9%	38.3%	27.4%	-29.3%	42.6%	33.1%	12.3%	821%	16.4%
CWB	Convertible Bonds	-7.7%	15.9%	20.5%	7.7%	-0.8%	10.6%	15.7%	-2.0%	22.4%	53.4%	2.2%	-20.8%	14.5%	10.1%	11.2%	268%	9.3%
SPY	US Large Caps	1.9%	16.0%	32.2%	13.5%	1.2%	12.0%	21.7%	-4.5%	31.2%	18.4%	28.7%	-18.2%	26.2%	24.9%	10.7%	567%	13.9%
EMB	EM Bonds (USD)	7.7%	16.9%	-7.8%	6.1%	1.0%	9.3%	10.3%	-5.5%	15.5%	5.4%	-2.2%	-18.6%	10.6%	5.5%	9.1%	75%	3.9%
IWD	US Value	0.1%	17.5%	32.1%	13.2%	-4.0%	17.3%	13.5%	-8.5%	26.1%	2.7%	25.0%	-7.7%	11.4%	14.2%	8.6%	324%	10.4%
HYG	High Yield Bonds	6.8%	11.7%	5.8%	1.9%	-5.0%	13.4%	6.1%	-2.0%	14.1%	4.5%	3.8%	-11.0%	11.5%	8.0%	6.0%	102%	4.9%
LQD	Investment Grade Bonds	9.7%	10.6%	-2.0%	8.2%	-1.3%	6.2%	7.1%	-3.8%	17.4%	11.0%	-1.8%	-17.9%	9.4%	0.9%	6.0%	71%	3.7%
TIP	TIPS	13.3%	6.4%	-8.5%	3.6%	-1.8%	4.7%	2.9%	-1.4%	8.3%	10.8%	5.7%	-12.2%	3.8%	1.7%	5.8%	48%	2.7%
IWM	US Small Caps	-4.4%	16.7%	38.7%	5.0%	-4.5%	21.6%	14.6%	-11.1%	25.4%	20.0%	14.5%	-20.5%	16.8%	11.4%	5.2%	261%	9.2%
BND	US Total Bond Market	7.7%	3.9%	-2.1%	5.8%	0.6%	2.5%	3.6%	-0.1%	8.8%	7.7%	-1.9%	-13.1%	5.7%	1.4%	4.9%	39%	2.3%
MDY	US Mid Caps	-2.1%	17.8%	33.1%	9.4%	-2.5%	20.5%	15.9%	-11.3%	25.8%	13.5%	24.5%	-13.3%	16.1%	13.6%	4.3%	330%	10.5%
PFF	Preferred Stocks	-2.0%	17.8%	-1.0%	14.1%	4.3%	1.3%	8.1%	-4.7%	15.9%	7.9%	7.2%	-18.2%	9.2%	7.2%	4.2%	90%	4.5%
TLT	Long Duration Treasuries	34.0%	2.6%	-13.4%	27.3%	-1.8%	1.2%	9.2%	-1.6%	14.1%	18.2%	-4.6%	-31.2%	2.8%	-8.1%	2.9%	39%	2.3%
VNQ	US REITs	8.6%	17.6%	2.3%	30.4%	2.4%	8.6%	4.9%	-6.0%	28.9%	-4.7%	40.5%	-26.2%	11.8%	4.8%	2.9%	187%	7.5%
BIL	US Cash	0.0%	0.0%	-0.1%	-0.1%	-0.1%	0.1%	0.7%	1.7%	2.2%	0.4%	-0.1%	1.4%	4.9%	5.2%	2.6%	20%	1.3%
DBC	Commodities	-2.6%	3.5%	-7.6%	-28.1%	-27.6%	18.6%	4.9%	-11.6%	11.8%	-7.8%	41.4%	19.3%	-6.2%	2.2%	1.7%	-10%	-0.7%
Highest Return		BTC	BTC	BTC	VNQ	BTC	BTC	BTC	BIL	BTC	BTC	BTC	DBC	BTC	BTC	BTC	BTC	BTC
Lowest Return		EEM	BIL	GLD	BTC	DBC	BIL	BIL	BTC	BIL	DBC	TLT	BTC	DBC	TLT	DBC	DBC	DBC
% of Asset Classes Positive		62%	95%	52%	71%	38%	100%	100%	5%	100%	90%	71%	10%	95%	95%	100%	95%	95%

