



HYPERION DECIMUS

CRYPTO NEWSLETTER

POWERED BY WEEKLY CRYPTO BRIEF

19th October 2025

BITCOIN-RELATED



After tapping a fresh ATH near \$126k on October 6, Bitcoin cratered ~18% by October 10 as another tariff announcement hit a market already heavy with leverage. The flush notably triggered ~\$19 billion in liquidations over 24 hours, making it the most severe wave of liquidations ever. Bitcoin rebounded to \$115k on October 13 after Trump hinted that everything would be “fine” with China in regard to trade/tariffs and fell to \$104k on October 17.

The Florida Senate introduced a bill to buy and hold Bitcoin.

The US government’s Bitcoin holdings could jump from ~\$22 billion to ~\$36 billion after a forfeiture tied to an alleged Cambodia-based scammer network led by former Chinese national Chen Zhi – a move the DOJ called its largest forfeiture action ever.

Forbes said President Donald Trump “is now one of the largest Bitcoin investors on the planet,” owning an estimated \$870 million in BTC.

Strategy acquired 220 BTC for ~\$27.2 million. It claims to have achieved a BTC Yield of 25.9% YTD 2025, with holdings of 640,250 BTC worth ~\$73.1 billion, acquired for \$47.4 billion.

Metaplanet's mNAV fell to 0.99 on October 14 – marking the first time its enterprise value has dropped below the value of its Bitcoin holdings. The Tokyo-listed Bitcoin treasury firm holds 30,823 BTC worth ~\$3.5 billion, making it the world's fourth-largest public Bitcoin holder.

Publicly traded Newsmax is building a digital assets treasury centered on Bitcoin and President Trump's official memecoin. The company is approved to spend up to \$5 million to acquire the assets over the next 12 months.

Crypto asset manager Bitwise found in its Q3 Corporate Bitcoin Adoption report, citing data from BitcoinTreasuries.NET, that 172 companies now hold Bitcoin, with 48 new ones entering the digital asset treasury space during the quarter.

Small businesses can now accept Bitcoin just like a card with zero processing fees with Jack Dorsey's Square, starting November 10.

After pushback from the Bitcoin community, Steak 'n Shake said it will not consider adding Ethereum payments and will continue to only accept Bitcoin payments. Steak 'n Shake also introduced the "Bitcoin Steakburger" to commemorate five months of accepting BTC payments, featuring two patties, American cheese, pickles, onions, ketchup, and a Bitcoin logo-stamped bun.

Compass Coffee Shop debuted the first-ever Bitcoin payment on Square Terminal in Washington, DC. Compass Coffee said the system worked seamlessly across multiple Bitcoin wallets, demonstrating the power of open payment standards and the Lightning Network.

Bitcoin Core version 30.0 officially rolled out over the weekend of October 11-12, introducing improved wallet indexing and accelerated transaction lookups. The most controversial change was the removal of the 80-byte limit on OP_RETURN, which was a restriction placed on the data that could be included in a transaction output for non-financial purposes.

INDUSTRY ADVANCES



\$11.23 trillion Charles Schwab plans to launch spot #Bitcoin and crypto trading in 2026, according to Bloomberg.

Citi bank will reportedly launch crypto custody services in 2026, which it has been working on for the last 2-3 years, according to Citi's global head of partnerships and innovation Biswarup Chatterjee who spoke with CNBC.

JPMorgan's global head of markets and digital assets, Scott Lucas, told CNBC in an interview that the firm plans to roll out crypto trading services.

US Bank, the fifth-largest bank in the US, established a new Digital Assets and Money Movement organization, in hopes to "to accelerate development of and grow revenue from emerging digital products and services such as stablecoin issuance, cryptocurrency custody, asset tokenization, and digital money movement."

CME Group introduced options trading for Solana and XRP futures. (CME Group also posted record- breaking activity in its cryptocurrency derivatives markets during Q3 2025, with total futures and options volume exceeding \$900 billion.)

Coinbase added BNB, the native token of Binance-backed BNB Chain, to its asset listing roadmap. The announcement came shortly after Coinbase unveiled its "Blue Carpet" initiative – a new listing framework designed to simplify and democratize token onboarding while removing listing fees for issuers.

The world's largest youtuber MrBeast filed a trademark for a banking services mobile app that provides crypto and other services.

Ant Digital, the company behind Alibaba and Alipay, is building an Ethereum L2.

MoonPay introduced MoonPay Commerce, a crypto payments platform incorporating technology from its acquisition of Helio. The platform offers a streamlined way for businesses to accept crypto payments globally, with major tokens supported and features like affiliate tracking and wallet-splitting available.

Polymarket expanded into TradFi with new markets letting users bet on whether stocks or indices will go up or down by a set deadline, using trusted sources like Nasdaq and the Wall Street Journal to settle results.

BitMine Immersion Technologies bought the dip by acquiring 202,037 ETH (worth ~\$827 million) and another 104,336 ETH (worth ~\$417 million). BitMine's official holdings stood at 3.03 million ETH, worth around \$12.2 billion, as of its last update on October 13.

Li Lin, founder of crypto exchange Huobi and chairman of Avenir Capital, is teaming up with some of Asia's earliest Ethereum investors to launch a treasury vehicle focused on buying ETH. The group, which has already raised \$1 billion, is in talks to acquire a Nasdaq-listed shell company to support the venture.

Solana treasury firm DeFi Development acquired an additional 86,307 SOL (worth ~\$16 million). The move increases the Nasdaq-listed firm's SOL horde by nearly 5%, totaling over 2 million tokens worth ~\$426 million.

China Renaissance Holdings, the Beijing-based Chinese investment bank, is in talks to raise ~\$600 million for a public vehicle that would adopt a BNB crypto treasury strategy.

The Seascope Foundation, pioneering Web3 gaming ecosystem behind popular titles on multiple platforms, such as BLOCKLORDS and Puzzle Crusher, announced the launch of its BNB treasury strategy.

XRP-issuer Ripple Labs is leading a fundraising effort seeking at least \$1 billion to establish a new digital asset treasury for XRP. The planned round will be via a SPAC, and Ripple will contribute some of its own XRP holdings to this new treasury.

House of Doge, the corporate arm of the Dogecoin Foundation, is set to go public via a reverse merger with Nasdaq-listed esports firm Brag House Holdings under the ticker TBH. The combined entity will integrate Dogecoin-denominated payments, merchant services, licensing, and treasury operations to generate recurring revenue.

Bittensor-focused crypto treasury firm TAO Synergies announced on October 14 that it entered into a securities purchase agreement to raise \$11 million.

Publicly traded Prestige Wealth secured \$150 million in funding to launch a digital asset treasury focused on Tether's gold-backed tokens. The capital will be used to acquire tokenized gold reserves for a blockchain-native treasury, with plans to rebrand to Aurelion and trade under the AURE ticker.

The digital asset treasury (DAT) company trend has so far led to 228 publicly traded companies announcing a pivot to crypto – “most of them just in 2025 – with a collective \$148 billion funneled into crypto on the belief that holding tokens will turbo charge their stock value as it has for Strategy,” according to Forbes' Nina Bambysheva.

Elliot Chun from Architect Partners, a Palo Alto-based financial advisory firm tracking the DAT trend, said: “I'd imagine that at least 50% of those publicly traded companies won't be around in five

years either because they were acquired or because they mismanaged their digital assets or because they were not able to execute the strategy. But I also believe we'll see a group of about 15 DATs that are going to outperform the Magnificent 7 and will become household names by 2034.”

