



HYPERION DECIMUS

CRYPTO NEWSLETTER

POWERED BY WEEKLY CRYPTO BRIEF

16th November 2025

BITCOIN-RELATED



Crypto markets ended the week in the red, with BTC falling below \$95,000 (down ~9%) after one of the worst days ever for Bitcoin ETF flows and emerging doubts of a December rate cut. Dragonfly MP Haseeb Qureshi argued that the current downturn (BTC down ~25%) is mild compared to the brutal conditions of 2022. Per Qureshi: “Prices have gone down, yeah, whatever. Fundamentals are great. Crypto is working. So, relax, get something to eat. Lock in. We’ll be fine.”

Historically, Bitcoin has reacted strongly after previous US shutdowns ended. According to a post by Max Crypto on X, Bitcoin surged 96% and 157% following similar resolutions in February 2018 and January 2019.

The Czech National Bank, the central bank of the Czech Republic, invested \$1 million to test – and gain “practical experience” in – a crypto reserve that includes Bitcoin, a stablecoin, and tokenized bank deposits.

Nigel Farage, the leader of the anti-immigration Reform UK political party and referred to as “Britain’s Trump,” said the UK will follow the US in establishing a national Bitcoin reserve if his party wins power.

Taiwan Congress Legislator announces its central bank has committed to studying “Bitcoin as strategic reserve.”

Legendary short seller Jim Chanos officially closed his widely watched short MSTR/long BTC position, doubling his money by betting that Strategy’s mNAV premium would compress while Bitcoin rose, which happened as MSTR’s premium fell from >3x last November to 1.23x at exit, while BTC gained ~25%.

Strategy bought another 487 Bitcoin for \$49.9 million.

Steak ‘n Shake, the iconic American fast-food chain known for its steakburgers and milkshakes, made history by becoming the first major restaurant to launch a Strategic Bitcoin Reserve. The company announced that all payments received in Bitcoin will now be added to its Strategic Bitcoin Reserve.

American Bitcoin, the crypto mining firm backed by Eric Trump and Donald Trump Jr., reported a strong Q3 – posting revenue of \$64.2 million (a 453% year-over-year increase) and net income of \$3.5 million, reversing a \$576,000 loss in the same period last year. On the treasury front, American Bitcoin accumulated 3,000+ BTC during Q3, ending with 3,418 BTC. As of this month, the company's holdings grew to 4,004 BTC.

Over 4 million Square merchants were able to accept Bitcoin at checkout, on November 10. (Jack Dorsey & Square also teased launching an in app map showing where you can spend Bitcoin at local merchants.)

Jack Dorsey's Cash App announced the launch of instant Bitcoin payments for its 58 million active users.

Bitcoin Depot, the largest Bitcoin ATM operator in North America, entered the Asian market with a new launch in Hong Kong, marking the company's first foreign expansion in the region.

INDUSTRY ADVANCES



SoFi, the largest lender in the US with a \$37 billion market cap, launched SoFi Crypto, becoming the first and only nationally chartered bank to offer crypto trading to consumers.

Coinbase is launching a new platform that will allow investors to purchase tokens before they would be traditionally available to trade on the exchange. Coinbase aims to take all the best aspects of ICOs and provide them in a safer way, in part by limiting how much/how quickly insiders and founders can sell their tokens.

Coinbase is rolling out savings accounts in the UK, offering 3.75% AER interest and marking the first regulated savings product from a crypto-native exchange. The Clearbank-powered accounts offer instant access with no minimum balance or lockup, positioning Coinbase closer to traditional fintech competitors.

JPMorgan launched its blockchain-based deposit token, JPM Coin (ticker JPMD), for institutional clients to enable real-time US dollar transfers on Coinbase's Base network, with Mastercard and Coinbase among early participants. JPMorgan aims to expand the deposit token to more blockchains, with plans also underway for a euro version called JPME.

Moomoo, the global investment platform, introduced BNB trading for users in the US and Singapore through Moomoo Crypto. This new offering gives users the ability to buy, sell, and hold BNB directly on the platform.

Dromos Labs introduced Aero, a unified trading hub meant to merge its Aerodrome and Velodrome exchanges under a single token and expand across more Ethereum networks, aiming to simplify on-chain trading and funnel all activity back into one shared liquidity system.

Decentralized prediction market firm Polymarket quietly relaunched in the US in beta mode after a nearly four-year absence due to regulatory issues with the CFTC.

Polymarket announced its integration with Yahoo Finance, becoming the platform's exclusive prediction market partner. The partnership aims to expand Polymarket's reach to a broader audience, leveraging Yahoo Finance's extensive global monthly visitors and data sources.

Fantasy sports operator PrizePicks teamed up with Polymarket to let users wager on real-world outcomes, expanding beyond fantasy sports into the growing prediction-market space.

TKO Group Holdings partnered with Polymarket to enhance fan engagement in UFC and Zuffa Boxing events. The collaboration includes a real-time Fan Prediction Scoreboard for UFC broadcasts, allowing fans to participate in fight forecasts throughout the matches.

FanDuel, in partnership with CME Group, will launch “Fanduel Predicts” prediction-markets platform in December 2025.

Ideosphere wants to redirect crypto’s speculative energy into scientific prediction markets, betting on research results that finance scientific research.

Publicly traded Ethereum treasury company BitMine Immersion Technologies added 110,301 ETH (worth ~\$389 million) to its holdings.

Vancouver-based Republic Technologies secured a \$100 million zero-coupon convertible note from a major institutional investor to expand its Ethereum validator and staking operations, with over 90% of proceeds allocated to purchasing ETH.

Publicly traded brain-machine firm and planned Solana treasury VisionSys AI announced a stock offering, which it expects to grant ~\$12 million in proceeds. The stock crashed ~80% as a result.

The Winklevoss twins have decided to set up a new treasury vehicle to accumulate privacy token Zcash. The new company, Cypherpunk, was launched with a \$50 million investment from the twins.

Nasdaq-listed company VCI Global unveiled a crypto treasury plan and will acquire \$100 million in OOB tokens and oversee the digital treasury of OOBIT, a crypto payments company backed by Tether and Solana’s co-founder.

Australia-based Propanc Biopharma announced it secured up to \$100 million from a crypto-focused family office to launch a crypto treasury (likely to invest in BTC, ETH, SOL, INJ, etc.) – a move its CEO described as “transformative” as its cancer therapy product enters human trials next year.

Japan Exchange Group is weighing stricter oversight of listed digital asset treasury firms, amid mounting concerns over the volatility and losses associated with such companies. The Tokyo Stock Exchange operator is exploring measures, including a stricter interpretation of existing reverse merger rules and potentially requiring companies to undergo fresh audits if they pivot into large-scale crypto accumulation.

BlackRock is extending its \$2.5 billion tokenized Treasury fund BUIDL to BNB Chain as Binance begins accepting the asset as off-exchange trading collateral.

Securitize and VanEck are bringing VanEck’s VBILL, a tokenized treasury fund, to Aave – allowin institutions to leverage tokenized treasury funds as trusted onchain collateral.

DBS Bank and Kinexys, a blockchain venture from JPMorgan, are building a new system to enable 24/7 transfers of tokenized bank deposits between public and private blockchains, a move aimed at improving cross-network payments for institutions while ensuring regulatory compliance.

Franklin Templeton has linked its Benji tokenization platform to the Canton Network, expanding institutional access to regulated onchain assets.

XStocks, a tokenized equity platform created by RWA tokenization company Backed and Kraken, surpassed \$10 billion in total transaction volume just over four months after its launch.

Centrifuge rolled out a tokenization platform dubbed Centrifuge Whitelabel to help institutions and fintechs create tokenized financial products more efficiently. (Daylight, a decentralized energy infrastructure startup, is the first to use the platform, creating tokenized vaults for energy assets.)

Hong Kong is set to issue government-backed digital green bonds denominated in multiple currencies, marking its third digital bond sale since 2023. These bonds, settled on blockchain platforms, aim to fund environmental projects, with HSBC providing the infrastructure.

Spain-based company Turbo Energy will tokenize debt financing for solar and battery installations in partnership with Taurus and the Stellar Development Foundation.

Figure, a fintech firm expanding real-world asset integrations across blockchain networks, launched YLDS, a yield-bearing public debt security token, natively on Solana blockchain.

Solana Company plans to tokenize its shares on Superstate's Opening Bell platform, allowing investors to trade shares around the clock.



Marathon Digital's CEO Fred Thiel warned that soaring energy costs and fierce competition are squeezing Bitcoin mining profits, predicting only miners with cheap power or those pivoting to AI computing will survive future halvings.

Nasdaq-listed Bitcoin mining company CleanSpark is raising capital to expand its mining and data center operations, as major miners pivot toward AI infrastructure. The company announced a \$1.15 billion senior convertible note offering, aiming to raise more capital to expand its Bitcoin mining operations.

Bitcoin miner Greenidge secured a five-year environmental permit renewal in a deal with New York state officials. The company committed to reducing greenhouse gas emissions by 44% by 2030, aligning with the state's climate goals set in 2019.

Bitcoin miner Bitdeer reported a net loss of \$266.7 million for Q3, marking a 422% decline from the previous year. The firm, however, nearly tripled its revenue to \$169.7 million from \$62 million last year, beating Zacks' forecast.

Bitcoin miner and datacenter operator TeraWulf reported \$50.6 million in revenue, representing a 87% increase compared to the same period last year.

A fire in Massillon, Ohio affected two buildings owned by publicly traded Bitcoin miner Bitdeer. The fire was extinguished with no reported injuries and is under investigation.

Bitfarms said it's winding down its Bitcoin mining over two years to focus on AI and high-performance computing infrastructure amid falling crypto profits.

ETPS (EXCHANGE-TRADED PRODUCTS), FUNDS & INDEXES

With Bitcoin down ~25% from recent all-time highs, spot Bitcoin ETFs in the US saw \$869.9 million in outflows on November 13, marking the second-largest drop on record.