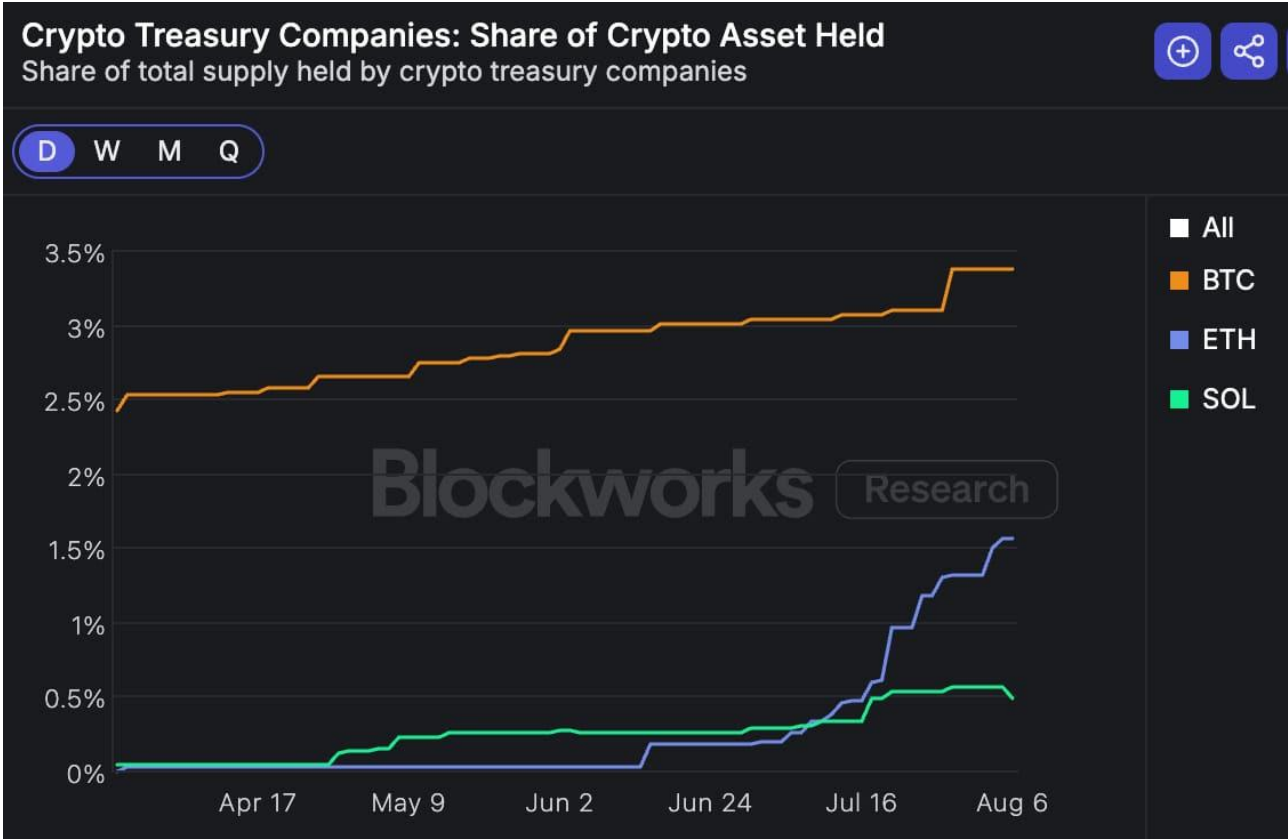
Bitcoin Magazine: Bitcoin has reached 2% of all global money. It's happening.