Former TD Ameritrade Chair Joe Moglia predicted that all financial assets will be tokenized within five years.

BlackRock CEO Larry Fink confirmed the asset giant is developing in-house tokenization tools to digitally wrap financial assets like ETFs and real estate, claiming it could cut costs, expand access, and help younger investors better prepare for retirement.

Robinhood has expanded its tokenization initiative on the Arbitrum blockchain, deploying 80 new stock tokens in the past few days and bringing the total number of tokenized assets close to 500.

Superstate's Opening Bell platform will be integrated into Backpack, allowing non-US users to trade tokenized shares of public companies onchain. Backpack will be the first centralized crypto exchange to list SEC-registered equities natively onchain.

A Hong Kong-based subsidiary of a major Chinese commercial bank, China Merchants Bank (CMB), tokenized its \$3.8 billion money market fund on BNB Chain.

Lightning Stock Exchange, a new stock exchange headquartered in France, is entering the market with bold ambitions to launch a fully tokenized equity exchange dedicated to small and medium-sized enterprises (SMEs).

The World Gold Council today announced the launch of A New Golden Age: Imagining the Future of Digital Gold, a forward-looking report which explores the future potential uses and possibilities of digital gold. (See the report, [here](#).)

SoloTex, a trading platform from Texture Capital and Sologenic, won FINRA approval to offer tokenized US stocks to retail investors using stablecoins – aiming to deliver real share ownership with dividends and voting rights, unlike most offshore wrappers.

Jovay Network, an Ethereum L2 built by Alibaba's Ant Digital unit, drew attention after publicly aligning with Ethereum, despite quietly launching in April with \$50 million in assets and a focus on tokenizing real-world financial products.

Blue Ocean Technologies, a capital markets fintech leader in global trading and data, announced its intent to pursue integration with the forthcoming tokenized National Market System (NMS) equities solution. This development positions Blue Ocean ATS as the first alternative trading system to support the trading of tokenized US equities.

Xpansiv, a leading infrastructure provider for the global energy transition markets, announced a phased initiative to enable the tokenization of environmental assets and their performance data on the Canton Network, an institutional-grade blockchain for regulated financial markets.

MINING



Miner MARA Holdings acquired 400 BTC worth \$46.29 million from FalconX, increasing its total holdings to over 53,000 BTC.

Bitcoin mining hardware manufacturer Canaan announced a gas-to-compute pilot in Alberta, Canada. The pilot project, developed with Calgary-based Aurora AZ Energy, is designed to convert “distributed natural gas resources” into “reliable, cost-efficient power for high-density computing environments.”

Miners IREN and TeraWulf announced debt offerings to fund expansion. IREN closed a \$1 billion private offering of 0.00% convertible senior notes due 2031, with a 42.5% conversion premium and \$979 million in net proceeds. TeraWulf announced a \$3.2 billion senior secured notes offering to finance its Lake Mariner data center expansion in New York.

Bitfarms, a North American energy and digital infrastructure company, announced it intends to offer US\$300 million aggregate principal amount of convertible senior notes due 2031.

BlackRock, Nvidia, Microsoft, and Elon Musk's xAI agreed to buy Aligned Data Centers from Macquarie for \$40 billion, marking one of the largest data-center deals to date. The acquisition values power capacity at roughly \$8 million per megawatt – ~160% higher than the typical \$3 million per megawatt valuations for listed Bitcoin miners. VanEck Head of Digital Assets Research Matthew Sigel said similar project financing access could drive 150% to 500% equity upside re-ratings for miners like IREN, Riot, Cipher, and Hut 8.

ETPS (EXCHANGE-TRADED PRODUCTS), FUNDS & INDEXES



America’s federal government entered its third week of its shutdown, leaving as many as 16 crypto ETFs (and another 21 applications filed in the first eight days of October) awaiting approval should the shutdown continue into November, as the SEC runs with only essential staff.

In a CNBC interview on October 14, BlackRock CEO Larry Fink announced that their spot Bitcoin ETF IBIT is “now over \$100 billion” in assets.

Calamos announced the upside cap rates for the launch of the Calamos Bitcoin Structured Alt Protection ETF – October (CBOO) with 100% downside protection and an initial cap rate of 8.47%... Calamos Bitcoin 90 Series Structured Alt Protection ETF – October (CBXO) with 90% downside protection and an initial cap rate of 23.43%... Calamos Bitcoin 80 Series Structured Alt Protection ETF – October (CBTO) with 80% downside protection and an initial cap rate of 41.62%.

Figment, a leading independent institutional staking provider, was selected as a staking partner for Grayscale in the first US launch of staking in Ethereum ETPs and a Solana Trust.

Grayscale said it submitted related documents to the SEC to launch a BitTensor (TAO) trust product.

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

Crypto fundraising reached an all-time high for the week ending October 12, with a record \$3.5 billion raised across 28 funding rounds.

Tempo, a payments-focused blockchain incubated by Stripe and Paradigm, reportedly raised \$500 million in a Series A round – led by Greenoaks and Thrive Capital.

Arthur Hayes' family office, Maelstrom, is raising upwards of \$250 million for a new private equity fund. The fund is looking to acquire as many as six medium-sized crypto firms.

Daylight Energy, a DePIN project focused on decentralized energy infrastructure, raised \$75 million through a mix of equity and project finance, aiming to build a global network that rewards users for connecting energy devices like solar panels and batteries.

Chicago-based stablecoin payments company Coinflow closed a \$25 million Series A, led by Pantera Capital.

TransCrypto, a blockchain-based platform transforming the digital identity and credential verification space, raised \$15 million in seed funding – led by Pantera Capital.

Crown, a São Paulo-based fintech company, raised \$8.1 million to launch a Brazilian real-denominated stablecoin designed to give institutional investors access to Brazil's high-yield fixed-income market.

IPOS, M&A, PARTNERSHIPS & DEALS

OwlTing, a Taiwanese stablecoin infrastructure company, will debut on the Nasdaq Global Market, becoming one of the first Asian blockchain firms to list directly on a major US exchange. The company's Class A common shares will start trading on October 16 under the ticker symbol OWLS.

Ripple acquired GTreasury, a leading treasury management software provider, in a \$1 billion deal that extends the company's reach into corporate finance and cash management.

Kraken bought the US-licensed Small Exchange from IG Group for \$100 million in cash and stock, gaining the ability to directly offer crypto derivatives like futures to American users under federal oversight, as it gears up for a possible IPO.

Binance finally received regulatory approval to fully acquire South Korean exchange Gopax after a two-year delay, clearing the way for its return to the country's crypto market, which it exited in 2021 amid compliance concerns.

Institutional crypto staking firm Figment acquired Rated Labs, a staking and validator analytics platform.

Galaxy Digital landed a \$460 million private strategic investment from a “leading asset management firm,” marking the single largest equity financing round ever for the company. It plans to use the funds to expand the power capacity at their flagship data center in Texas, Helios, which has an existing multi-billion-dollar deal for hosting GPUs with CoreWeave.

Zeta Network Group said it raised \$230.8 million through a private share sale, with investors paying in Bitcoin or SolvBTC – a wrapped Bitcoin-backed token issued by Solv Protocol.

Coinbase deepened its push into India by investing in CoinDCX at a \$2.45 billion valuation, backing one of the country’s biggest crypto exchanges with over 20 million users and \$141 million in annual revenue despite India’s tough tax rules.