Emory University, a private research university in the US state of Georgia, has doubled down on its bullish Bitcoin play in a BTC ETF. Emory boosted its holdings in the Grayscale Bitcoin Mini Trust ETF to ~\$52 million, according to the quarterly Form 13F report filed with the SEC, from its ~\$25 million position in Q2.

The IRS and Treasury said crypto products can now generate staking rewards for crypto ETF investors without fear of tax or regulatory repercussions.

21Shares launched the 21Shares FTSE Crypto 10 Index ETF (TTOP) and the 21Shares FTSE Crypto 10 ex-BTC Index ETF (TXBC).

The Canary XRP ETF (XRPC) debuted on Nasdaq on November 13, generating ~\$59 million in volume, the biggest debut for an ETF this year among ~900 ETF launches (according to Bloomberg's Eric Balchunas). Franklin Templeton, Bitwise, ProShares, CoinShares, 21Shares, WisdomTree, and Grayscale are poised to follow with their own XRP ETFs.

Bitwise's spot Chainlink ETF appeared on the DTCC's registry, a sign that it could launch in the near future.

Canary Capital filed to launch an ETF tracking the price of a memecoin called Mog Coin – "associated with the 'Mog' internet meme."

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

Lighter, a ZK-rollup perpetual-futures exchange on Ethereum, secured \$68 million in funding from investors like Founders Fund and Robinhood Markets.

Crypto trading app Fomo announced a \$17 million Series A round, led by Benchmark.

Smartphone-based decentralized confidential compute project Acurast raised \$11 million, claiming tamper-resistant execution on consumer phones and secure hardware verification.

Seismic raised \$10 million from major crypto investors to build a privacy-preserving blockchain for fintech apps.

IPOS, M&A, PARTNERSHIPS & DEALS



Grayscale Investments filed with the SEC for an IPO. The firm plans to list its stock on the NYSE under the ticker “GRAY.”

Pascal Gauthier, CEO of hardware wallet manufacturer Ledger, said the firm is eyeing an IPO or a fundraising round next year amid a boost in New York headcount.

Coinbase and UK-based stablecoin startup BVNK have mutually agreed to call off their \$2 billion acquisition deal.

Rumble and Northern Data signed a business combination agreement that will see the US video and cloud platform submit a voluntary public exchange offer for all outstanding shares of the Frankfurt-listed AI and HPC infrastructure firm. The merger came shortly after Northern Data sold its Bitcoin mining subsidiary, Peak Mining, in a deal worth up to \$200 million. (Rumble-backer Tether has agreed to purchase up to \$150 million in GPU services after the deal closes.)

Crypto exchange Bybit is reportedly exploring buying South Korean rival Korbit to strengthen its foothold in Asia’s fast-growing crypto market, though Korbit denied any talks were taking place.

Public acquired Alto’s CryptoIRA business, saying it will bring Alto CryptoIRAs into its platform in early 2026, and until then, customers will continue to trade on the Alto platform.

Anchorage Digital selected Modern Treasury to power money movement infrastructure. The partnership enables Anchorage Digital to scale faster and simplify payments through robust money movement and ledgering infrastructure.

Intain Markets and FIS partnered to launch the Digital Liquidity Gateway. The offering enables community banks to buy, sell, and securitize loan portfolios using Intain’s Avalanche L1 blockchain.

AAIL (American Association of Individual Investors) partnered with Unchained to launch Bits + Bips, a newsletter that connects the dots between macroeconomic trends, traditional finance, and crypto.

DEFI



Crypto exchange OKX, traditionally known for its centralized trading services, is expanding into DeFi with a new feature that lets US users trade tokens directly on decentralized markets. The DEX trading option, available through the OKX app, allows users to buy and sell tokens while retaining control of their digital assets. Trades are executed via self-custody wallets, meaning users hold their own private keys rather than storing funds on the exchange.

Uniswap's “UNification” proposal aims to burn 100 million tokens from the treasury to increase scarcity and value. The proposal also introduces mechanisms like Protocol Fee Discount Auctions and aggregator hooks to boost growth.

The dYdX Foundation said its community voted to redirect 75% of the protocol's revenue toward buying back DYDX tokens on the open market, while setting aside smaller slices of income for its Treasury SubDAO and the MegaVault.

A proposal by a Lido DAO member suggests a token buyback program to address liquidity issues. Unlike Uniswap's program, Lido's is capped at \$10 million annually, aiming to enhance token value and investor trust.

CBDs & STABLECOINS



The UAE CBDC pilot made its first transaction, reportedly completed in under two minutes.

Stablecoins are projected to grow tenfold by 2030, becoming a core buyer of US Treasury bills. US Treasury Secretary Scott Bessent anticipates the market to reach \$3 trillion, emphasizing stablecoins' role in future debt management strategies.

Federal Reserve Governor Stephen Miran stated that stablecoin expansion could drive down the neutral interest rate over the next five years, with dollar-pegged tokens applying downward pressure on r-star, the rate that neither stimulates nor restrains economic activity.

The Bank of England proposed new rules for British pound-based stablecoins, requiring issuers to hold at least 40% of their reserves at the central bank and the rest in short-term government debt, while capping personal holdings at about \$26,000 to limit financial risks.

BNY Mellon introduced a special money-market fund built for stablecoin issuers needing to comply with the new GENIUS Act, limiting reserves to ultra-safe, short-term assets.

Circle exceeded analyst expectations in Q3, reporting \$740 million in revenue and reserve income, a 66% year-on-year increase. During the earning call, the stablecoin issuer said it's planning a native token for its ARC L1 blockchain testnet, an enterprise-focused Ethereum Virtual Machine network. (It launched the Arc testnet in October, with participation from Goldman Sachs, BlackRock, Visa, and 100+ other companies.)

Circle unveiled Circle StableFX, an institutional onchain FX platform built on Arc1, the company's forthcoming L1 blockchain and Circle Partner Stablecoins, a program designed to support regulated regional stablecoins.

MoonPay said it would start creating and managing stablecoins for companies across the US, Asia, and Latin America, using its nationwide money-transmitter licenses.

The Sui Foundation introduced USDsui, a US-compliant, reward-bearing native stablecoin built on Bridge's Open Issuance platform.

R25, incubated by Ant Financial, launched rcUSD+, a dollar-pegged stablecoin that pays yield from money market funds and structured notes on Polygon.

Visa launched a new pilot enabling businesses to send payouts directly in USDC, allowing creators, freelancers, and gig workers to receive near-instant cross-border payments in “compatible” stablecoin wallets.

Coinbase Business, a new business platform from major US crypto exchange Coinbase, launched in Singapore to give startups and SMEs a unified platform for USDC payments, asset management, and more.

Stablecoin payment company Transak secured new state Money Transmitter Licenses in Iowa, Kansas, Michigan, South Carolina, Vermont, and Pennsylvania, expanding its US footprint.

South Korea’s NH NongHyup Bank launched a pilot with Avalanche, Fireblocks, Mastercard, and Worldpay to test a tourist tax-refund system that uses stablecoins and automated smart contracts to speed up VAT payouts for visitors.

The ICBA urged regulators to reject Sony Bank's application for a national trust charter to issue stablecoins, citing concerns about regulatory loopholes and potential consumer harm.

NFTS, BLOCKCHAIN GAMING & METAVERSE



Cardsmiths released its latest Currency trading card set, with five cards letting the recipient redeem a full Bitcoin. Cards are sold via select retailers and the Cardsmiths website for as little as \$37 for a 2-pack.

JOB MOVEMENT



Coinbase hired Liz Martin to be its VP, Product – overseeing Markets and Derivatives. Martin, who worked at Goldman Sachs for 25 years, will help Coinbase develop its “everything exchange” strategy.

Chi Tsang was appointed as the new CEO and board member of BitMine Immersion Technologies, a leading Ethereum treasury company. The company also added three new board members.

Lantern Ventures, a London crypto hedge fund founded by ex-Alameda Research members, is winding down, likely cutting staff, returning investor funds, and exploring a sale or conversion into a family office.

REGULATIONS, RULINGS & COMMENTARY



SEC Chair Paul Atkins unveiled plans for a new “token taxonomy” to clearly define which cryptocurrencies qualify as securities under the agency's evolving digital asset framework in the months

ahead. Atkins said that certain tokens like network tokens and digital collectibles should not be considered securities and emphasized that tokens should only be deemed securities if profits rely on third-party managerial efforts.

Mike Selig, currently leading the SEC's crypto enforcement team, will face a Senate hearing in November for his nomination to run the CFTC, a role that could put him in charge of overseeing crypto spot markets if Congress finalizes its long-debated regulatory bill.

Acting CFTC chair Caroline Pham confirmed she's working with major exchanges like CME and Coinbase to launch leveraged spot crypto trading, signaling a proactive regulatory move to expand oversight using existing laws despite Congress's delay on new crypto rules.

The US Senate Agriculture Committee unveiled a bipartisan discussion draft of the crypto market structure bill known as the CLARITY Act with the goal of clearly defining roles for regulators overseeing digital assets. The bill would grant the CFTC new authority to regulate spot digital commodity trading that includes Bitcoin and Ether. Meanwhile, the SEC would oversee assets classified as securities, thereby resolving long-standing jurisdictional confusion between the two agencies. It still needs to be combined with the Senate Banking Committee's version before it can advance further in the legislative process.

FDIC Acting Chair Travis Hill said the agency is crafting rules for "tokenized deposit insurance," stressing that deposits moved onto a blockchain still legally function as bank deposits and should not be confused with stablecoins, which act more like digital IOUs tied to government money.

The US accounting rulemaker FASB is weighing whether to update its crypto rules by clarifying how companies should handle the removal and transfer of digital assets from their books, potentially expanding the standards it introduced in 2023.

Japan's Financial Services Agency proposed a new system forcing crypto custody and trading service providers to register with regulators and restricting exchanges to work only with approved firms, following a \$312 million hack in 2024 that exposed security flaws in outsourced operations.