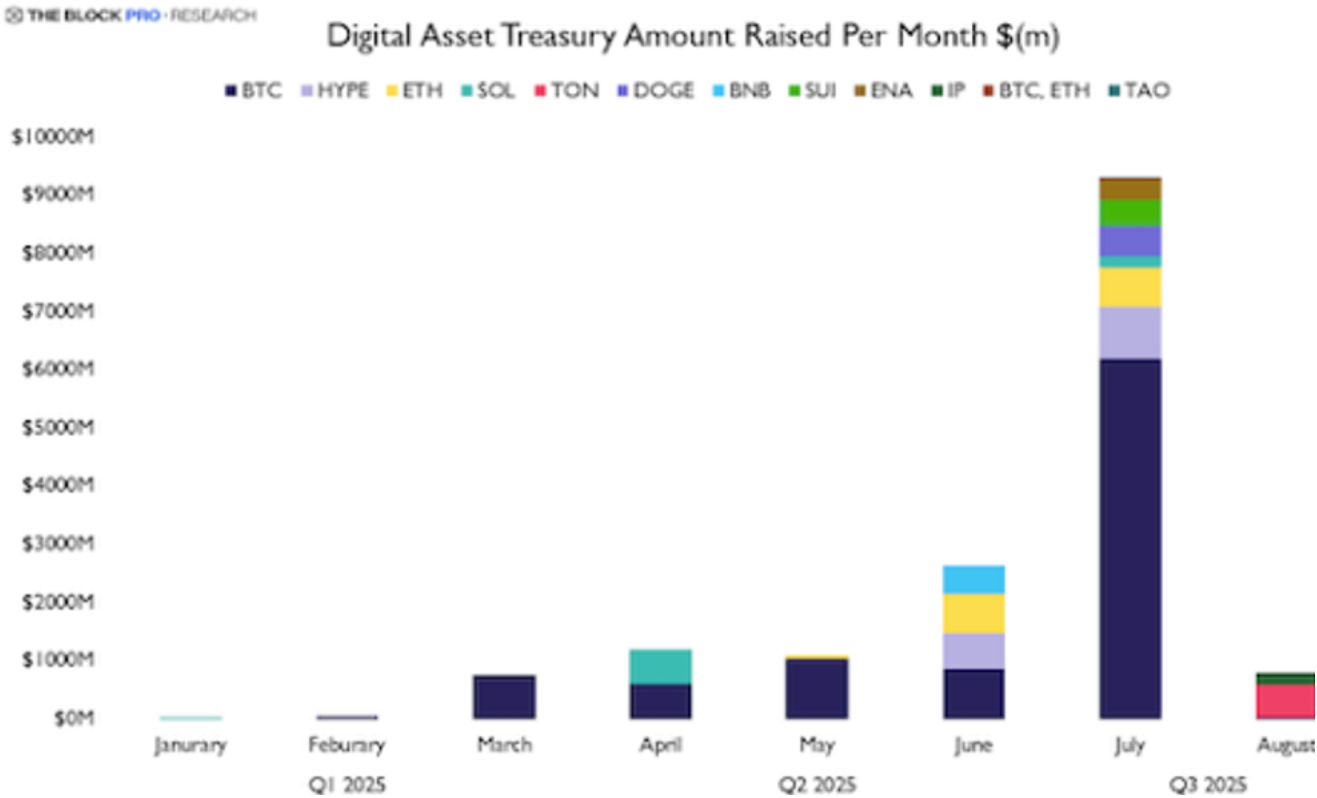
Anthony Pompliano: The data is overwhelming – the Bitcoin bull market is not over yet. With the 30 Bitcoin Bull Market Peak Indicators from CoinGlass, we have not hit a single one of them yet. Zero for Thirty.



Blockworks: It's the summer of DATs and the party is going strong.