A16z crypto invested \$50 million in Jito, a Solana-based staking protocol, in what the foundation called the largest single investment it has ever received, cementing a long-term alignment between the investor and the project.

MegaETH repurchased 4.75% of its equity and token warrants from pre-seed investors ahead of its mainnet and token launch later this year. MegaETH said the buyback reflects its commitment to aligned ownership and tight governance as it readies a public token sale on Cobie's Sonar platform.

MetaDAO’s community rejected a \$6 million token sale to two venture capital firms at a 30% discount, a move that would have diluted holders by up to 8%, choosing to preserve its treasury runway and push back against what members saw as an overly generous deal.

Standard Chartered is deepening ties with crypto exchange OKX, becoming its institutional custodian in the European Economic Area (EEA). The two firms launched a collateral mirroring program in the EEA, allowing local institutional clients to keep their crypto directly in Standard Chartered’s custody.

Cloudflare is partnering with Visa, Mastercard, and American Express to develop authentication and payment standards for AI-powered “agentic commerce”, where autonomous software agents transact on behalf of users.

Ripple and Immunefi announced a collaboration to boost the security of the XRP Ledger (XRPL) Lending Protocol, in a push to position it as an institutional-grade settlement layer. The partnership introduces an “Attackathon,” with a \$200k prize pool, designed to stress-test the proposed XRPL Lending Protocol ahead of its expected validator vote later this year.

DEFI



RootstockLabs, a core contributor to the Rootstock ecosystem, announced the creation of Rootstock Institutional, a cross-functional initiative designed to expand access to Bitcoin-native DeFi. The new initiative aims to enable institutional participation in BTC-backed lending, stablecoin issuance, and yield-generating strategies.

Hyperliquid will activate its HIP-3 network upgrade, allowing users to launch perpetual futures markets by meeting onchain requirements. The upgrade introduces permissionless deployment of perpetual DEXs on HyperCore by staking 500,000 HYPE, with safeguards like validator slashing and open interest limits.

Uniswap's web app launched support for the Solana network, meaning users can now trade Solana tokens without leaving the app.

Uniswap Labs' front-end has been blocking Ukraine-based IP addresses for over eight months, preventing users from accessing assets on the site. The issue seems to stem from a misinterpretation of US sanctions by Uniswap, frustrating builders like Artem Chystiakov.

CBDCS & STABLECOINS



The Bank of England will impose “temporary” limits on stablecoin holdings to protect credit availability (£10,000-£20,000 for individuals and £10 million for businesses on systemic stablecoins used for payments) but has not specified when the caps will be lifted.

Ethereum’s stablecoin usage reached record levels with over 1 million unique weekly senders, reflecting rapid global adoption in countries with currency instability and expanding use in apps like lending, prediction markets, and asset trading.

BlackRock redesigned one of its flagship treasury funds to cater directly to stablecoin issuers. The new vehicle, called the BlackRock Select Treasury Based Liquidity Fund (BSTBL), is a revamp of the BlackRock Liquid Federal Trust Fund. The fund now invests exclusively in short-term US Treasury securities and overnight repurchase agreements, making it a highly secure and liquid reserve option for issuers of US dollar-pegged stablecoins.

A group of ten major banks, including Bank of America, Deutsche Bank, Goldman Sachs, and UBS, are jointly exploring issuing a stablecoin. The group is looking to work together in exploring the creation of blockchain-based assets pegged to G7 currencies.

Three of Japan’s largest banks, Mitsubishi UFJ Financial Group, Bank Sumitomo Mitsui Banking, and Mizuho Bank, reportedly plan to jointly issue a yen-pegged stablecoin.

The Office of the Comptroller of the Currency (OCC) granted preliminary conditional approval for a de novo national bank charter to Erebor Bank, a venture backed by Anduril founder Palmer Luckey and firms connected to Joe Lonsdale and Peter Thiel.

Sony Bank, a subsidiary of Sony, has applied for a national banking charter to enable its subsidiary, Connectia Trust, to issue stablecoins and conduct cryptocurrency-related activities.

Bridge, the stablecoin firm owned by Stripe, applied for a federal trust charter to issue and manage stablecoins under US banking law.

Coinbase launched a new business payments platform that lets companies send and receive USDC stablecoins with instant cash-out, bookkeeping integrations, and interest on balances, signaling a deeper push into corporate crypto finance.

Stripe announced a new feature letting businesses accept stablecoin payments for subscriptions, using smart contracts to automate recurring crypto transactions without manual wallet approvals and initially supporting USDC on Base and Polygon networks.

S&P Global Ratings teamed up with Chainlink to bring its stablecoin stability scores directly onchain, giving financial institutions real-time risk assessments on how well different stablecoins hold their value.

US Bank announced it was selected to serve as the custodian for reserves backing Anchorage Digital Bank's payment stablecoins.

The Ethereum Foundation deployed another \$9.6 million worth of ETH plus stablecoins into DeFi lender Morpho's yield vaults, advancing its strategy to shift more of its \$820 million treasury into decentralized protocols rather than relying solely on crypto-to-cash sales.

One of the world's biggest stablecoins, Ethena's 5.5% yield-bearing USDe – marketed as a "synthetic dollar," lost its dollar-peg on Binance amid a market "flash crash."

Paxos, the blockchain partner of PayPal, mistakenly minted \$300 trillion worth of the online payment giant's stablecoin on October 15 in what the company called a "technical error" and burned the excess PYUSD.

Sire is rolling out aVault, an automated USDC trading vault powered by its AI agents, offering passive exposure to sports and market strategies.

NFTS, BLOCKCHAIN GAMING & METaverse



Swiss gambling regulator GESPA filed a criminal complaint against FIFA, alleging its World Cup NFT platform operates illegal, unlicensed gambling services.

OpenSea, a leading NFT company that fired over half of its staff in early November 2023, is now pivoting from NFTs to become a one-stop shop for trading all cryptocurrencies across 22 different blockchains. CEO Devin Finzer says the platform isn't abandoning NFTs but expanding into a universal onchain trading hub.

After a multi-year trial run with collectible avatars and crypto wallets associated with accounts, Reddit announced it's shutting down this initiative at the start of next year.

Rarible launched onchain storefronts, enabling brands and creators to own their presence with fully branded spaces for launching and selling digital collectibles, with VeeFriends as the first implementation, bringing Gary Vaynerchuk's 250+ character universe together in one hub.

Aptos Labs and Universal Destinations and Experiences are teaming up to launch Backlot Club, a Web 3.0-powered fan engagement platform that connects Universal fans across destinations, games, and digital collectibles.

Colle AI, the multichain AI-powered NFT platform, introduced intelligent adaptive frameworks designed to enhance the speed, efficiency, and flexibility of NFT creation pipelines.

Milton Arch, Founder and CEO of NFT Headquarters, launched a sophisticated NFT Analytics Tool designed to provide collectors and investors with 100+ data points to offer real-time analytics, predictive trends, and valuation models.

JOB MOVEMENT



New York City Mayor Eric Adams' new Office of Digital Assets and Blockchain Technology will be headed by Moises Rendon, who has worked as a digital assets and blockchain policy adviser for New York City since April 2024 (see more below).

Dankrad Feist, a longtime Ethereum researcher and core developer, announced Friday that he is joining Tempo, the blockchain project backed by Stripe and Paradigm.