Brazil's central bank unveiled strict crypto licensing rules requiring firms to hold up to \$7 million in capital and banning unlicensed or foreign entities, while imposing a \$100,000 limit on cross-border crypto transfers and bringing stablecoins under foreign exchange law.

ClearToken received authorization from the UK's FCA for CT Settle, a DvP net settlement system for digital assets, stablecoins, and fiat currencies. The London firm aims to solve capital inefficiency by enabling true DvP settlement, reducing counterparty risk, and freeing up capital.

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

China's National Computer Virus Emergency Response Center (CVERC) cybersecurity watchdog has accused the US government of involvement in the theft of 127,000 Bitcoin, now worth almost \$15 billion. CVERC claimed the Bitcoin that were seized by the US Department of Justice in 2024 were "likely" stolen from the LuBian mining pool by US authorities in 2020.

A London court sentenced Chinese national Zhimin Qian to over 11 years in prison after UK authorities seized more than 60,000 BTC (worth ~\$6.2 billion today) linked to her investment fraud scheme that defrauded ~128,000 people in China between 2014 and 2017.

A DIFC judge extended an injunction and freeze of \$456 million in assets linked to Tron founder Justin Sun's involvement in TrueUSD stablecoin reserves. The order prohibits Aria DMCC from moving assets from Dubai and disposing of the transferred funds.

Nevin Shetty, a former CFO of a private software company, was convicted of wire fraud for misusing \$35 million from his employer to invest in a failed crypto venture.

Embattled crypto gambling platform ZKasino started returning a portion of investor funds following a \$33 million scam that left thousands of users in limbo. The refunds come nearly six months after Dutch authorities arrested a suspect linked to the platform's alleged rug pull.

A Manhattan federal judge declared a mistrial in the high-profile crypto fraud case involving James and Anton Peraire-Bueno, who are MIT graduates and brothers, accused of a \$25 million fraud related to crypto.

Hyperliquid traders faced temporary deposit and withdrawal issues due to potential malicious Popcat trades, causing a \$4.9 million loss in the community-owned vault.

The US Department of Justice announced the Scam Center Strike Force to combat international crypto scam operations. The initiative aims to dismantle criminal networks that have scammed billions through fake crypto sites and social media identities.

Australian authorities warned that cybercriminals are exploiting the ReportCyber platform to impersonate federal police and scam victims into transferring digital assets to fake wallets.

Assets related to the Libra memecoin scandal were frozen by an Argentine judge due to potential indirect payments to public officials involving Kelsier Ventures CEO Hayden Davis. The freeze includes assets of Davis and two suspected intermediaries, lasting until the case is resolved.

Roman Novak, the convicted Russian crypto swindler who vanished in early October, was found dead, alongside his wife Anna, in the desert in the UAE.

Jibreel Pratt was sentenced to nine years for concealing crypto donations to ISIS, operated covertly and shared operational strategies with a confidential source.

Han Hye-jin's YouTube channel was deleted after hackers aired a deepfake video of Ripple CEO Brad Garlinghouse promoting a crypto scam. The supermodel's team is awaiting a response from YouTube to restore the channel, which had 860,000+ subscribers.

MISCELLANEOUS

Coinbase filed with the SEC that it is leaving Delaware to reincorporate in Texas, which has become an increasingly attractive hub for innovative companies.

Gemini Space Station, the Winklevoss' crypto exchange, reported strong 52% Q3 revenue growth since going public in September. However, the exchange saw a net loss of \$159.5 million, reporting a steeper loss (\$6.67 per share) than analysts' expectations (loss of \$3.24 loss per share).

In an interview with Fox News, Binance Founder Changpeng "CZ" Zhao denied any business ties or financial connections to the Trump family, following his pardon by the President last month.

A Bybit research report found that 16 of 166 reviewed blockchains, including BNB Chain and VeChain, already contain built-in fund-freezing features, while 19 more could easily add them, raising concerns about censorship risks in decentralized systems.

Ethereum-compatible L1 blockchain project Monad set November 17 for a public MON sale – the first on Coinbase's new token offering platform – with 7.5% of the total 100 billion supply up for grabs at \$0.025 each. The project also revealed its full tokenomics, stating that 50.7% of MON will be locked at launch.

CHARTS, TABLES, QUOTES, COMMENTARY & OTHER IMAGES

Michael Saylor and Cantor Fitzgerald Chairman installed a new Satoshi Nakamoto statue in Miami.



Conclusion from Coin Metrics’ “State of The Network” weekly report from 11/11/25. (Read the full report, [here](#).)

Bitcoin’s on-chain trends suggest that this cycle is unfolding through more tempered, prolonged phases, without yet showing the euphoric blowoffs seen in prior bull markets. Supply distribution is happening in waves, and much of it is being absorbed by more durable channels of demand, ETFs, DATs, and broader institutional ownership. This transition points to a more mature market structure where volatility and velocity is dampening, and cycles are elongating.

That said, momentum still hinges on sustained demand. The flattening of ETF inflows, pressure on some DATs, recent market-wide liquidations, and breakeven-level SOPR readings among short-term holders all highlight a market in recalibration. A sustained rise in long-term holder supply (coins inactive for over a year), SOPR climbing above 1, and renewed inflows into spot Bitcoin ETFs and stablecoins could serve as key signals of returning strength.

Looking ahead, easing macro uncertainty, improved liquidity conditions, and regulatory developments around market structure could help reaccelerate inflows and extend the bull market. While sentiment has cooled, markets remain on a healthier footing following recent deleveraging resets, underpinned by growing institutional channels and the adoption of on-chain infrastructure.

Conclusion from Glassnode’s “The Week On-Chain” from 11/12/25. (Read the full report, [here.](#))

Bitcoin continues to trade within a mild bearish range, defined by strong resistance between \$106K–\$118K and key structural support near \$97.5K–\$100K. The market remains under the influence of top-heavy supply, with short-term holders still realizing losses. On-chain data highlighted a brief accumulation near \$100K, suggesting localized support, yet without a decisive reclaim of the short-term holders’ cost basis (~\$111.9), upside momentum is likely to stay constrained.

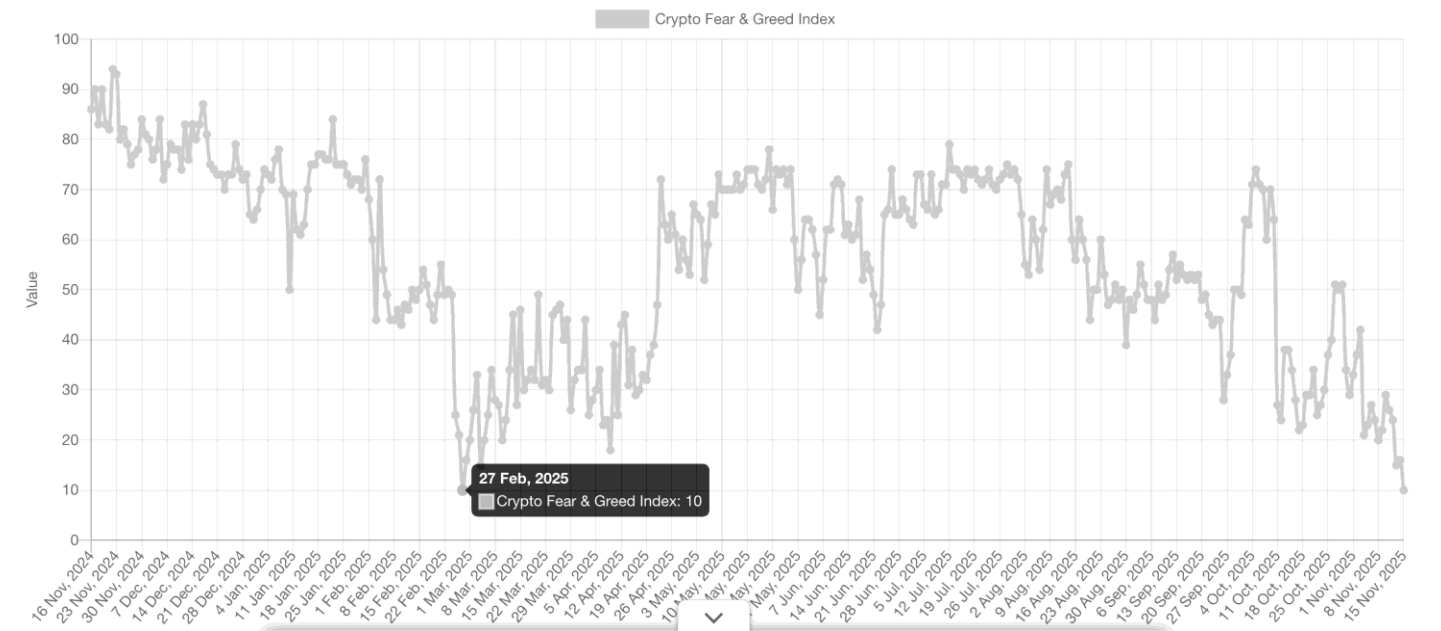
Off-chain indicators also echo this cautious tone. ETF outflows, muted funding rates, and low open interest point to subdued speculative engagement, while options traders continue to favor downside protection around the \$100K line.

Overall, both on-chain and off-chain signals portray a market in a state of consolidation, stabilizing yet not yet ready to confirm a bullish reversal. Until renewed inflows or a clear macro catalyst emerge, Bitcoin appears bound to oscillate within this \$97K–\$111.9K corridor, with \$100K remaining the psychological line of defense.

Blockworks updated key metrics...