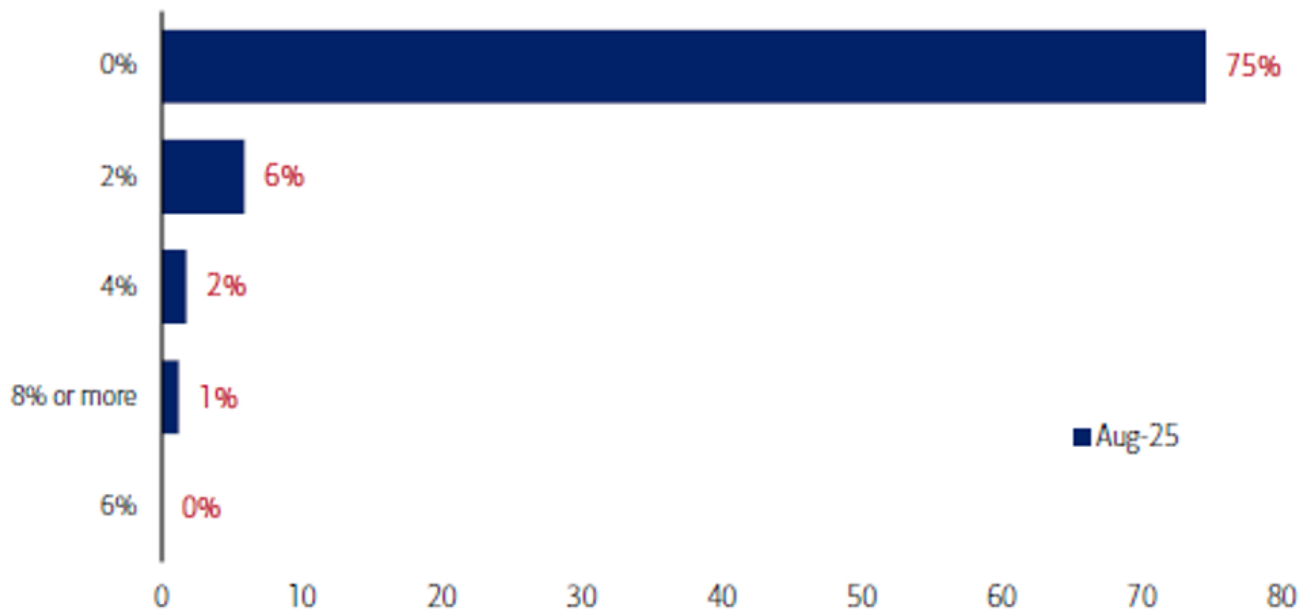


The Block: Digital asset treasuries eclipse venture funding as companies raise \$15 billion in 2025 (through mid-August).



Bank of America is now reporting “the average professional fund manager allocation toward crypto is 0.3% of AUM. 75% of fund managers have zero allocation.”

Chart 18: Majority of FMS investors are not structurally allocated to crypto
Which of the following comes closest to your current crypto position in your portfolio?



Source: BofA Global Fund Manager Survey.

Conclusion from Coin Metrics’ “State of The Network” weekly report from 8/19/25. (Read the full report, [here](#).)

Commanding over \$3.3T in total market cap, L1s are the bedrock of the crypto ecosystem. They provide the base infrastructure that powers token issuance, applications and transaction activity on blockchains, creating vibrant onchain ecosystems. L1s are evolving to meet the needs of diverse use-cases, with different architectures and approaches shaping the tradeoffs for developers, institutions, and end-users alike.

Conclusion from Glassnode’s “The Week On-Chain” from 8/20/25. (Read the full report, [here](#).)

Capital inflows into Bitcoin are showing signs of fatigue, with demand softening even as price set a new ATH at \$124.4k. This slowing appetite has coincided with a surge in speculative positioning, as open interest across major altcoins briefly reached a record high of \$60B before correcting with a -\$2.5B decline.

Ethereum, long regarded as a bellwether for “altseason,” is once again at the forefront of this rotation. Its open interest dominance has climbed to its 4th largest level on record, while perpetual futures volume dominance has surged to a new ATH of 67%, marking the strongest structural shift to date.