REGULATIONS, RULINGS & COMMENTARY



SEC Chair Paul Atkins said the US is a decade behind on crypto and that building a regulatory framework to attract innovation is “job one” for the agency.

Republican lawmaker Troy Downing introduced a bill to turn Trump's August executive order into permanent law, aiming to let Americans include crypto and other alternative assets in 401(k) retirement plans.

New York City Mayor Eric Adams announced the establishment of a municipal digital assets and blockchain office in a bid to cement his crypto agenda in the final months of his term. Adams used an executive order under his authority to create the Office of Digital Assets and Blockchain Technology. Moises Rendon, who has worked as a digital assets and blockchain policy adviser for New York City since April 2024, will head the newly established office.

California Governor Gavin Newsom signed legislation to protect unclaimed crypto, preventing forced liquidation and ensuring assets remain intact before transferring to state custody. The bill updates the Unclaimed Property Law to include digital financial assets like Bitcoin and Ethereum.

The Financial Stability Board highlighted significant gaps and inconsistencies in global crypto regulations, enabling regulatory arbitrage and posing risks to financial stability.

The UK tax authority has ramped up its scrutiny of crypto investors, doubling the number of warning letters sent to those suspected of underreporting or evading taxes on digital asset gains. HM Revenue &

Customs (HMRC) issued ~65,000 “nudge letters” in the 2024–25 tax year, up from 27,700 the year before.

Reform UK leader Nigel Farage said that the digital asset space needs better regulation in Britain. He said that there is no regulated market for crypto in the UK right now and called for “sensible regulation, not the ludicrous regulation we now have on equities and elsewhere” in the country.

The UK's Electoral Commission is considering updating its guidance on crypto donations following reports of the first crypto donation to a major political party.

Japan plans to amend its financial laws to give its securities watchdog the power to investigate and fine those profiting from crypto insider trading, aiming to align digital asset rules with stock market standards amid a fast-growing user base.

Ruler of Dubai Sheikh Mohammed bin Rashid Al Maktoum said Dubai is now leading “as the world's largest licensed virtual assets market.”

Senate Bill 1330 in the Philippines proposes implementing blockchain solutions for the national budget to enhance transparency and accountability in government spending. Legal experts caution that the bill's tech-heavy approach may pose risks instead of combating corruption.

The Kingdom of Bhutan tapped Ethereum to store the national identities of its ~800,000 citizens, leveraging the network’s immutability and decentralization.

Kenya enacted its first crypto law, as President William Ruto signed the Virtual Asset Service Providers Act, 2025, giving the country its first comprehensive crypto regulation framework. The new law licenses and regulates crypto exchanges, wallet providers, brokers, and payment processors operating in or from Kenya, bringing the sector under the oversight of two main regulators – the Central Bank of Kenya (CBK) and the Capital Markets Authority (CMA).

Singapore's Monetary Authority has launched BLOOM (Borderless, Liquid, Open, Online, Multi-currency) to enable settlement in tokenized bank liabilities and regulated stablecoins while managing risks through standardized approaches. However, it also postponed the implementation of new crypto prudential standards until 2027, following concerns from the industry. The updated rules will require banks to hold capital reserves based on the risk classification of their crypto exposures.

Crypto exchange WazirX secured approval from the Singapore High Court for its restructuring plan, paving the way for user repayments following the \$234 million hacking incident last year.

Ripple teamed up with South Africa’s Absa Bank to provide digital asset custody services, expanding its institutional custody network across Africa.

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

A con-woman, Qian Zhimin (known as the BitQueen), behind a £5.1 billion Bitcoin fraud has given police access to a further £67 million of cryptocurrency after a digital storage device was found hidden in her trousers. Prosecutors announced the seized cryptocurrency would be used to fund a compensation scheme for thousands of Chinese investors.

Stablecoin issuer Tether agreed to pay \$299.5 million to the Celsius Network bankruptcy estate, resolving claims tied to the crypto lender's 2022 collapse and potentially opening a new chapter in the debate over stablecoin liability.

An alleged Hyperliquid whale, identified as former BitForex CEO Garrett Jin, denied any ties to President Donald Trump or insider trading as suggested by pseudonymous onchain sleuth "Eye" on X. Eye asserted that Jin orchestrated a trade that netted him over \$150 million in profit, also sharing his professional background and a picture of Jin in his post on X.

Roger Ver, the early bitcoin evangelist nicknamed "Bitcoin Jesus," admitted to willfully failing to report his BTC holdings when he renounced US citizenship in 2014, according to the DOJ. He entered a deferred prosecution agreement and paid nearly \$50 million in taxes, penalties, and interest, leading prosecutors to drop the indictment.

Two MIT-educated brothers are on trial for allegedly stealing \$25 million in crypto within 12 seconds, using a software flaw on the Ethereum blockchain. The defense argues their actions were not illegal due to the unregulated nature of the marketplace.

Typus Finance, a DeFi platform built on the Sui blockchain, lost \$3.4 million in an exploit.

Five men were arrested by the London Metropolitan Police for their involvement in a crypto investment scam that targeted victims worldwide. The suspects are accused of running a fraudulent operation that may have caused victims to lose over \$1.3 million.

Sam Bankman-Fried, former FTX CEO who is currently incarcerated, posted on X through a friend's help: "In 2020, I was center-left. By 2022 – having seen Gensler/Biden's DOJ on crypto – I was a centrist, and (privately) donated tens of millions to Republicans. Weeks later, Biden's anti-crypto SEC/DOJ went after me. They had me arrested weeks before the crypto bill I was working on was set for a vote – and the night before I was set to testify before Congress." SBF's post went on to claim that former SEC Chair Gary Gensler had "conveniently lost" messages that Republicans demanded Gensler turn over around the timing of his arrest.

Binance said it does not profit from its token listing process, calling allegations to the contrary "false and defamatory." It said: "Binance does not charge listing fees, and the security deposit is required for the protection of users."

Tornado Cash developers are receiving financial support for their legal defense from Keyring Network, with the Ethereum Foundation observing the fundraising as a potential model for future initiatives. The ongoing efforts aim to secure funding for the developers' defense against legal challenges.

Deren Akyeam-Pong pleaded guilty to charges including kidnapping and assault in the abduction of "Crypto King" Aiden Pleterski. Pleterski spent investor funds on luxury items, leading to his abduction and demand for ransom.

Crypto crime research group SEAL launched a new reporting system for phishing sites that uses "TLS attestations" to let ethical hackers prove they saw the same malicious pages as victims, bypassing common anti-bot tricks used by scammers.

Privacy tech group 0xbow launched a Tornado Cash tool that lets users prove their funds aren't tied to criminal activity through zero-knowledge proofs, offering anonymity without shielding hackers as over 16,000 illicit addresses remain blacklisted.

Crypto wallet firm Privy suffered a brief outage due to a surge in traffic as 230,000+ users rushed to verify eligibility for Monad's MON token airdrop, which opened its claim phase ahead of a planned network launch in November.

MISCELLANEOUS

The second test of the Fusaka upgrade was launched on the Sepolia network by Ethereum developers on October 14, following its successful rollout on the Holesky testnet. The upcoming Hoodi test on October 28 will be the final rehearsal before Fusaka is activated on Ethereum's main blockchain.

Binance launched a \$400 million recovery program to reimburse users who were hit by forced liquidations during the market crash on October 10, offering \$300 million in vouchers and \$100 million in loans to restore confidence and stabilize crypto trading activity.