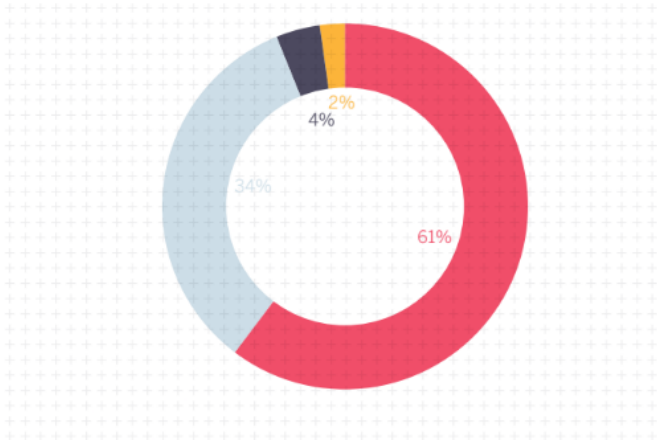
Total Crypto Market Cap	\$3.33 T
Bitcoin Market Cap	\$1.90 T
Ethereum Market Cap	\$382.07 B
ETH/BTC Ratio	0.03
DeFi TVL	\$235.76 B
Fear and Greed Index	10 (Extreme Fear)

Crypto sentiment dropped to its most fearful level in over eight months, as ongoing macroeconomic uncertainty continues to rattle market participants. The Crypto Fear & Greed Index, which measures overall market sentiment, posted an “Extreme Fear” score of 10, the lowest score it has seen since February 27.



Swiss crypto banking group Sygnum said in a report, released on November 11, that over 61% of institutions plan to increase their cryptocurrency investments, while roughly 73% of surveyed institutions are investing in crypto due to expectations of higher future returns, despite the industry still recovering from the record \$20 billion market crash at the beginning of October. (The survey covered 1,000 institutional investors globally.)

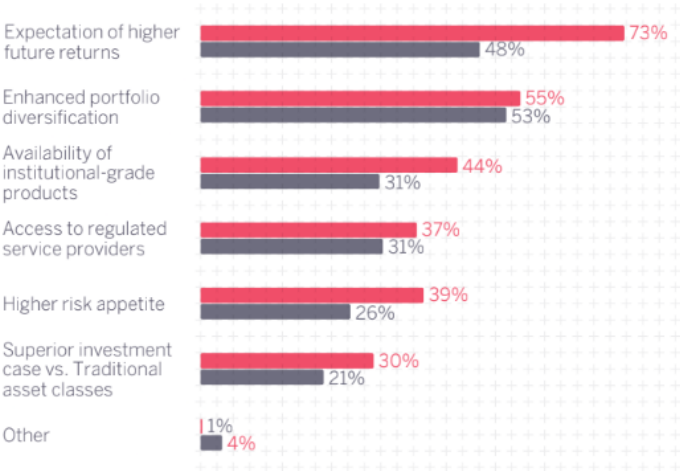
What are your future crypto allocation plans?



61%

■ Increase ■ Decrease
■ Maintain ■ Undecided

Why do you plan to increase or maintain your crypto asset allocation?



73%

Andreessen Horowitz published its annual “State of Crypto Report.” (View it, [here](#).)

STATE *of* CRYPTO
2025

Highlights from Pantera Capital's Blockchain Letter...

CRYPTO MARKET UPDATE (By Cosmo Jiang, General Partner)

After a six-month rally from the April bottom, the digital asset market pulled back in October. Part of the pullback in risk appetite is attributable to building macro concerns – including the Fed striking a hawkish tone with regard to future rate cuts, the US government shutdown (as of this week resolved, for now), the brief US China tariff dispute, credit quality concerns rising as a number of large frauds were uncovered (see Howard Mark's recent memo "Cockroaches in the Coal Mine"), and a more mixed earnings season than in prior quarters as investors balked at ever growing AI CapEx plans.

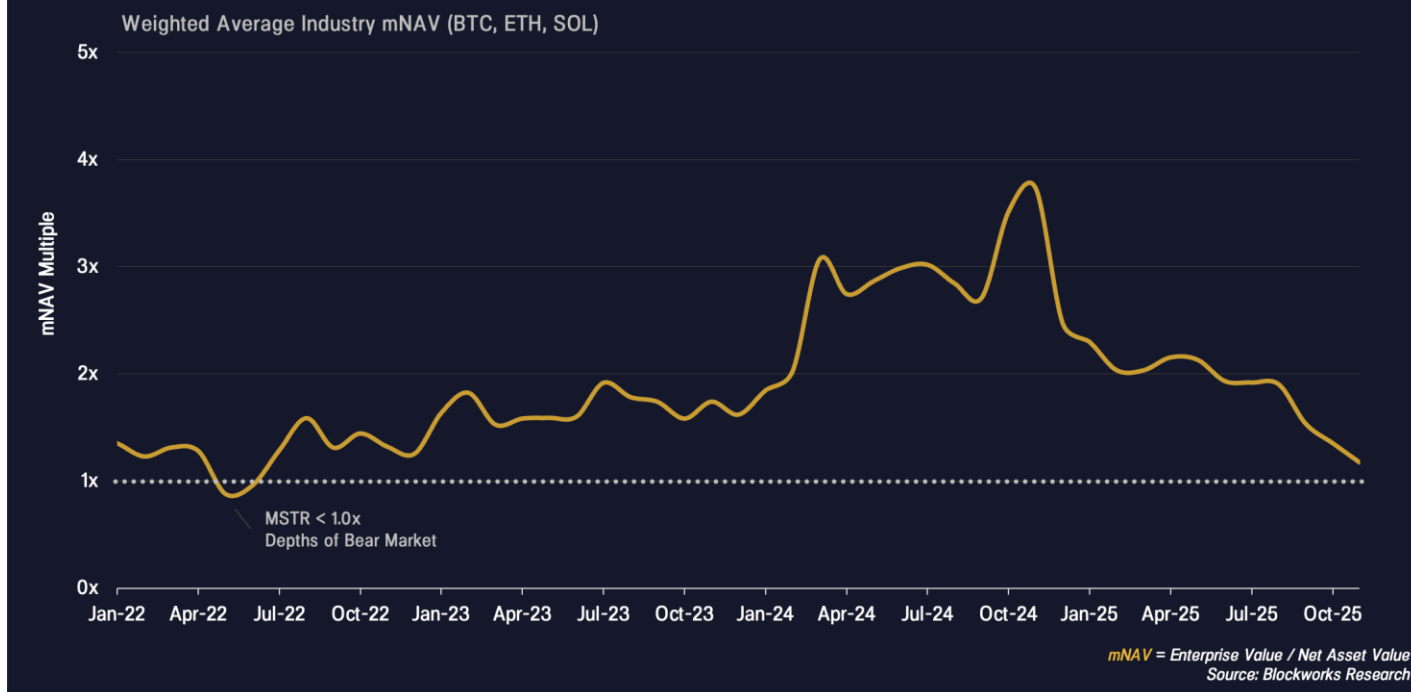
Digital assets performed worse than other risk markets due to additional idiosyncratic issues it faced, including the major selloff on October 10th when President Trump proposed China tariffs after markets closed. We've seen a few times now this year that, as the only market that trades on weekends, digital assets bore the brunt of the selling pressure.

Unfortunately, this resulted in the largest single liquidation event in the history of the industry (more than during COVID or after FTX's collapse). The liquidations, while large in scope, were concentrated in tokens without fundamental support and that trade on less regulated offshore exchanges. Ultimately, we believe this washout sets the stage for a healthier base off which the industry can grow – particularly by accelerating a much-needed shift in focus toward protocols grounded in sound fundamentals. However, after such a severe event, the market will likely experience some near-term indigestion as the industry sorts through the losses.

DATs Cooling Off

Another headwind has been the meaningful slowdown and valuation compression in digital asset treasuries (DATs). DATs have been the largest buyers of tokens with over \$30bn of capital raised, either via PIPEs or follow-on offerings, over the last six months (the vast majority of that from MSTR and BMNR).

DAT Industry mNAV Trends



Pantera has been at the forefront of this emerging new industry. We developed the conviction to make what was then a non-consensus bet in early April of helping anchor and bring to life the first DAT launches in the US. This space has grown much faster than we could have possibly anticipated. At that time, we did an exercise of mapping out the white space for DATs, and on looking back today it is clear we are at the end of the genesis phase, or the initial phase when there are many startups tackling white space.

Capital Returns by Edward Chancellor is an important read for students of market history, and the basic premise is that any industry with excess returns attracts incremental competition, which in turn lowers returns. We are seeing that play out now. The space has gotten crowded and it appears that, at least for now, the equity market demand for DATs has waned.

Now that the white space is largely taken, the industry is entering the execution and consolidation phase. This is where the strongest DATs will prove themselves and win out through execution. The vast majority of returns are created in the public markets, and we believe the best DATs can be amazing long-term outcomes for both shareholders and tokenholders. A larger number of DATs will be outcompeted and have uninteresting outcomes, ultimately resulting in healthy industry consolidation.

As we've outlined in our thesis, DATs can outperform the underlying token if managed properly. For example, Solana Company (HSDT) is the only registered SOL DAT that continues to trade at a premium to NAV and, since launch, has outperformed the underlying SOL price by around 20%.

With DATs no longer a buyer at the moment, the rate of change in flows for digital assets has shifted rapidly. DATs should trade with more reflexivity to the upside and the downside than the underlying token, so until the market turns more positive again, we don't anticipate meaningful positive flows. It is interesting to note that, on a go-forward basis, with many DATs now trading below NAV, the risk/reward skew is favorable again.

Near-term Outlook

We remain optimistic about digital asset prices into year end, even after a weak start to November. The drumbeat of adoption continues – from Western Union and Zelle adopting stablecoins, to Morgan Stanley opening up crypto to wealth advisors, to the prediction market company Polymarket raising \$2bn from ICE – and could accelerate after the passage of a Market Structure bill (we believe within months). Market structure is also a lot healthier now that leverage has been washed out, sentiment is back squarely in the “fearful” zone and RSI indicators near oversold levels. Bitcoin has been consolidating at the \$100,000 round number level this last week.