From a cyclical perspective, Bitcoin’s price action also echoes prior patterns. In both the 2015–2018 and 2018–2022 cycles, ATHs occurred only 2–3 months beyond where we currently stand when measured from the cycle low. Alongside this, long-term holders have realized profit levels comparable to past euphoric phases, reinforcing the impression of a market late in its cycle.

Taken together, these signals highlight elevated leverage, profit-taking, and speculative intensity, hallmarks of historically mature market phases. However, each cycle carries its own idiosyncrasies, and there is no certainty that Bitcoin and the broader market will conform to a fixed temporal blueprint.

Blockworks updated key metrics...

Total Crypto Market Cap	\$4.11 T
Bitcoin Market Cap	\$2.32 T
Ethereum Market Cap	\$579.83 B
ETH/BTC Ratio	0.04
Ethereum Gas Price	1.66 gwei
DeFi TVL	\$289.22 B
Fear and Greed Index	50 (Neutral)

Matt Hougan's (Bitwise) Weekly CIO Memo: "Bitcoin's 10-Year Outlook: A Forecast – Bitwise Will Soon Release Its First-Ever Long-Term Capital Market Assumptions for Bitcoin. Here's a Sneak Peek for Memo Readers."

Later this week, Bitwise will publish a major new research report: the inaugural Bitwise Bitcoin Long-Term Capital Market Assumptions.

The report will provide data-driven forecasts of bitcoin's returns, volatility, and correlations over the next ten years.

I'll share a summary of our findings at the end of this memo, but first, I wanted to share an anecdote that speaks to why this report is so important.

Why Long-Term Capital Market Assumptions Matter

Long-term capital market assumptions play a key role in how institutional investors build portfolios.

Each year, major Wall Street firms and leading asset managers gather together their smartest minds and massive amounts of data and write in-depth reports making predictions on the future returns for stocks, bonds, real estate, and private credit.¹

These reports are the foundation for how many institutional investors build portfolios, providing the core forecasts they rely on to mix together various assets to achieve their specific return and risk targets. They're probably the most important and most anticipated reports most firms publish each year.

At Bitwise, we've been helping professional investors access the opportunities in crypto since 2017. Here are the number of times large institutional investors have asked us for long-term capital market assumptions for Bitcoin every year:

- 2017: 0
- 2018: 0
- 2019: 0
- 2020: 0
- 2021: 0
- 2022: 0
- 2023: 0
- 2024: 0
- 2025: 12

Twelve may not sound like much, but it is: Most of the new requests came from large national account platforms that handle hundreds of billions or trillions of dollars in assets. Multiply 12 by half a trillion dollars and you're talking about real money.

So, what's changed?

The reason we had zero requests before this year was: 1) Most large platforms had not approved Bitcoin ETFs yet, and 2) professional investors mostly thought of Bitcoin as an idiosyncratic, opportunistic investment. The fact that they're now asking for long-term capital market assumptions means that

they've shifted their view: It's no longer a one-off for the fringes of the portfolio; it's starting to be considered for the core.

The maturation of Bitcoin into a truly institutional asset class was never going to happen overnight. It required hard-earned advances in process and infrastructure and the diligent work of many. It started in earnest with the launch of spot Bitcoin ETFs in January 2024, gained traction as those ETFs were slowly approved on national account platforms at the start of this year, and is accelerating as those platforms start to build Bitcoin into their model portfolios.

But make no mistake: It's happening. Brick by brick.

What Our Research Shows

Okay, enough with the preamble. What does our research actually show?

I won't give away the store; you'll have to read the full report. But I'll give you a teaser.

Taking a conservative approach, we project Bitcoin will be the best-performing major asset in the world over the next 10 years, with a compound annual growth rate of 28.3% and steadily declining (albeit still high) volatility. The table below puts our forecast in context by comparing it with those of other asset classes by firms like JPMorgan and BlackRock.