BNB Chain developers announced a \$45 million airdrop for memecoin traders affected by recent market turbulence. Over 160,000 addresses are eligible, with a distribution timeline set until early November 2025.

Hyperliquid CEO Jeff Yan and crypto data platform CoinGlass alleged that centralized exchanges like Binance significantly undercount liquidations due to their reporting methodology, which only captures one liquidation per second in order snapshot streams despite processing 100+ liquidations per pair per second during mass events. The claims emerged after the market crash on October 10 produced the largest liquidation event in crypto history, though Yan suggested actual figures could be 100x higher.

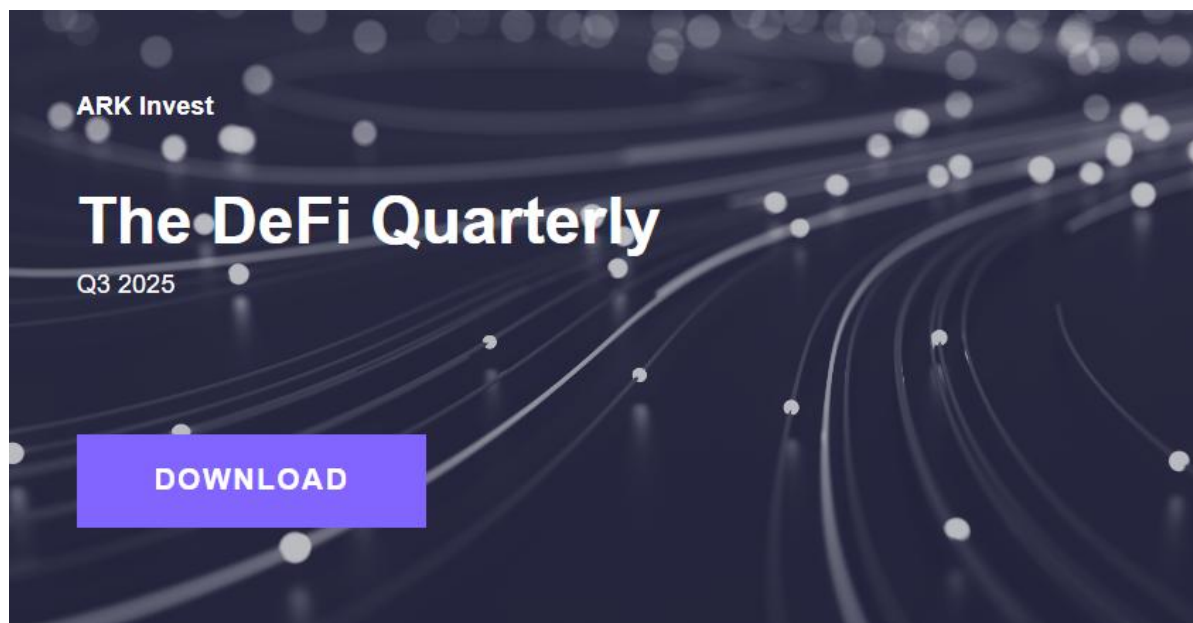
Monad opened its long-awaited MON airdrop claims portal, allocating tokens to over 230,000 users across five categories, including community members, onchain power users, broader crypto participants, contributors, and builders.

The \$200,000 in BNB donated to Maltese cancer patients in 2018 by Binance and crypto users has now appreciated to \$36.5 million, remaining untouched in the original donation wallet. The funds are caught in a bureaucratic tangle between the Binance Charity Foundation and the Malta Community Chest Fund Foundation.

Benoît Pagotto, co-founder of RTFKT, has passed away at 41, as confirmed by colleagues. Pagotto was known for merging luxury design, gaming, and crypto culture at RTFKT.

CHARTS, TABLES, QUOTES, COMMENTARY & OTHER IMAGES

ARK Invest published “The Bitcoin Quarterly: Q3 2025” and “The DeFi Quarterly: Q3 2025.”
(Download them, [here](#) and [here](#).)



Anthony Pompliano (October 13): Trump Tanked the Market & Then Revived It in a Single Weekend...

Financial markets went into panic mode on Friday and asset prices fell aggressively. The sell-off started about mid-day but was accelerated Friday afternoon when President Trump posted on social media saying he was going to implement a new 100% tariff on China.

As if investors already have amnesia from April's tariff scare, people raced to dump whatever assets they were holding. The stock market had just closed, so the main impact there was in after-hours trading.

But Bitcoin and cryptocurrency markets never close. We saw those assets sell off in one of the most rapid and severe price drops that I can remember in the last decade.

For example, Bitcoin fell from around \$121,000 to about \$108,000 in mere minutes. It was one of the rare \$10,000+ daily candles that Bitcoiners have always dreamed of, but unfortunately it was in the wrong direction.

The correction only accelerated throughout the day.

But the good news is that the bear market of October 2025 is officially over already. Why? President Trump took to social media on Sunday night and reassured everyone "it will all be fine" and "the USA wants to help China, not hurt it!"



Donald J. Trump ✓ +

@realDonaldTrump · 12m

Don't worry about China, it will all be fine! Highly respected President Xi just had a bad moment. He doesn't want Depression for his country, and neither do I. The U.S.A. wants to help China, not hurt it!!! President DJT

💬 400

↻ 697

❤️ 2.81k



That reassurance is all the market needed. We saw stock futures open green last night and Bitcoin surged back over \$115,000 per coin.

So, what are my takeaways from this debacle over the last few days?

First, if you sell Bitcoin amid geopolitical uncertainty, you never understood what you owned. The decentralized, digital currency was built to give someone a place to save their hard-earned economic value without relying on a nation state to back it. That is not only a powerful idea, but it is an idea that should gain value as geopolitical uncertainty continues to increase in the coming years.

Second, if Bitcoin can fall \$15,000 per coin in a day, that likely means in the future it could also go up \$15,000 per coin in a day. Study reflexivity. It would take an extraordinary announcement or development for this to happen, but the market is showing us what is possible.

Third, if you were bullish on Bitcoin and stocks three days ago, you should be even more bullish now. None of the fundamentals changed in the last 72 hours. We simply got a healthy reset that wiped out the excess leverage in the system. Now, the market is cleared to go higher.

Fourth, imagine telling someone 10 years ago this headline: “The \$19+ billion crypto liquidation, which is the largest in history, dropped Bitcoin’s price to \$108,000.” We dreamed for days like this. We are going so much higher over time.

So regardless of how you view Friday’s events, I don’t think investors are going to care or remember them in a week. This is how markets operate now. They move at lightning speed. Investors have amnesia. Everything is forward-looking. The President tanked the market on Friday. He revived it on Sunday.

You may not like it, but that is what happened. And that is what is going to keep happening. Geopolitical negotiations are happening on social media. Investors will keep overreacting in the immediate term. Long-term investors don’t have to worry though. Avoid excess leverage, know what you own, and you can relax.

Bitcoin’s rise is pre-ordained. They will never stop printing money, so Bitcoin is never going to stop going up. God bless Satoshi Nakamoto for inventing a solution to one of the world’s most difficult problems.

Conclusion from Coin Metrics’ “State of The Network” weekly report from 10/14/25. (Read the full report, [here](#).)

The weekend’s episode was a reminder of how quickly fragility can surface when leverage, liquidity, and macro shocks collide. While it exposed areas of structural weakness, it did not signal any fundamental change in the market’s long-term foundations.