That fact pattern leads me to believe that positive fundamentals are leading price, and I believe price will ultimately catchup. The digital asset market needs to digest some of the recent damage and some of the macro headwinds need to clear out, but we expect that after some consolidation that risk markets will successfully climb the wall of worry.

REAL VISION PODCAST (Recap by Erik Lowe, Head of Content: Discussion between Dan Morehead and Raoul Pal)

Institutional Inertia and the Path to Adoption:

“You know, there are all these headlines and marketing decks about institutional adoption of crypto. And obviously, we’ve made huge strides in the last 10 years, but in the grand scheme of things, it’s still early. There’s just a lot of institutional inertia. If you look at the big wirehouses and banks and asset managers, it takes time for them to move. But they are moving. That’s the important part.”

A \$100 Trillion Opportunity:

“The really exciting thing is that we’re not competing for a tiny sliver of the pie anymore. Crypto isn’t just this sideshow asset class that a few tech-savvy investors dabble in. We’re talking about a real chance to rewire global finance – to digitize money, assets, contracts. That’s a hundred trillion-dollar opportunity. We’re in the first innings.”

Bitcoin ETF Catalyst – But Still the First Step:

“Spot Bitcoin ETFs were a huge milestone. They took a decade, but they’re here. And that legitimizes the space for a whole new class of investors. But if you think that’s the endgame, you’re missing the point. That’s just the entry point. Tokenized treasuries, stablecoins, onchain funds – that’s where the real disruption happens.”

The Innovation is Distribution:

“People always focus on the product – like tokenized Apple stock or tokenized bonds – but the real innovation is distribution. You can give anyone, anywhere, access to US treasuries. That’s a huge shift. Tokenization is really about making markets more global, more liquid, more accessible. That’s the value unlock.”

Crypto = The Infrastructure Layer for Global Capital:

“What excites me most is that crypto is finally being seen as infrastructure. Not just a speculative trade. It’s the rails for money movement, for ownership, for compliance, even. This is the next evolution of the financial system.”

Matt Houghan's (Bitwise) Weekly CIO Memo: "The Next Big Disruption From Crypto – I caught a glimpse of the future this week."

A meta thesis for investing in crypto is that it is going to reinvent the fundamental aspects of finance.

So far, you can point to three examples where we've had real traction:

Bitcoin >> Reinventing gold

Stablecoins >> Reinventing dollars

Tokenization >> Reinventing trading and settlement

We're early in each of these disruptions, but you can see the writing on the wall. I expect that eventually most assets will be tokenized, most dollars will move on stablecoin rails, and Bitcoin will be as widely accepted as gold.

These are each multitrillion-dollar opportunities, and enough to power a bull market in crypto for a generation. But this week – on Monday, to be precise – we added a fourth category: capital formation. I think it will be a defining theme of crypto in 2026.

In this piece, I'll explain what happened, why it's such a big deal, and how to invest in it if I'm right.

First, a Bit of History

Capital formation is one of the most important things we do in finance. It is the process through which entrepreneurs raise money, start new businesses, build products, and create jobs.

The current system, unfortunately, is both sclerotic and heavily skewed against individual investors.

Institutions fund the largest VCs, which invest in the best startups. These startups stay private for years, amassing value for early shareholders. When they finally IPO, they sell shares to other institutional investors. Retail only gets to participate at the end of the journey. The system is costly and burdened by seemingly infinite regulations, which is why the number of IPOs is down sharply from previous eras.

Crypto tried to reinvent capital formation in 2017/2018 during the Initial Coin Offering (ICO) boom. ICOs let individuals invest in new crypto projects before they were public, directly connecting entrepreneurs with retail investors.

It was – let's be honest here – a complete disaster.

With no regulations in place, the vast majority of ICOs turned out to be scams. Charlatans raised billions from the unsuspecting public, only to abscond with their wealth. Things got so bad that the SEC had to step in, threatening to jail promoters. Its massive crackdown in 2018 destroyed the ICO trend and drove crypto into a deep bear market.

So, What's Changed?

Most people who watched the ICO boom of 2017-2018 saw it as a failure – an example of everything that was wrong with crypto. But a few looked at the same events and saw possibilities.

As bad as ICOs were, they did prove something interesting: Crypto could be used to raise capital rapidly for new projects. Whereas the traditional IPO route featured high fees, big procedural hurdles, and a tendency to distribute rewards to the wealthiest, ICOs were lower-cost, faster, and more egalitarian.

One of the people who saw this possibility was the now-SEC Chairman Paul Atkins. Atkins' affinity for ICO-like projects should not be surprising: Before joining the SEC, he was co-chair of the Token Alliance, a crypto advocacy group pushing to reimagine ICO-like tokens. He also served on the board of Securitize, a company focused on tokenization.

In July, Atkins gave a speech calling for new regulations and safe harbors that would allow high-quality ICOs to happen. If we can fix what went wrong with ICOs 1.0, Atkins argued, we could see a boom in new capital formation – all led by crypto.

On Monday, Coinbase took the first major step toward making this a reality, announcing the debut of its new ICO platform. Going forward, Coinbase will debut one fully-vetted crypto project on its ICO platform each month. It will allow investors the opportunity to access new projects prior to launch, and allow projects to tap into a new source of investing capital. Coinbase will enforce key requirements, including vetting teams, requiring disclosures, and ensuring that insiders cannot sell tokens for six months following the launch.

In short, through self-regulation, it aims to fix a lot of what was wrong with the 2017-2018 ICO era.

A Prediction and What It All Means

I bet we'll see a half-dozen or more billion-dollar ICOs through platforms like Coinbase in 2026. That's a small fraction of the amount of money that is raised through the traditional IPO market; for context, in 2024 there were 176 IPOs in the US, raising a collective \$33 billion.

But I suspect many of these new ICOs will be successful and will prove that entrepreneurs can raise capital directly from investors, often at better terms than they would in the traditional IPO market. Over time, I'd expect more and more projects will lean toward the direct ICO model over the traditional model.

As far as how to invest in this theme...a few quick thoughts.

If I'm right that this is a big deal, the obvious investment is in Coinbase, which is using its dominant position in US crypto trading to enter new markets. It's not just the Charles Schwab of Crypto; it's Charles Schwab + Goldman Sachs + NYSE +...

I also anticipate a healthy ICO market will bode well for the largest programmable blockchains, like Ethereum and Solana, as many ICOs will likely be for applications built there.

But more broadly, I think of an ICO renaissance as another major proof point for crypto as a whole. Crypto is more interesting today than it was a few years ago because we've added stablecoins and tokenization to its story. If we start seeing billions more raised through rapid ICOs, that story will only get stronger. This dynamic calls for investing more broadly in the market; think diversified index funds holding a basket of crypto assets or crypto equities. In other words, don't try to pick the horse; bet on the race.

If the last week has taught me anything, it's that this race is only getting more interesting.

Arca: The Shutdown's Market Plumbing Impact on Digital Assets...

Act I: The TGA Buildup (October 1 - October 31)

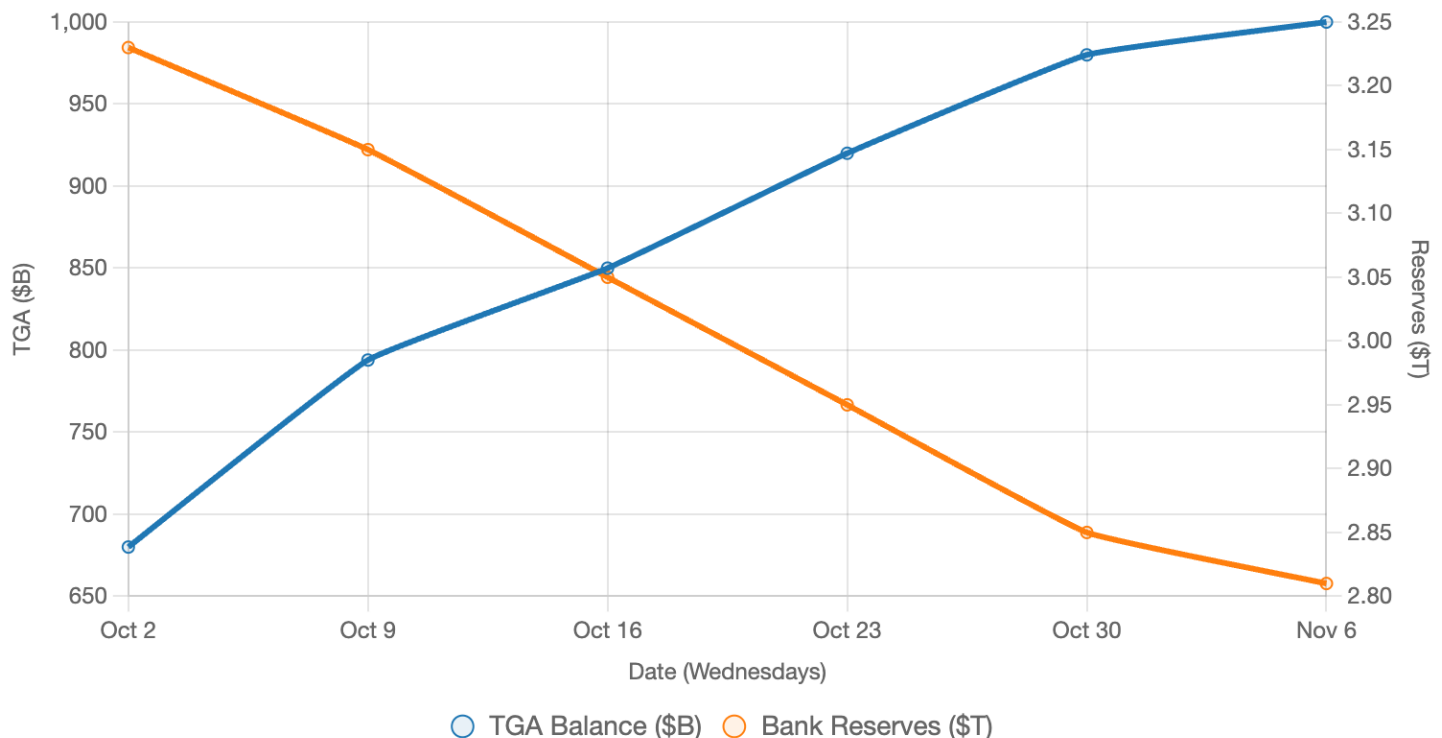
When the government shut down on October 1st, something unexpected happened in the financial system's operations. While federal spending came to a halt, tax collections continued. Every dollar collected during this period flowed into the Treasury General Account (TGA), the government's checking account at the Federal Reserve.