2025 to 2035 Projections: Bitcoin's Return, Volatility, and Correlation vs. Major Asset Classes

	Return	Volatility	Correlation to Bitcoin
Bitcoin	28.3%	32.9%	—
Private Equity	10.1%	25.8%	0.36
Private Credit	8.4%	12.1%	0.27
Equities (U.S.)	6.3%	16.3%	0.39
Hedge Funds	6.3%	6.8%	0.32
Commodities	5.4%	16.9%	0.07
Real Estate	5.1%	11.4%	0.27
Bonds (U.S.)	4.8%	5.2%	0.00
Gold	4.0%	16.8%	0.07

Source: Bitwise Asset Management. Return and volatility projections for Bitcoin are developed by Bitwise. Projections for other asset classes are an average of the estimates in the capital markets reports from JPMorgan, PIMCO, BlackRock, and Vanguard, which may be based on differing indexes and date ranges. Correlation between -0.5 to 0.5 is traditionally defined as “low” or “no” correlation.

Arca: Everyone Wants Their Own Layer-1...

The CCC-Rally Stalled

A few weeks ago, we talked about how the lower-quality assets were starting to rally, similar to a CCC-rated bond rally in the high-yield bond market. That stalled last week. Even though week-over-week crypto prices were mixed, the near 10% decline in both ETH and BTC from mid-month highs sent many memecoins and other low-quality tokens down 20-40% from their highs.

It's actually amazing that BTC and ETH pulled back at all, given the inflows. From August 11th to August 15th, Ethereum spot ETFs saw a record weekly net inflow of \$2.85 billion, marking a new all-time high. Bitcoin spot ETFs recorded a net inflow of \$548 million during the same period, with BlackRock's IBIT leading the pack with \$888 million in net inflows.



Source: Sosoalue

While BTC and ETH have had strong YTD returns as a result of the ETF and DAT demand, as have some other large-caps (as captured by the CoinDesk 20 Indices – the top 20 assets by market cap), the CoinDesk 80 Index remains negative YTD (assets 21-100 by market cap), as has the equal-weighted CoinDesk Memecoin Index. Said another way, this is NOT an everything rally. A few large assets have captured all of the crypto excitement at the expense of others.