- Leverage and Liquidity: The buildup of leverage in perpetual futures on top of shallow liquidity created the backdrop for a rapid unwind. Once prices fell, liquidations and vanishing liquidity fed into each other,
- 24/7 Market Reflexivity: Crypto’s around-the-clock trading allowed shocks to unfold in real time. With no circuit breakers volatility was amplified, particularly during thin weekend liquidity.
- Venue Fragmentation: Differences in liquidity and pricing across exchanges deepened dislocations, reinforcing the need for better aggregation, cross-venue risk management, and reliable pricing infrastructure.
- Synthetic Asset Risk: The USDe dislocation showed how stress can move across off-chain and onchain markets, especially as synthetic and tokenized assets become more integrated.
- Network Resilience: Despite record volatility, onchain networks remained resilient. Block production, throughput, and transaction fees held steady even as blockspace demand surged.
- Structural Maturity: Although many altcoins saw sharp dislocations, Bitcoin and other major assets held up relatively well, reflecting a more resilient market structure and the influence of institutional participation.

In the end, the great de-leveraging was a stress event rather than a systemic failure. While disruptive, it helped flush out excess leverage and leaves the market on a healthier footing going forward.

Conclusion from Glassnode's "The Week On-Chain" from 10/15/25. (Read the full report, [here.](#))

Bitcoin's rally to a new all-time high at \$126.1k quickly reversed as macro stress and extreme leverage triggered one of the largest \$19B deleveraging events in derivatives history.

The drop below the \$117k–\$114k cost-basis cluster placed top buyers back in loss, reinforcing near-term fragility. On-chain data point to cooling demand and continued LTH distribution, while ETF inflows have weakened, a sign of softening institutional appetite. Spot markets showed a controlled sell-off, and futures markets underwent a historic leverage flush, resetting systemic risk.

In the options market, open interest and volume rebounded swiftly, but volatility spiked, skew flipped sharply positive, and traders rushed to hedge. Despite rapid stabilization, the market remains in a reset phase, where renewed ETF inflows and sustained on-chain accumulation will be key to restoring confidence and confirming a durable recovery.

Blockworks updated key metrics...

Total Crypto Market Cap	\$3.65 T
Bitcoin Market Cap	\$2.09 T
Ethereum Market Cap	\$452.81 B
ETH/BTC Ratio	0.04
Ethereum Gas Price	NaN gwei
DeFi TVL	\$282.09 B
Fear and Greed Index	22 (Extreme Fear)

Matt Hougan's (Bitwise) Weekly CIO Memo: "Big or Blip? Three Questions After the Flash – Reflections on Crypto's Recent Swoon."

Being a long-term crypto investor can be frustrating at times.

When I invest in crypto, I'm making a multi-year bet on the future of money and finance. I'm betting that sound digital money (Bitcoin) offers an important escape from the steady debasement of the US dollar and other fiat currencies; that stablecoins will revolutionize payments; and that tokenization will forever change how we trade stocks and bonds.

I make these bets with the expectation that they will pay off over years and decades. So far, it's going pretty well. Bitcoin is up more than 350x over the past 10 years and has been the best-performing asset in the world over every multi-year period since then.

But not everyone in crypto invests like this. Some make highly leveraged bets – up to 100x – hoping to get rich fast. Sometimes those bets work out, and sometimes they don't.

Most of the time, I can safely ignore the casino side of crypto because it's just noise; it doesn't fundamentally change crypto's trajectory. But occasionally, it gets too loud to ignore. This past weekend was one such example.

On Friday, at 4:57 p.m. ET, President Trump posted a tweet on Truth Social threatening China with 100% tariffs on all imported goods. The post came in response to China threatening to cut off exports of rare earth metals, which are critical to US technology manufacturing.

The tweet felt like a major escalation of global trade wars. Traders, desperate for a way to respond at a time when equity markets were closed, turned to the place that's never closed: crypto markets.

Bitcoin prices fell sharply. As prices fell, leveraged crypto traders faced automatic liquidation, forcing prices lower still in a downward spiral. All told, almost \$20 billion in leveraged positions was liquidated, the largest such unwind in crypto's history. Bitcoin traded down as much as 15%. Altcoins fared worse, with Solana at one point falling 40%.

But then, as quickly as it tumbled, the market reversed. The Trump administration de-escalated the trade war and crypto recovered. By Monday morning, Bitcoin was back trading at \$115k, not far off from where it was before Trump's post. It's almost as if the Flash Crash didn't happen.

The question I've been wrestling with ever since is, "Does it matter?"

My answer in this case is "no." Crypto rebounded quickly because nothing fundamental to its outlook – things like its underlying technology, its security, or the regulatory environment – changed. But "no" is not an automatic answer. There are certainly circumstances in which a move like Friday's would have had an impact on the long-term trajectory for crypto.

For this week's memo, I thought I'd take you through the checklist of things I consider to determine if a move like last Friday's is a blip – or a big deal.

Question 1: Did Any Major Player Collapse?

Whenever there's a sharp market correction, the first thing we do at Bitwise is run channel checks with our partners and service providers, ranging from custodians to liquidity providers. Sharp market pullbacks – even those driven by technical factors – can do real damage if they fundamentally impair a major institution like a hedge fund or well-known market maker. In this case, it appears that the damage was contained to individual investors. Firms experienced losses, but it looks like they'll all survive. That's one of the reasons crypto rebounded so quickly.

Question 2: How Did the Technology Perform?

The second question I always ask is how crypto – that is, the blockchains themselves – performed. Big market moves are a stress test for crypto markets. Could they handle the high volumes? Did decentralized exchanges work? Did sites shut down?

Crypto got a passing grade on this pullback, even if it wasn't perfect. Many DeFi platforms performed flawlessly: Uniswap, Hyperliquid, Aave, and others reported no losses. But a few centralized players like Binance had issues; in fact, it had to refund traders nearly \$400 million. Taken together, crypto did as well or better than traditional markets would have done in the same situation.

Question 3: What Does My Inbox Look Like?

The third question I ask is what my inbox looks like. If I'm bombarded by emails, calls, or texts from investors, I know there's real panic in the market, and it might take some time to cool down.

In this case, it was crickets. While I had lots of inbound questions from the media – and plenty of pings from crypto Twitter – professional investors largely ignored the news.

Where We Go From Here

All of this suggests to me that this move won't be of any lasting consequence. The long-term forces driving this market – improving regulation, increasing allocations from institutional investors, and a growing awareness of all the traditional markets that crypto is disrupting – are still intact. Zooming out also helps: In 2025, Bitcoin is up 21%, and the Bitwise 10 Large Cap Crypto Index is up 22%.

Crypto may be a little jittery in the near term. Market makers and liquidity providers typically pull back from the market for a few days following big volatility events, and the lack of liquidity can lead to exaggerated moves either up or down.

But over time, I expect the market will catch its breath and renew its attention on crypto's fundamentals. When that happens, I think the bull market will continue apace.

Arca: The Weekend Crypto Crash: A Lesson in Illusory Liquidity...

Hope You Enjoyed Your Weekend

If you're a normal person, you likely saw a decline in crypto prices over the weekend that, while severe, looks in line with 10-15 other double-digit percent declines per year, and not too unexpected given the 3% drop in equities on Friday. It wasn't great, but it wasn't too abnormal either.

If you're a fully onchain crypto degenerate trader, however, you witnessed Armageddon.