The mechanism is mechanical and unforgiving:

- Tax payment comes in, which increases TGA by \$1
- Bank reserves decrease by \$1 (inverse relationship)
- Banks have less liquidity to lend to each other
- Overnight funding markets tighten

By late October, the TGA had surpassed \$1 trillion, marking a significant increase in just 4 to 5 weeks. Meanwhile, bank reserves, which were approximately \$3.2 trillion at the beginning of October, fell to around \$2.8 trillion. Although this may seem like a substantial amount, the Federal Reserve has historically intervened when reserves get close to \$2.85 trillion.

TGA Buildup vs. Bank Reserves Decline (Oct 1–Nov 8, 2025)



(TGA data: US Department of the Treasury (2025), Daily Treasury Statement, November 7 release;
Reserve balances data: Federal Reserve Board (2025), H.4.1 Factors Affecting Reserve Balances,
November 6 release)

Act II: The Late October Repo Crisis (October 27 - November 3)

The stress in the repo market became evident, particularly in the overnight lending market where banks and financial institutions borrow against Treasury collateral. On November 3rd, the usage of the Fed's Standing Repo Facility (SRF) surged from typical levels of \$2-5 billion to nearly \$50 billion.

Additionally, the Secured Overnight Financing Rate (SOFR), which serves as a benchmark for trillions in loans and derivatives, rose to 4.36%, exceeding the Fed's target ceiling of 4.25%. Spreads also widened to 36 basis points above the Federal Funds rate, indicating funding stress in the market.

In response, Fed Chair Jerome Powell announced on October 30th the end of Quantitative Tightening (QT), effective December 1st. During his press conference, he explicitly acknowledged the stress in the repo market, conveying a clear message: the Fed was monitoring the situation and would take action if necessary.

Act III: The Resolution (November 4 – Present)

As quickly as it appeared, the stress evaporated. By November 7th, usage of the SRF had dropped back to nearly zero. SOFR fell to approximately 3.90%, dipping below the Federal Funds target range and signaling abundant liquidity. The crisis in the repo market was over.

What led to this turnaround?

The communication from Fed Chair Jerome Powell proved more influential than the mechanical policy changes. By explicitly acknowledging market stress and outlining a framework for responding to it, Powell helped markets adjust. Banks began to realize that the Federal Reserve was supportive, leading to a decrease in emergency borrowing and a return to normal market functioning.

Meanwhile, the TGA continues to grow, currently hovering around \$1 trillion. However, market participants now understand that the Fed is closely monitoring the situation and is willing to navigate through the stress until the shutdown concludes.

The Coming Liquidity Injection: Why Shutdown Resolution Could Be Bullish



When will the Government shutdown end?



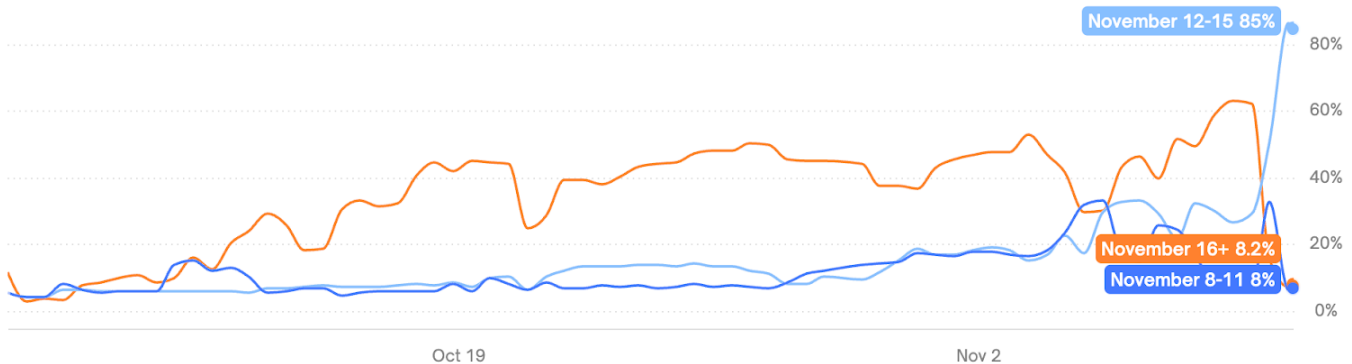
🏆 \$15,666,057 Vol.

PREDICTED

November 19th (50 days shutdown)

● November 16+ 8% ● November 12-15 85% ● November 8-11 8%

Polymarket



This is where things become interesting for risk assets, including digital assets. When the government shutdown concludes (whether that happens next week, next month, or in December), the TGA will be drained. Federal spending will resume, and the approximately \$1 trillion currently held in the Treasury's account will re-enter the economy.

The mechanism reverses:

- Government pays contractor → TGA decreases
- Contractor's bank receives deposit → Bank reserves increase
- More liquidity in the banking system
- Easier funding conditions → risk-on behavior

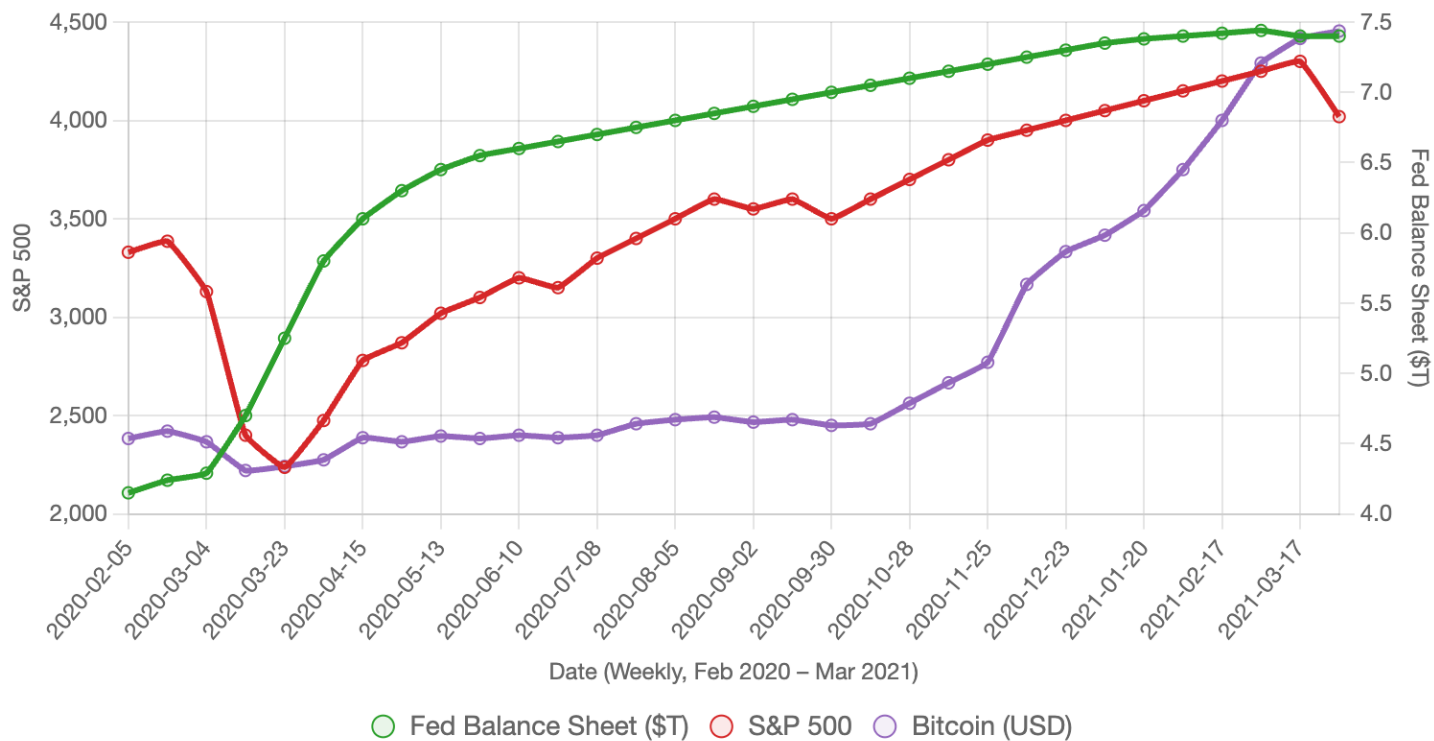
Treasury Secretary Scott Bessent and his team are expected to quickly spend down the TGA once operations resume. There is no reason to hold onto excess cash at that point. A reasonable estimate suggests that \$150 to \$200 billion could flow back into bank reserves within the first few weeks after reopening.