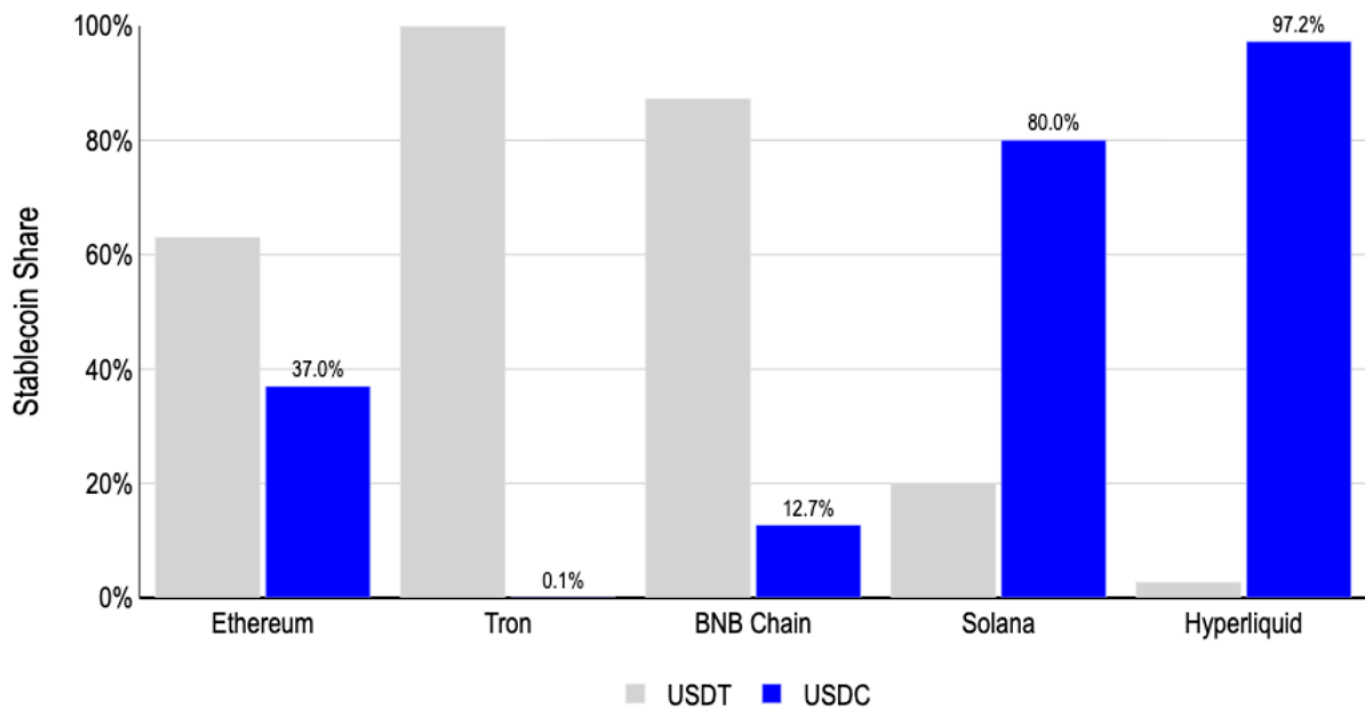
Source: Coindesk Indices

Everyone Wants to Have Their Own Layer-1

The race to control value capture in crypto is officially on. If you thought the Layer-1 wars were cooling off, think again. The latest entrants are the largest fintech and stablecoin companies in the world.

This week, Stripe announced Tempo, an EVM-compatible blockchain designed specifically for stablecoin payments and enterprise adoption. Tempo's goal is to build a chain optimized for cross-border settlements that Stripe can fully control. This comes on the heels of Stripe's acquisitions of Bridge (stablecoin infrastructure) and Privy (crypto wallets), signaling their intent to own the full stack from payments to rails to wallets.

Hot on Stripe's heels, Circle, the issuer of USDC stablecoin, unveiled Arc, its own EVM-compatible L1. Arc is designed from the ground up around stablecoins, with USDC as the gas token, optional privacy features, and a built-in FX engine. Circle's validator set will be permissioned, further highlighting that this isn't about decentralization; it's about efficiency, compliance, and margin capture. Arc is expected to go live on mainnet in 2026, but the intent is already clear that Circle doesn't want to be a guest in someone else's ecosystem anymore. It wants to own the house. This likely hurts Solana much more than Ethereum, as Solana's stablecoin base is USDC-heavy (~80% USDC / ~20% USDT), whereas Ethereum's is USDT-led (~37% USDC / ~63% USDT).



Source: DefiLlama and Coinbase

Earlier this year, Tether and Bitfinex announced Plasma, their own blockchain initiative aimed at settlement and financial infrastructure. While details are still emerging, the positioning echoes the same theme: why remain dependent on external chains when you can control the rules, fees, and transaction flows yourself? For Tether, which already dominates stablecoin issuance, Plasma is a logical extension of its empire, one where it not only issues the money but also runs the rails beneath it. For Bitfinex, it further cements vertical integration across exchange, token issuance, and infrastructure.

As we argued recently, Layer-1 blockchains are nearly impossible to value. That said, we made it very clear that these blockchains do have value, we just can't figure out what they are worth. But nearly everyone has realized that infrastructure is the highest-margin part of crypto. It's no longer enough to be an app on someone else's chain – the gravitational pull is to own the chain itself.