The timeline of events indicates that a single tweet from President Trump about tariffs on Friday, after the equity market closed, triggered one of crypto's largest liquidations on record, exposing structural flaws in leverage, collateral, and stablecoin design. We may never know how big the liquidations were, given some of the centralized exchanges underreport futures liquidations, but we know it was at least 5-fold higher than any other day in history.

Exchange Liquidations					
		All		24 hour	
Exchanges	Liquidations	Long	Short	Rate	Rate
All	\$19.35B	\$16.84B	\$2.50B	100%	87.06%Long
 Hyperliquid	\$10.31B	\$9.32B	\$980.83M	53.26%	90.48%Long
 Bybit	\$4.65B	\$4.33B	\$315.87M	24.03%	93.21%Long
 Binance	\$2.40B	\$1.42B	\$978.77M	12.4%	59.19%Long
 OKX	\$1.21B	\$1.10B	\$111.22M	6.25%	90.8%Long
 HTX	\$360.96M	\$336.22M	\$24.74M	1.87%	93.14%Long
 Gate	\$263.13M	\$223.70M	\$39.43M	1.36%	85.01%Long
 CoinEx	\$69.32M	\$66.46M	\$2.87M	0.36%	95.87%Long
 Bitfinex	\$53.29M	\$8.89M	\$44.41M	0.28%	83.33%Short
 Bitmex	\$38.50M	\$32.59M	\$5.91M	0.2%	84.65%Long

Source: Coinglass

This was a painful day for many levered traders, and I don't want to make light of that. Even for unlevered investors, many tokens are still down 20% or more from their Friday closing prices. But there are a few immediate takeaways from this event that are more important than the price action.

1. This was largely a technical, or mechanical crash, and not a fundamental crash. Fundamental crashes (like the FTX bankruptcy, Terra Luna/UST unwind, the 2008 mortgage crisis, the dot-com bubble, etc.) tend to happen because of a real decline in earnings or cash flows, leading to defaults and bankruptcies and a mass exodus of investors. Whereas technical or mechanical failures (often called flash crashes)

tend to be short-lived, have little to no follow-through, and can almost always be blamed on some sort of market infrastructure or leverage.

In this case, while some are quick to point out the failures of certain exchanges and market makers, or blame insider trading from Washington's inner circles, the obvious culprit was simply too much leverage on highly volatile assets that have much worse liquidity than many acknowledge, and whose margin requirements are calculated based on untrustworthy price oracles. While the CEO of Tether is certainly biased, he's not wrong:



Source: X/Twitter

2. It is obvious that many investors and traders in crypto do not understand the market mechanics that broke this weekend. This is not the exchanges' fault. This is not the market makers' fault. In fact, it's nobody's fault. It's simply a giant misunderstanding of how markets work. I've been saying for 7 years that crypto trades more like high yield bonds than it does equities/commodities. Just because crypto has exchanges that look like equity markets, with very visible pricing and 24/7 markets, doesn't mean it has the same liquidity as equities. Equities have way more traders and investors, much more concentrated liquidity (on just a handful of exchanges), way more market makers with deeper pockets, and implicit backing from the government via both swap lines to banks and regulation. This creates much greater liquidity and less volatility.

Whereas the high yield bond market has similar fragmented liquidity across multiple dealers, just like crypto has fragmented liquidity across different exchanges. High yield bonds often look very liquid, but in times of stress, that liquidity evaporates, similar to what we just saw in crypto. Let me give you an example:

Suppose there are 10 major dealers (dealers are market makers, like JPM, GS, BofA, Barclays, etc.) who are all making a "5x5 market" in XYZ high yield bond at 88-89. That means that a hedge fund or mutual fund could sell \$5M worth of XYZ to them at 88, or they could buy \$5M of XYZ bond at 89. In theory, that's a pretty liquid market. If a single hedge fund simultaneously contacted each of these 10 dealers to sell \$5M of XYZ, in theory these dealers might take down a total of \$50M of XYZ bonds (\$5M each) at 88, and that would appear to be a pretty deep market. The market makers (dealers) would be unhappy because they just got run over by the hedge fund and now they are all trying to re-sell these bonds to a new buyer, but it could in theory get done that way. But let's say instead that this hedge fund decided to sell \$5M to Dealer A at \$88, and Dealer A then dropped his market much lower to 87-88 and every other dealer followed suit. And then the hedge fund decided to sell another \$5M at 87 to the same Dealer A or a different Dealer B, and all of the dealers started to get spooked by the aggressive selling. And then the

hedge fund came back looking to sell another \$5M. Eventually, at least some of the Dealers would say “No more”, and would just stop making markets on XYZ bond, or he would take the market down to like 80-82, or 75-77, far enough down where the original seller would stop trying to sell to him so aggressively, and at a price low enough to find a new buyer. The market makers’ job is to provide liquidity in normal markets by setting prices where they believe they can find equal buyers and sellers of the bond, or where they can at least offset their risk using other assets. But they are under no obligation to just blindly bid at the same price while getting run over by sellers. If there are no buyers or a really aggressive seller, his job becomes to protect his own P&L, not to provide liquidity. As a result, the market that seemed large enough to take down \$50M of bonds could actually support only 10-20% of that volume, and the more accurate clearing price for \$50M bonds may be much lower than the starting price.

This is exactly what happened this weekend. While BTC and a few other tokens like ETH and SOL have pretty strong liquidity to support an onslaught of selling pressure, most other tokens cannot handle it. There aren’t enough real buyers in the market at any given time, and the price is artificially supported by market makers. But when selling pressure intensifies, the market makers just disappear or lower their prices aggressively. Now, that normally would be no big deal – if a bond drops 20%, or a token drops 20%, and you find out there are no more sellers at those lower levels, the price of the bond or token would start to rise again until an equilibrium is found. There may not even be any trades at that lower level. It could have been a completely fake price, essentially used as a decoy to try to find the clearing price. While this discovery process can be painful, and some funds may have to mark their bonds down and take a paper (unrealized loss), it doesn’t wreak too much havoc because no one would be crazy enough to use a lot of leverage on a bond that could instantly fall 20-30 pts, nor would there be auto-liquidations on a price that is clearly pretty fake. The dealer did his job trying to figure out where the clearing price is, even if it meant a temporary pause in providing liquidity.

But in the crypto world, trading futures is very popular, and using leverage is even more so. You could even say the market demands it.

 **Brian Armstrong**    
@brian_armstrong

We just bumped up the max leverage from 20x to 50x on international perpetual futures.

A bunch of traders asked for this update. Let us know what else we can add!

 **Coinbase International Exchange**    @CoinbaseIntExch · Sep 3

We just leveled up. Perpetual futures are no longer capped at 20x — say hello to 50x leverage.



3:55 PM · Sep 3, 2025 · 7.1M Views

Source: Twitter/X

That sure sounds like fun. Except you can't trade futures without putting up collateral. And if you misjudge the volatility of the asset that you are trading OR if you misjudge the volatility of your collateral, suddenly you can face liquidations. Worse, even if the prices drop to levels that clearly don't make sense just because market makers are running for their lives trying to find a clearing price and no new buyers stepped in, that fake price is still used to calculate your margin, and can cause cascading liquidations. The ATOM token, for example, fell to \$0.01. Clearly that wasn't a real price where a lot of volume would normally happen, but when there are no bids, and you are getting margin-called, the forced selling happens at prices way below normal.