Historical Pattern: Reserve Injections Drive Risk Assets

We've seen this movie before, and it tends to end well for risk assets:

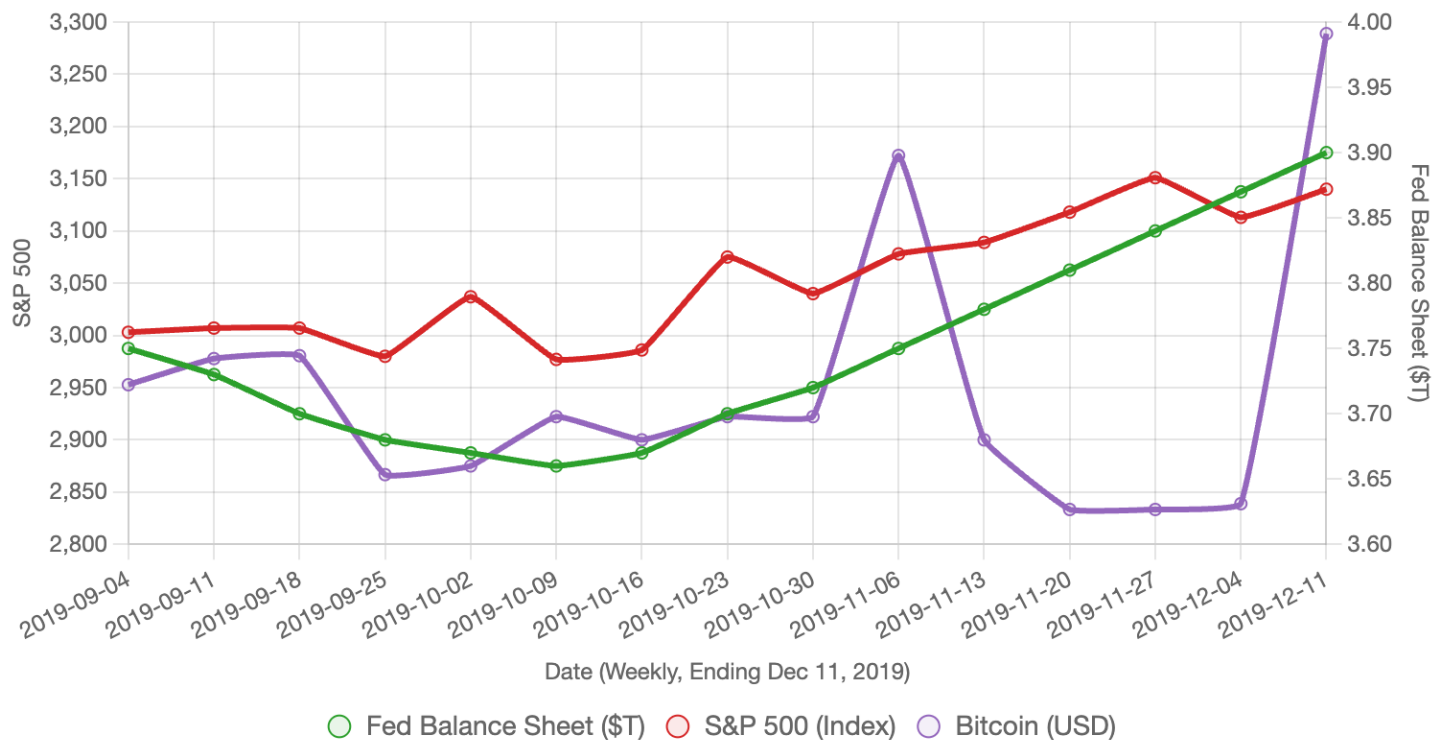
March 2020: After the Federal Reserve injected massive reserves through QE, the S&P 500 reached its bottom and began a historic rally. Concurrently, Bitcoin surged from \$5,000 to over \$60,000 within the next year.

QE Flood → S&P 500 & Bitcoin Historic Rally (2020–2021)

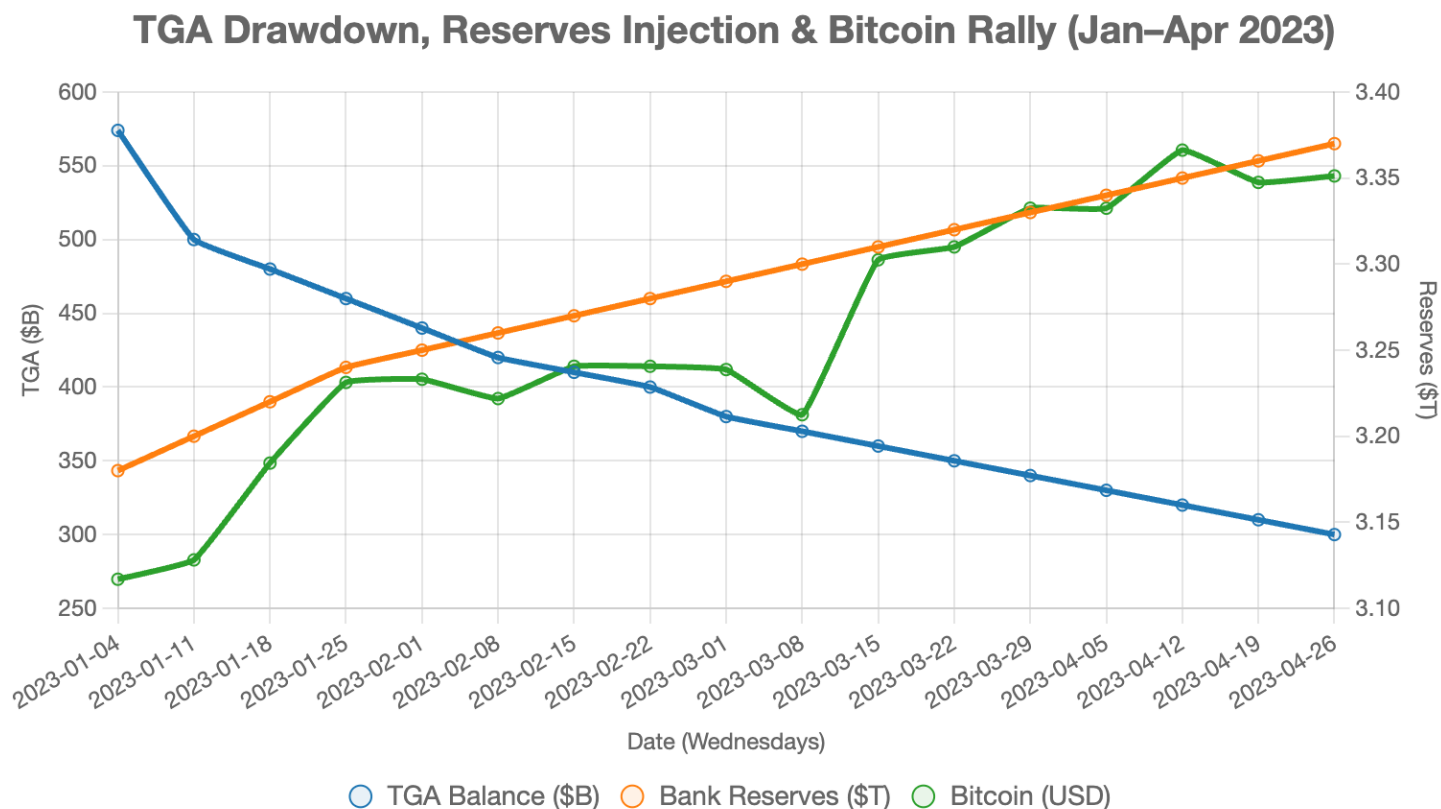


September 2019: The Fed resumed repo operations and expanded its balance sheet, leading to a rally in both equities and crypto as the year ended.

Fed Liquidity Injection & Asset Rally (Sept 4 – Dec 11, 2019)



January 2023: The TGA drawdown from debt ceiling negotiations injected approximately \$400 billion into reserves, and simultaneously, Bitcoin rallied from \$17,000 to over \$30,000 in the first quarter.



The pattern is clear: when bank reserves increase, especially after a period of stress or decline, financial conditions improve, and risk assets tend to perform well. More liquidity chasing a similar amount of assets usually drives prices higher.

In particular, digital assets have historically been sensitive to liquidity conditions. The bull market from 2020-2021 occurred alongside unprecedented reserve expansion, while the bear market in 2022 took place during quantitative tightening (QT) and reserve contraction. The rally in 2023 began when the TGA drawdown reversed some of the QT effects.

However, an estimated \$150 billion to \$200 billion in reserve injections alone is unlikely to spark a Bitcoin rally, as many factors are at play. However, it could alleviate some existing pressures and potentially create favorable conditions, especially if it aligns with other positive developments.

The Legislative Casualty: CLARITY Act Momentum Stalling

While markets focused on repo rates and TGA levels, a more significant issue was quietly developing in Washington: the push for comprehensive digital asset legislation was losing momentum.

Where We Were: Digital Assets Regulation Pre-Shutdown

The CLARITY Act, which aims to create a clear regulatory framework that distinguishes digital commodities from securities and establishes CFTC jurisdiction over most crypto assets, passed the

House in July 2025 with strong bipartisan support, receiving a vote of 279-136. This is not a narrow partisan vote; it reflects a clear mandate.

Senator Tim Scott, the ranking member of the Senate Banking Committee, has been working on complementary market structure legislation. While the Senate's approach varies in some specifics from the House bill, the frameworks are compatible. Industry observers and policy analysts anticipate conference committee negotiations in November, with a realistic path to passage before the end of the year.

The political climate is favorable for several reasons:

- Both parties are eager to demonstrate their ability to govern and pass significant legislation.
- Digital assets have become a genuine bipartisan issue, with advocates from both parties.
- The industry has united around reasonable frameworks, reducing lobbying conflicts.
- Regulatory clarity would benefit both traditional finance entering the crypto space and crypto-native firms.
- Most importantly, the legislative calendar is clear, as there are no major elections until November 2026, allowing legislators the political space to address complex policy issues.

Where We Are Now: Day 39 of Shutdown

Momentum has hit a wall.

The Senate Banking Committee hearings that were scheduled for early November have been postponed indefinitely. Staff members who were working on legislative text and conference committee preparations have been furloughed. As a result, timelines for floor votes and final passage have become meaningless.

On November 7th, Democrats proposed what they called a compromise: they would agree to pass a one-year extension of enhanced Affordable Care Act subsidies in exchange for reopening the government. However, Republicans immediately rejected the proposal, labeling it a “nonstarter.” Senator Lindsey Graham described it as “political terrorism,” and Senator John Thune stated that it doesn’t “get anywhere close” to what is needed.