It's worth remembering that none of this is new. Cosmos (ATOM) has been evangelizing "sovereign blockchains" since 2017, with the Cosmos SDK and the Tendermint consensus engine. Their pitch was exactly what Stripe, Circle, and Tether are chasing now - don't rent blockspace on Ethereum or another chain, build your chain tailored to your application. Cosmos made this modular by offering plug-and-play components (consensus, governance, staking) while letting projects customize fees, tokens, and execution environments.

Some of the earliest vertical integrations in crypto came out of the Cosmos ecosystem. Binance Chain, dYdX's new chain, Osmosis, and dozens of appchains were built using Cosmos SDK. These projects didn't want to be apps competing for blockspace; they wanted to be sovereign ecosystems that captured more value from users, sequencer fees, and governance. Cosmos' vision was that every company would eventually be its own Layer-1, which is exactly the shift we're watching Stripe, Circle, and Coinbase pursue today.

In many ways, Cosmos was ahead of its time. Today's wave of corporate L1s and appchains is simply validating the Cosmos thesis that customization and sovereignty are the endgame. The question remains whether the companies building Tempo, Arc, Plasma, and others will succeed in bootstrapping usage.

But not EVERYONE is building their own chain. There are counterexamples worth noting as well. Coinbase, for all its vertical integration, made a deliberate decision to launch Base as an Ethereum L2 instead of a new L1. Alignment with Ethereum's liquidity, developer ecosystem, and credibility was deemed more important than starting from scratch. Similarly, Robinhood prioritized speed-to-market by building its new chain on Arbitrum Orbit. Both of these decisions reflect the trade-off – give up some control and theoretical long-term value capture, but gain faster deployment, credibility, and network effects.

It's worth noting, though, that the goal is still to own the full vertical stack. At Coinbase, for example, on their Q2 earnings call, Brian Armstrong explained how Coinbase is integrating decentralized exchanges (like Aerodrome - AERO). Aerodrome will also be the destination DEX for Coinbase's ambitions to tokenize stock and other assets. The old model of Coinbase Exchange only generated an exchange fee on trading. The new model will allow Coinbase to benefit in three ways: Exchange fee, sequencer fee on Base (solely owned by Coinbase), and via a cut of the DEX fee (Coinbase Ventures is an investor in AERO).

The irony, of course, is that this cycle looks eerily similar to Web2. In the same way that Amazon and Apple built vertically integrated stacks to own distribution, hardware, software, and payments, crypto companies are now racing to build their own sovereign layers. Some will succeed, but most will underestimate the difficulty of bootstrapping real usage outside their captive ecosystems. Whether it's Stripe with Tempo, Circle with Arc, or Coinbase with Base and Aerodrome, the common thread is clear – everyone wants to move up (or down) the stack to maximize margin. But history tells us that network effects are stubborn, and building in isolation rarely beats building where the users already are. For every Tempo and Arc, there will be dozens of failures. The winners will be those who strike the right balance between control and ecosystem alignment.

Kraken surveyed 1,000+ US adults who hold both crypto and stock investments. (See key takeaways below. Access the full report, [here](#).)

- Crypto has delivered better returns than stocks in the past 12 months for most dual-asset holders (i.e., those who invest in both crypto and stocks), with 42% reporting their digital assets outperformed their stock portfolios, compared to just 31% who saw stronger stock performance in the past year.
- Crypto confidence is surging ahead of stocks among those who invest in both categories, with 61% reporting increased confidence in digital assets over the past year, compared to only 53% who gained confidence in the stock market – an 8-percentage-point confidence gap favoring crypto.
- Crypto emerges as the crisis investment of choice, with 33% of investors preferring to allocate new money to digital assets during global uncertainty – more than stocks (20%) or cash (19%).
- Future growth expectations heavily favor crypto over stocks, with 65% of dual-asset holders believing cryptocurrencies have the most growth potential over the next decade compared to just 35% who favor traditional stocks.
- Meanwhile, 69% are backing up this confidence by planning to increase their crypto allocations within the next 12 months.
- Both men and women are bullish on crypto expansion, but men show more immediate plans: 74% plan to increase crypto allocations in the next year, compared to 59% of women.