And this is exactly what happened this weekend. Many, many, many traders lost everything because of fake prices. There's a reason no one trades levered futures on high yield bonds. The same should probably be true for most crypto assets. Fragmented liquidity means that if any one of the exchanges quote a price at a much lower level because they are seeing unnatural amounts of selling and their market makers are disappearing, even if other exchanges aren't seeing the same selling pressure, it could result in the oracle price falling to a level that liquidates long, levered futures positions.

3. A lot of people are complaining that "low-risk trading strategies" shouldn't have gotten liquidated. By low-risk, these people are referring to market-neutral funds or market makers who have both longs and shorts at the same time to remain "neutral", or who use different venues to go long an asset on one venue and short on another. There's a problem with this, though. These are not "low-risk" strategies.

They may have lower directional price risk, but they do not have lower risk. Counterparty risk is always a high risk, which is what you're taking when you cross-collateralize across multiple venues or concentrate all of your assets at a single venue. Crypto trading has incredibly fragmented liquidity, and these risks are always prevalent. Leverage is always a big risk, which is why you're using it whenever you have both a long and a short position at the same time. Those running these strategies were taking high risks, and hopefully they knew that. Again, it doesn't mean this weekend's flash crash was an unexpected or even a high likelihood outcome. But it certainly wasn't a non-zero outcome either.

4. It's unlikely that "retail" got liquidated here. As my colleague Sasha Fleishman points out frequently, the crypto market isn't really split into "retail" and "institutional". There are 3 types of crypto traders:

- a) True retail
- b) "Crypto-native degenerates trading 7-8 figure portfolios who do yield farming and trade huge sizes across DEXs and CEXs
- c) Institutional

True retail did not get rinsed this weekend. True retail trades on Coinbase or Robinhood in small sizes, many only own BTC, ETH, SOL and a few memecoins, and they rarely use leverage. Most don't even know what a Perp DEX is. Many don't even know crypto really broke this weekend, and will log into their account on Monday and will start buying with prices on sale.

It was the group from (b) that really got hurt this weekend. This is the group that uses massive leverage, understands all the different DeFi venues, and willingly accepts the risks that got them rich in the first place via being early to protocols and farming for airdrops. This does not make this weekend's losses better per se, but it's not exactly the same as a bunch of Uber drivers losing their life savings.

Said another way, no one material to markets' functioning likely got hurt, and therefore, there is no systemic risk or contagion. If a Degen falls in the levered forest, does it even make a sound?

5. As we've stated repeatedly over the years, crypto and blockchain rails are largely experimental. Since a blockchain is designed to move assets, but 99% of the world's assets are yet to be onchain (i.e. stocks, bonds, real estate, gold), we can't really look at what exists today and draw any major conclusions about the assets themselves. Most will go away over time as traditional assets begin to be tokenized. BUT, the experimental infrastructure that supports these experimental assets may be utilized. And this weekend was another prime example of how well DeFi protocols and Layer-1 protocols, worked. Large sell-offs serve as good reminders that DeFi has been stress-tested numerous times and continues to work extremely well. Uniswap closed nearly \$9B in trading volume, well above the norm, with no stress or downtime. Aave operated flawlessly, automatically liquidating a record \$180mm worth of collateral in just one hour, without any human intervention or downtime. Hyperliquid had 100% uptime with zero bad debt, had massive volumes, and generated record fees for tokenholders. Wall Street and Washington don't care if your Fartcoin got liquidated, they care that the infrastructure that allowed you to trade this dumb asset will work well with real assets one day.

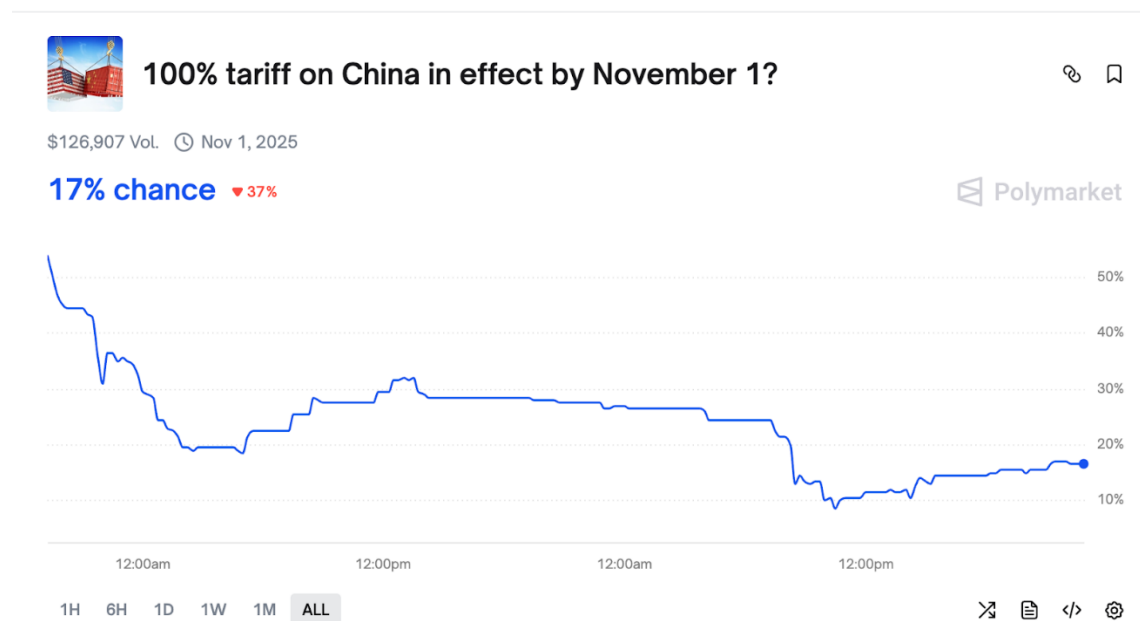
6. Unfortunately the only way to fix the structural problems is to start adopting the same processes from TradFi that everyone in crypto hates – bailouts, circuit breakers, leverage restrictions, delayed settlement. Sure, most traders have more collateral to post if they had time to react, and they could therefore unwind their positions more slowly and manually. And sure, most dislocations in price would be closed by arbitrageurs if they had more time. But the point of blockchain is real-time settlement and

less middlemen, and these solutions move away from that. There's no easy answer. Either don't offer the leverage in the first place or start adopting tried and true TradFi protection mechanisms.

So where does that leave the market going forward? As I'm writing this, equity futures are up, because equity investors had 2.5 days off to process the Trump tariff news that drove stocks down 2-3% on Friday, and can see that Trump is already softening his stance from Friday.

If Trump-Xi reach an agreement, there will likely be no impact aside from a leveraged flush out, which ultimately helps to build a stronger base with new hands. This is the likely path given Trump's track record with China and in other negotiations.

If Trump-Xi do not reach an agreement, and 100% tariffs on China kick in by November 1st, perhaps the world is headed towards a recession. Thus far the odds on Polymarket are showing this to be unlikely, and the de-escalation is being priced in.



Assuming the US/China tariff issues do not escalate further, this past weekend will ultimately just be another blip, transferring risk from the short-term, levered traders to the more patient investors.

 **Raoul Pal** ✓ 
@RaoulGMI

All said and done, regardless of what sparked it, Friday was a "Flash Crash". Flash crashes usually recover in V-shapes back to their prior price/range and usually go on to make new highs shortly after.

In this case, we *entirely* wiped out all accumulated leverage too.

Higher.

3:16 PM · Oct 12, 2025 · 211.3K Views

Source: X/Twitter