In other words, the government shutdown is likely to continue for the foreseeable future. With each passing day, the window for year-end legislative action becomes smaller.

The 2026 Problem: Why Midterm Elections Kill Legislation

Here's the uncomfortable reality that participants in the digital asset industry need to understand: If comprehensive crypto legislation slips into 2026, it's likely to be lost.

Why is that? Because of the midterm election dynamics.

In a midterm year, especially one where control of Congress is genuinely contested, legislators become extremely risk-averse. Every vote can become the target of a 30-second attack ad, and every complex bill poses a potential liability.

Digital asset legislation, no matter how well-crafted or bipartisan, involves a level of technical complexity that can be easily mischaracterized. For example, critics might claim:

- “Senator X voted to help crypto scammers avoid regulation.”
- “Representative Y sided with Wall Street over Main Street.”
- “They want to legalize money laundering for drug cartels.”

None of these statements would accurately characterize the CLARITY Act or Senator Scott’s framework, but accuracy doesn’t matter in attack ads.

Furthermore, 2026 presents additional structural challenges:

- Committee composition changes: Members will focus on reelection rather than legislating. Leadership bandwidth: Floor time will be dominated by messaging bills aimed at energizing base voters.
- Lame-duck risk: If control of Congress flips, the post-election session may become chaotic.
- Presidential politics: Candidates positioning for 2028 might oppose bills to differentiate themselves.
- The window for substantive, complex, bipartisan legislation is 2025, specifically within the next 6-8 weeks before the holiday recess. Unfortunately, the government shutdown is consuming that valuable time.

What Senator Scott’s Team Has Been Working On

Based on discussions with Senator Scott's office and public statements from the Banking Committee, the Senate's approach to regulating digital assets prioritizes clarity in market structure while addressing legitimate regulatory concerns.

Key elements of the Senate framework include:

- Functional Definitions: Establishing clear criteria to differentiate between digital assets that are considered commodities and those classified as securities, focusing on actual usage and network characteristics rather than their origin.
- Transition Mechanisms: Creating pathways for digital assets to shift from being treated as securities to commodities as their networks become more decentralized.
- Jurisdictional Clarity: Assigning the CFTC as the primary regulator for commodity digital assets, while the SEC retains authority over securities.
- Custody Standards: Developing a framework that allows banks and broker-dealers to hold digital assets for their clients safely.
- Stablecoin Provisions: Coordinating with the House-passed GENIUS Act on regulations concerning payment stablecoins.

While the Senate’s approach differs from the House’s CLARITY Act in some technical aspects, especially regarding timeline requirements and disclosure obligations, the two frameworks are fundamentally compatible. A conference committee could reconcile these differences relatively easily.

Why This Matters More Than Most Realize

Regulatory clarity isn't merely about satisfying lawyers; it's essential for unlocking capital and fostering innovation that is currently stagnant.

Consider the potential outcomes if the bill passes:

- Institutional Custody: Banks that are currently hesitant to offer crypto custody due to regulatory uncertainty could start providing these services.
- DeFi Protocols: Projects would gain a clear understanding of applicable regulations and could structure their compliance accordingly.
- Venture Capital: Venture capitalists could invest in token structures without facing significant regulatory risks.
- Public Companies: A clearer accounting framework would facilitate corporate treasury adoption of digital assets.
- Retirement Accounts: 401(k) providers could offer cryptocurrency exposure with regulatory assurance.

Each of these developments has the potential to unlock tens or even hundreds of billions of dollars in capital that is presently sidelined – not speculative retail capital, but institutional capital managed by fiduciaries who require regulatory clarity before making investments.

Conversely, if the bill fails, the status quo will remain. This would lead to ongoing jurisdictional disputes between the SEC and CFTC, enforcement through press releases, and entrepreneurs relocating to countries like Dubai, Singapore, and London. As a result, capital would flow offshore, putting US companies at a competitive disadvantage.

The shutdown is not merely delaying a bill; it could jeopardize the global competitiveness of the US digital asset industry.

The Irony: Crisis Creates Opportunity, But Also Risks.

Let's connect the dots.

The government shutdown has created two parallel effects:

1. A Coming Liquidity Catalyst: When the shutdown ends, \$150-200 billion will flow from the Treasury General Account (TGA) back to bank reserves. This will ease financial conditions and has historically supported risk assets, including cryptocurrencies.
2. A Legislative Roadblock: The CLARITY Act and the Senate market structure bill are losing valuable time, which could delay them into the 2026 midterm elections. At that point, passage of these bills would become extremely unlikely.

We have a potential short-term positive (liquidity injection) being undermined by a medium-term negative (legislative failure).

The ideal outcome – still achievable – would be a resolution to the shutdown in November. This would enable:

- TGA Drawdown → Reserve Injection → Easier Financial Conditions
- Congress is returning and scrambling to demonstrate its ability to govern, leading to much-needed bipartisan wins.
- Digital asset legislation is becoming the perfect vehicle, as it already has bipartisan support from the industry.
- A conference committee resolving the differences between the House and Senate in December.
- The bill is passing before the holiday recess, achieving regulatory clarity.

This optimistic scenario combines a liquidity injection with legislative clarity, both arriving in Q4 2025 or Q1 2026.

In contrast, the pessimistic scenario involves the shutdown dragging into December. This would close the year-end legislative window, delaying the bill to 2026. Midterm election dynamics could kill it, delaying regulatory clarity by another 2-4 years while other countries move ahead.

The outcome we experience largely depends on the next 3-4 weeks.

What to Watch Out For

Near-Term (Next 2 Weeks):

- Shutdown negotiation dynamics: Is there any movement beyond the current ACA stalemate?
- TGA balance: Is it continuing to grow, or is it plateauing?
- November 21st deadline: The House's original stopgap Continuing Resolution (CR) expires; this is largely symbolic but creates a sense of urgency.

Medium-Term (Through Year-End):

- When the shutdown ends, what will be the pace and magnitude of the TGA drawdown?
- Reserve levels: Will we see the injection translate into easier conditions?
- Congressional calendar: How many legislative days remain before the holiday recess?
- Senator Scott's Banking Committee: Are there any indications regarding the timeline for hearings or markups?

Longer-Term (Into 2026):

- If the bill doesn't pass by year-end, will the momentum carry into 2026?
- Midterm election positioning: Will cryptocurrency become a partisan issue?
- Regulatory developments: Will the ambiguity between the SEC and CFTC persist?

Conclusion

The government shutdown is teaching us a vital lesson about digital assets: while short-term market dynamics are important, long-term regulatory clarity is even more crucial.

The repo crisis that occurred in late October garnered significant headlines and caught the attention of traders. Concepts like SOFR spreads, SRF usage, and TGA balances are all critical, but the crisis resolved itself within days once the Federal Reserve communicated its backstop.

In contrast, the ongoing legislative delay is quieter, less dramatic, and more difficult to track on a Bloomberg terminal. However, its effects could last for years rather than just days. If comprehensive digital asset legislation is delayed until 2026 and then dies in midterm politics, the industry will miss out on the regulatory clarity needed to attract institutional capital and achieve sustainable growth.

The next few weeks will be telling:

- If the shutdown ends in November, we may benefit from both a liquidity injection and a legislative opportunity. This is the best-case scenario, providing easier financial conditions alongside regulatory clarity, both arriving in Q4 or Q1.
- If the shutdown extends into December, we'll still see a liquidity injection, but we will likely lose the chance for legislative progress. This is the mediocre scenario: short-term benefits tempered by medium-term challenges.
- If the shutdown continues indefinitely, we risk losing both opportunities, and 2026 might turn into a lost year for cryptocurrency policy. This is the scenario we must avoid.

While markets are focused on Bitcoin price movements and macro liquidity trends – and understandably so – the larger story for digital asset adoption over the next 3-5 years is being shaped behind the scenes in Senator Scott's office and the Banking Committee staff rooms, which are currently dark due to the shutdown.

It's essential to keep an eye on Washington, not just on the Federal Reserve, but also on Congress. The decisions made in the coming month could determine whether 2026 becomes the year for clarifying US digital asset regulation or simply a year postponed due to election cycles.

CoinDesk published “Exchange Benchmark - November 2025.” (See key findings below. Download the full report, [here](#).)

- Top-Tier Exchanges Expand to 20: Overall, 20 exchanges now qualify as Top-Tier (BB or higher), compared to 19 in the prior cycle, despite stricter grading criteria. Eight exchanges achieved AA ratings, up from six in the previous cycle: Binance (93.4), Bitstamp (89.3), Coinbase (88.0), Kraken (87.0), Crypto.com (87.0), OKX (85.8), Bullish (85.2), and Gemini (80.2).
- Market Concentration Shifts as Top-Tier Share Declines: Top-Tier exchanges now account for 42% of global spot trading volume, down from 60% in the previous benchmark. This marks a shift in market dynamics toward riskier exchanges per benchmark data. Top-Tier exchanges still command substantial liquidity while representing just 25% of the total universe. 74% of Top-Tier exchanges now also provide market maker incentives, indicating a focus on liquidity provision.
- Regulatory Landscape Evolves, NA Overtakes Europe: Licensing patterns shifted notably: 16 exchanges now hold MiCA licenses as Europe adapts to the new regime, though EU registrants decreased 33% versus the prior cycle. North America overtook Europe as the top region for exchange operations, with roughly 50% of exchanges now regulated under comprehensive virtual asset frameworks beyond AML/CFT requirements.

- Operational Maturity Shows Mixed Progress: While 59% of exchanges reported no downtime in the last quarter, security concerns persist: \$62M was lost to exchange hacks during the benchmark period, and only 18% of Top-Tier exchanges offer third-party custody. Transparency also varies widely - just 34% of exchanges provide visibility into their financial audits, and only 29% have implemented off-exchange settlement.